



ENEL GENERACIÓN CHILE ANNOUNCES CONSOLIDATED RESULTS FOR THE PERIOD ENDED SEPTEMBER 30, 2023 (Amounts expressed in millions of Chilean Pesos – Ch\$ million)

EXECUTIVE SUMMARY

- Net income attributable to the shareholders of Enel Generación Chile S.A. amounted to Ch\$ 266,573 million as of September 2023, which compares positively with the profit of Ch\$ 158,873 million recorded as of September 2022. This increase is primarily explained by higher energy sales and a more efficient generation mix, especially during the last quarter due to better hydrology. Thus, during 3Q 2023, net income recorded a profit of Ch\$ 157,743 million, equivalent to a 38.3% growth when compared to the profit of the same period last year.
- Net energy generation totaled 13,230 GWh as of September 2023, slightly lower than the level recorded as of September 2022 (-40 GWh). This was mainly due to higher hydroelectric generation this year (+1,747 GWh), which offset lower coal-fired thermal generation related to the disconnection of Bocamina 2 in September 2022 (-1,271 GWh) and lower combined cycle dispatch (-499 GWh). During 3Q 2023, the Company's net generation was 5,479 GWh, an improvement of 7.2% (+367 GWh) compared to 3Q 2022 as a result of higher hydroelectric dispatch related to the better hydrology recorded since the end of June.
- Physical energy sales totaled 23,829 GWh as of September 2023, 1.6% higher (+372 GWh) than the level recorded in the same period of the previous year. This is basically explained by better sales in the spot market, partially offset by lower sales to regulated and free customers. During 3Q 2023, physical sales increased by 4.4% (+347 GWh) to 8,280 GWh, mainly due to higher sales in the spot market and to unregulated customers.
- Operating revenues increased by 2.0% to Ch\$ 2,465,988 million as of September 2023, mainly because of a higher average energy sales price due to contracts indexation and higher physical energy sales. During 3Q 2023, operating revenues decreased by 19.9% to Ch\$ 796,885 million, mainly because of lower gas sales.
- Procurement and services costs totaled Ch\$ 1,993,442 million as of September 2023, a 5.7% lower mainly because of lower fuel consumption and gas sales costs. During 3Q 2023, procurement and services costs decreased significantly by 33.1% to Ch\$ 540,173 million, mainly explained by lower energy purchases, fuel consumption cost and gas sales cost.

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- As a result of the above, the Company's EBITDA increased by 84.2% to Ch\$ 383,536 million as of September 2023. During 3Q 2023, EBITDA grew by 47.9% to Ch\$ 224,326 million, mainly because of lower procurement and service costs.
- Financial result improved by Ch\$ 9,532 million as of September 2023, recording a total profit of Ch\$ 3,393 million, because of lower net financial expenses. Similarly, during 3Q 2023, the financial result improved by Ch\$ 5,722 million compared to 3Q 2022, reaching a profit of Ch\$ 6,068 million.

FINANCIAL SUMMARY

- The Company's gross financial debt decreased by US\$ 28 million when compared to December 2022, totaling US\$ 992 million as of September 2023.
- The average cost of debt remained at 6.7% as of September 2023 compared to December 2022.
- The Company's available cash and cash equivalents were US\$ 71 million as of September 2023.

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Enel Generación Chile Group has a total 5,542 MW net installed capacity as of September 30, 2023. Of this total, 63% is renewable energy capacity, of which 3,418 MW are hydroelectric generation capacity, 2,042 MW are either gas or fuel oil thermal generation capacity and 82 MW are wind generation capacity.

ENEL GENERACIÓN CHILE Markets in which participates	Energy Sales (GWh)						Market share (%)	
	Cumulative			Quarterly			Sep-23	Sep-22
	Sep-23	Sep-22	% Change	Q3 2023	Q3 2022	% Change		
Sistema Eléctrico Nacional (SEN)	23,829	23,457	1.6%	8,280	7,933	4.4%	40.8%	40.8%

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INFORMATION RELEVANT TO THE ANALYSIS OF THESE FINANCIAL STATEMENTS

Regulatory Changes:

- > As part of the Social Agenda announced by the government, the Ministry of Energy published Law 21,185 (hereafter the "Tariff Stabilization Law") in the Official Gazette on November 2, 2019. This Law creates a Temporary Regulated Customer Tariff Stabilization Mechanism that states that the price to charge regulated customers for electricity from July 1, 2019, through December 31, 2020 is to be equal to the prices in force during the first semester of 2019 (Decree 20T/2018). This stabilized price was named the "Stabilized Regulated Customer Price" PEC (in its Spanish acronym). From January 1, 2021, until the stabilization mechanism is suspended, the prices would be those defined in the tariff setting processes carried out every six months as established in Article 158 of the Electricity Law, but not to exceed the PEC adjusted by inflation according to the Consumer Price Index as of January 1, 2021, using the same date as base (adjusted PEC). The billing differences until 2023 are to be recorded as an account receivable in favor of generation companies, limited to a maximum US\$ 1,350 million. This limit was reached in January 2022. The balance of these account receivables must be recovered by December 31, 2027.

On September 14, 2020, the National Energy Commission published Exempt Resolution 340 that modified the technical provisions regarding the implementation of the Tariff Stabilization Law. This Resolution clarified that the payment to each **supplier "must be booked against the Balance in a chronological manner, beginning with the most dated to the most recent pending Balances," and not weighted based** on the total Balance pending payment as it had been interpreted by the industry up to such date.

Additionally, this Resolution established that the payment of Balances is to be performed using the Observed Exchange Rate on the sixth working day following the day the Balance Payment Chart is published by the System Coordinator, which replaces the average value of the dollar during the billing month that had been in force up to then.

- > Law 21,472 was enacted on August 2, 2022 creating a Tariff Stabilization Fund and a new Temporary Electricity Tariff Stabilization Mechanism for regulated customers. This Law introduces a mechanism to protect customers from price increases by paying for the difference between the regulated electricity supply contract price and the stabilized electricity price. The objective is to prevent electricity prices to increase in 2022 and allow for gradual price increases during the next decade. The price differences will be covered by a US\$ 1,800 million temporary fund financed with a price indexed, transferable payment document to expire in December 2032 that is issued monthly by the Chilean Treasury Department in US dollars and is guaranteed by the State.

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This fund is to be financed with an additional charge to end customers based on their level of electricity consumption. Small businesses that consume up to 1,000 kWh and end customers that consume less than 350 kWh are exempt of the additional charge.

The fund is managed by the Chilean Treasury Department that will directly contribute US\$ 20 million to the fund every year until December 31, 2032. All balances generated in excess of the US\$ 1,350 million fund indicated in Law No. 21,185 are recognized as part of the mechanism established in Law No. 21,472.

