2021 INTEGRATED REPORT

NAME:
ENGIE ENERGÍA CHILE S.A.

ADDRESS:
ISIDORA GOYENECHEA 2800, 16TH FLOOR,
LAS CONDES, SANTIAGO, CHILE.

TAXPAYER IDENTIFICATION NUMBER:
88.006.900-4

TYPE OF ENTITY:
OPEN CORPORATION.

SECURITIES REGISTRATION NUMBER:
273 OF JULY 23, 1985.

EXTERNAL AUDITORS:
EY SERVICIOS PROFESIONALES DE
AUDITORÍA Y ASESORÍAS SpA.

EXTERNAL LEGAL COUNSEL:
PRIETO ABOGADOS SpA.

OFFICES:

MAIN OFFICE:
ISIDORA GOYENECHEA 2800, 16TH FLOOR,
LAS CONDES, SANTIAGO, CHILE.

ANTOFAGASTA:
RÓMULO PEÑA 4008, ANTOFAGASTA, CHILE.
PHONE: (56-55) 642 900
FAX: (56-55) 642 979

MEJILLONES THERMAL POWER COMPLEX::
CAMINO A CHACAYA 3910, MEJILLONES, CHILE.
PHONE: (56-55) 658 100
FAX: (56-55) 658 099

TOCOPILLA THERMAL POWER COMPLEX:
AVDA. DR. LEONARDO GUZMÁN 0780,
TOCOPILLA, CHILE.
PHONE: (56-55) 819 176

ARICA DIESEL-FIRED PLANT:
AVDA. SANTA MARÍA 2251, ARICA, CHILE.
PHONE: (56-58) 241 109

WEBSITE:
www.engie-energia.cl

INVESTOR RELATIONS::

MARCELA MUÑOZ LAGOS
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COMMUNITIES AND SUSTAINABILITY
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ABOUT OUR INTEGRATED REPORT

In the last six years, we have issued this formal document to share the progress in our growth and value creation strategy as well as the main aspects of our Environmental, Social and Governance (ESG) management.

The contents addressed were selected in consideration of the opinion of our stakeholders gathered from our materiality survey. The contents also meet the regulatory requirements of the Financial Market Commission (CMF) for annual reports and are in line with the Standards of the Global Reporting Initiative (GRI).

The report was prepared with the active participation of the Company's Corporate Division responsible for providing and validating the contents.

2016

2017

2018

2019

2020

2021: A KEY TO

Frank Demaille • Chairman of the Board. *ENGIE Energía Chile*

There can be no doubt that 2021 one of the most challenging years in recent decades. We issued a new strategic plan that aims to accelerate our transition toward clean energy and project our business toward the future. Our decision entailed a significant change in the direction of the business that will contribute to our sustainability, to the sustainability of our internal and external stakeholders, and to the mitigation of the impacts of climate change.

We made this announcement in the midst of a greatly complicated environment impacted by one of the severest droughts in the last 60 years that was determining to the decline in hydroelectric generation and its contribution to the system. The scenario became even more complex as a result of the increase in the prices of fuels to historic levels and the restrictions imposed by the COVID-19 pandemic that impacted maintenance plans and the construction of our projects, among other aspects.

We will discuss these and other topics in our sixth Integrated Report. Below the Chairman of the Board and the Chief Executive Officer will share their vision of the main milestones in 2021.

What aspects of the management of our company in the fiscal year can be highlighted?

Frank Demaille. The ENGIE Group is working on moving toward "Net Zero Carbon" by 2045. With that goal in mind, we restructured our organization into the following areas of business: Thermal, Renewable, Systems and Energy Service Infrastructure and Back-Office Areas that are transversal to all areas of the business.

Our Chile Transformation Plan is also one of the most important milestones in the year. We were pioneers in announcing in 2018 that coal no longer formed a part of our growth plan. Today we are reasserting our intent to continue on that path of leaving coal-fired generation behind and investing in clean energy technologies or technologies with a low level of CO_2 emissions. We will have a robust investment plan to achieve our goals.

YEAR TRANSFORMATION

Axel Levêque • Chief Executive Officer. *ENGIE Energía Chile*

Vital in this change have been our efforts at innovation and digitalization, which have contributed to a continuous improvement of our processes and to the ability to adapt to the new setting.

Axel Levêque. First, I want to highlight that we had an accident rate of 1.07 in our operating activities in 2021, a figure extremely low for the industry. The results of the energy industry were also heavily impacted by a tough 2021. Here I want to emphasize the resilience and ability of our teams to respond. Our units and teams rose to the challenges imposed by COVID-19 despite having had to confront some delays in the construction of our renewable energy projects in the north of the country. In a highly complex setting, we were able to generate 700 GWh of energy more than in 2020, a milestone of which we feel proud and thankful because it needed the commitment of all teams involved, especially the operations and implementation areas.

Another great milestone is that we connected our Calama Wind Farm, with an installed capacity of 151 MW, to the power grid in October and recently, in February 2022, we added our Tamaya Solar Farm of 114 MWac. Soon the Coya and Capricornio Photovoltaic Farms will join them that combined, will generate 268 MWac.

In the Transmission business, we finalized four projects of great relevance and connected them to the power grid. In an increasingly more competitive business environment, we were also awarded the tender to build the New La Ligua Substation.

In 2021, we received a loan of US$125 million from IDB INVEST for the construction of the Calama Wind Farm. This transaction, unusual for IDB INVEST, is the first world monetization of emission reductions in the energy sector. It was an arduous process that was recognized by one of the five global awards given by the ENGIE Group in the Sustainable Finance category of its Finance Awards.

At the close of the 2021 fiscal year, our energy sales revenue totaled MUS$1.308, 12% higher than the previous year, while our EBIDTA was MUS$315, 31% lower compared to the same period.

The Transformation Plan includes an ambitious investment plan. What has been the progress since it was launched

Axel Levêque. Our 2025 strategic plan considers investments for around 1.5 billion euros that will be used to implement 1,000 MW more of renewable energy.

Investments will also be made in the reconversion of three fully active coal-fired power plants to natural gas and biomass. In 2021, we presented the Environmental Impact Statements (DIA) for the three units and have received approval from the competent authority. Another relevant focus relates to the organization. We began a change management process to provide support to the people working for our company in adapting and learning new skills and competencies that will be needed in the transformation that we are propelling.

We dismantled Tocopilla Units 12 and 13 as part of our strategy of accelerating our decarbonization. In this process we paid special attention to the recycling and the reuse of materials and to that end, we invited the community, especially fishers, to identify items and inputs that might be useful in their work.

Leading a Fair Transition has been a strategic goal of our Company. What aspects stood out in 2021?

Frank Demaille. Since we announced our exit from coal, we proposed maintaining an open and transparent communication with all our local stakeholders, who include authorities, inhabitants of Tocopilla and Mejillones and, of course, the individuals who work in ENGIE Energía Chile.

Aware of the positive and negative externalities entailed in this process, in 2021 we moved towards our goal of identifying opportunities for employability and of fostering entrepreneurship. We launched competitive funding for entrepreneurs in Mejillones and we trained more than 100 people in the installation of photovoltaic panels in the Municipality of Tocopilla. We also implemented 10 projects to supply renewable energy to facilities important to our communities, such as the energization of public spaces and local entrepreneurships.

Internally, the efforts were directed towards employability, internal mobility plans, training and early retirement plans in conditions advantageous to the beneficiaries.

Management of ESG is becoming more relevant to financial markets. What can we tell investors and financial analysts about ours?

Frank Demaille. In 2021, we made progress in strengthening our sustainability model and in incorporating new non-financial indicators in line with the ESG policies of the Group.

To do so, we relied on the recent update of the Engie Group's Sustainability Strategy in which the SDGs were made pillars providing the structure from which to channel initiatives that have positive impacts on people and the planet. In 2022, we will continue to design the indicators and goals to be able to monitor and report more exhaustively on the progress of ENGIE Energía Chile.

Along those lines, I want to highlight some environmental advancements. Despite the rise in our Carbon Footprint in 2021 because of the increase in the dispatching of our thermal power plants to overcome the power grid's deficit in this period, the intensity of our emissions, measured in Tons of C02 eq/MWh, was uncoupled from this trend. This was mainly because our renewable energy projects began operation and we expect to see a significant decrease in 2022.

In Governance matters, the Company's Board of Directors decided to implement two new policies. The first is on the appointment of directors in subsidiaries and the second is on the Management of Conflicts of Interest according to new Law 21,314.

Axel Levêque. As concerns people management, in 2021 we reinforced our occupational safety strategy. We conducted an in-depth review of the way in which we administrate safety on our sites and in our projects under construction for the purpose of detecting points of improvement and designing a new strategy that will aim for zero work accidents.

Another important aspect was the increase in our investment in training, double compared to 2020. The work we began on diversity and inclusion is also relevant, considering our goal of gender equity in management positions by 2030.

In respect of communities, I want to emphasize that our territorial management encompasses 24 municipalities in 9 regions in the country now that we have added the new renewable energy projects. In consideration of the coming expansion, we began to review our engagement model to incorporate contributions that can be considered social investments. This is how we are trying to foster initiatives that have a positive impact on the quality of people's lives.

Thinking about 2022, what will be the main challenges for our company?

Frank Demaille. 2021 was a period of great challenges that we faced innovatively, with a great ability to adapt and with a commitment by all teams comprising our company. The efforts we deployed this year left us on a very good footing to progress towards our purpose of continuing in the transition to carbon neutrality that will make us a sustainable company that creates value for its stakeholders while it cares for people and the environment.

Axel Levêque. Several factors that were influential in 2021 will continue to be present in 2022 and will drive the adaptation of our generation portfolio.

We will continue with our commitment of making all our efforts available to the country to handle the growing energy needs of Chile. In the framework of the start of a new government administration, we wish the new authorities all success as they begin their term of office, and we are at their disposal to address the huge challenges of the sector.

Finally, I invite everyone to read our Integrated Report that also discusses the progress in our commitments under the Global Compact.

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WE ARE ENGIE ENERGÍA CHILE

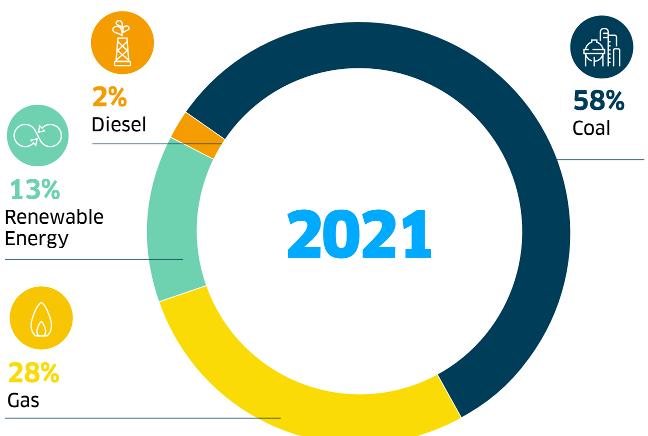
We engage in the markets for electricity generation, transmission and supply, gas transportation and port infrastructure. We are committed to accelerating the energy transition so that the country can grow on the basis of clean renewable energy.

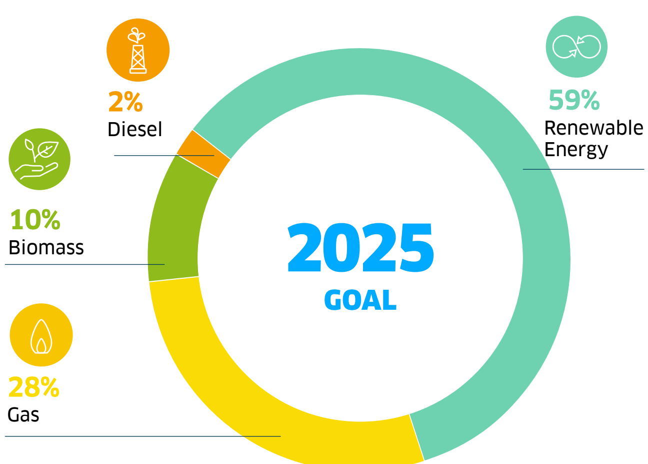
1.1 A QUICK GLANCE **AT ENGIE ENERGÍA CHILE**

We are present on the markets for electricity generation, transmission and supply, gas transportation and port infrastructure. Our main customers engage in mining and power distribution in the north, center and south of the country.

We conduct our business harmoniously and care for people and the environment. We are committed to accelerating the energy transition in that direction so that the country can grow on the basis of clean renewable energy.

