



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

EXECUTIVE SUMMARY

- Net income attributable to Enel Generación Chile S.A. as of June 30, 2023, reached Ch\$ 108,830 million, a significant increase when compared to the Ch\$ 44,789 million as of June 2022, mainly due to higher energy sales and gas sales. Net income during Q2 2023 was a negative Ch\$ 47,947 million, which represents a Ch\$ 47,125 million higher loss when compared to Q2 2022, primarily due lower gas sales and higher expenses on the financial results.
- Net electricity generation amounted to 7,751 GWh as of June 2023, 5.0% less (-407 GWh) than the figure for the first semester of 2022, mainly due to lower coal fired thermal generation primarily due to the disconnection of Bocamina 2 in September 2022, which was, to a great extent, compensated by greater hydroelectric generation this year. During Q2 2023, net electricity generation amounted to 4,035 GWh, 1.0% greater (+40 GWh) than the figure for Q2 2022, mainly due to higher hydroelectric generation related to better hydrology at the end of the second quarter of 2023.
- Physical energy sales reached 15,549 GWh during the first semester of 2023, slightly greater (+26 GWh) than the figure for the first semester of 2022, mainly explained by higher regulated customer sales and spot market sales partially offset by lower unregulated customer sales. During 2Q 2023, physical sales increased by 3.9% (+294 GWh) to 7,773 GWh, mainly as a result of higher sales to unregulated customers and in the spot market.
- Operating revenues as of June 2023, reached Ch\$ 1,669,103 million, equivalent to a 17.3% increase when compared to the first semester of 2022, primarily due to a higher average energy sales price due to contract indexation clauses and also higher gas sales. During Q2 2023, operating revenues declined 6.5% to Ch\$ 711,546 million, primarily due to lower gas sales and other revenues.
- Procurement and services costs reached Ch\$ 1,453,269 million during the first semester of 2023, representing an 11.2% increase mainly explained by higher energy purchase costs, higher fuel consumption costs, and higher gas costs of sales. During Q2 2023, procurement and services costs declined 3.0% to Ch\$ 723,073 million, mainly explained by lower gas costs of sales.

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- **As a result of the factors previously mentioned, the Company's EBITDA increased** Ch\$ 102,605 million to Ch\$ 159,210 million during the first semester of 2023 although during Q2 2023, EBITDA reached a negative Ch\$ 37,888 million primarily due to lower gas sales and other revenues.
- Financial results amounted to a Ch\$ 2,675 million expense as of June 2023, a Ch\$ 3,810 million improvement mainly explained by a profit from exchange rate differences. During Q2 2023, financial results amounted to a Ch\$ 28,255 million expense, a Ch\$ 29,168 million higher expense mainly due to higher net financial expenses and higher losses from exchange rate differences during the period.

FINANCIAL SUMMARY

- **The Company's gross financial debt reached US\$ 993** million as of June 2023, US\$ 27 million less than the figure as of December 2022.
- The average cost of debt remained stable at 6.7% as of June 30, 2023, when compared to December 2022.
- **The Company's available cash and cash equivalents amounted to US\$ 18** million as of June 30, 2023.

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Enel Generación Chile Group has a total 5,543 MW total gross installed capacity as of June 30, 2023. Of this total, 63% is renewable energy capacity, of which 3,418 MW are hydroelectric generation capacity, 2,043 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 | | | Jun-23 | Jun-22 |
| | Jun-23 | Jun-22 | % Change | Q2 2023 | Q2 2022 | % Change | | |
| Sistema Eléctrico Nacional (SEN) | 15,549 | 15,524 | 0.2% | 7,773 | 7,479 | 3.9% | 40.2% | 41.0% |

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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. 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

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issued monthly by the Chilean Treasury Department in US dollars and is guaranteed by the State.

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 National Energy Commission issued Exempt Resolution 68 that establishes technical provisions that refer to the implement of Law No. 21,472.

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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 June 30, 2023, reached Ch\$ 108,830 million, compared to Ch\$ 44,789 million for the same period of 2022.