On March 2, 2023, the CNE issued Exempt Resolution No. 86, which establishes the technical provisions for the implementation of Law No. 21,472. Subsequently, on August 9, 2023, the CNE issued Exempt Resolution No. 334, which amends Exempt Resolution No. 86 and establishes the consolidated text.

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I.- CONSOLIDATED FINANCIAL STATEMENT ANALYSIS

1. INCOME STATEMENT ANALYSIS

Net income attributable to the shareholders of Enel Generación Chile as of September 30, 2023 was a profit of Ch\$ 266,573 million, compared to the profit of Ch\$ 158,873 million recorded in the previous period.

The following chart compares the figure of each item of the income statement as of September 30, 2023, and 2022:

CONSOLIDATED INCOME STATEMENT (Million Ch\$)	Cumulative Figures				Quarterly Figures			
	Sep-23	Sep-22	Change	% Change	Q3 2023	Q3 2022	Change	% Change
REVENUES	2,465,988	2,416,902	49,086	2.0%	796,885	994,247	(197,362)	(19.9%)
Sales	2,353,140	2,314,583	38,557	1.7%	758,495	969,897	(211,402)	(21.8%)
Other operating revenues	112,848	102,319	10,529	10.3%	38,390	24,350	14,040	57.7%
PROCUREMENT AND SERVICES	(1,993,442)	(2,113,673)	120,231	(5.7%)	(540,173)	(807,131)	266,958	(33.1%)
Energy purchases	(1,045,863)	(1,019,026)	(26,837)	2.6%	(279,404)	(323,306)	43,902	(13.6%)
Fuel consumption	(452,487)	(487,759)	35,272	(7.2%)	(104,249)	(175,284)	71,035	(40.5%)
Transportation expenses	(237,651)	(210,162)	(27,489)	13.1%	(94,731)	(74,587)	(20,144)	27.0%
Other variable procurement and service cost	(257,441)	(396,726)	139,285	(35.1%)	(61,789)	(233,954)	172,165	(73.6%)
CONTRIBUTION MARGIN	472,546	303,229	169,317	55.8%	256,712	187,116	69,596	37.2%
Other work performed by entity and capitalized	7,360	3,349	4,011	119.8%	2,643	1,368	1,275	93.2%
Employee benefits expense	(39,376)	(36,765)	(2,611)	7.1%	(14,659)	(13,936)	(723)	5.2%
Other fixed operating expenses	(56,994)	(61,574)	4,580	(7.4%)	(20,370)	(22,914)	2,544	(11.1%)
GROSS OPERATING INCOME (EBITDA)	383,536	208,239	175,297	84.2%	224,326	151,634	72,692	47.9%
Depreciation and amortization	(44,226)	(53,619)	9,393	(17.5%)	(14,181)	(18,006)	3,825	(21.2%)
Impairment loss (Reversal) for applying IFRS 9	365	(1,311)	1,676	(127.8%)	644	(965)	1,609	(166.7%)
OPERATING INCOME (EBIT)	339,675	153,309	186,366	121.6%	210,789	132,663	78,126	58.9%
NET FINANCIAL EXPENSE	3,393	(6,139)	9,532	(155.3%)	6,068	346	5,722	n/a
Financial income	23,721	17,321	6,400	37.0%	12,735	2,827	9,908	n/a
Financial costs	(39,086)	(56,711)	17,625	(31.1%)	(9,555)	(32,482)	22,927	(70.6%)
Gain (Loss) for indexed assets and liabilities	3,655	4,238	(583)	(13.8%)	(418)	296	(714)	n/a
Foreign currency exchange differences, net	15,103	29,013	(13,910)	(47.9%)	3,306	29,705	(26,399)	(88.9%)
OTHER NON-OPERATING RESULTS	11,489	4,651	6,838	147.0%	1,871	2,222	(351)	(15.8%)
Share of profit (loss) of associates accounted for using the equity method	7,013	3,742	3,271	87.4%	1,928	2,222	(294)	(13.2%)
Net Income from other investments	1,833	98	1,735	n/a	(57)	-	(57)	100.0%
Net Income from sale of assets	2,643	811	1,832	n/a	-	-	-	0.0%
NET INCOME BEFORE TAXES	354,557	151,821	202,736	133.5%	218,728	135,231	83,497	61.7%
Income Tax	(80,077)	15,484	(95,561)	n/a	(58,232)	(17,158)	(41,074)	n/a
NET INCOME	274,480	167,305	107,175	64.1%	160,496	118,073	42,423	35.9%
Shareholders of the parent company	266,573	158,873	107,700	67.8%	157,743	114,084	43,659	38.3%
Non-controlling interest	7,907	8,432	(525)	(6.2%)	2,753	3,989	(1,236)	(31.0%)
Earning per share (Ch\$ /share) (*)	32.50	19.37	13.13	67.8%	19.23	13.91	5.32	38.3%

(*) As of September 30, 2023 and September 30, 2022 the average number of paid and subscribed shares was

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OPERATING INCOME

As of September 30, 2023, the Company's EBITDA increased by Ch\$ 175,297 million and totaled a profit of Ch\$ 383,536 million, whereas operating income increased by Ch\$ 186,366 million as of September 2023, totaling a profit of Ch\$ 339,675 million.

Operating revenues reached Ch\$ 2,465,988 million, reflecting an increase of Ch\$ 49,086 million, equivalent to 2.0% compared to the previous period, which is mainly accounted for by the following:

- > **Higher energy sales for Ch\$ 173,081 million**, due to (i) a positive effect on the price expressed in Chilean pesos of Ch\$ 59,834 million, mainly as a result of a higher average sales price due to the indexation of contracts, (ii) higher revenues from commodity hedging of Ch\$ 49,623 million, (iii) higher revenues from ancillary services for Ch\$ 12,299 million related to service reliability and quality, (iv) higher physical sales for Ch\$ 51,325 million, corresponding to +372 GWh, explained by higher physical sales in the spot market (+393 GWh), offset by lower sales to free customers (-15 GWh) and lower physical sales to regulated customers (-6 GWh).
- > **Lower other sales for Ch\$ 134,912 million**, mainly explained by lower income from gas sales by Ch\$ 258,986 million, offset by a positive effect resulting from commodity hedging operations of Ch\$ 124,270 million.
- > **Higher other operating revenue for Ch\$ 10,529 million**, mainly explained by (i) higher additional income for Ch\$ 38,327 million generated by an optimization of the commercial terms considered in contracts with energy and fuel suppliers, (ii) a reversal of an excess provision for green taxes of Ch\$ 3,779 million, (iii) higher income from equipment leases for Ch\$ 2,232 million, (iv) higher income from regasification services for Ch\$ 1,497 million, (v) higher income from insurance for Ch\$ 1,631 million, partially offset by (vi) lower income from commodity derivatives for Ch\$ 34,446 million, partly related to the evolution of international fuel prices, (vii) lower income from compensation for supplier delays for Ch\$ 1,581 million, and (viii) lower income from leases for Ch\$ 1,234 million.