Installed Capacity of ENGIE Energía Chile





4TH LARGEST GENERATOR

11 %
SHARE IN THE GENERATION MARKET

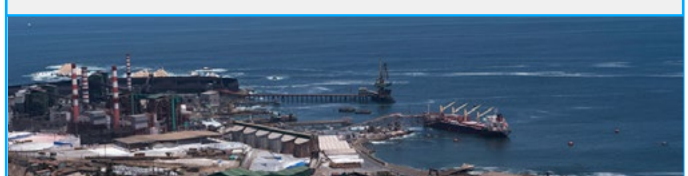
10 years
IS THE AVERAGE PPA DURATION

3RD LARGEST TRANSMITTER

2,348 kilometers
OF HIGH- AND MEDIUM-VOLTAGE LINES IN OPERATION

24 Substations
IN OPERATION WITH A CAPACITY OF 977 MVA

600 kilometers
TEN S.A. (50% OWNERSHIP INTEREST)



PORT ANDINA AND PORT TOCOPILLA

48 SHIPS RECEIVED
IN 2021

3.5MILLION
MILLION TONS LANDED IN 2021
COMPARED TO 2020 **+59%**

GAS PIPELINE

611MILLION
M3 OF GAS TRANSPORTED IN 2021

MAIN RESULTS IN 2021

MM US$**1,308,5**
ENERGY REVENUES
COMPARED TO 2020 **+12%**

MM US$**47**
NET PROFIT
COMPARED TO 2020 **-71 %**

MM US$**315**
EBITDA
COMPARED TO 2020 **-31 %**

ENVIRONMENTAL MANAGEMENT

	2020	2021	Variation
Emissions Intensity (Ton of CO_2 eq/MWh)	0.67	0.65	**-3%**
Carbon Footprint (CO_2 eq)	4.7	5.5	**+ 17%**
Water Footprint Millions of m^3 (Mm^3)	1.68	1.53	**-8,9%**

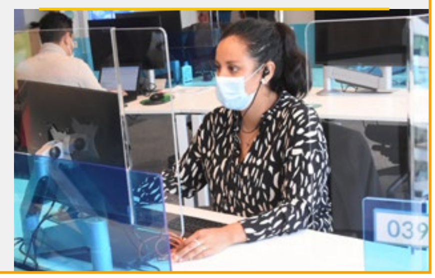
SOCIAL MANAGEMENT

909
EMPLOYEES

22%
OF MANAGERIAL POSITIONS
ARE HELD BY WOMEN

18%
Women

82%
Men



OCCUPATIONAL SAFETY

Frecuency Rate: 0.47
COMPARED TO 2020 **-23 %**

0 fatal accidents in 2021

SUPPLIERS

8% INTERNATIONAL

92% NATIONAL

COMMUNITY

MM US$ 1
COMMUNITY INVESTMENT

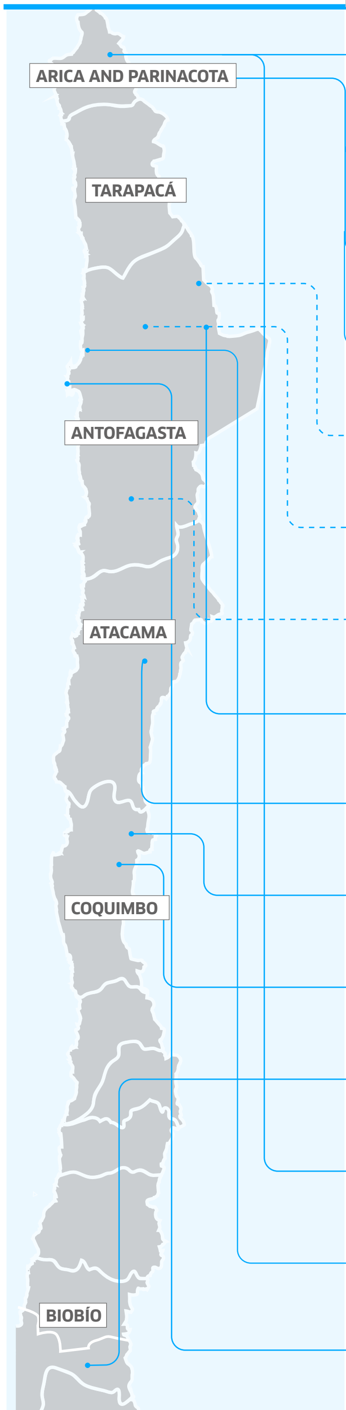
24
MUNICIPALITIES IN 9 REGIONS
ARE COVERED BY OUR COMMUNITY MANAGEMENT

1.2 OUR **OPERATIONS**

At the close of 2021, the gross installed capacity of ENGIE Energía Chile was 2.3 GW, deployed between the Region of Arica and Parinacota and the Region of the Biobío River

GENERATION

2.3 GW
Gross Installed Capacity



	RENEWABLE ENERGY 301 MW	RENEWABLE ENERGY Under construction 382 MW	OIL (FO 6) 55 MW	NATURAL GAS 639 MW	COAL 1,334 MW
Arica Battery	2 MWh				
Chapiquiña Power Plant	11 MW				
El Águila Farm	2 MWac				
Pampa Camarones Farm	6 MWac				
Tamaya Farm		114 MWac			
Coya Farm		180 MWac			
Capricornio Farm		88 MWac			
Calama Farm	151 MW				
Los Loros Farm	54 MWac				
Andacollo Farm	1 MWac				
Monte Redondo Farm	48 MW				
Laja Power Plant	34 MW				
Arica Diesel-fired units			14 MW (**)		
Tocopilla Thermal Power Complex				398 MW	269 MW
Mejillones Thermal Power Complex			41 MW (**)	246 MW	1,065 MW (*)

(*) 3355 MW Coal-CFB
(**) Back up

2 PORTS

Tocopilla and Andino

GAS PIPELINE

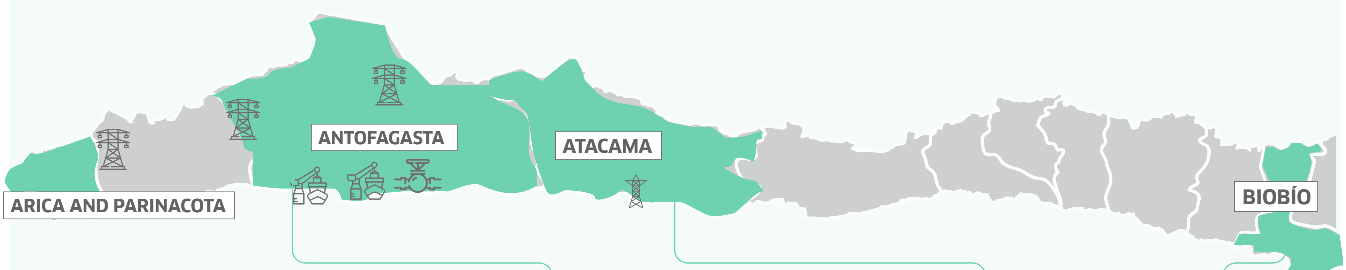
1,066 KM
of pipeline

TRANSMISSION

2,348 KM
of high voltage lines

1,767 KM	**351 KM**	**230 KM**	**TEN S.A**
Dedicated	Zonal	National	600 kilometers / 500 KV (50% interest)

24 SUBSTATIONS -977 MVA



PROJECTS THAT BEGAN OPERATION IN 2021

NEW CHUQUICAMATA SUBSTATION AND COMPLETION OF THE CRUCERO BYPASS

ALGARROBAL SUBSTATION

EL ROSAL SUBSTATION

1.3 MAIN **MILESTONES**

2009

E-CL, formerly Edelnor, merged with Inversiones Tocopilla I S.A. As a result, **E-CL acquired other electricity generation and distribution assets as well as gas transportation assets in the Far North region of Chile,** including Electroandina, CTA, CTH, GNAC, GNAA and Distrinor. Distrinor was sold to Solgas S.A., a subsidiary of the ENGIE Group, in December 2013.

2011

Electroandina was split into two companies: Electroandina, that continued to own all port facilities, and Electroandina Two, that acquired ownership of all of Electroandina's generating facilities, including the Tocopilla Thermal Power Plant. This split also merged **Electroandina II with E-CL and the latter took over control of all of Electroandina's generating assets.**

2014

E-CL was awarded a maximum of 5,040 GWh in 84 sub-blocks of electric capacity and energy within Block 3 in the power supply tender called "SIC 2013/03 – Second Call," held by SIC power distribution concessionaires. **This enabled the company to deliver energy to the Central Grid (SIC) for 15 years as of 2018.** The bid required investments of close to US$1.8 billion.

2015

Transmisora Eléctrica del Norte (North Power Transmission Company) Project (TEN), in operation since 2017, was declared to be **a trunk transmission project to interconnect the SING and the SIC.**

2016

E-CL changed its name to ENGIE Energía Chile S.A., thus adopting a globally supported brand that reflects a new strategic vision of the Group both worldwide and in Chile.

2017

ENGIE Energía Chile **started up the Transmisora Eléctrica del Norte (TEN) power line that connected the Far North Grid (SING) and the Central Grid (SIC) into one single National Grid (SEN).** ENGIE Energía Chile changed the focus of its business strategy to integrate the new challenges and opportunities resulting from Chile's Energy Transition.

2018

The Company began its decarbonization plan. It announced a plan to invest US$1 billion in renewable energy projects and requested authorization from the authority to close Units 12 and 13 (173 MW) of the Tocopilla Thermal Power Plant by 2021, subject to the start-up of the last segment of Interchile's Cardones-Polpaico power line. It also renegotiated PPAs with three of its main customers in the mining sector as a result of which periods were extended and the plan to invest in renewable energy became viable.

2019

ENGIE Energía Chile announced **the closing of units 14 and 15 of the Tocopilla Complex and units CTM1 and CTM of the Mejillones Complex by 2024,** as part of our decarbonization plan. We also began to implement the plan to invest US$1 billion in renewable energy by the purchase of two solar farms, Los Loros and Andacollo, with a combined capacity of 55 MWp, and the construction of the Calama Windfarm and Capricornio and Tamaya solar farms, with a combined capacity of 362 MW.

2020

The company acquired the Monte Redondo Windfarm and Laja hydroelectric power plant that combined represent 82 MW. After this purchase, the company's renewable energy installed capacity rose to 156 MW. ENGIE Energia Chile also renegotiated the PPA with Minera Centinela as part of its PPA decarbonization program. In addition, **it received a US$125 million "green loan" from the International Development Bank (IDB), the first of its kind, that will be used to fund the construction of the Calama Windfarm.** In November, ENGIE LATAM S.A., the majority shareholder in ENGIE Energia Chile S.A., acquired 76,155,000 shares in the company, thus increasing its equity interest by 7.23%. This transaction brought its total equity interest to 59.99%.

2021

The Company announced that it would retire all of its coal-fired units by 2025 (800 MW); that it would reconvert three coal-fired units to gas and biomass (700 MW); and that it would inject an additional 1,000 MW to reach 2,000 MW that will represent 59% of its installed capacity.

The Calama Wind Farm (151 MW) began commercial operation.

We energized the **Tamaya Farm** in the third quarter of 2021.

In 2021, **the first green loan given by IDB INVEST was formalized for US$125 million** to pay for the construction of the Calama Wind Farm.

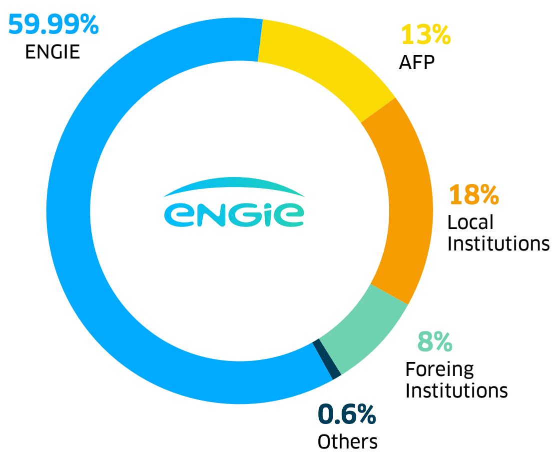
GOVERNANCE

We promote organizational conduct grounded on values and good practices, in full compliance with the law.

2.1 OWNERSHIP **AND CONTROL**

ENGIE Energía Chile S.A. is controlled by ENGIE, a French group and world leader in the production of low-carbon electricity, centralized and decentralized power systems and energy efficiency services. The group controlled 60% of the company at the close of 2021 through ENGIE Austral S.A.. The remaining 40% is distributed among pension funds (AFP) and local and foreign institutional investors.

Ownership structure as of December 31, 2021



CORPORATE PURPOSE

We want to take action to accelerate the transition toward a carbon-neutral economy by consuming less energy and providing solutions more respectful of the environment.

Our purpose invites everyone working in the Company, our customers and shareholders to join us, and it reconciles economic performance to a positive impact on people and our planet.