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

| CONSOLIDATED INCOME STATEMENT (Million Ch\$) | Cumulative Figures | | | | Quarterly Figures | | | |
|--|--------------------|-------------|-----------|----------|-------------------|-----------|----------|----------|
| | Jun-23 | Jun-22 | Change | % Change | Q2 2023 | Q2 2022 | Change | % Change |
| REVENUES | 1,669,103 | 1,422,655 | 246,448 | 17.3% | 711,546 | 760,926 | (49,380) | (6.5%) |
| Sales | 1,594,645 | 1,344,686 | 249,959 | 18.6% | 682,937 | 713,967 | (31,030) | (4.4%) |
| Other operating revenues | 74,458 | 77,969 | (3,511) | -4.5% | 28,609 | 46,959 | (18,350) | (0) |
| PROCUREMENT AND SERVICES | (1,453,269) | (1,306,542) | (146,727) | 11.2% | (723,073) | (745,482) | 22,409 | (3.0%) |
| Energy purchases | (766,459) | (695,720) | (70,739) | 10.2% | (383,880) | (384,478) | 598 | (0.2%) |
| Fuel consumption | (348,238) | (312,475) | (35,763) | 11.5% | (212,231) | (192,751) | (19,480) | 10.1% |
| Transportation expenses | (142,920) | (135,575) | (7,345) | 5.4% | (69,984) | (57,741) | (12,243) | 21.2% |
| Other variable procurement and service cost | (195,652) | (162,772) | (32,880) | 20.2% | (56,978) | (110,512) | 53,534 | (0) |
| CONTRIBUTION MARGIN | 215,834 | 116,113 | 99,721 | 85.9% | (11,527) | 15,444 | (26,971) | (174.6%) |
| Other work performed by entity and capitalized | 4,717 | 1,981 | 2,736 | 138.1% | 3,411 | 1,100 | 2,311 | 210.1% |
| Employee benefits expense | (24,717) | (22,829) | (1,888) | 8.3% | (13,005) | (12,379) | (626) | 5.1% |
| Other fixed operating expenses | (36,624) | (38,660) | 2,036 | (5.3%) | (16,767) | (19,139) | 2,372 | (12.4%) |
| GROSS OPERATING INCOME (EBITDA) | 159,210 | 56,605 | 102,605 | 181.3% | (37,888) | (14,974) | (22,914) | 153.0% |
| Depreciation and amortization | (30,045) | (35,613) | 5,568 | (15.6%) | (14,911) | (17,926) | 3,015 | (16.8%) |
| Impairment loss (Reversal) for applying IFRS 9 | (279) | (346) | 67 | (19.4%) | (75) | (293) | 218 | (74.4%) |
| OPERATING INCOME (EBIT) | 128,886 | 20,646 | 108,240 | n/a | (52,874) | (33,193) | (19,681) | 1 |
| NET FINANCIAL EXPENSE | (2,675) | (6,485) | 3,810 | (58.8%) | (28,255) | 913 | (29,168) | n/a |
| Financial income | 10,986 | 14,494 | (3,508) | (24.2%) | 5,068 | 12,950 | (7,882) | (60.9%) |
| Financial costs | (29,531) | (24,229) | (5,302) | 21.9% | (21,903) | (15,838) | (6,065) | 38.3% |
| Gain (Loss) for indexed assets and liabilities | 4,073 | 3,942 | 131 | 3.3% | 4,686 | 4,768 | (82) | (1.7%) |
| Foreign currency exchange differences, net | 11,797 | (692) | 12,489 | n/a | (16,106) | (967) | (15,139) | n/a |
| OTHER NON-OPERATING RESULTS | 9,618 | 2,429 | 7,189 | n/a | 4,979 | 1,507 | 3,472 | n/a |
| Share of profit (loss) of associates accounted for using the equity method | 5,085 | 1,520 | 3,565 | n/a | 5,426 | 1,041 | 4,385 | n/a |
| Net Income from other investments | 1,890 | 98 | 1,792 | n/a | - | 98 | (98) | (100.0%) |
| Net Income from sale of assets | 2,643 | 811 | 1,832 | n/a | (447) | 368 | (815) | n/a |
| NET INCOME BEFORE TAXES | 135,829 | 16,590 | 119,239 | n/a | (76,150) | (30,773) | (45,377) | 1 |
| Income Tax | (21,845) | 32,642 | (54,487) | (2) | 30,984 | 32,760 | (1,776) | (0) |
| NET INCOME | 113,984 | 49,232 | 64,752 | 131.5% | (45,166) | 1,987 | (47,153) | n/a |
| Shareholders of the parent company | 108,830 | 44,789 | 64,041 | 143.0% | (47,947) | (822) | (47,125) | n/a |
| Non-controlling interest | 5,154 | 4,443 | 711 | 16.0% | 2,781 | 2,809 | (28) | (1.0%) |
| Earning per share (Ch\$ /share) (*) | 13.27 | 5.46 | 7.81 | 143.0% | (5.85) | (0.10) | (5.75) | n/a |

(*) As of June 30, 2023 and June 30, 2022 the average number of paid and subscribed shares was 8,201,754,580.

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OPERATING INCOME

EBITDA of the Company increased Ch\$ 102,605 million to Ch\$ 159,210 million as of June 30, 2023. Operating income increased Ch\$ 108,240 million to Ch\$ 128,886 million as of June 30, 2023.

Operating revenues amounted to Ch\$ 1,669,103 million, a Ch\$ 246,448 million increase, equivalent to 17.3%, when compared to the same period of 2022, mainly due to the following:

- > **Greater energy sales amounting to Ch\$ 139,865 million**, mainly explained by: (i) a positive price effect when expressed in Chilean pesos for Ch\$ 77,877 million resulting from an increase in the average sales price due to contract indexation clauses; (ii) greater revenue from commodities hedges for Ch\$ 26,730 million; (iii) greater supplementary services revenue related to safety and service quality for Ch\$ 23,086 million; and (iv) +26 GWh greater physical sales for Ch\$ 12,173 million explained by higher sales to regulated customers (+91 GWh) and greater spot market sales (+77 GWh), partially offset by lower sales to unregulated customers (-142 GWh).
- > **Greater other sales for Ch\$ 110,345 million**, mainly explained by an increase in gas sales revenue for Ch\$ 110,467 million, which includes the Ch\$ 124,270 million positive effect from commodity derivative transactions.
- > **Lower other operating revenue for Ch\$ 3,511 million**, mainly explained by: (i) lower revenue from commodity hedges for Ch\$ 49,589 million partly related to the evolution of international fuel prices; (ii) lower revenue due to demurrage for Ch\$ 2,039 million; (iii) lower rental revenue for Ch\$ 745 million, partially compensated by (iv) greater additional revenue related to the optimization of energy and fuel supplier contract clauses amounting to Ch\$ 38,327 million; (v) higher revenue from regasification services for Ch\$ 6,856 million, and (vi) the reversal of excessive green tax provisions for Ch\$ 3,779 million.