Regarding 3Q 2023, operating revenues reached Ch\$ 796,885 million, which represents a decrease of Ch\$ 197,362 million (or 19.9%) compared to the same quarter of the previous year, when it reached Ch\$ 994,247 million. The variation is mainly due to:

- > **Higher energy sales for Ch\$ 33,216 million**, due to higher physical sales for Ch\$ 32,361 million (equivalent to +347 GWh), mainly to unregulated customers and in the spot market, higher revenues from commodity hedges for Ch\$ 22,893 million, offset by a negative effect on the average energy sales price expressed in Chilean pesos for Ch\$ 11,252 million and lower revenues from ancillary services for Ch\$ 10,786 million.

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- > Lower other sales for Ch\$ 245,257 million, explained by a lower income from gas sales for Ch\$ 245,184 million.
- > Higher other operating revenue for Ch\$ 14,040 million, mainly owing to (i) higher income from commodity derivatives for Ch\$ 15,143 million, partly related to the evolution of international fuel prices, (ii) higher income from equipment leases by Ch\$ 2,232 million, (iii) higher income from insurance for Ch\$ 1,362 million, partly offset by (iv) lower income from regasification services for Ch\$ 5,359 million.

Procurements and services costs decreased Ch\$ 120,231 million, equivalent to 5.7%, as a result of:

- > Higher energy purchases for Ch\$ 26,837 million, which are mainly explained by higher physical purchases from other generators (+649 GWh), offset by a lower purchase in the spot market (-237 GWh) and at a lower average purchase price.
- > Lower fuel consumption costs for Ch\$ 35,272 million, explained by (i) lower impairment losses in coal inventories of Ch\$ 50,137 million and diesel of Ch\$ 1,077 million, both related to the decarbonization process, (ii) lower cost for coal consumption of Ch\$ 49,624 million, also related to the Company's decarbonization process, (iii) lower oil consumption costs for Ch\$ 18,253 million, (iv) lower gas consumption for Ch\$ 28,845 million, offset by (v) a higher cost for commodities hedging operations of Ch\$ 112,664 million.
- > Higher transportation expenses for Ch\$ 27,489 million, explained by (i) a higher expense in tolls for Ch\$ 8,579 million and (ii) a higher cost of regasification and gas transportation for Ch\$ 18,910 million.
- > Lower other procurement and services costs for Ch\$ 139,285 million, mainly driven by (i) a lower gas cost of sales for Ch\$ 158,422 million, (ii) a lower expense for thermal emissions tax for Ch\$ 14,751 million, partially offset by (iii) a higher cost for commodity hedging derivatives for Ch\$ 30,856 million.

For 3Q 2023, procurement and services costs totaled Ch\$ 540,173 million, which represents a decrease of Ch\$ 266,958 million, equivalent to 33.1%, compared to the same quarter of the previous period, which reached Ch\$ 807,131 million. The variation is mainly explained by:

- > Lower energy purchases for Ch\$ 43,902 million, which are basically explained by a lower purchase in the spot market (-346 GWh) and a lower average purchase price, partially offset by higher physical purchases from other generators.

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- > **Lower fuel consumption for Ch\$ 71,035 million**, mainly due to (i) lower gas consumption for Ch\$ 83,800 million, (ii) lower coal consumption for Ch\$ 21,256 million, (iii) lower oil consumption for Ch\$ 2,767 million, offset by (iv) a higher negative effect of commodity hedging derivatives for Ch\$ 37,090 million.
- > **Higher transportation expenses for Ch\$ 20,144 million**, explained by a higher expense in tolls for Ch\$ 2,975 million, a higher cost of regasification and gas transportation for Ch\$ 17,169 million.
- > **Lower other procurement and services costs for Ch\$ 172,165 million**, mostly due to a lower gas cost of sales for Ch\$ 168,196 million.

Personnel expenses (net of work on fixed assets) amounted to Ch\$ 32,016 million as of September 30, 2023, which represents an increase of Ch\$ 1,400 million compared to 2022 and is mainly attributable to higher severance expenses for Ch\$ 1,323 million, a higher vacation provision for Ch\$ 600 million and the effect of the reversal made in the previous period for Ch\$ 493 million for restructuring expenses related to the Group's digitalization strategy for the period 2021-2024. This was partially offset by a higher activation of labor in the Los Cóndores project for Ch\$ 4,011 million.

For 3Q 2023, personnel expenses (net of work on fixed assets) did not present a significant variation, reaching a net decrease of Ch\$ 552 million.

Other expenses decreased Ch\$ 4,580 million, mainly due to a lower cost of maintenance and repair services for Ch\$ 4,773 million.

For 3Q 2023, **other expenses** decreased Ch\$ 2,544 million, which is primarily due to a lower cost of maintenance and repair services for Ch\$ 2,104 million.

Depreciation and amortization decreased Ch\$ 9,393 million, which is principally attributable to the change in the useful life of property, plant and equipment.

For 3Q 2023, **depreciation and amortization** decreased Ch\$ 3,825 million, which is primarily a result of the same item in the preceding paragraph.

Revenues, costs and operating income for the nine-month periods ended September 30, 2023, and 2022, are included below:

COMPANY	Cumulative Figures (Figures in million Ch\$)					
	Sep-23			Sep-22		
	Operating Revenues	Operating Costs	Operating Income	Operating Revenues	Operating Costs	Operating Income
Enel Generación Chile S.A.	2,394,568	(2,195,883)	198,685	2,329,901	(2,328,651)	1,250
Empresa Eléctrica Pehuenche S.A.	159,136	(18,146)	140,990	171,743	(19,684)	152,059
Consolidation adjustments	(87,716)	87,716	-	(84,742)	84,742	-
Total Consolidated	2,465,988	(2,126,313)	339,675	2,416,902	(2,263,593)	153,309

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COMPANY	Quarterly Figures (Figures in million Ch\$)					
	Q3 2023			Q3 2022		
	Operating Revenues	Operating Costs	Operating Income	Operating Revenues	Operating Costs	Operating Income
Enel Generación Chile S.A.	769,625	(608,684)	160,941	947,979	(887,672)	60,307
Empresa Eléctrica Pehuenche S.A.	56,813	(6,965)	49,848	79,841	(7,485)	72,356
Consolidation adjustments	(29,553)	29,553	-	(33,573)	33,573	-
Total Consolidated	796,885	(586,096)	210,789	994,247	(861,584)	132,663

Energy sales of Enel Generación Chile and its subsidiary for the periods ended September 30, 2023 and 2022, are shown below:

ENERGY SALES (Figures in million Ch\$)	Cumulative Figures				Quarterly Figures			
	Sep-23	Sep-22	Change	% Change	Q3 2023	Q3 2022	Change	% Change
Sales to regulated customers	947,053	830,062	116,991	14.1%	313,598	331,078	(17,480)	(5.3%)
Sales to unregulated customers	988,984	912,338	76,646	8.4%	357,446	290,888	66,558	22.9%
Sales at spot market	78,765	99,321	(20,556)	(20.7%)	31,318	47,181	(15,863)	(33.6%)
Total energy sales	2,014,802	1,841,721	173,081	9.4%	702,363	669,147	33,216	5.0%

NON-OPERATING INCOME

The following chart presents non-operating income as of September 30, 2023, and 2022:

NON-OPERATING INCOME (Figures in million Ch\$)	Cumulative Figures				Quarterly Figures			
	Sep-23	Sep-22	Change	% Change	Q3 2023	Q3 2022	Change	% Change
Financial income	23,721	17,321	6,400	37.0%	12,735	2,827	9,908	350.5%
Financial expenses	(39,086)	(56,711)	17,625	(31.1%)	(9,555)	(32,482)	22,927	(70.6%)
Gain (Loss) for indexed assets and liabilities	3,655	4,238	(583)	(13.8%)	(418)	296	(714)	(241.2%)
Foreign currency exchange differences, net	15,103	29,013	(13,910)	(47.9%)	3,306	29,705	(26,399)	(88.9%)
NET FINANCIAL EXPENSE	3,393	(6,139)	9,532	(155.3%)	6,068	346	5,722	n/a
Share of profit (loss) of associates accounted for using the equity method	7,013	3,742	3,271	87.4%	1,928	2,222	(294)	n/a
Net Income From Other Investments	1,833	98	1,735	n/a	(57)	-	(57)	100.0%
Net Income From Sale of Assets	2,643	811	1,832	n/a	-	-	-	0.0%
OTHER NON-OPERATING RESULTS	11,489	4,651	6,838	147.0%	1,871	2,222	(351)	(15.8%)
NET INCOME BEFORE TAXES	354,557	151,821	202,736	133.5%	218,728	135,231	83,497	61.7%
Income Tax	(80,077)	15,484	(95,561)	n/a	(58,232)	(17,158)	(41,074)	n/a
NET INCOME OF THE PERIOD	274,480	167,305	107,175	64.1%	160,496	118,073	42,423	35.9%
<i>Attributable to Shareholders of the parent company</i>	<i>266,573</i>	<i>158,873</i>	<i>107,700</i>	<i>67.8%</i>	<i>157,743</i>	<i>114,084</i>	<i>43,659</i>	<i>38.3%</i>
<i>Attributable to Non-controlling interest</i>	<i>7,907</i>	<i>8,432</i>	<i>(525)</i>	<i>(6.2%)</i>	<i>2,753</i>	<i>3,989</i>	<i>(1,236)</i>	<i>(31.0%)</i>

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Financial Result

Financial result as of September 30, 2023 reached a profit of Ch\$ 3,393 million, which represents a positive variation of Ch\$ 9,532 million compared to the previous period, primarily accounted for by:

Higher financial income for Ch\$ 6,400 million, which is mainly due to: (i) higher financial income from interest generated by the application of the Tariff Stabilization Law by Ch\$ 8,788 million, and (ii) higher interest generated by the funds invested through the Centralized Treasury Service Contract with Enel Chile S.A. for Ch\$ 7,505 million, offset by lower income from financial restatement of the provision for the dismantling of impaired plants within the context of the decarbonization process for Ch\$ 10,300 million.

During 3Q 2023, financial income increased by Ch\$ 9,908 million compared to the same quarter of the previous period, mainly due to: (i) higher financial income from interest generated by the application of the Tariff Stabilization Law for Ch\$ 9,381 million and (ii) higher interest generated by the funds invested through the Centralized Treasury Service Contract with Enel Chile S.A. for Ch\$ 997 million.

Lower financial expenses for Ch\$ 17,625 million, mostly explained by: (i) lower financial expenses for sale and assignment of rights of accounts receivable from customers for the sale of energy for Ch\$ 6,450 million, mainly related to the sale of accounts receivable generated by the Tariff Stabilization Law, which decreased by Ch\$ 7,069 million, (ii) lower interest due to the optimization of the payment schedule with suppliers by Ch\$ 937 million, (iii) lower interest financial expenses from a structured loan with Enel Chile S.A. by Ch\$ 5,441 million and (iv) higher capitalization of interest associated with the Los Cóndores project for Ch\$ 3,679 million.

During 3Q 2023, financial expenses decreased by Ch\$ 22,927 million compared to the same quarter of the previous period, primarily due to: (i) lower financial expenses for sale and assignment of rights of accounts receivable from customers for the sale of energy by Ch\$ 13,031 million, mainly related to the sale of accounts receivable generated by the Tariff Stabilization Law, which decreased by Ch\$ 10,768 million, (ii) lower interest due to the optimization of the payment schedule with suppliers for Ch\$ 2,935 million, (iii) lower interest financial expenses from a structured loan with Enel Chile S.A. for Ch\$ 4,420 million and (iv) higher capitalization of interest associated with the Los Cóndores project for Ch\$ 3,443 million.

Lower income from indexation for Ch\$ 583 million, mainly explained by higher negative effects due to the application of IAS 29 "Financial Reporting in Hyperinflationary Economies" on the branch that the Group owns in Argentina, the effect of which was a loss of Ch\$ 4,295 million, offset by a higher income from readjustment in recoverable taxes by Ch\$ 3,692 million.

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During 3Q 2023, the result for indexation had a higher loss for Ch\$ 714 million compared to the same quarter of the previous period, mainly explained by: (i) lower income from tax adjustments to be recovered for Ch\$ 2,304 million, (ii) higher negative effects due to the application of IAS 29 "Financial Reporting in Hyperinflationary Economies" on the branch that the Group owns in Argentina, the effect of which was a loss of Ch\$ 911 million.

Lower income from exchange rate differences of Ch\$ 13,910 million, mainly explained by: (i) a lower positive exchange difference generated in trade accounts receivable for Ch\$ 30,306 million, which include an effect of Ch\$ 40,975 million generated by the application of the Tariff Stabilization Law that established the dollarization of accounts receivable pending collection from regulated customers, (ii) lower positive exchange difference on derivative contracts for Ch\$ 2,116 million, offset by (iii) higher positive exchange difference on cash and cash equivalents for Ch\$ 10,174 million and (iv) lower negative exchange difference on trade and other receivables for Ch\$ 9,001 million., which include an effect of Ch\$ 6,218 million due to a structured loan with Enel Chile S.A.