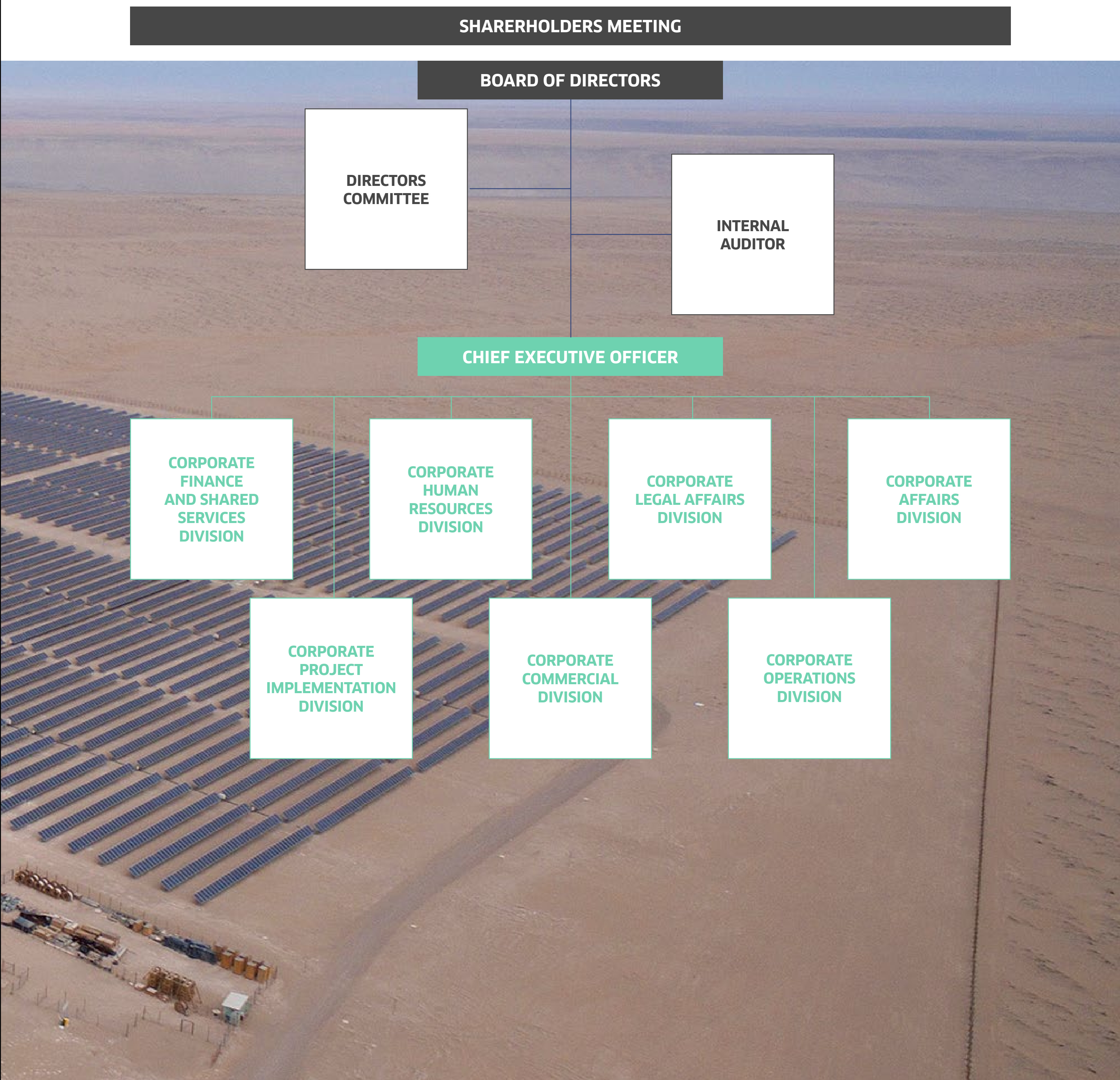
CORPORATE VALUES

- Professionalism
- Internal Relations
- Team Spirit
- Creation of Value
- Respect for the Environment
- Respect for Human Rights
- Ethics
- Rules of Action
- Respect for High-Risk Communities and Populations

2.2 GOVERNANCE **STRUCTURE**

Our Corporate Governance has a structure and works in a way that assures compliance with the law, oversees and manages emerging risks and the main challenges faced by the Company in a changing environment, and encourages an internal culture based on high ethical standards and good business practices.

This structure is as follows:



2.2.1 How it Works

SHAREHOLDERS MEETING

The Shareholders Meeting is the highest decision-making body in the Company and it is where shareholders meet to learn about the company's management and adopt resolutions within its purview of authority that is defined by law and our bylaws.

BOARD OF DIRECTORS

The Board of Directors is the main administrative body. Its principal work is to decide on the company's strategic plan and consider the risks and opportunities in the business. It also defines the company's long-term objectives and the strategic planning.

Our board reviews the company's risks quarterly.

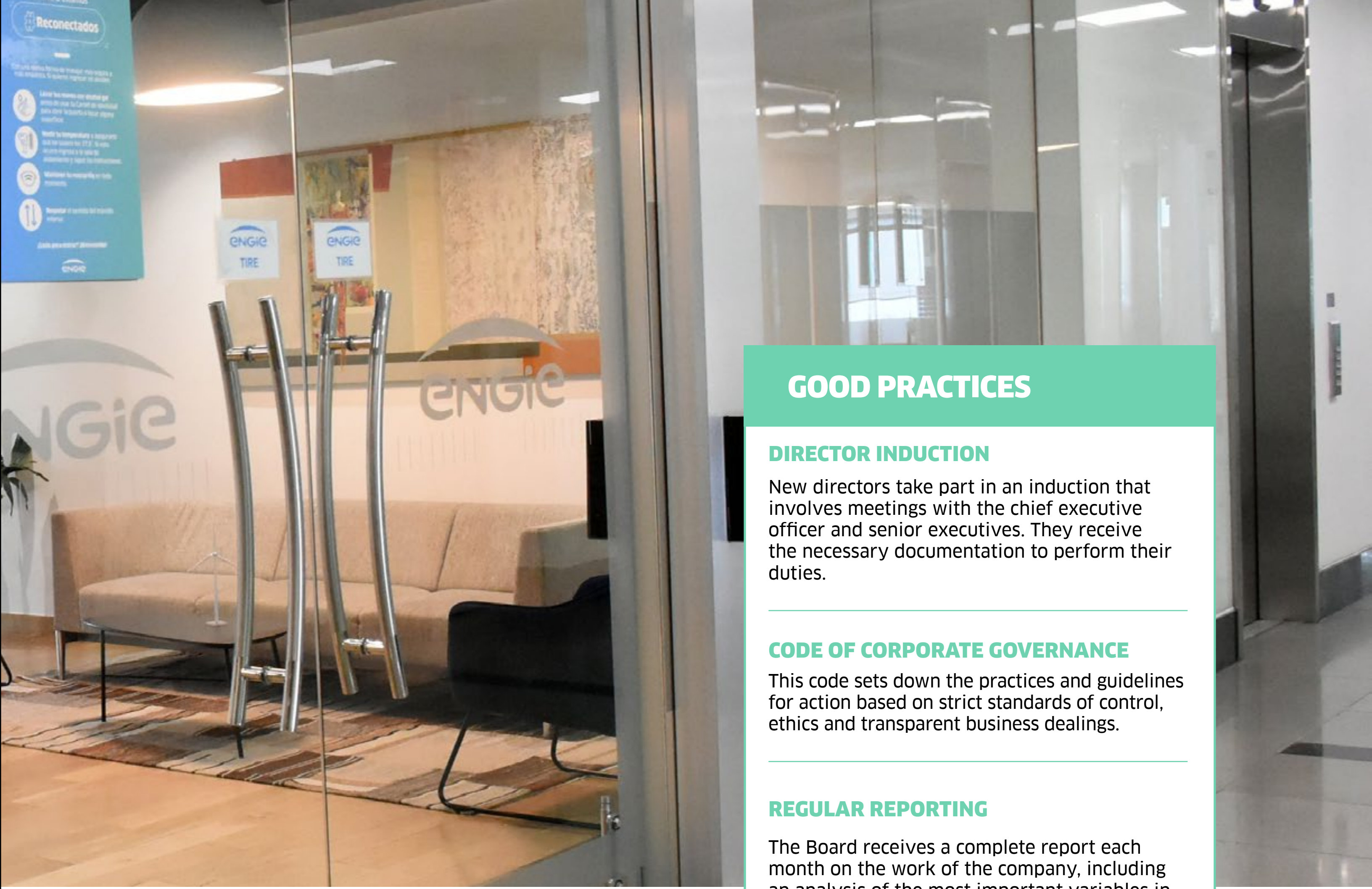
It also monitors topics concerning our Sustainability Model.

The responsible area presents the trend in the Carbon Footprint every month, among other subjects. The Board is also responsible for approving the content of the Annual Integrated Report.

Composition. The Board is comprised of professionals with an outstanding record who have ample experience in the energy sector and in the position of director. Every two years the board is renewed in its entirety and members can be re-elected. The most recent renewal was in 2019.

Attendance and participation. . The board holds regular meetings once a month and special meetings when convened by the chairperson. According to our bylaws, an absolute majority of the board members must be present for the board to hold the meeting.

Directors are also members of internal committees where they contribute their experience and understanding of regulations, risks and sustainability, among other subjects.



DIRECTORS COMMITTEE

It is comprised of independent directors who must perform the duties indicated in article 50-bis of Companies Law 18,046 and the duties in other laws and administrative regulations. Its members hold office for two years (and can be re-elected), and alternate directors have been appointed to substitute for them.

EXECUTIVE COMMITTEE

The Company's daily work is led by the Chief Executive Officer together with the Corporate Divisions' Officers. Their main functions are to ensure that the necessary parameters are met to provide an appropriate control environment and comply effectively with the strategy and business objectives.

GOOD PRACTICES

DIRECTOR INDUCTION

New directors take part in an induction that involves meetings with the chief executive officer and senior executives. They receive the necessary documentation to perform their duties.

CODE OF CORPORATE GOVERNANCE

This code sets down the practices and guidelines for action based on strict standards of control, ethics and transparent business dealings.

REGULAR REPORTING

The Board receives a complete report each month on the work of the company, including an analysis of the most important variables in its activities.

DIRECTOR GUIDELINES

These guidelines provide support for the different stages of directors' work, both individually and as a Board.

CODE OF CONDUCT AND BUSINESS ETHICS

This Code sets down the principles guiding the actions of all of the Company's employees.

PRIVILEGED INFORMATION MANUAL

This manual limits the number of people with access to privileged information and minimizes the time elapsing between the creation and disclosure of that information.

CRIME PREVENTION MODEL

This model contains a Crime Prevention Manual, a Whistleblower Channel and a Crime Prevention Officer.

2.3 BOARD OF DIRECTORS **IN 2021**

At the close of 2021, the Board of Directors was comprised of seven regular members and the same number of alternates. The Directors Committee has three members, all independent.

12 regular Board Meetings were held in 2021 at which the quorum required in the bylaws was present to hold the meeting.

Frank Demaille

CHAIRMAN
- Engineer
- Tax ID: 26.890.321-6
- Re-elected in 2020

Marc Jacques Z. Verstraete

- Business Engineer
- Tax ID: 26.361.271-K
- Took office in 2020

Aníbal Prieto Larraín

- Attorney
- Tax ID: 9.387.791-8
- Took office in 2020

Hendrik De Buyserie,

- Degree in Human Resource Management
- Belgian Passport: EP 101719
- Re-elected in 2020

Claudio Iglesis

- Electrical Engineer
- Tax ID: 7.289.154-6
- Re-elected in 2020
- Independent (*)

Mauro Valdés

- Attorney
- Tax ID: 7.011.106-3
- Re-elected in 2020
- Independent (*)

Cristián Eyzaguirre

- Economist
- Tax ID: 4.773.765-6
- Re-elected in 2020
- Independent (*)

(*) The independent directors submitted their respective statements of independence in the manner provided in article 50-bis of the Companies Law.
You can see the professional background of the Board members at https://engie- energia.cl/wp-content/uploads/2020/06/DIRECTORES_ EECL2020-1-1.pdf.

ALTERNATE DIRECTORS

Daniel Pellegrini:
Tax ID 25.017.537-k.

Gilda Spallarossa Lecca:
Peruvian Passport 118042457.

Marcelo Fernandes Soares:
Brazilian Passport YC648242.

Pierre Devillers:
Tax ID 24.671.365-9.

Ricardo Fischer Abeliuk:
Tax ID 6.400.720-3.

Ricardo Lira Matte,
Tax ID 6.379.576-3.

Victoria Vásquez García,
Tax ID 6.458.603-3.

2.3.1 Board Compensation

The Regular Shareholders Meeting held April 27, 2021, approved a Board Meeting attendance fee of 160 UF per meeting per for the 2021 fiscal year until the date of the next Regular Shareholders Meeting. The Board Chairman receives an attendance fee of 320 UF per meeting. It was also stipulated that alternate directors will not receive a fee for their office unless they attend a meeting in replacement of a regular director.

The compensation of the Directors Committee was 55 UF monthly in all events. They were also allocated a budget of 5,000 UF annually.

The Committee defrayed no expenses against this budget in 2021.

2.3.2 Consulting and Services

No payments were made to any company Board Member in the 2021 fiscal year for additional consulting. The Board overhead totaled KUSD 138 in the 2021 fiscal year.