During the Q2 2023, operating revenues amounted to Ch\$ 711,546 million, which represents a Ch\$ 49,380 million decrease (or 6.5%), when compared to the Ch\$ 760,926 million for the same quarter of 2022. This variation is mainly explained by:

- > **Greater energy sales amounting to Ch\$ 36,162 million** related to Ch\$ 28,553 million higher physical sales (+294 GWh), mainly to unregulated customers and in the spot market, coupled with a Ch\$ 9,498 million increase in ancillary services revenue, and greater revenue from commodity hedges for Ch\$ 22,439 million, offset by a negative effect on the average energy sales price expressed in Chilean pesos for Ch\$ 24,328 million.

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- > Lower other sales for Ch\$ 67,198 million, mainly explained by lower gas sales revenue for Ch\$ 67,158 million.
- > Lower other operating revenue for Ch\$ 18,350 million, mainly explained by: (i) lower revenue from commodity hedges for Ch\$ 36,076 million partly related to the evolution of international fuel prices; (ii) lower rental revenue for Ch\$ 559 million, partially offset by (iii) greater additional revenue related to the optimization of energy and fuel supplier contract clauses amounting to Ch\$ 14,641 million; and (iv) the reversal of excess green tax provisions for Ch\$ 3,779 million.

Procurement and services costs increased Ch\$ 146,727 million, equivalent to 11.2%, mainly explained by:

- > Greater energy purchases for Ch\$ 70,739 million, primarily due to greater physical energy purchases from other power generators (+323 GWh) and in the spot market (+109 GWh), in addition to the higher average purchase price on the spot market related to market conditions during the first semester of 2023.
- > Greater fuel consumption costs for Ch\$ 35,764 million, mainly explained by: (i) a commodity hedging impact for Ch\$ 75,575 million in a scenario of decreasing commodity prices compared to the previous year when commodity prices were rising with positive hedging effects; (ii) a Ch\$ 54,955 million increase in gas consumption due to greater gas fired electricity generation and a higher average purchase price; offset by (iii) lower impairment losses on coal inventories for Ch\$ 50,137 million and on diesel oil inventories for Ch\$ 776 million, both related to the decarbonization process of the Company; (iv) a Ch\$ 28,369 million decrease in coal consumption costs and (v) lower fuel-oil consumption costs for Ch\$ 15,485 million.
- > Greater transportation expenses for Ch\$ 7,345 million, mainly explained by: (i) greater toll expenses for Ch\$ 5,604 million and (ii) higher regasification costs and gas transportation costs for Ch\$ 1,741 million.
- > Greater other procurement and services costs for Ch\$ 32,880 million, mainly explained by (i) greater gas sales costs for Ch\$ 9,774 million, (ii) Greater commodity derivative costs for Ch\$ 26,828 million, (iii) greater temporary facility rental costs for Ch\$ 2,966 million, partly compensated by (iv) lower thermal emission taxes for Ch\$ 12,164 million.

During Q2 2023, procurement and services costs decreased Ch\$ 22,409 million from Ch\$ 745,482 million during Q2 2022 to Ch\$ 723,073 million this quarter, equivalent to a 3.0% reduction when compared to the same period of last year. This variation is mainly explained by:

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- > **Greater fuel consumption costs for Ch\$ 19,480 million**, mainly explained by: (i) a commodity hedging impact for Ch\$ 59,089 million in a scenario of decreasing commodity prices compared to the previous year when commodity prices were rising with positive hedging effects, (ii) a Ch\$ 28,717 million increase in gas consumption, partially offset by (iii) lower coal consumption for Ch\$ 16,813 million; (iv) a Ch\$ 33,581 million decrease in coal impairment costs and Ch\$ 412 million in diesel oil impairment costs, and (v) lower fuel-oil consumption for Ch\$ 17,520 million.
- > **Greater transportation costs for Ch\$ 12,243 million**, mainly explained by greater tolls for Ch\$ 11,142 million, higher regasification and gas transportation costs for Ch\$ 1,101 million.
- > **Lower other procurement and services costs for Ch\$ 53,534 million**, mainly explained by lower gas commercialization cost of sales for Ch\$ 54,476 million.

Other expenses decreased Ch\$ 2,036 million, mainly explained by (i) lower maintenance and repair services for Ch\$ 2,669 million, (ii) lower insurance costs for Ch\$ 1,629 million, partially compensated by higher administrative and technical support services for Ch\$ 1,965 million.

During Q2 2023, **other expenses** decreased Ch\$ 2,372 million, mainly explained by (i) lower maintenance and repair services for Ch\$ 2,703 million, (ii) lower insurance costs for Ch\$ 1,081 million, (iii) lower professional services for Ch\$ 1,190 million, partially offset by higher administrative and technical support services costs for Ch\$ 2,485 million.