During 3Q 2023, the exchange rate difference result had a lower exchange gain for Ch\$ 26,399 million compared to the same quarter of the previous period, mainly as a result of: (i) higher negative exchange difference from financial debt and derivative instruments for Ch\$ 43,792 million, (ii) higher negative exchange rate difference generated by trade and other accounts payable for Ch\$ 30,560 million, including an effect of Ch\$ 19,268 million generated by a structured loan with Enel Chile S. A., and (iii) lower positive exchange difference on derivative contracts for Ch\$ 1,375 million, offset by: (iv) higher positive exchange difference generated by trade accounts receivable for Ch\$ 43,511 million, which include an effect of Ch\$ 29,577 million generated by the application of the Tariff Stabilization Law that established the dollarization of accounts receivable pending collection from regulated customers and (v) higher positive exchange rate difference of cash and cash equivalents for Ch\$ 5,950 million.

Other Non-operating results

Companies accounted for using the equity method

The result on companies accounted for using the equity method presented a positive variation of Ch\$ 3,271 million, which mainly corresponds to the profit of our associate GNL Chile S.A. for Ch\$ 3,201 million.

During 3Q 2023, the result on companies accounted for using the equity method had a negative variation of Ch\$ 294 million, and corresponds mainly to a lower profit of our associate GNL Chile S.A. for Ch\$ 323 million.

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Other investments

Income from other investments increased by Ch\$ 1,735 million, mainly explained by the adjustment in the sale price of our stake in the Joint Control of Transmisora Eléctrica de Quillota Ltda. for Ch\$ 1,833 million.

During 3Q 2023, the result in Other investments had no significant variation when compared to the same quarter of 2023.

Sale of assets

Income from the sale of assets increased by Ch\$ 1,832 million, mainly explained by the profit on the sale of the corporate building for Ch\$ 2,643 million as of September 2023, offset by the sale of the Diego de Almagro thermal power plant for Ch\$ 494 million and the sale of land for Ch\$ 317 million made during the same period of the previous year.

During 3Q 2023, the result on sale of assets had no variation when compared to the same quarter of 2023.

Corporate income taxes

Corporate income tax amounted to Ch\$ 80,077 million, which represents a higher expense for Ch\$ 95,561 million, compared to the same period of the previous year. This variation is mainly explained by a higher tax expense for Ch\$ 54,739 million, as a result of a higher Company result and a higher tax expense for Ch\$ 35,580 million, due to the effects of price-level restatement, given the decrease in the CPI for the period compared to the previous year.

During 3Q 2023, Corporate income tax amounted to Ch\$ 58,232 million, which represents a higher expense for Ch\$ 41,074 million, compared to the same period of last year. This variation is mainly explained by a higher tax expense for Ch\$ 18,698 million, as a result of a higher result of the Company and a higher tax expense for Ch\$ 17,200 million, due to the effects of price-level restatement, given the decrease in the CPI for the period compared to the previous year.

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2. BALANCE SHEET ANALYSIS

The Company's Total Assets increased by Ch\$ 75,164 million as of September 30, 2023, compared to total assets as of December 31, 2022.

ASSETS (Figures in million Ch\$)	Sep-23	Dec-22	Change	% Change
Current Assets	1,698,880	1,700,123	(1,243)	(0.1%)
Non Current Assets	2,783,589	2,707,182	76,407	2.8%
Total Assets	4,482,469	4,407,305	75,164	1.7%

Current Assets presented a decrease of Ch\$ 1,243 million as of September 30, 2023 and the variations of the main items are summarized as follows:

- **Increase in Cash and cash equivalents for Ch\$ 48,751 million**, mainly explained by a higher balance in banks for Ch\$ 48,655 million.
- **Increase in Other non-financial current assets for Ch\$ 69,357 million**, primarily due to a higher VAT tax credit for Ch\$ 81,026 million, offset by a decrease of Ch\$ 11,721 million for insurance.
- **Decrease in Trade and other current accounts receivable of Ch\$ 121,516 million**, mainly due to a decrease in the account receivable from commercial customers of Ch\$ 110,746 million and lower balances for advances to suppliers for Ch\$ 10,306 million.
- **Increase in current accounts receivable from related entities for Ch\$ 65,459 million**, mainly due to a higher balance in funds invested through the Centralized Treasury Service Contract with Enel Chile S.A. for Ch\$ 50,645 million, a higher account receivable from Enel Distribución Chile S.A. for Ch\$ 46,378 million for the sale of energy, a higher balance receivable from GNL Chile S.A. for Ch\$ 13,366 million, as a result of advances for gas purchases, partially offset by a lower account receivable from Endesa Energía for gas sales for Ch\$ 31,754 million and a lower account receivable for commodity derivatives operations from Enel Global Trading S.p.A. for Ch\$ 16,084 million.
- **Decrease in current tax assets of Ch\$ 37,843 million**, which corresponds to a lower balance of monthly provisional payments for Ch\$ 37,634 million.
- **Decrease in Non-current assets or groups of assets for disposal classified as held for sale for Ch\$ 26,445 million**, which corresponds to the sale of the Corporate building of Enel Generación Chile.

Non-Current Assets increased by Ch\$ 76,407 million with respect to the balance as of December 31, 2022. The variations in the main items are described as follows:

- **Increase in Other non-current financial assets for Ch\$ 5,220 million**, corresponding to hedging and non-hedging derivative instruments.

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- **Decrease in Trade and other non-current accounts receivable for Ch\$ 40,811 million**, fundamentally related to a decrease of Ch\$ 40,687 million in accounts receivable from customers for the sale of energy, associated with the application of the temporary electricity price stabilization mechanism for regulated customers ("Tariff Stabilization Law").
- **Increase in Accounts receivable from non-current related entities for Ch\$ 8,751 million**, due to a lower account receivable as a result of the publication of the Tariff Stabilization Law with Enel Distribución Chile.
- **Increase in Investments accounted for using the equity method for Ch\$ 8,187 million**, mainly due to the profit and conversion difference of our affiliate GNL Chile S.A. for Ch\$ 8,150 million.
- **Increase in Property, plant and equipment for Ch\$ 94,592 million**, mostly as a result of an increase in work in progress for Ch\$ 135,472 million, partially offset by depreciation for the year of Ch\$ 39,907 million.

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The Company's Total Liabilities as of September 30, 2023, including Shareholders' Equity, increased by Ch\$ 75,164 million compared to total liabilities and shareholders' equity as of December 31, 2022.