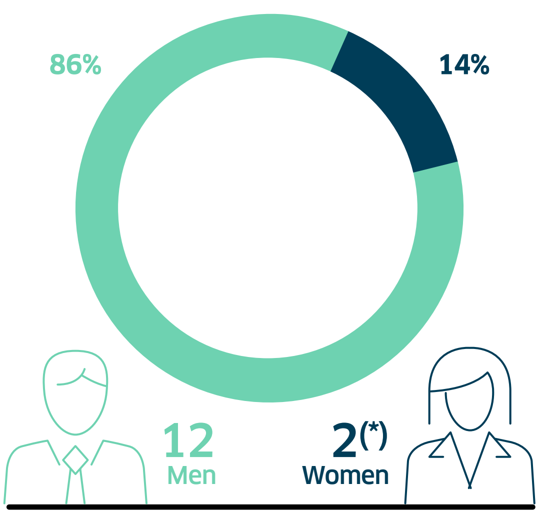
Board Compensation (*)

DIRECTOR	12/31/2021 kUSD	12/31/2020 kUSD
Cristián Eyzaguirre	102	93
Mauro Valdés	102	93
Claudio Iglesis	102	93
Total Board compensation	**306**	**279**

**Frank Demaille, Hendrik De Buyserie, Marc Jacques Z. Verstraete and Aníbal Prieto Larraín waived receiving an attendance fee for their position of Company director.*

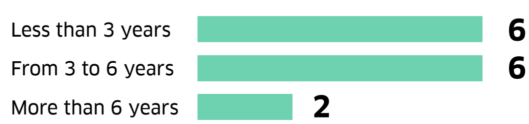
DIVERSITY ON THE BOARD

Directors by gender

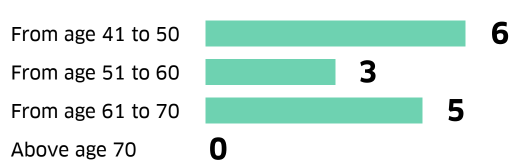


(*) Alternate Directors.
(**) Includes regular and alternate directors

Directors by time in office



Directors by age range



Directors by nationality(**)

2.4 EXECUTIVE **COMMITTEE**

The Executive Committee is comprised of a diverse group of professionals who have ample experience.

Axel Levêque
Chief Executive Officer
- Engineer
- Tax ID 14.710.940-7
- September 2014

Andrea Cabrera (**)
Corporate Chief Human Resources Officer
- Translator
- Tax ID 10.335.476-5
- September 2018

Gabriel Marcuz
Corporate Chief Operations Officer
- Civil Engineer
- Tax ID 21.273.633-3
- January 2019

Eduardo Milligan
Corporate Chief Financial and Shared Services Officer
- Economist
- Tax ID 25.672.615-7
- February 2017

Luis Meershon
Corporate Chief Commercial Officer
- Business Engineer
- Tax ID 13.232.514-6
- February 2020

Carlos Regolf
Chief Project Implementation Officer
- Civil Engineer
- Tax ID 14.524.773-k
- May 2019

Fernando Valdés
Corporate Chief Legal Affairs Officer
- Attorney
- Tax ID 13.038.373-4
- January 2019

Pablo Villarino
Chief Corporate Affairs Officer
- Attorney
- Tax ID 9.904.494-2
- January 2019

**The dates shown are the dates when they took office.*
(**) She worked for the Company through December 31, 2021.

2.4.1 Compensation

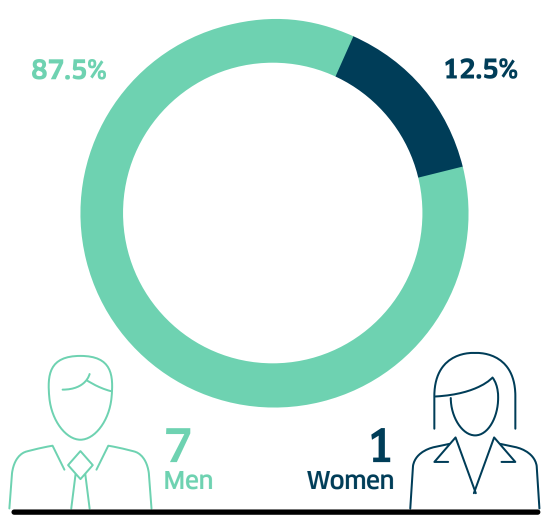
The executive and chief executive officer compensation policy provides benefits and an annual bonus that is subject to a performance evaluation model involving a combination of personal goals – evaluated on the basis of what is achieved and how it is achieved – and the result of other indicators strategic for the company, which include financial, ESG and Occupational Health and Safety goals. This latter KPI measures the handling of undesired incidents that can cause social unrest and potentially have an effect on the Company's reputation, regardless of whether there was environmental damage.

Compensation of Officers and Senior Executives

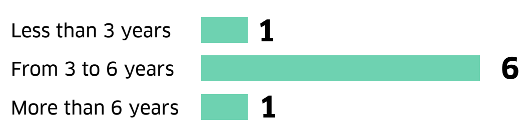
	12/31/2021 kUSD	12/31/2020 kUSD
Compensation	2,158	2,993
Short-term benefits	398	328
Total	**2,556**	**3,321**

DIVERSITY ON THE EXECUTIVE COMMITTEE

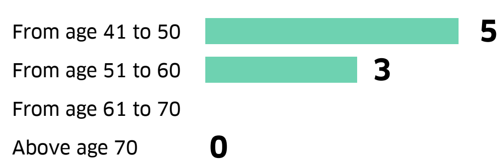
Executives by gender



Executives by time in office



Executives by age range



Executives by nationality

2.5 ETHICS AND **COMPLIANCE**

ur Company has a corporate ethics management system that is intended to promote organizational behavior grounded on values and good practices and to ensure a full observance of the law.

The system is comprised of internal policies and regulations and a whistleblowing channel posted on the company's website, accessible to people working for the Company, suppliers, contractors and other stakeholders. The platform receives complaints about any situation that is considered to be contrary to the Code of Conduct and Business Ethics, the Crime Prevention Manual, the Competition Manual and any other Ethics Policy of ENGIE Energía Chile and the ENGIE Group. All complaints received are thoroughly investigated.

The Company has an Ethics Committee that is convened by either the Ethics Officer or by the Crime Prevention Officer, depending on the nature of the complaint received. The Committee must review the investigation and decide on any applicable measures and penalties.

The Crime Prevention Officer also receives complaints and must report on their work to the Board semi-annually and whenever requested by one of the Board members. Regardless, any substantive irregular situation must be reported as soon as possible to the Board of Directors and Ethics Officer, either because of its severity or the amount or the risk involved.

2.5.1 Whistleblower channel

64 complaints were received through the whistleblower channel by the close of 2021, all of which were properly investigated. None of them related to Law 20,393 on the Criminal Liability of Legal Entities or for a violation of competition regulations.

64 COMPLAINTS RECEIVED	**64** COMPLAINTS INVESTIGATED

his year we also reported the channel activity to the ENGIE Group by means of a new digital platform set up to receive complaints from people working in the Company, from suppliers, contractors and other stakeholders. The initiative arose because of a French law requiring companies operating in France to have Oversight Plans to detect any potential crimes in their local and foreign operations.

2.5.2 Training

In 2021 we continued with our program on training in ethics, crime prevention according to Law 20,393 and competition, targeting the people working in the Company, especially those whose work is most exposed to the legal requirements. Talks were given online and contents included the new crimes added to Law 20,393.

Another relevant aspect was re-certification of our crime prevention model. The process was done by Feller Rate Clasificadora de Riesgo Limitada, which will be the company certifying our model starting in 2021.

2.5.3 New Law 21,314

Law 21,314 was published in the Official Gazette on April 13, 2021. It sets down new requirements on transparency and responsibility for corporations, market agents and other actors.

The new law, which will enter into force in February 2022, amends Securities Market Law 18,045 and Companies Law 18,046, among other laws, to add new rules for people holding the office of director.

In this context, in 2021 we worked on adapting the Manual on Information of Interest to the Market. We focused specifically on the new Freeze Periods where Directors, the CEO, Corporate Officers, Area Managers, Senior Executives and the Secretary to the Company's Board of Directors must refrain from purchasing or selling the securities in our company either for themselves or for others, whether or not related parties.

The new law also requires that Boards of Directors design and distribute a general director election policy in their subsidiaries. In that respect, the Company's Board of Directors decided to incorporate two new corporate governance policies: (i) the Policy on Appointment of Directors in Subsidiaries; and (ii) the Policy on Handling Conflicts of Interest.

GROWTH STRATEGY

Our growth strategy poses the challenge of creating value through a profitable economic performance while simultaneously caring for people and the environment. Our installed capacity will consist of 60% renewable energy by 2025.

MOVING TOWARDS **CARBON NEUTRALITY**

Our growth strategy poses the challenge of creating value through a profitable economic performance while simultaneously caring for people and the environment. In that respect, in the midst of growing concern about the effects of climate change, in 2015 we announced that coal-fired generation would no longer form a part of our development plan and that our efforts would be centered on transitioning to renewable energy generation. That decision marked a before and an after in our business since thermal generation accounted for more than 90% of our revenue and a significant part of our installed capacity.

As part of our preparation, we gave notice in 2019 of the closing of our first thermal units, together with an investment plan to add 1,000 MW of renewable energy to our portfolio. We also asked our main customers in the mining sector to begin a gradual program to amend their power purchase agreements so that they would be based on renewable energy. The good impacts of our decarbonization would be greater in scope with this change.

In 2021, we decided to accelerate the process. We gave notice to the Moneda Palace (Presidency) of our decision to disconnect all of our coal-fired power plants by 2025 and of an investment plan to add 1,000 MW more of renewable energy generation.

Concreting this plan in its entirety entails an investment exceeding 1.5 billion euros by 2025 and will cause a reduction of around 5 million tons of CO_2 eq annually compared to present emissions. This reduction is the same as taking 1.6 million cars off the road (close to 30% of the total number of cars in Chile).

By 2025, our generation business will be 60%-based on renewable energy, which will bring with it several challenges in all areas of the company's work.

We invite you to watch this video on our history of changes

3.1 TRANSFORMATION **BY 2025**

Over the next four years, we will be focused on achieving the objectives and meeting the challenges entailed in our 2025 plan. To that end, we designed a transformation program that addresses all areas of the Company where the main challenges lie:

• renovation of our generation assets;

• amending our long-term power purchase agreements (PPA) still indexed to coal;

• developing a new commercial portfolio;

• endowing the organization and the people comprising it with the tools and skills they need to lead a change of this magnitude because success on the path we have proposed travelling will depend on our teams.

The main areas addressed in this strategy are:

3.1.1 Reorganization of the lines of business

Starting this year, in line with the new strategy of the ENGIE Group, we restructured our business into the following areas:

Thermal Generation. This area manages the operation of the thermal units, of the closing plan and of the reconversion of the coal-fired units.

Renewable Generation. This area is in charge of deploying all stages of the renewable assets: design, construction, operation and maintenance, among others.

Energy service systems and infrastructure. This involves managing our Transmission, Port and Gas Pipeline lines of business.

Back-office areas. The new lines of business will be assisted by company-wide areas that include People, Legal and Corporate Affairs.

3.1.2 Renovating the asset portfolio

- In a period of four years, we will disconnect Tocopilla Units 14 and 15 and Mejillones Units 1 and 2 from the system, which generate 800 MW of coal-fired power. The disconnection of the Tocopilla units was scheduled for 2021, but given the urgent power needs of the country, the authority asked us to postpone it to 2022. In parallel, we began the closing and dismantling of Tocopilla Units 12 and 13, a pioneer process of its kind in Chile.
- We will reconvert three coal-fired power plants now in operation that combined, generate 700 MW. The IEM power plant (377 MW) will use natural gas, while the Andina (CTA) and Hornitos (CTH) power plants will use biomass starting in 2025, which combined, generate 355 MW.
- Simultaneously, we will be integrating 2,000 renewable MW to our installed capacity. Close to 300 MW are already operative (Los Loros, Monte Redondo, Calama Farm, Chapiquiña Power Plant, Pampa Camarones, Andacollo Solar Farm) and 380 MW are under construction where the percentage progress is significant (Tamaya PV, Coya PV and Capricornio PV). **More information can be found on page 47.**
- Additionally, we were awarded two concessions tendered by the Ministry of Public Property in Pampa Fidelia and Pampa Yolanda, located inside the Taltal Wind Reserve in the Region of Antofagasta. Renewable energy projects, either wind or solar, can be built on these lands that will generate a total estimated capacity of 1,500 MW.

3.1.3 Green PPAs

In this change process, our customers play a key role as long-term power purchase agreements (PPAs) are the main support for the investment plan we are developing.

In 2019, during the start of renegotiation of our commercial agreements, we proposed to our customers in the mining sector that their prices not be indexed to the costs of coal and instead, be replaced by the CPI, which will give them the choice of opting for lower prices and reducing the carbon footprint of their operations.

At the close of 2021, our PPAs totaled 12 TWh for an average duration of 10 years. 75% of all of the PPAs we have with unregulated customers (4.8 TWh) are Green PPAs.