Depreciation and amortization decreased Ch\$ 5,568 million, mainly related to changes in the useful life of fixed assets.

During 2Q 2023, depreciation and amortization decreased Ch\$ 3,015 million, which is explained by the same concept of the previous paragraph.

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

| COMPANY | Cumulative Figures (Figures in million Ch\$) | | | | | |
|----------------------------------|---|--------------------|------------------|--------------------|--------------------|------------------|
| | Jun-23 | | | Jun-22 | | |
| | Operating Revenues | Operating Costs | Operating Income | Operating Revenues | Operating Costs | Operating Income |
| Enel Generación Chile S.A. | 1,624,943 | (1,587,199) | 37,744 | 1,381,922 | (1,440,979) | (59,057) |
| Empresa Eléctrica Pehuenche S.A. | 102,323 | (11,181) | 91,142 | 91,902 | (12,199) | 79,703 |
| Consolidation adjustments | (58,163) | 58,163 | - | (51,169) | 51,169 | - |
| Total Consolidated | 1,669,103 | (1,540,217) | 128,886 | 1,422,655 | (1,402,009) | 20,646 |

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| COMPANY | Quarterly Figures (Figures in million Ch\$) | | | | | |
|----------------------------------|--|------------------|------------------|--------------------|------------------|------------------|
| | Q2 2023 | | | Q2 2022 | | |
| | Operating Revenues | Operating Costs | Operating Income | Operating Revenues | Operating Costs | Operating Income |
| Enel Generación Chile S.A. | 720,250 | (822,934) | (102,684) | 732,421 | (816,050) | (83,629) |
| Empresa Eléctrica Pehuenche S.A. | 55,192 | (5,382) | 49,810 | 56,140 | (5,704) | 50,436 |
| Consolidation adjustments | (27,151) | 27,151 | - | (27,635) | 27,635 | - |
| Total Consolidated | 748,291 | (801,165) | (52,874) | 760,926 | (794,119) | (33,193) |

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

| ENERGY SALES (Figures in million Ch\$) | Cumulative Figures | | | | Quarterly Figures | | | |
|---|--------------------|------------------|----------------|--------------|-------------------|----------------|---------------|-------------|
| | Jun-23 | Jun-22 | Change | % Change | Q2 2023 | Q2 2022 | Change | % Change |
| Sales to regulated customers | 633,455 | 498,984 | 134,471 | 27.0% | 304,673 | 263,194 | 41,479 | 15.8% |
| Sales to unregulated customers | 631,538 | 621,449 | 10,089 | 1.6% | 294,818 | 293,806 | 1,012 | 0.3% |
| Sales at spot market | 47,447 | 52,140 | (4,693) | (9.0%) | 29,665 | 35,993 | (6,328) | (17.6%) |
| Total energy sales | 1,312,439 | 1,172,573 | 139,866 | 11.9% | 629,156 | 592,993 | 36,163 | 6.1% |

NON-OPERATING INCOME

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

| NON-OPERATING INCOME (Figures in million Ch\$) | Cumulative Figures | | | | Quarterly Figures | | | |
|--|--------------------|----------------|----------------|----------------|-------------------|-----------------|-----------------|---------------|
| | Jun-23 | Jun-22 | Change | % Change | Q2 2023 | Q2 2022 | Change | % Change |
| Financial income | 10,986 | 14,494 | (3,508) | (24.2%) | 5,068 | 12,950 | (7,882) | (60.9%) |
| Financial expenses | (29,531) | (24,229) | (5,302) | 21.9% | (21,903) | (15,838) | (6,065) | 38.3% |
| Gain (Loss) for indexed assets and liabilities | 4,073 | 3,942 | 131 | 3.3% | 4,686 | 4,768 | (82) | (1.7%) |
| Foreign currency exchange differences, net | 11,797 | (692) | 12,489 | n/a | (16,106) | (967) | (15,139) | n/a |
| NET FINANCIAL EXPENSE | (2,675) | (6,485) | 3,810 | (58.8%) | (28,255) | 913 | (29,168) | n/a |
| Share of profit (loss) of associates accounted for using the equity method | 5,085 | 1,520 | 3,565 | n/a | 5,426 | 1,041 | 4,385 | n/a |
| Net Income From Other Investments | 1,890 | 98 | 1,792 | n/a | - | 98 | (98) | (100.0%) |
| Net Income From Sale of Assets | 2,643 | 811 | 1,832 | n/a | (447) | 368 | (815) | n/a |
| OTHER NON-OPERATING RESULTS | 9,618 | 2,429 | 7,189 | n/a | 4,979 | 1,507 | 3,472 | n/a |
| NET INCOME BEFORE TAXES | 135,829 | 16,590 | 119,239 | n/a | (76,150) | (30,773) | (45,377) | 147.5% |
| Income Tax | (21,845) | 32,642 | (54,487) | (166.9%) | 30,984 | 32,760 | (1,776) | (5.4%) |
| NET INCOME OF THE PERIOD | 113,984 | 49,232 | 64,752 | 131.5% | (45,166) | 1,987 | (47,153) | n/a |
| <i>Attributable to Shareholders of the parent company</i> | <i>108,830</i> | <i>44,789</i> | <i>64,041</i> | <i>143.0%</i> | <i>(47,947)</i> | <i>(822)</i> | <i>(47,125)</i> | <i>n/a</i> |
| <i>Attributable to Non-controlling interest</i> | <i>5,154</i> | <i>4,443</i> | <i>711</i> | <i>16.0%</i> | <i>2,781</i> | <i>2,809</i> | <i>(28)</i> | <i>(1.0%)</i> |