LIABILITIES AND EQUITY (Figures in million Ch\$)	Sep-23	Dec-22	Change	% Change
Current Liabilities	1,194,737	1,082,602	112,135	10.4%
Non Current Liabilities	972,491	1,240,479	(267,988)	(21.6%)
Total Equity	2,315,241	2,084,224	231,017	11.1%
<i>Attributable to the Shareholders of parent company</i>	<i>2,304,148</i>	<i>2,071,385</i>	<i>232,763</i>	<i>11.2%</i>
<i>Attributable to Non-controlling interest</i>	<i>11,093</i>	<i>12,839</i>	<i>(1,746)</i>	<i>(13.6%)</i>
Total Liabilities and Equity	4,482,469	4,407,305	75,164	1.7%

Current Liabilities presented an increase of Ch\$ 112,135 million and the variations of the main items are summarized as follows:

- **Increase in Other current financial liabilities of Ch\$ 425,729 million**, explained by an increase in bonded debt of Ch\$ 360,729 million, due to (i) the transfer of the Yankee Bond of US\$ 400 million from long-term for Ch\$ 342,344 million, (ii) adjustment of bonds in U.F. for Ch\$ 1,214 million, (iii) accrual of interest on bond debt for Ch\$ 35,688 million, (iv) exchange rate difference for Ch\$ 15,896 million, partially offset by (v) the payment of interest on bond debt for Ch\$ 33,877 million. Additionally, there was an increase in liabilities for hedging and non-hedging derivatives for Ch\$ 65,000 million.
- **Decrease in Trade and other current accounts payable of Ch\$ 192,481 million**, mainly due to a decrease in accounts payable to suppliers for the purchase of energy and fuel of Ch\$ 101,642 million, a lower account payable to creditors for goods and services and fixed assets for Ch\$ 75,262 million, a lower dividend payable for Ch\$ 11,666 million and lower sundry accounts payable for Ch\$ 3,911 million.
- **Decrease in current accounts payable to related entities for Ch\$ 121,867 million**, mainly due to a lower balance payable to Enel Chile S.A. for Ch\$ 167,703 million for dividends, a lower account payable to Enel Green Power Chile S.A. for Ch\$ 7,103 million for the purchase of energy, a lower account payable for commodity derivative operations to Enel Global Trading S.p.A. for Ch\$ 21,827 million, partially offset by a higher account payable to GNL Chile S.A. for the purchase of gas for Ch\$ 44,115 million and a higher balance for the Centralized Treasury Service Contract with Enel Chile S.A. for Ch\$ 29,520 million.
- **Other non-financial liabilities increased by Ch\$ 5,082 million**, corresponding to deferred income of Ch\$ 9,994 million, offset by a decrease in VAT tax debit for Ch\$ 4,912 million.

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Non-Current Liabilities show a decrease of Ch\$ 267,688 million as of September 30, 2023, and is mainly explained by the following:

- **Decrease in Other non-current financial liabilities for Ch\$ 322,876 million**, explained by a decrease in bond debt for Ch\$ 341,133 million, due to (i) the transfer to short term of the Yankee Bond of US\$ 400 million for Ch\$ 342,344 million, (ii) principal payment of Ch\$ 20,106 million, offset by (iii) a higher exchange rate difference for Ch\$ 12,601 million, (iv) a higher amount for the readjustment of bonds in U.F. for Ch\$ 6,997 million and (v) lower balances for debt formalization expenses for Ch\$ 1,719 million. Additionally, there was an increase in hedging derivative liabilities of Ch\$ 18,256 million.
- **Increase in Non-current accounts payable to related entities for Ch\$ 7,153 million**, corresponding to the exchange rate difference of the structured loan with Enel Chile S.A.
- **Decrease in Other non-current provisions of Ch\$ 6,662 million**, mainly due to a decrease in the decommissioning provision for Ch\$ 6,598 million.
- **Increase in Other non-current non-financial liabilities for Ch\$ 55,826 million**, corresponding to deferred income.

Total Equity amounted to Ch\$ 2,315,241 million as of September 30, 2023.

Equity attributable to owners of Enel Generación Chile was Ch\$ 2,304,148 million, an increase of Ch\$ 232,763 million, which is mainly explained by the positive result for the period of Ch\$ 266,573 million, offset by a loss in comprehensive income of Ch\$ 34,020 million.

Equity attributable to minority interests was Ch\$ 11,093 million, presenting a negative variation of Ch\$ 1,746 million with respect to the balance as of December 31, 2022, explained by the positive result for the period of Ch\$ 7,907 million, offset by the payment of dividends for Ch\$ 9,653 million.

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Performance of the main financial ratios:

RATIO		UNIT	Sep-23	Dec-22	Sep-22	Chg	Chg %
Liquidity	Liquidity (1)	Times	1.42	1.57	-	(0.15)	(9.6%)
	Acid-test (2)	Times	1.39	1.53	-	(0.14)	(9.2%)
	Working capital	Million Ch\$	504,143	617,521	-	(113,378)	(18.4%)
Leverage	Leverage (3)	Times	0.94	1.11	-	(17.0%)	(15.3%)
	Short-term debt (4)	%	55.1%	46.6%	-	8.5%	18.3%
	Long-term debt (5)	%	44.9%	53.4%	-	(8.5%)	(16.0%)
	Financial expenses coverage (6)	Times	18.87	-	8.88	9.99	112.5%
Profitability	Op. income / Op. Revenues	%	13.8%	-	6.3%	7.4%	117.2%
	ROE (7)	%	37.0%	-	14.0%	23.0%	163.8%
	ROA (8)	%	16.5%	-	5.9%	10.5%	177.2%

(1) Current Assets / Current Liabilities

(2) Current Assets net of Inventories and prepayments

(3) Total Liabilities / Total Equity

(4) Current Liabilities / Total Liabilities

(5) Non Current Liabilities / Total Liabilities

(6) EBITDA/ Net Financial Costs

(7) Net income of the period attributable to the owners of the parent company for LTM / Average of equity attributable to the owners of the parent company at the beginning and at the end of the period

(8) Total Net Income of the period for LTM / Average of total assets at the beginning and at the end of the period

- > **Current ratio** at September 30, 2023 was 1.42 times, a decrease of 9.6% compared to December 2022. This decrease is mainly due to an increase in other current financial liabilities and a decrease in current accounts receivable from related entities.
- > **The acid test** as of September 30, 2023 was 1.39 times, a decrease of 9.2% compared to December 31, 2022. This decrease is mainly the result of an increase in other current financial liabilities, an increase in inventories and a decrease in current accounts receivable from related entities.
- > **Working capital** as of September 30, 2023 was Ch\$ 504,143 million, a decrease of Ch\$ 113,378 million compared to December 2022. This decrease is primarily attributable to an increase in other current financial liabilities and a decrease in current accounts receivable from related entities.
- > **The indebtedness ratio** was 0.94 times, 15.3% lower than September 2022, which indicates that Enel Generación Chile has a degree of commitment of its equity of 0.94 times for the period ended September 30, 2023.
- > **The financial expenses coverage** as of September 30, 2023 was 18.87 times, which indicates the capacity to cover financial expenses with the EBITDA generated in 2023. This ratio showed an increase explained by a better EBITDA in 2023 when compared to 2022.

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- > The **profitability index** is measured in terms of operating income over operating revenues, which increased with respect to the previous period, reaching 13.8% as of September 30, 2023, as a result of a better operating income in the current period.
- > **Return on equity** of the owners of the controlling company was 37.0% as of September 30, 2023, much higher than the 14.0% recorded in the same period of 2022.
- > **Return on assets** was 16.5% for the period ended September 30, 2023, well above the 5.9% recorded in the same period of the previous year.