TRANSFORMATION NUMBERS

Investment

1.5 BILLION EUROS

Emission reductions

-80% → 2026

Equivalency

1.6 million cars off the road
(30% of the number of cars in Chile)

Renewable energy projects

+ 2,000 MW

Hoy

1,000 MW
In different stages

382 MW
of those 1,000 MW are now in construction

More information on our transformation can be found at **www.engie.digital/transformacion-engie**

3.1.4 Cultural Transformation

Operationally, transitioning from large thermal units concentrated in the north of Chile to smaller units deployed throughout the country will require new competencies and skills in the people working in the Company as well as agile processes to respond in time to the needs of customers in a highly competitive environment and to the requirements of stakeholders that will arise in this wide and disperse area of influence.

We will address this challenge through a plan that has six pillars and more than 20 projects already in process.

The transformation goes hand in hand with a reorganization of the structure by new lines of business, which entails a change process in which we are relying on specialized tools like ENGIE Ways of Working **(more information on page 70).**

In process management we will structure, based on Service Level Agreements (SLA), how back-office areas work (like Finance, Legal, Human Resources and Corporate Affairs) with the areas of development and implementation of renewable projects and systems. These agreements help fix expectations of time and standards of quality for the deliverables required in each project. The intent is to leverage the agility required so that the organization can implement the initiatives on time and in the right way.

Eduardo Milligan,
Corporate Chief Financial and Shared Services Officer

We decided to accelerate our transition to more renewable energy because we are committed to climate action as are our customers and majority shareholders. In that respect, we signed the first green loan that IDB INVEST has granted. This transaction involves demanding requirements that are not present in traditional loans, but we decided to assume them because we are company committed to a business model that grows economically while simultaneously caring for people and the environment. ”

Calama Wind Farm.

GREEN FINANCING

In 2021, we closed the first green loan granted by IDB INVEST for US$125 million to pay for the construction of the Calama Wind Farm. This transaction, unusual for IDB INVEST, is the first world monetization of emission reductions in the energy sector. The goal of IDB INVEST is to continue pushing for this finance model in different countries for this and other industries.

The transaction was structured in two tranches:

- The first consisted of senior loans, one for US$74 million from IDB INVEST and one for US$36 million from the China Fund.
- The second, for US$15 million, is mixed financing from the Clean Technology Fund (CTF) that contains a premium–lower interest rate– if we accelerate the closing of the coal-fired units. A method was designed in this process to measure the CO_2 eq emissions that will stop as a consequence of the unit closing plan and of the contribution by the renewable energy units that will replace them.

The loan entails several environmental, social and governance commitments that must be reported semi-annually.

ENVIRONMENTAL

- Biodiversity Management. A lizard endemic to the zone of the Calama Wind Farm was found, which led us to conduct critical habitat studies and review the measures that have been adopted during construction to avoid any damage to this species.

Fiinance Awards

The credit transaction we closed with IDB was awarded one of the five global prizes given by the ENGIE Group in the Sustainable Finance category of its Finance Awards.

- Implementation of an Environmental Plan for the Dismantling of Tocopilla Units 14 and 15.

SOCIAL

- Creation of a formal channel of inquiry on the company's website that records the receipt and handling of each of these inquiries.

- Design of safety plans for people and of response plans for any emergency at the Tocopilla Power Plant, as well as risk management programs.

- Engagement with social actors. In this respect, we documented the continuing engagement with communities and stakeholders near the Calama and Tocopilla units.

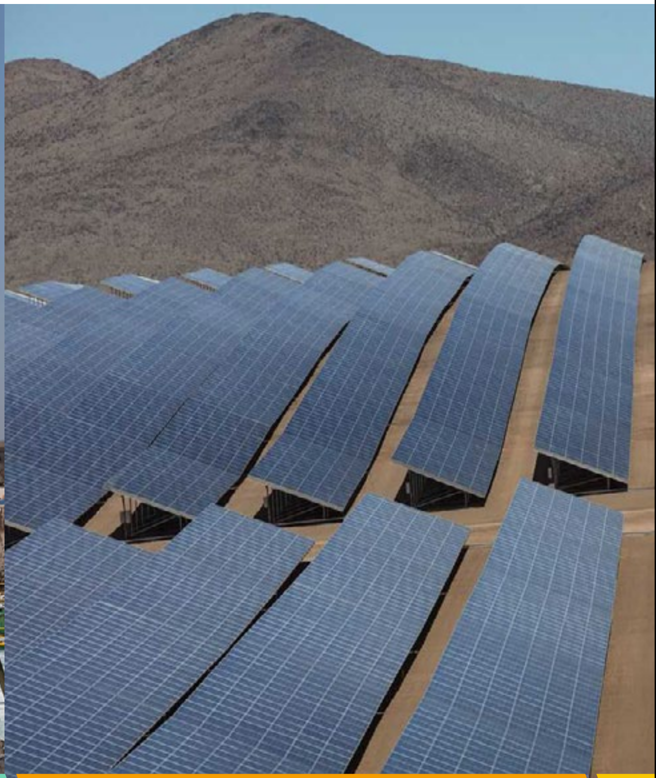
GOVERNANCE

- Amendment of our internal policies and procedures. In this respect, we updated the Integrated Environmental Management System Policy to include the social aspect.

- We created an Environmental and Social Management Manual.

TRANSFORMATION MILESTONES





2015-2017

The construction of the **TEN Line** began in 2015 to unify the SING and SIC Systems into the new National Grid (SEN). It began operation in 2017.

2018

We announced the **closing of the Tocopilla coal-fired units 12 and 13, equal to 173 MW.** ENGIE and its unions created the Decarbonization Working Group to address job reentry and retraining plans. A Fair Transition process began in the municipality of Tocopilla in which several actors and representatives of the community and local authorities participated.

Renegotiation began of PPAs with customers to change adjustment from the coal price index. The first PPAs to be amended were with Codelco, and with Altonorte and Lomas Bayas, in the Glencore Group.

2019

The Government and the industry signed an agreement for the gradual closing of coal-fired units.

We announced a **1 GW renewable energy Plan** comprised of wind and solar projects and the closing of coal-fired units generating 800 MW.

We announced the **closing of Tocopilla coal-fired units 14 and 15,** for 268 MW, in 2021 and of **CTM1 and CTM2 units in the Mejillones Thermal Power Complex** by 2024.

We acquired the Los Loros and Andacollo solar farms, the first generating 54 MWp and the second 1 MWp.

2020

2021

A major agreement was reached with the **Antofagasta Minerals Group** on its Minera Antucoya and Minera Esperanza (Centinela) operations.

We closed the first green loan granted by IDB INVEST for US$125 million to develop the Calama Wind Farm. It is a pioneer model that is expected to be replicated in other markets on the world.

We were awarded a tender by the Ministry of Public Property for land located in Taltal that will have the potential to produce 1,500 MW of renewable energy.

We announced **an early closing of our coal-fired units,** the reconversion of three power plants to clean energy, and the addition of 1,000 MW of renewable energy, which will total 2,000 MW by 2025.

The 151 MW Calama Wind Farm began commercial operation.

The Tamaya Solar Farm (114 MWac) was energized in the third quarter of 2021.

3.2 FAIR **TRANSITION**

ENGIE Energía Chile is aware that our transformation will cause social impacts on our neighbors and on the Company's employees. The operations that will be retired have been contributing to the buoyancy of the local economy for decades because they are highly demanding in terms of labor, inputs and services. The new operations require substantially less people who must have different expertise, and the demand for associated services will also be lower.

Since we announced our exit from coal-fired generation, we have proposed addressing the positive and negative externalities of that transformation in an open process that involves dialogue and engagement with our internal and external stakeholders.

That is how our Fair Transition plan arose, from a respectful and careful approach, where co-creation has been fundamental to its implementation. We have publicly known formal guidelines and commitments that constitute a governance by which we can scale and give a greater scope to the initiatives we promote in the communities where both our operations that we are disconnecting and the new renewable energy units are located.

3.2.1 Governance

The lines of work are based on internal regulations where we can highlight two policies. The first is the Local Economy Involvement and Hiring Policy that aims to promote the hiring of local workers and suppliers by our facilities. This commitment is part of the requirements in all tenders of our future projects. Along those same lines, we launched the Associativity Policy that adds a new line of work to our territorial management, oriented towards promoting access by communities to renewable energy, either in homes or in public infrastructure.

Both policies debuted with the Calama and Coya Farms. In those two communities, we began projects to foster employability and renewable energy projects to energize facilities important to the community **(further information on our Territorial Management on page 66).**

3.2.2 Main action plans by stakeholder

PEOPLE WORING IN THE COMPANY

Employability, training and early retirement

In an early stage, we set up working groups with the Company's worker unions to evaluate together the most appropriate options. The efforts were directed towards employability, internal mobility plans, training and early retirement plans under conditions advantageous to the beneficiaries.

In the case of Tocopilla, courses were imparted on diverse subjects, such as air generator maintenance and technical inspection training. In the last two years, training programs have also been implemented to support entrepreneurship, assembly, operation and maintenance.

In Mejillones, we are implementing an action plan that includes learning from the Tocopilla experience, but adapted to the particularities inherent to these facilities.

CONTRACTORS

Retraining

Together with the Antofagasta Labor Observatory of the Catholic University of the North (UCN), a study was made on the impact and reconversion of works due to the closing of the Thermal Power Plants in Tocopilla to identify the job possibilities of people working directly and indirectly in our operations. The sample involved 2018 interviews: 97 of our employees and 121 of contractors.

The results and conclusions of the study served as the basis to draft the plans to retrain our internal teams, and they were also shared with the local, regional and national authorities so that they could be used in the social and labor processes of the Fair Transition in Tocopilla.

It also enabled us to reinforce our territorial work with a focus on employability.

LOCAL AUTHORITIES AND LEADERS

Early socialization of the Unit Closing Process

In Tocopilla and Mejillones, we organized meetings in an early stage to disclose the closing plans and their main aspects. Those meetings were attended by community leaders and representatives, who became members of our working groups, and by municipal unions, independent neighborhood boards, local authorities and trade associations with whom we worked jointly, to name a few.

We also created communication channels via Facebook and WhatsApp to stay in direct contact with critical stakeholders.

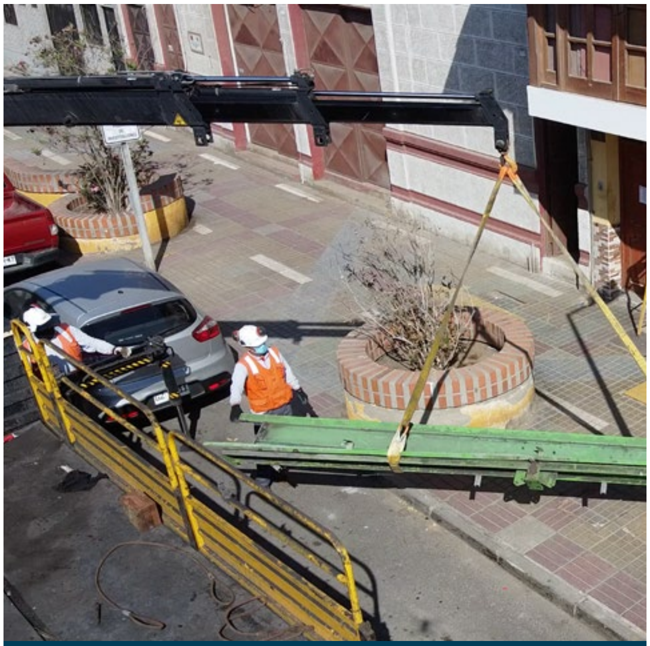
COMMUNITIES

Social plans directed toward the communities in Tocopilla and Mejillones

Tocopilla Entrepreneurship Working Group. This initiative arose to support the retraining of local inhabitants. Competitive funding was a result of this working group, directed towards entrepreneurs, small businesses and local associations. In the last few years, competitive funding has been awarded to local carriers, collective taxi associations, fisher associations and youth tourism associations, among others. Added to this is the Tocopilla Women's Training Plan that aims to professionalize the level of education.

Courses and training in Mejillones. In Mejillones, we are imparting courses and training in household electricity, entrepreneurship and social leadership.

Dismantling Plan



Zonal fishers reused materials

3.2.3 Socially and environmentally friendly dismantling plan

In the 100 years that we have been in Tocopilla, we have built deep ties with the community. Generations of families have worked directly and indirectly in our facilities, so announcing the closing of these power plants came with a bittersweet taste for both us and locals.

In this period, we awarded a tender to dismantle units 12 and 13 in the Tocopilla Complex, disconnected in 2019. The completion date is set for the first quarter of 2022.

This process, which is unusual, has become a source of learning for the coming units. We are designing a dismantling plan with our ENGIE seal that is environmentally and socially careful and symbolic and goes beyond regulatory requirements.

It contains environmental and social initiatives and a communications plan targeting local inhabitants and their representatives.