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Financial Result

Net financial income as of June 30, 2023, amounted to a Ch\$ 2,675 million loss, which represents a Ch\$ 3,810 million improvement when compared to the same period of 2022, mainly explained by:

Financial income decreased Ch\$ 3,508 million, mainly explained by: (i) lower present value of dismantling provisions of impaired power plants within the context of the decarbonization process for Ch\$ 10,300 million, partially offset by greater interest income from funds invested in accordance with the cash management contract with Enel Chile S.A. for Ch\$ 6,508 million.

During Q2 2023, financial income decreased Ch\$ 7,882 million, mainly explained by the lower present value of dismantling provisions of impaired power plants within the context of the decarbonization process for Ch\$ 10,300 million as a result of the increase in interest rates recorded at the end of June 2022, partly offset by greater interest income from funds invested in accordance with the cash management contract with Enel Chile S.A. for Ch\$ 2,366 million.

Financial expenses increased Ch\$ 5,302 million, primarily explained by Ch\$ 6,581 million higher financial expenses for factoring energy sales accounts receivables, mostly related to the Ch\$ 3,372 million increase resulting from Tariff Stabilization law, and higher interest expenses as a consequence of improvements to the supplier payment schedule for Ch\$ 1,999 million. These effects were partially offset by lower interest expenses on the structured loan with Enel Chile S.A. for Ch\$ 1,021 million, and lower financial expenses of bonds for Ch\$ 2,422 million.

During Q2 2023, financial expenses increased Ch\$ 6,065 million when compared to the same period of 2022, primarily explained by greater financial expenses for factoring energy sales accounts receivables for Ch\$ 8,538 million, most of which is related to the Ch\$ 6,124 million increase resulting from Tariff Stabilization law, and higher interest expenses as a consequence of improvements to the supplier payment schedule for Ch\$ 1,024 million. These effects were partially offset by lower interest expenses on the structured loan with Enel Chile S.A. for Ch\$ 1,000 million, and lower financial expenses of bonds for Ch\$ 2,214 million.

Income related to indexation increased Ch\$ 131 million, primarily explained by greater income from recoverable taxes for Ch\$ 5,996 million, offset by a greater negative effect **caused by IAS 29 "Financial Reporting in Hyperinflationary Economies" on the branch of our subsidiary Enel Generación Chile located in Argentina amounting to a Ch\$ 3,384 million loss and a Ch\$ 2,481 million loss related to other financial liabilities.**

During Q2 2023, income related to indexation decreased Ch\$ 82 million when compared to Q2 2022, **primarily explained by a greater negative effect caused by IAS 29 "Financial Reporting in Hyperinflationary Economies" on the branch of our subsidiary Enel**

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Generación Chile located in Argentina amounting to a Ch\$ 2,432 million loss and a Ch\$ 2,481 million loss related to other financial liabilities, offset by greater income from recoverable taxes for Ch\$ 4,831 million.

Income from exchange rate differences increased Ch\$ 12,489 million, mainly explained by: (i) greater positive exchange rate differences on cash and cash equivalents for Ch\$ 4,223 million, (ii) greater positive exchange rate differences on financial debt and derivative instruments for Ch\$ 43,262 million; and (iii) greater positive exchange rate differences on trade accounts payable for Ch\$ 39,561 million that includes the Ch\$ 25,486 million effect related to the structured loan with Enel Chile S.A.. These effects were partially offset by lower positive exchange rate difference effects on trade accounts receivables for Ch\$ 73,817 million, which includes the Ch\$ 70,552 million effect related to the Tariff Stabilization Law that set the US dollar as the currency for the accounts receivables of pending billings to regulated customers.

During Q2 2023, income from exchange rate differences amounted to a Ch\$ 15,139 million greater loss when compared to the same quarter of 2022, mainly explained by: (i) greater negative exchange rate differences on trade accounts receivables for Ch\$ 51,191 million, which includes the Ch\$ 58,280 million effect related to the Tariff Stabilization Law that set the US dollar as the currency for the accounts receivables of pending billings to regulated customers (ii) greater negative exchange rate differences on financial debt and derivative instruments for Ch\$ 3,640 million. These effects were partially offset by (iii) greater positive exchange rate differences on trade accounts payable for Ch\$ 35,447 million that includes the Ch\$ 23.913 million effect related to the structured loan with Enel Chile S.A.; and (iv) a greater positive exchange rate difference effects on cash and cash equivalents for Ch\$ 4,017 million.

Other Non-operating results

Companies accounted for using the equity method

Income from companies accounted for using the equity method increased Ch\$ 3,565 million explained by Ch\$ 3,524 million received from our associate company GNL Chile S.A.

During Q2 2023, income from companies accounted for using the equity method increased Ch\$ 4,385 million mainly explained by a Ch\$ 4,380 million increase from GNL Chile S.A.