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3. - MAIN CASH FLOWS

The Enel Generación Chile Group generated a positive net cash flow of Ch\$ 43,671 million for the period ended September 30, 2023, which represents a positive variation of Ch\$ 19,445 million with respect to the same period of the previous year. Main variables for cash flows from operating, investing and financing activities, which explain this decrease in cash flows, are described below:

NET CASH FLOW (Figures in million Ch\$)	Sep-23	Sep-22	Change	% Change
From Operating Activities	414,937	(124,315)	539,252	n/a
From Investing Activities	(149,396)	(108,119)	(41,277)	38.2%
From Financing Activities	(221,870)	256,660	(478,530)	(186.4%)
Total Net Cash Flow	43,671	24,226	19,445	80.3%

Operating activities generated a positive cash flow of Ch\$ 414,937 million, which represents an increase of Ch\$ 539,252 million with respect to September 2022. This cash flow is mainly comprised of collections for the sale of goods and services for Ch\$ 3,179,768 million, partially offset by payments to suppliers for the supply of goods and services for Ch\$ 2,632,743 million, payments to and on behalf of employees of Ch\$ 30,632 million, payments for insurance premiums for Ch\$ 18,583 million, tax payments for Ch\$ 23,201 million and other payments for operating activities of Ch\$ 59,243 million.

Investing activities generated a negative cash flow of Ch\$ 149,396 million, primarily explained by funds invested for Ch\$ 42,167 million through the Centralized Cash Flow Agreement, additions of property, plant and equipment for Ch\$ 142,702 million, purchases of intangible assets for Ch\$ 868 million, partially offset by the sale of the corporate building for Ch\$ 27,820 million.

Financing activities generated a negative cash flow of Ch\$ 221,870 million. This flow is mainly due to dividends paid for Ch\$ 188,763 million, interest paid for Ch\$ 43,620 million, lease payments for Ch\$ 3,775 million and payments on bond loans for Ch\$ 20,379 million.

The payments for additional Property, Plants and Equipment and depreciation for the period ended September 30, 2023, and 2022 are included below:

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Capex and Depreciation

COMPANY	INFORMATION FOR ASSETS AND EQUIPMENTS (Figures in million Ch\$)			
	Payments for Additions of Fixed Assets		Depreciation	
	Sep-23	Sep-22	Sep-23	Sep-22
Enel Generación Chile	142,006	118,727	34,915	43,821
Pehuenche	696	5,014	4,992	5,543
Total Consolidated	142,702	123,741	39,907	49,364



II. MAIN RISKS ASSOCIATED TO THE ACTIVITIES OF ENEL GENERACION CHILE GROUP

The companies of the Enel Generación Chile Group follow the guidelines of the Internal Risk Management Control System (SCIGR) defined at the Holding level (Enel SpA), which establishes the guidelines for risk management through the respective standards, procedures, systems, etc., which are applied at the different levels of the Companies of Enel Generación Chile Group, in the processes of identification, analysis, evaluation, monitoring, treatment and communication of risks that the business faces continuously. These are approved by the Board of Directors of Enel SpA, which houses a Controls and Risks Committee, which supports the evaluation and decisions of the Board of Directors of Enel Generación Chile with respect to internal controls and risk management system, as well as those related to the approval of the periodic financial statements.

To comply with this, there is a specific Risk Control and Management policy within the Company, which is reviewed and approved at the beginning of each year by the Board of Directors of Enel Generación Chile, observing and applying local requirements in terms of risk culture.

The Company seeks protection for all risks that may affect the achievement of business objectives. There is a risk taxonomy for the entire Enel Group, which considers 6 risk macro-categories: financial; strategic; governance and culture; digital technology; compliance; and operational; and 38 risk sub-categories to identify, analyze, assess, treat, monitor and communicate its risks.

The Enel Group's risk management system considers three lines of action (defense) to obtain effective and efficient management of risks and controls. Each of these three "lines" plays a distinct role within the broader governance structure of the organization (Business and Internal Controls areas, acting as the first line, Risk Control, acting as the second line and Internal Audit as the third line of defense). Each line of defense has the obligation to inform and keep Senior Management and Directors updated on risk management, with Senior Management being informed by the first and second line of defense and the Board of Directors of Enel Generación Chile in turn by the second and third line of defense.

Within each company of the Group, the risk management process is decentralized. Each manager responsible for the operational process in which the risk originates is also responsible for the treatment and adoption of risk control and mitigation measures.

Interest Rate Risk

Interest rate variations modify the fair value of those assets and liabilities that accrue a fixed interest rate, as well as the future cash flows of assets and liabilities pegged to a variable interest rate.

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The purpose of interest-rate risk management is to reach a balanced debt structure in order to minimize the cost of debt while maintaining reduced income statement volatility.

Depending on the Group's forecasts and debt structure objectives, hedging transactions take place through purchasing derivatives that mitigate these risks.

The financial debt structure of the Enel Generación Chile Group, in terms of fixed rate and/or fixed protection rate on gross debt, using derivatives, is the following:

Gross position:

INTEREST RATE (%)	September 30, 2023	December 31, 2022
Fixed Interest Rate	100%	100%

This ratio considers only debt transactions with third parties and with Enel Finance International, if any.

Risk control through specific processes and indicators allows limiting possible adverse financial impacts and, at the same time, optimizes the debt structure with an adequate degree of flexibility.

Exchange Rate Risk

Exchange rate risks are mainly related to the following transactions:

- > Group subsidiaries and affiliate companies debt commitments denominated in currencies different from their cash flow currency.
- > **Payments in currencies that are different from that of the companies' cash flows** indexation, for example, payments to suppliers related to projects and insurance policies payments, among others.
- > Revenues of Group companies that are directly linked to evolution of currencies different from their cash flow currency.

In order to mitigate exchange rate risk, the Group focuses on maintaining a balance between cash flows indexed to the U.S. dollar and the amount of asset and liability denominated in such currency. The objective is to minimize the exposure of cash flows to the risk related to exchange-rate fluctuations.

Currency swaps and exchange rate forwards are the instruments currently used in order to comply with this policy.

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During the third quarter of 2023, exchange rate risk management continued in the context of complying with the aforementioned risk management policy, without difficulty in accessing the derivatives market.

Commodities Risk

Enel Generación Chile Group is exposed to risk related to price fluctuation of certain commodities, primarily due to:

- > Fuel purchases for electricity generation.
- > Energy trading transactions in local markets.

In order to reduce risks under extreme drought conditions, the Group has defined a trading policy that establishes sales commitment levels based on the firm energy capacity of its power plants during a year considered to be dry, and includes risk mitigation clauses in some contracts with unregulated customers, and in the case of regulated customers framed under long-term bidding processes, it determines indexing polynomials that reduce exposure to commodities.