PERMANENT COMMUNICATION

We are constantly providing information on progress in the process through working groups, comprised of two municipal unions and representatives of the municipality, the regional government and the regional office of the Ministry of Energy. Given the restrictions because of the pandemic, we used Facebook and WhatsApp for more targeted communication.

One of the most relevant milestones in the dismantling is the dismantling of the stack.

REUSE AND RECYCLING

We identified opportunities for the reuse and recycling of materials. We organized technical visits for technicians of the other units who were interested in spare parts and components. For the same purpose, we invited the Union of Independent Fishers of Tocopilla and the Union of Auxiliary Sailors of Tocopilla Bay to inspect materials and parts that could be reused in their activities. We hire a specialist (Flesan), who recovered coils, pillars and metal ladders, among other materials, requested by the Union.

SOCIAL INITIATIVES

We also began beautifying the Tocopilla Energy Square, which was entrusted to a local company. The work, which will be ready in 2022, involves installing solar panels donated by Flesan.

HOW DO OUR STAKEHOLDERS EVALUATE US?

We requested a study from an outside consultant to understand the perception that the representatives of our main stakeholders have of image and reputation. We wanted to know in particular their evaluation of our decarbonization strategy and its impact on our   image. The sample was taken among local authorities, investors, industry actors, the media and community leaders, among others.

Among the main results, the interviewees emphasized the leadership and commitment of our Company to the energy transition that the country is implementing. They also stressed the timing and quality of the disclosure of this process, of leading the way by announcing closings, and the commitments we assumed to nearby communities.

Local Authority *"ENGIE stands out among all the companies we have in the Antofagasta Region. They always give an answer, listen, and are there to solve problems. To me, the best is ENGIE in the ranking. They relate very well in every sense".*

Investors. *"ENGIE has been a company that has anticipated its challenges, has been very in line with the decision to make the country more renewable and how to take advantage of the country's potential".*

Regulatory Authority. "*ENGIE is closing coal-fired units that were inaugurated just a short time ago, which it will transform in 2025. I believe that this makes ENGIE's commitment to this process much clearer than in other cases. Other companies have taken similar steps, but in this case, this is a test of ENGIE's true love by deciding to transform brand-new power plants".*

Representative of the community. *"But that is not ENGIE's fault (closing units). They do what they have to do and they have always helped".*

Industry actors. *"ENGIE has made quite daring decisions in this agenda, leadership, innovation. I believe it is quite sustainable, it has a positive view and it is consistent with what it believes, which it has done quite well".*

Pablo Villarino,
Chief Corporate Affairs Officer

TWe have the huge challenge of deploying throughout the country, to create value for our company, its shareholders and our local inhabitants while simultaneously supporting the communities that have welcomed us for years in their challenges.

BUSINESS MANAGEMENT

Our main lines of business achieved significant advancements in their work in 2021 despite the complicated setting.

Energy sales in 2021
11,715 (GWH) **+3%**
COMPARED TO 2020

Net energy generation
7,746 GWH **+20%**
COMPARED TO 2020

Power purchases on the spot market
3,311 GWH **-29%**
COMPARED TO 2020

4.1 THERMAL **GENERATION**

The 2021 fiscal year was one of the toughest in the last decades for the generation industry. The sector was heavily impacted by one of the severest droughts in the last 60 years that caused a drop of 20% in hydraulic generation. Also impacting was the increase in the prices of fuels, which reached historic levels, like what occurred with coal, that went from 100 to 300 dollars per ton, and with natural gas.

Thirdly are the effects of the pandemic that impacted in two ways: they slowed down our own and third-party renewable energy projects and impacted the way operations worked. Due to the health and mobility restrictions imposed on people, the maintenance scheduled for 2020 had to be postponed in the entire industry because of a shortage of skilled employees. This ended up impacting the availability of units in the system in 2021.

In the midst of this strain on the system, the National Electric Coordinator (CEN) instructed us to postpone the closing of Tocopilla Units 14 and 15 for at least six months, scheduled for the end of 2021. This decision, which we abided by, was not exempt from challenges because we were already working with a reduced staff at those units on that date.

Despite this adverse scenario, our generation reached a peak of 1,690 MW during the fiscal year, a historic record for our company. An additional 700 GWh of energy were generated compared to 2020, which also constitutes a milestone.

4.1.1 Asset Management

The asset management plan begun two years ago to reverse the unavailability of our main units began to yield fruit in 2021. We started this plan with unavailability levels at a peak of around 40%, and we ended 2021 with an unavailability of 10%. Behind this reduction is profound work that entailed a reorganization of areas, more than 1,000 new maintenance plans, monitoring plans, the creation of new KPIs, incentives based on unit availability and training plans for all employees, among other measures.

Gabriel Marcuz,
Corporate Chief Operations Officer

This was one of the most complicated years for the industry in general in recent times. In the midst of an adverse scenario, we achieved a record in our generation that we were mainly able to do because of the effort by people.

Maintenance plans for the more than 1,000 critical machines at the Andina and Hornitos-CTA and CTH-thermal power plants were developed between 2020 and part of 2021. They began to be executed at the end of the first semester. In parallel, six overhauls were performed and all plans were completed by the scheduled deadlines with no cost overruns and especially no work or environmental accidents.

Another challenge this year, not minor, was the repeated on-the-go rescheduling of scheduled maintenance as a consequence of the strain on the system and the little time available to perform this work. Each maintenance involves from 200 to 500 people, some from abroad. Additionally, these processes are in a chain so if one is delayed, it affects the planning of the following ones.

SCHEDULED MAINTENANCE

QUARTER	UNIT	TYPE	PLANT	TIME INOPERATIVE (DAYS)	TYPE OF MAINTENANCE
First	CTT14	Coal	Tocopilla Thermal Complex	16	Scheduled
Second	IEM	Coal	Mejillones Thermal Complex	6	Scheduled
	CTH	Coal	Mejillones Thermal Complex	56	Extra
	CTT16	Gas	Tocopilla Thermal Complex	6	Scheduled
Third	CTA	Coal	Mejillones Thermal Complex	10	Extra
	CTM2	Coal	Mejillones Thermal Complex	25	Scheduled
Fourth	IEM	Coal	Mejillones Thermal Complex	9	Scheduled
	CTT16	Gas	Tocopilla Thermal Complex	24	Scheduled
	CTM3	Gas	Mejillones Thermal Complex	11	Scheduled
	CTM1	Coal	Mejillones Thermal Complex	18	Scheduled
	CTA	Coal	Mejillones Thermal Complex	14	Scheduled
	CTT16	Gas	Tocopilla Thermal Complex	47	Scheduled
	CTH	Coal	Mejillones Thermal Complex	15	Scheduled

IMPORTANT BREAKDOWNS (LONGER THAN 20 DAYS)

QUARTER	UNIT	TYPE	PLANT	TIME INOPERATIVE (DAYS)	DESCRIPTION OF THE BREAKDOWN
First	CTA	Coal	Mejillones Thermal Complex	71	High eccentricity in the turbine
	CTT14	Coal	Tocopilla Thermal Complex	16	Broken pipe in the boiler
	CTM2	Coal	Mejillones Thermal Complex	20	Broken pipe in the boiler
	CTT14	Coal	Tocopilla Thermal Complex	36	Low stock of lime
	TG2	Coal	Mejillones Thermal Complex	144	Breakdown in the starter
Second	CTM2	Coal	Mejillones Thermal Complex	20	Problem with the ash removal system
Third	CTM2	Coal	Mejillones Thermal Complex	32	Broken pipe in the boiler
	CTT14	Coal	Tocopilla Thermal Complex	22	Broken pipe in the boiler
Fourth	CTT15	Coal	Tocopilla Thermal Complex	26	High temperature when off

4.1.2 Reconversion of thermal power plants

In 2021 we presented Environmental Impact Statements (DIA) to reconvert three coal-fired power plants. We will reconvert the coal-fired power plant in the Mejillones IEM complex to gas, which was started up in 2019, and the Andina and Hornitos thermal power plants to biomass.

Question and answer sessions began for the three projects as part of the process. We expect to contract the basic engineering in 2022 to continue with the process.

OUR CUSTOMERS

In 2021, we focused on consolidating our business strategy, centered on selling our main services of energy, transmission, gas and ports, to the extent possible as a package to address all of the needs of customers.

We also broadened our commercial relationship with Canal 13. We added, to the 100% renewable energy power purchase agreement signed in 2018, the installation of solar panels on the roof of the emblematic building located on Inés Matte Urrejola street, with an installed capacity of 64.7 kWp. Combined they will generate close to 84 MWh/year. This capacity will help directly mitigate onsite 32 tons of CO_2 annually, equal to planting 64 trees.

At the close of 2021, the customers exceeding 10% of the company's invoicing were:

UNREGULATED CUSTOMERS

Codelco: Chuquicamata and Minera Gaby.

AMSA: Minera Centinela, including its Esperanza and El Tesoro; Minera Antucoya and Compañía Minera Zaldívar SpA.

Freeport-McMoran: El Abra.

Glencore: Lomas Bayas and Alto Norte.

REGULATED CUSTOMERS

Empresas CGE, Saesa y Enel.

PPAs with **26 distribution companies** in central and southern Chile.

4.2 RENEWABLE **ENERGY GENERATION**

One of the important milestones in 2021 is the entry of the Calama Wind Farm to the system with close to 151 MW. This operation was added to the Monte Redondo Wind Farm (48 MW), the Laja Hydroelectric Power Plant (34 MW), the Chapiquiña Power Plant (11 MW), the El Águila Farm (2MWp), Camarones Farm (6MWp), Los Loros Farm (54 MWp) and the Andacollo Farm (1 MWp). Together these projects add up to 307 MW.

In 2021, we continued with the construction of three projects that would add another 382 MW. Namely:

TAMAYA PV SOLAR FARM(*)

114 MWac | **99%** Global Progress | Investment **MM US$84**

CAPRICORNIO PV SOLAR FARM

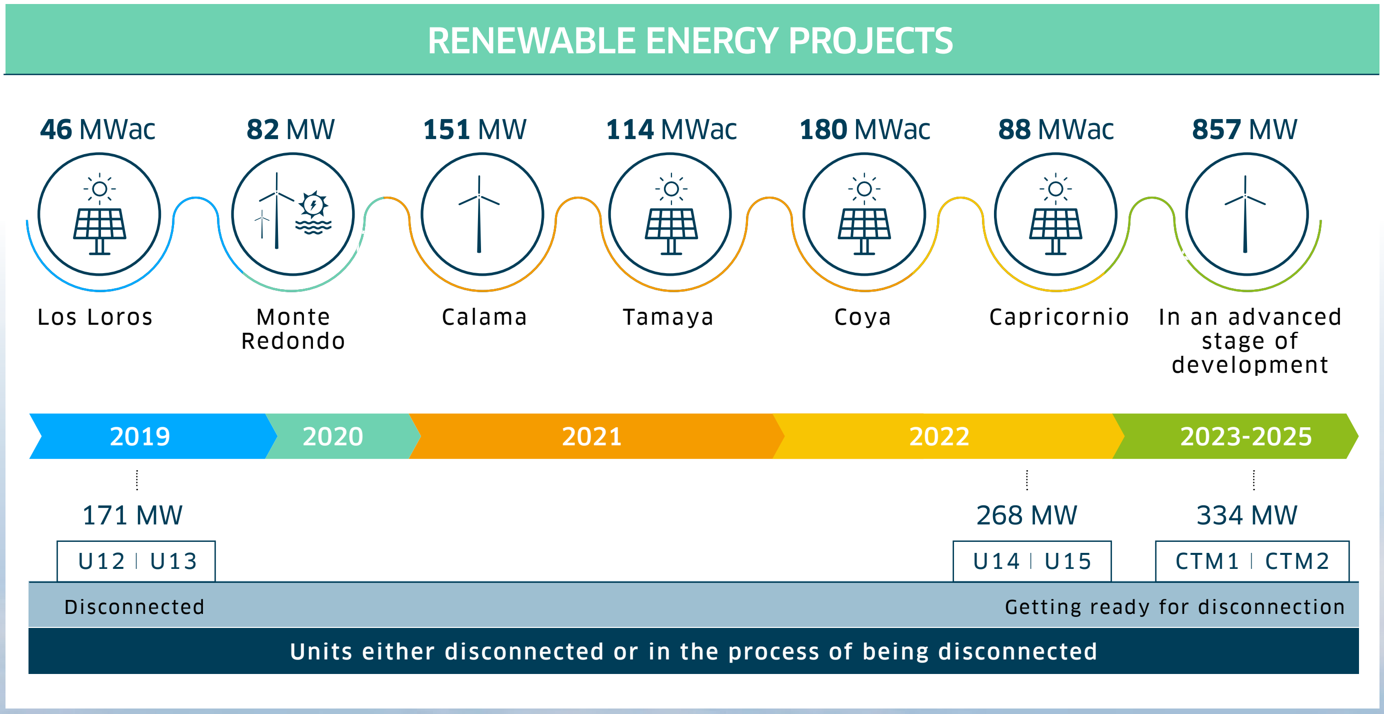
88 MWac | **93%** Global Progress | Energization sheduled for **3Q 2022** | Investment **MM US$85**

COYA PV SOLAR FARM

180 MWac | **65.4%** Global Progress | Energization sheduled for **3Q 2022** | Investment **MM US$146**

(*) Began commercial operation in February 2022

We have new projects for which the environmental permit (RCA) has already been granted. Environmental Impact Assessments (EIA) and Environmental Impact Statements (DIA) are being prepared for others. Combined they will add more than 350 MW to the renewable energy installed capacity.