Other investments

Income from other investments increased Ch\$ 1,792 million explained by Ch\$ 1,833 million price adjustment of our shareholding in the jointly controlled company Transmisora Eléctrica de Quillota Ltda.

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During Q2 2023, income from other investments did not experience significant variations when compared to the same quarter of 2023.

Sale of assets

Income from the sale of assets increased Ch\$ 1,832 million mainly explained by the sale of the corporate building for Ch\$ 2,643 million, offset by the sale of Diego de Almagro thermal power plant for Ch\$ 494 million and land for Ch\$317 million in 2022.

During Q2 2023, income from the sale of assets did not experience significant variations when compared to the same quarter of 2023.

Corporate income taxes

Corporate income tax reached a Ch\$ 21,845 million expense, which is a Ch\$ 54,487 million greater expense when compared to the same period of 2022, primarily explained **by a Ch\$ 32,195 million greater tax expense due to the Company's higher profit, and a Ch\$ 18,380 million reduction in tax income due to price-level restatement effects.**

During Q2 2023, Corporate income tax did not experience significant variations when compared to the same quarter of 2023.

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2. BALANCE SHEET ANALYSIS

Total Assets of the Company as of June 30, 2023, increased Ch\$ 6,548 million, when compared to total assets as of December 31, 2022.

| ASSETS (Figures in million Ch\$) | Jun-23 | Dec-22 | Change | % Change |
|-------------------------------------|-----------|-----------|----------|----------|
| Current Assets | 1,672,046 | 1,700,123 | (28,077) | (1.7%) |
| Non Current Assets | 2,741,807 | 2,707,182 | 34,625 | 1.3% |
| Total Assets | 4,413,853 | 4,407,305 | 6,548 | 0.2% |

Current Assets decreased Ch\$ 28,077 million as of June 30, 2023. The variations in the main categories are presented below:

- **Current related party accounts receivables decreased Ch\$ 182,968 million**, mainly due to less funds invested through the Centralized Treasury Service Contract with Enel Chile S.A. for Ch\$ 131,908 million, lower Endesa Energía receivables for Ch\$ 31,754 million related to gas sales, and lower Enel Global Trading SpA receivables for Ch\$ 75,909 million mainly related to commodities derivative transactions, partially offset by greater Enel Distribucion Chile S.A. accounts receivables for energy sales amounting to Ch\$ 47,784 million, and greater GNL Chile S.A. accounts receivables for Ch\$ 9,833 million for advance payments of gas purchases.
- **Current tax assets decreased Ch\$ 29,739 million**, mainly explained by lower monthly employee related payments for Ch\$ 29,531 million.
- **A reduction in non-current assets or groups of assets available for sale for Ch\$ 26,445 million, due to the sale of the Company's corporate building.**
- **A Ch\$ 9,070 million increase in Other current financial assets**, mainly derivative instruments.
- **A Ch\$ 71,475 million increase in Other current non-financial assets**, mainly due to a Ch\$ 79,482 million increase in value added tax credits, compensated by a reduction in insurance assets for Ch\$ 8,027 million.
- **A Ch\$ 90,810 million increase in Trade accounts receivables and other current accounts receivables**, mainly explained by a Ch\$ 98,391 million increase in trade accounts receivables, partially offset by lower advance payments to suppliers for Ch\$ 6,643 million and lower personnel accounts receivables for Ch\$ 832 million.

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- A Ch\$ 40,601 million increase in inventories, mainly due to a Ch\$ 38,291 million increase in gas inventory and greater inventory of spare parts and other materials for Ch\$ 1,721 million.

Non-Current Assets increased Ch\$ 34,625 million when compared to the balance on December 31, 2022. The variations in the main categories are presented below:

- Property, plant, and equipment increased by Ch\$ 71,778 million, mainly due to an increase in projects under construction for Ch\$ 98,512 million, partially offset by Ch\$ 26,607 in depreciation this period.
- Investments accounted for using the equity method increased Ch\$ 4,271 million, mainly due to the profit and exchange differences from our associate company GNL Chile S.A. for Ch\$ 4,273 million.
- Trade accounts receivable and other non-current accounts receivables decreased Ch\$ 41,186 million, mainly explained by a reduction in energy sales trade accounts receivables for Ch\$ 40,943 million related to the implementation of the electricity tariff stabilization mechanism applicable to regulated customers.
- Non-current related party accounts receivables decreased Ch\$ 7,980 million, mainly explained by a reduction in Enel Distribución Chile accounts receivables due to the enactment of the Tariff Stabilization Law.