Considering the operating conditions faced by the electricity generation market in Chile, drought and volatility of commodity prices in international markets, the Company is constantly evaluating the convenience of contracting hedges to mitigate the impact of price changes on profits.

As of September 30, 2023, the Company held Brent hedges for 300 Kbbbl to be settled for purchases and for 115 Kbbbl to be settled for sales in 2023. With respect to gas, there were hedges for three commodities: a) the HH Swap with 1.6 TBtu to be settled for sales; b) the HH Future with 3.3 TBtu to be settled for purchases; and c) the TFU with 2.1 TBtu to be settled for purchases and 2.1 TBtu to be settled for sales, all of the above in 2023. Regarding coal, there were 67 kTon to be settled for sales in 2023, whose indexation is related to energy sales contracts. As of December 31, 2022, the Company held swaps for 450 Kbbbl of Brent oil to be settled in 2023 corresponding to fuel purchases; regarding gas, there were swaps for two commodities: a) the HH Swap with 2.7 TBtu to be settled in 2023 for sales; and b) the HH Future, with 18.9 TBtu to be settled in 2023 for purchases. Regarding coal, there were 175.6 kTon to be settled for purchases in 2023, whose indexation is related to energy sales contracts.

According to the operating conditions that are constantly updated, these hedges may be modified, or include other commodities.

Thanks to the mitigation strategies implemented, the Group was able to minimize the effects of commodity price volatility on the results of the third quarter of 2023.

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Liquidity Risk

The Group's liquidity policy consists of contracting committed long-term credit facilities and short-term financial investments, for the amounts required to support estimated future needs for a certain period based on the conditions and the expectations of debt and capital markets.

The aforementioned forecast includes net financial debt maturities, i.e. after financial derivatives. For further detail with regard to the characteristics and conditions of debt and financial derivatives, see Notes 19 and 22.2.

As of September 30, 2023, **the Enel Generación Chile Group's liquidity was Ch\$ 63,881 million in cash and cash equivalents.** As of December 31, 2022, the Enel Generación Chile **Group's liquidity was Ch\$ 15,130 million in cash and cash equivalents.**

Credit Risk

The Enel Generación Chile Group carries out a detailed follow-up of credit risk.

Trade account receivables

Concerning the credit risk associated with accounts receivables stemming from commercial activities, historically the risk has been limited due to short-term payment deadlines, preventing clients from accumulating significant individual amounts. It is possible to discontinue the power supply in the event of non-payment, and almost all contracts state that payment default is a cause for contract termination. Therefore, credit risk is monitored constantly as well as the maximum amounts exposed to payment risk, which as stated previously, are limited.

Financial assets

Investments of cash surpluses are made with both national and foreign first-class financial entities with limits set for each entity.

Investment banks selection considers those with Investment Grade rating, considering the three major international rating agencies (Moody's, S&P and Fitch).

Investments may be guaranteed by treasury bonds of Chile and/or paper issued by first class banks, giving priority to those offering the best returns (always within the current investment policies).

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Risk Measurement

The Enel Generación Chile Group performs a Value at Risk measurement of its debt and financial derivatives, in order to monitor the risk assumed by the Company, thereby limiting income statement volatility.

The portfolio included in the calculation of the Value at Risk consists of:

- > Financial debt.
- > Hedging derivatives for debt.

The Value at Risk calculated represents the potential change in value in the portfolio described above within a quarter period with 95% confidence. To this effect, a study is made of the volatility of the risk variables that affect the value of the portfolio, against the Chilean peso, including:

- > The exchange rate of the different currencies used in the calculation.

The Value at Risk is based on extrapolation of future scenarios (to one quarter of) of the market values of the risk variables according to scenarios based on actual observations for the same period (quarter of) for five years.

The Value at Risk to a quarter of with 95% confidence is calculated as the 5% percentile over the most adverse possible quarter ofly changes.

Given the aforementioned assumptions, the Value at Risk to a quarter of the positions discussed above corresponds to Ch\$ 124,585 million.

This value represents the potential increase in the debt and derivatives portfolio, therefore these Values at Risk are intrinsically linked, among other factors, to the value of the portfolio at the end of each quarter.

Other Risks

As is common practice in bank credit facilities and capital market operations, a portion of Enel Generación Chile's financial debt is subject to cross-default provisions. If certain non-payments are not corrected, a cross default could result and certain liabilities of Enel Generación Chile could eventually become enforceable.

Additionally, non-payment – after any applicable grace period – for any debt of Enel Generación Chile or its subsidiary, with a principal amount that exceeds US\$ 30 million, or its equivalent in other currencies, could lead to the acceleration payment of its Yankee Bonds issued in 1997. In the specific case of the Yankee Bond issued in April 2014, maturing in 2024, the threshold is US\$ 50 million, or its equivalent in other currencies.

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Lastly, in the case of Enel Generación Chile's local bonds, acceleration is only triggered by the issuer's or debtor default, i.e. Enel Generación Chile, and not referring to its subsidiaries. In the case of local bonds, the cross-default may be triggered in cases where the amount in arrears exceeds US\$ 50 million in a single debt, or its equivalent in other currencies.

There are no credit-agreement clauses stating that changes in the corporate or debt rating of Enel Generación Chile, performed by credit-rating agencies, would result in the need to make prepayments of debt.



III. BOOK VALUE AND ECONOMIC VALUE OF ASSETS

With regard to most relevant assets, it is worth noting the following:

Property, plant, and equipment are valued at their acquisition cost, net of the corresponding accumulated depreciation, and impairment losses. The property, plant, and equipment, net of their residual value, depreciate by distributing the cost of their different components linearly over the years of the estimated useful life of the asset, which is the period in which the companies expect to use them. The estimated useful life of the asset is reviewed periodically.

The appreciation (goodwill) generated in the consolidation represents the premium paid in the cost of acquisition over the Group's participation in the fair value of assets and liabilities, including the identifiable contingent liabilities and non-controlling interest of a subsidiary on the date of acquisition. The appreciation is not amortized, but at the end of each accounting period, an estimation of any impairment that might reduce its recoverable value to an amount below the recorded net cost is calculated, in which case an adjustment is made for the impairment (see Note 3.b of the Financial Statements).

Throughout the year, and most importantly at its closing, an evaluation is carried out to determine whether any asset might have suffered an impairment loss. In the event that there is an indication of such loss, an estimate of the recoverable value of such asset is made to determine the amount of the impairment. In the case of identifiable assets that do not generate cash flows independently, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs, which is considered to be the smallest group of assets that generate cash inflows independently.

Assets denominated in a foreign currency are translated using **the period's closing** exchange rate.

Accounts and notes receivable from related companies are classified according to their maturity in short-term and long-term. Transactions are adjusted to conditions prevailing in the market.

In summary, asset values are determined according to the International Financial Reporting Standards whose criteria are presented in Notes 2 and 3 of the Consolidated Financial Statements.