4.3 TRANSMISSION

In 2021, in the last tender of regulated transmission works for the zonal and national systems, we were awarded the New La Ligua Substation project, located in the municipality of La Ligua. The project will make the zonal system more robust and also create a point of connection for the new generating units that are being developed in the zone, mainly solar farms. The reference investment value of the new substation is US$21 million and the commissioning period is 3 years as of publication of the Decree of Award.

In 2021 we also began to operate the El Rosal, Algarrobal and New Chuquicamata projects and we concluded the Crucero Bypass works.

OUR PROJECTS

Dolores sectioning substation (110 KV)

Pozo Almonte substation enlargement (110 KV)

Tamarugal sectioning substation + 1x66 KV line

La Negra sectioning substation

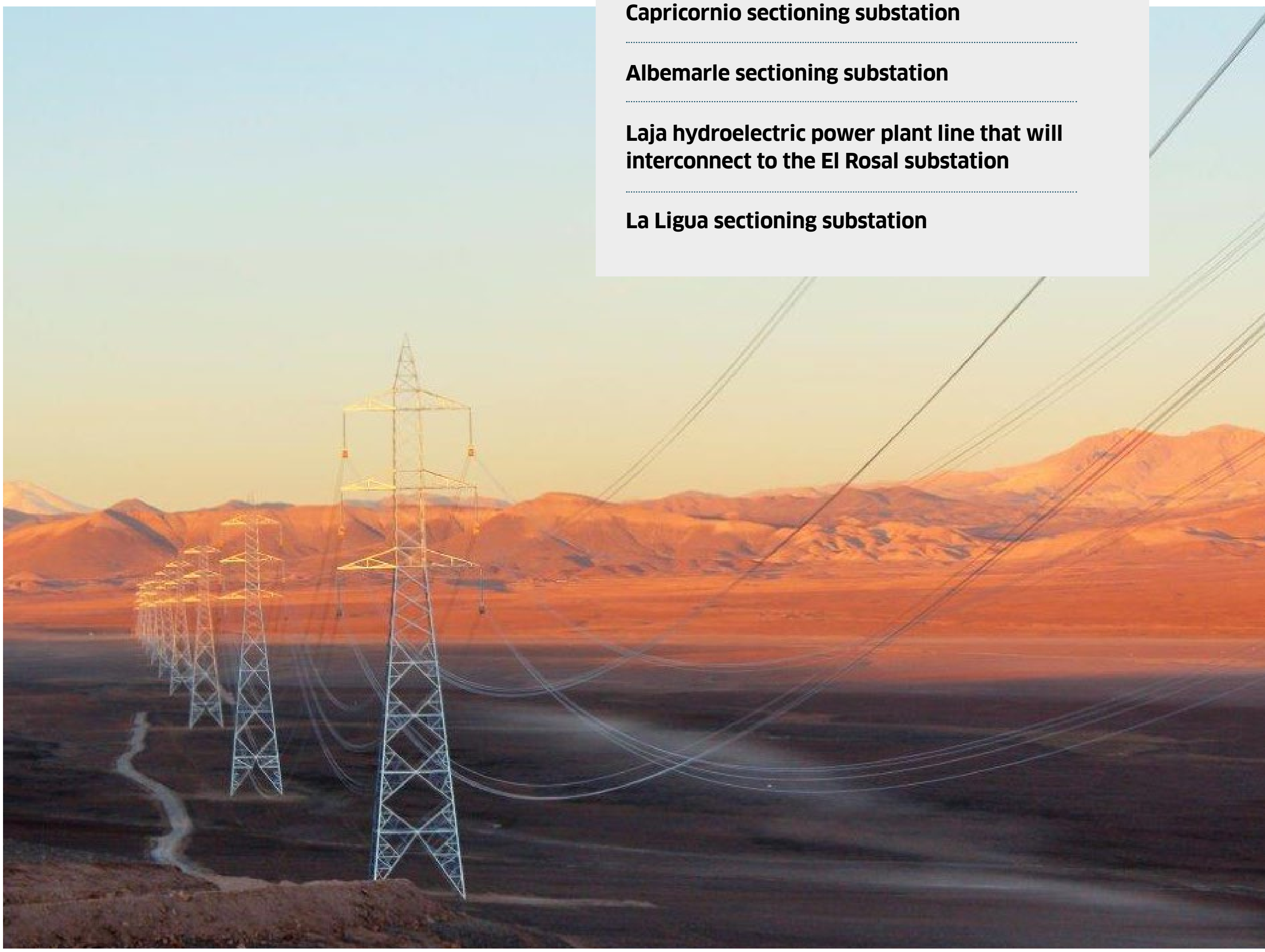
Roncacho sectioning substation

Capricornio sectioning substation

Albemarle sectioning substation

Laja hydroelectric power plant line that will interconnect to the El Rosal substation

La Ligua sectioning substation

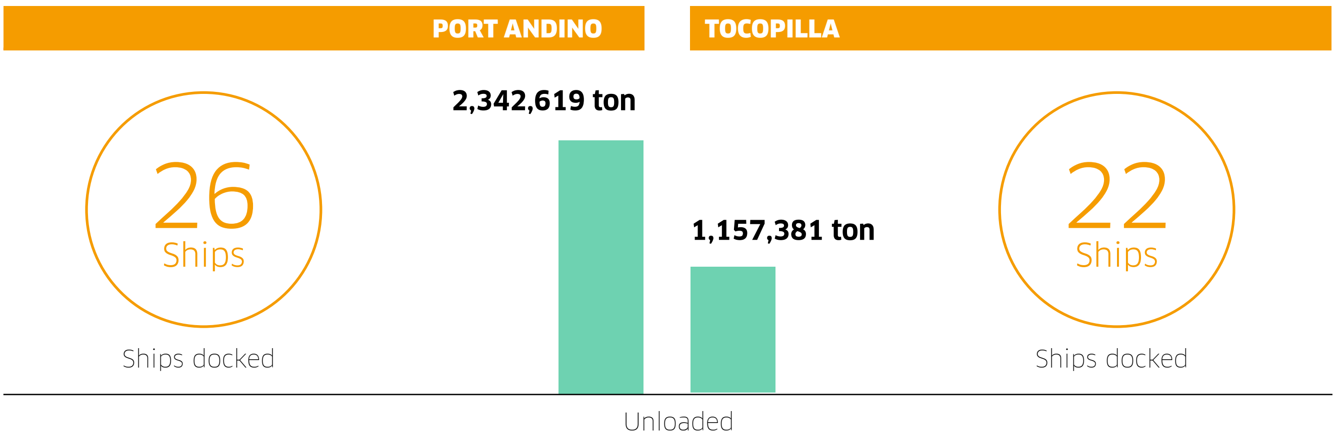


4.4 PORTS

In 2021, the number of ships that docked at our ports nearly doubled compared to the previous year. 48 ships were unloaded: 22 at Tocopilla (1,157,381 tons) and 26 at Mejillones (2,342,619 tons) in comparison to 2020 when 25 ships were unloaded (9 and 16, respectively).

We unloaded a total of 3.5 million tons of coal, 59% more than in 2020, when the number was 2.2 million tons.

We completed the overhauls planned for each port. We improved the prompt dispatch/demurrage KPIs despite the increase in the number of ships. We received certification according to three ISO-OHSAS standards (9001, 14001 and 45001) on safety, environment and quality.



4.5 GAS PIPELINE

Gas transportation continued without interruption in 2021. 611 million m3 of gas were transported in 2021, 10% less than in 2020.

A pressure limit valve was installed during maintenance to stabilize the pressure at a maximum of 50 bar upon arrival to the city of Tocopilla. Pipes were also changed at the point of arrival to the Tocopilla thermal power plant, which had no impact on supply because it was done during the annual Unit 16 stop.

2020	**1,066** Kilometers of gas pipeline	**8** million m^3 can potentially be transported daily	**682** million m^3 of gas transported during the year
2021	**1,066** Kilometers of gas pipeline	**8** million m^3 can potentially be transported daily	**611** million m^3 of gas transported during the year

4.6 INNOVATION AND **DIGITALIZATION**

Innovation and digitalization are key to our development strategy. Innovation efforts in 2021 were centered on digitalization and its impact on the search for efficiency and improvements. Initiatives were designed to support the adaptation to a new way of working, which involved adding new skills and tasks organizationally. To that end, workshops were held and technological tools were adapted to provide a friendly digital environment that facilitates collaborative work in which there is significant interaction.

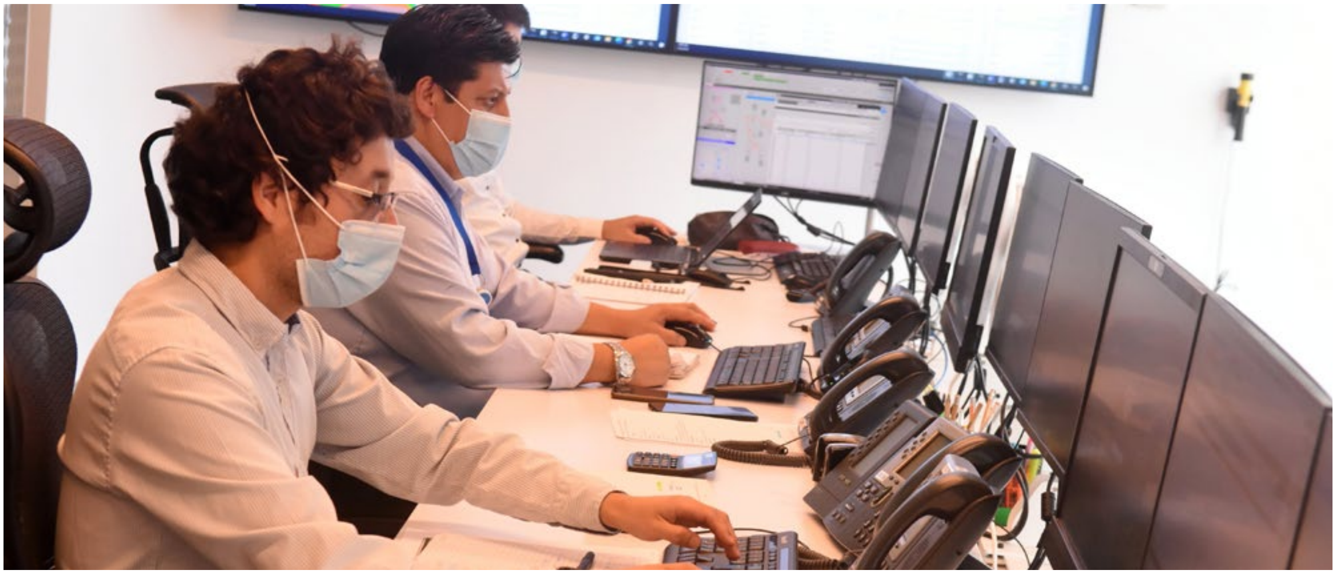
One of the activities was a finance digitalization workshop that led to 202 proposals, 18 of which were pre-selected. We also held a workshop targeting the renewable energy area in order to define the digitalization priorities from the standpoint of its members. We also held a third workshop for people working in diverse areas for the purpose of identifying the tasks and processes in their jobs that could be automated or digitalized.

Document Manager

In 2021 we updated company-wide the policies and procedures document manager. The focus was to speed up document management by distinguishing between thermal power documentation and renewable energy documentation in order to organize documentation by business line.

ISO re-certification

In the search for operating excellence, the Integrated Management System called “Simple” was re-certified in 2021 according to three standards: ISO 9001 (Quality), ISO 14001 (Environment) and ISO 45001 (Occupational Health and Safety). The scope of the re-certification was extended to renewable energy generation sites like the Monte Redondo Wind Farm.



4.6.1 Digitalization

Early on we defined a digital strategy that will give us the support we need to maintain a warranted operational continuity.

We were able to maintain operational continuity of all business processes in 2021. We attained a critical applications availability of 99.95% (Commercial Operation, SCADA, Office365, SAP) and we generated savings of approximately KUSD 890/year.

77 digital initiatives were implemented in 2021 to make the company's processes more efficient. 2,400 internal person-hours (P-H) of efficiency were gained (report automation, replacing Excel spreadsheets by databases, etc.). Mainly of note was the progress in the Portfolio/Commercial, URE Operation, HR and Finance Areas for purposes of Digital Portfolio Management by ENGIE Chile and the systematization of the monitoring and control of progress in the portfolio by GBU, country and divisions through a report. Portfolio compliance was 95% in the year.