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Total Liabilities of the Company as of June 30, 2023, including Equity, increased Ch\$ 6,548 million, when compared to total liabilities including equity as of December 31, 2022.

| LIABILITIES AND EQUITY (Figures in million Ch\$) | Jun-23 | Dec-22 | Change | % Change |
|---|------------------|------------------|----------------|-------------|
| Current Liabilities | 1,327,823 | 1,082,602 | 245,221 | 22.7% |
| Non Current Liabilities | 892,212 | 1,240,479 | (348,267) | (28.1%) |
| Total Equity | 2,193,818 | 2,084,224 | 109,594 | 5.3% |
| <i>Attributable to the Shareholders of parent company</i> | <i>2,180,917</i> | <i>2,071,385</i> | <i>109,532</i> | <i>5.3%</i> |
| <i>Attributable to Non-controlling interest</i> | <i>12,901</i> | <i>12,839</i> | <i>62</i> | <i>0.5%</i> |
| Total Liabilities and Equity | 4,413,853 | 4,407,305 | 6,548 | 0.2% |

Current liabilities increased Ch\$ 245,221 million. The variations in the main categories are explained below:

- **Other current financial liabilities increased Ch\$ 318,832 million**, explained by a Ch\$ 320,141 million increase in bonds as a consequence of: (i) the transfer of Ch\$ 342,344 million of the US\$ 400 million Yankee Bond from to the long-term to the short-term category, (ii) bond indexation for Ch\$ 1,093 million, (iii) bond interest accruals for Ch\$ 22,569 million, offset by (iv) payments of bond interest for Ch\$ 23,502 million, and (v) exchange rate differences for Ch\$ 21,680 million. Hedging and non-hedging derivative liabilities decreased Ch\$ 1,309 million.
- **Trade accounts payable and other current accounts payable decreased Ch\$ 3,048 million**, mainly explained by higher accounts payable related to fuel and energy purchases for Ch\$ 69,184 million, offset by lower accounts payable for the purchase of goods, services and fixed assets for Ch\$ 51,322 million, lower dividends payable for Ch\$ 16,024 million, and a reduction in other various accounts payable for Ch\$ 4,886 million.
- **Current related party accounts payable decreased Ch\$ 58,645 million**, primarily due to a Ch\$ 167,703 million reduction in dividends payable to Enel Chile S.A., a Ch\$ 18,144 million reduction in accounts payable to Enel Green Power Chile S.A. related to energy purchases, partially compensated by greater accounts payable to GNL Chile S.A. for Ch\$ 128,454 million for gas purchases.
- **Current tax liabilities increased Ch\$ 8,511 million**, due to income tax.

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Non-Current Liabilities decreased Ch\$ 348,267 million as of June 30, 2023, that is explained by the following:

- **Other non-current financial liabilities decreased Ch\$ 393,263 million**, explained by a Ch\$ 371,738 million reduction in bonds due to: (i) the transfer of Ch\$ 342,344 million of the US\$ 400 million Yankee Bond from to the long-term to the short-term category, (ii) lower exchange differences for Ch\$ 17,186 million, (iii) principal amortization payments for Ch\$ 20,106 million, compensated by (iv) greater indexation of bonds issued in UF (Spanish acronym for *Unidad de Fomento*, the Chilean inflation-indexed, Chilean peso-denominated monetary unit) for Ch\$ 6,350 million, and (v) lower balance of debt structuring expenses for Ch\$ 1,548 million. Hedging and non-hedging derivative liabilities also decreased Ch\$ 21,525 million.
- **Non-current trade accounts payable to related parties decreased Ch\$ 9,756 million**, explained exchange rate differences of the structured debt with Enel Chile S.A.
- **Other Non-current provisions decreased Ch\$ 3,945 million**, mainly explained a reduction in power plant dismantling provisions for Ch\$ 3,882 million.
- **A Ch\$ 59,277 million increase in Other non-current non-financial liabilities**, mainly due to an increase in deferred revenue.

Total Equity amounted to Ch\$ 2,193,818 million as of June 30, 2023.

Equity attributable to shareholders of Enel Generación Chile amounted to Ch\$ 2,180,917 million, a Ch\$ 109,532 million increase, mainly explained by the Ch\$ 108,830 positive net income for the period and by comprehensive income for Ch\$ 534 million.

Equity attributable to non-controlling shareholdings amounted to Ch\$ 12,901 million, which is Ch\$ 62 million greater than the balance as of December 31, 2022, mainly explained by the Ch\$ 5,154 million net income of the period, offset by dividend payments for Ch\$ 5,092 million.

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Performance of the main financial ratios:

| | RATIO | UNIT | Jun-23 | Dec-22 | Mar-22 | Chg | Chg % |
|---------------|---------------------------------|--------------|---------|---------|--------|-----------|---------|
| Liquidity | Liquidity (1) | Times | 1.26 | 1.57 | - | (0.31) | (19.8%) |
| | Acid-test (2) | Times | 1.20 | 1.53 | - | (0.33) | (21.6%) |
| | Working capital | Million Ch\$ | 344,223 | 617,521 | - | (273,298) | (44.3%) |
| Leverage | Leverage (3) | Times | 1.01 | 1.11 | - | (10.0%) | (9.0%) |
| | Short-term debt (4) | % | 59.8% | 46.6% | - | 13.2% | 28.4% |
| | Long-term debt (5) | % | 40.2% | 53.4% | - | (13.2%) | (24.7%) |
| | Financial expenses coverage (6) | Times | 11.65 | - | 2.70 | 8.95 | n/a |
| Profitability | Op. income / Op. Revenues | % | 7.7% | - | 1.5% | 6.3% | n/a |
| | ROE (7) | % | 36.1% | - | 6.0% | 30.1% | n/a |
| | ROA (8) | % | 16.5% | - | 3.0% | 13.5% | n/a |

(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

- > **The current ratio** as of June 30, 2023, reached 1,26 times, which is 19.8% less than the figure as of December 31, 2022, mainly explained by the increase in Other current financial liabilities and a reduction in Current related party accounts receivables.
- > **The Acid test**, as of June 30, 2023, was 1.20 times, which is 21.6% less than the figure as of December 31, 2022, mainly explained by the increase in Other current financial liabilities, an increase of Inventories and a reduction in Current related party accounts receivables.
- > **Working capital**, as of June 30, 2023, amounted to a Ch\$ 344,223 million, which is Ch\$ 273,298 million less than the figure as of December 31, 2022, mainly explained by an increase in Other current financial liabilities, and a reduction in Current related party accounts receivables.
- > The **debt ratio** was 1.01 times, which represents the level of commitment of Enel Generación Chile's equity during the period ended June 30, 2023.
- > The **financial expenses coverage ratio** for the period ended June 30, 2023, was 11.65 times, which represents the ability to cover all financial expenses with EBITDA. This index improved when compared to the same period of 2022, explained by greater EBITDA during the first semester of 2023.

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- > The **profitability index**, measured as operating income divided by operating revenue, was 7.7% as of June 30, 2023, which is higher than the figure for the same period of 2022, due to higher operating income this period.
- > **Return on equity** of the owners of the controlling shareholder was 36.1% as of June 30, 2023, which is significantly higher than the 6.0% recorded in the same period of 2022.
- > **Return on assets** was 16.5% as of June 30, 2023, significantly higher than the 3.0% recorded in the same period of the previous year.

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3. - MAIN CASH FLOWS

The net cash flow of Enel Generación Chile Group reached negative Ch\$ 7,294 million as of June 30, 2023, which is a Ch\$ 16,289 million negative variation when compared to the same period of 2022. The main factors that explain this cash flow reduction, classified as either operating, investing, or financing activities, are presented below:

| NET CASH FLOW (Figures in million Ch\$) | Jun-23 | Jun-22 | Change | % Change |
|--|-----------|----------|-----------|----------|
| From Operating Activities | 171,230 | (42,922) | 214,152 | n/a |
| From Investing Activities | 60,957 | (19,105) | 80,062 | n/a |
| From Financing Activities | (239,481) | 71,022 | (310,503) | n/a |
| Total Net Cash Flow | (7,294) | 8,995 | (16,289) | (181.1%) |

Operating activities generated a Ch\$ 171,230 million positive cash flow as of June 31, 2023, when compared to the same period of 2022. This cash flow mainly comprises Ch\$ 2,083,351 million in payments received for sales of goods and services, partially offset by payments to suppliers of good and services for Ch\$ 1,820,755 million, employee-related payments amounting to Ch\$ 22,889 million, insurance premium payments for Ch\$ 17,310 million, tax payments for Ch\$ 2,761 million, and other operating activity payments for Ch\$ 46,597 million.

Investment activities generated a Ch\$ 60,957 million positive cash flow, mainly explained by payments received for funds invested through the Centralized Treasury Service Contract, and the funds from the sale of the corporate building for Ch\$ 27,820 million, partly offset by additional property, plant, and equipment for Ch\$ 105,594 million and the purchase of intangible assets for Ch\$ 641 million.

Financing activities generated a Ch\$ 239,481 million negative cash flow. This cash flow is primarily explained by dividend payments for Ch\$ 188,763 million, interest payments for Ch\$ 30,823 million, leasing payments for Ch\$ 2,866 million and bond payments for Ch\$ 20,107 million.

The payments for additional Property, Plants and Equipment and depreciation for the period ended June 31, 2023, and 2022 are included below:

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Capex and Depreciation

INFORMATION FOR ASSETS AND EQUIPMENTS

(Figures in million Ch\$)

| COMPANY | Payments for Additions of Fixed Assets | | Depreciation | |
|-----------------------|--|--------|--------------|--------|
| | Jun-23 | Jun-22 | Jun-23 | Jun-22 |
| Enel Generación Chile | 105,089 | 76,664 | 23,278 | 29,160 |
| Pehuenche | 505 | 2,270 | 3,329 | 3,679 |
| Total Consolidated | 105,594 | 78,934 | 26,607 | 32,839 |



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 (%) | June 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 second 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 June 30, 2023, the Company held Brent hedges for 452 Kbbbl to be settled for purchases and for 255 Kbbbl to be settled for sales in 2023. With respect to gas, there were hedges for two commodities: a) the HH Swap with 0 TBtu to be settled for purchases and 0.9 TBtu to be settled for sales in 2023; and b) the HH Future, with 7.0 TBtu to be settled for purchases and 6.7 to be settled for sales in 2023. Regarding coal, there were 0 kTon to be settled for purchases and 67 kTon to be settled for sales. 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 in 2023 for purchases.

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 second 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 June 30, 2023, **the Enel Generación Chile Group's liquidity was Ch\$ 14,249 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.

The Group's portfolio has demonstrated, to date, resilience to the global pandemic crisis. All this thanks to a strengthening of digital collection channels and a solid diversification of commercial clients that have had a low exposure to COVID-19 impacts.

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\$ 131,618 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. 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 and local credit line, acceleration is only triggered by the issuer's or debtor default, 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.