In 2021, compliance with our company-level cybersecurity and ICS framework was 92.8% in the most critical sites. It was 95.92% in the Thermal Area, 95.7% in the System-Gas Area, 91.9% in the URE Area, and 87.7% in the Network-Transmission Area.

Other important initiatives in 2021

Operational continuity monitoring and control. The SD Operational Continuity Management report was systematized, which monitors the main KPIs in a Balanced Scorecard format.

Let's Go Application (Vamos). Shared spaces can be reserved in offices from any device, which ensures compliance with the maximum number of people present.

Knowledge and Learning: We explored adding new technologies to optimize work. We developed three pilots, one to automate two accounting reports using RPA (Robots) that have made the number of person-hours of the accounting team more efficient in routine tasks. A second pilot was the Twin at Solar Power Plants that was applied at the El Águila PV plant and consisted of simulating the operation of a scaled installation using Artificial Intelligence and Machine Learning. This is expected to make maintenance more efficient. The third pilot was to capture wind and sun predictions in the information from external companies and market data.

Perimeter Security Platform: We implemented a modern integral Perimeter Security Platform that uses IoT technology (Cameras, radar, speakers) and analytics. It is monitored remotely from the security control center located at the Antofagasta Substation. 10 sites are currently being monitored at the El Águila and Andacollo Solar Farms, at the Antofagasta, Crucero, El Cobre, Pozo Almonte, El Rosal and Algarrobal Substations and at the Tocopilla and Mejillones Thermal Power Plants. This solution has already helped deter and avoid an attempted theft at the Andacollo PV Plant.

Power Sales Revenues

MM US$1,308.5 **+12%**

COMPARED TO 2020

EBITDA

MM US$314.5 **-31%**

COMPARED TO 2020

4.7 ECONOMIC **PERFORMANCE**

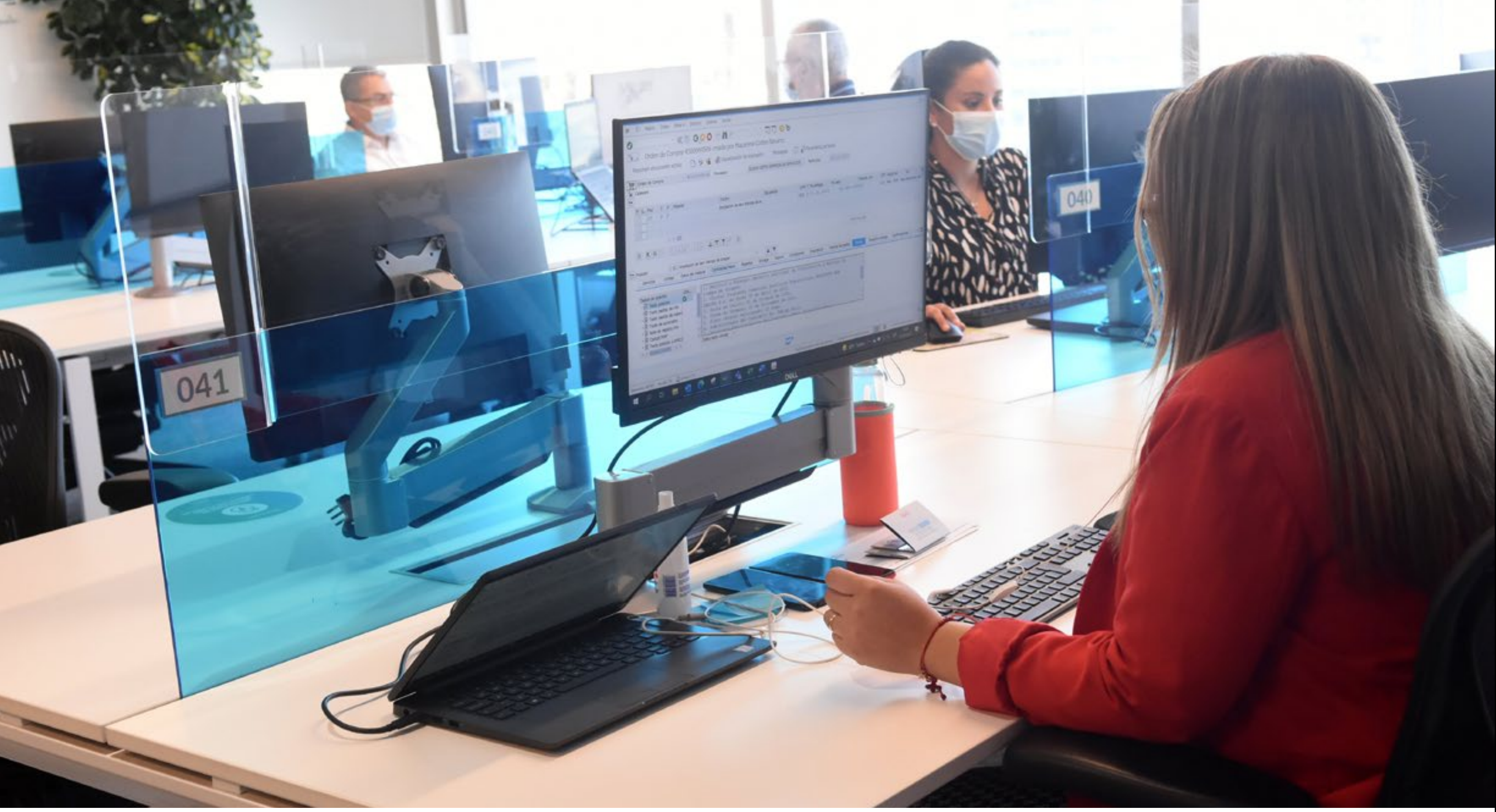
4.7.1 Power Sales

EIn 2021 income from the sale of energy and capacity totaled US$1,308.5 billion, increasing 12% (US$143.3 million) compared to 2020. This increase was due to the recovery of regulated customer demand and the average monomial price increases for both regulated and unregulated customers. The mean price increase in energy sold was due to increases in the main rate indexers (CPI and the prices of gas and coal).

As concerns energy volume, a slight recovery was seen in sales to regulated customers because of the fewer restrictions on activity due to the better COVID-19 indicators. Nonetheless, this was affected by the smaller proportion of ENGIE in PPAs with regulated customers after new PPAs entered into effect.

Physical sales to the spot market rose because of the increase in generation by the Andina Thermal Power Plant (CTA) and Los Loros Power Plant and because of the start of operations of the Calama Wind Farm and the full energization of the Tamaya photovoltaic farm. Spot market sales also include payments for the annual resettlements of capacity and monthly resettlements of energy made by the CEN.

Gas sales were similar to the previous period. Other operating income is comprised of transmission tolls and miscellaneous services (port, maintenance, etc.). In this period, this item included income of US$13.7 million for the payment by ENGIE Energía Chile to purchase 40% of Inversiones Hornitos SpA in monthly installments according to the PPA renegotiated with AMSA that included a rate discount under the agreed commercial terms. In 2020, on the other hand, US$31.7 million were recognized for this reason. Additionally, other operating income in 2021 included US$7.4 million for business interruption insurance compensation as a result of past losses occurring at the IEM power plant (US$5.3 million) and at CTA (US$2.1 million).



4.7.2 Gross Electricity Generation

The gross generation of electricity rose 21% in 2021 compared to the previous year, especially because of the increase in coal-fired generation. In this scenario, there was a greater share of coal-fired, gas-fired and renewable power generation after the purchase of Monte Redondo Wind Farm in July 2020 and after the Calama Wind Farm began commercial operation in the fourth quarter, followed by the energization of the Tamaya PV Farm.

4.7.3 Costs

In 2021, fuel cost swelled 72% (US$195 million), because of the increase in self-generation and the significant rise in the price of commodities around the world.

The "Cost of Purchases of Energy and Capacity on the spot market" rose US$80.1 million (25%) compared to 2020, mainly because of the higher mean purchase prices despite the decrease of 29% in purchase volume. This cost increase was the result of a drop in the availability of water in the system, the drop in the availability of LNG and gas from Argentina, and the breakdown or maintenance of the system's efficient units, even when there were high levels of renewable energy generation.

Part of the power purchase agreements were fulfilled by backup agreements with other system operators (639 GWh), 27% higher compared to the previous year, the result of new agreements and increases in the volumes contracted in the period.

In 2021, depreciation cost was slightly higher than the previous year because of the retirement of assets upon completing construction of projects (Calama Wind Farm) and of the overhauls of power plants.

Other direct operating costs include, among others, transmission tolls, plant employee remuneration, operation and maintenance costs, insurance premiums and fuel sales costs. Moreover, in the first quarter, other direct operating costs included a premium of

Risk rating stability

At the close of the period, Feller Rate gave notice that it ratified ENGIE Energía Chile's solvency rating as AA-. It also ratified its share rating as First Class Level 2 and changed the outlooks from Positive to Stable in response to the increased challenges because of a potential acceleration of the investment plan and its proper implementation, in addition to generating EBITDA.

Fitch Ratings ratified the national long-term rating of ENGIE Energía Chile S.A. (ENGIE Energía Chile) as AA(cl) and the international foreign currency and local long-term risk ratings as BBB+. It also ratified the rating of the unsecured bonds for US$850 million as BBB+ and the rating of shares as First Class Level 2(cl). The Outlook is Stable.

US$11.9 million due to the cancellation of a natural gas shipment.

Selling and administrative expenses were slightly higher than in the previous year.

Other operating income/expenses consist of the sale of water, recoveries, provisions and miscellaneous income that were low in magnitude. This item includes the recognition of a share in the net loss of US$1.9 million reported by TEN in 2021 in comparison to a profit of US$4.4 million in 2020. This loss occurred because of the retroactive recognition in the accounting of the estimated potential effects of applying the new rate decree that was still in process.

4.7.4 EBITDA

In 2021, EBIDTA was US$314.5 million, decreasing 31% (US$140.8 million) in comparison to the previous year, mainly because of the higher cost of energy supply due to a rise in the prices of fuels and of the means of purchase of energy and capacity on the spot market. The accounting adjustment made by TEN accounted for US$7 million of this decrease.

4.7.5 Financial Income and Expenses

The decrease in financial income was due to lower interest rates and lower average cash balances.

The increase in financial expenses was caused by including the effect of the sale and assignment of balances in favor of Engie on income as a result of the application of the temporary electricity price stabilization mechanism (Law 21,185 of November 2019 ("PEC")). The differential between the nominal amount of balances sold and the purchase price, which includes the discount and transaction expenses, was US$48.7 million in 2021, and it was recorded as a financial expense.

In 2020, on the other hand, the prepayment of the US$400 million 144A/RegS bond was included, which was refinanced and paid in its entirety in the first quarter of 2020. Bondholders received a premium on early redemption of the issue. In January 2020, ENGIE Energía Chile announced a voluntary early redemption program for these bonds ("Any and All Tender Offer") subject to placement of a new US$500 million bond that was successfully issued on January 23, 2020. The Company later made use of the prepayment option contained in the bond documentation originally expiring in January 2021 in order to make payment of the remaining amount to bondholders who did not participate in the voluntary redemption program. In February 2020, the Company completed full repayment of the US$400 million bond and the payment of interest and early-redemption premiums that totaled US$13.6 million, which were debited entirely from fiscal year income in the first quarter of 2020. The new US$500 million bond is for 10 years at a coupon interest rate of 3.400% annually.

The interest compounding for our projects under construction was US$10.1 million in 2021, above the $4.4 million compounded in 2020.

There was a profit of US$22.6 million on the exchange rate differential in 2021, compared to a loss of US$7.3 million in 2020, mainly the result of the effect of the depreciation of the Chilean peso on local currency debt owed for pay-for-use concessions that are considered financial debt under IFRS16.

4.7.6 Net Profit

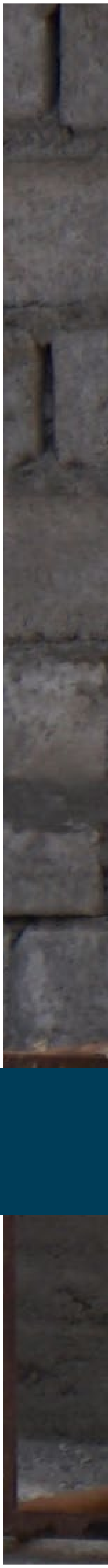
The net after-tax profit in 2021 was US$47.4 million, compared to a gain of US$163.5 million in 2020. As explained earlier, this decrease was due to the low operating income in the period and the increased financial cost after the sale of accounts receivables from distribution companies in application of the regulated customer price stabilization law.

4.7.7 Liquidity and Capital Resources

As of December 31, 2021, ENGIE Energía Chile had cash resources totaling US$215 million on a consolidated basis, while its nominal total financial debt was US$1.025 billion, with no debt expirations until January 2025 except for a short-term loan from Scotiabank for US$50 million expiring in April 2022.

SUSTAINABILITY IN ENGIE ENERGÍA CHILE

ENGIE Energía Chile wants its business to have positive impacts on the environment where it operates. Our sustainability model and its guidelines contribute to the Sustainable Development Goals (SDGs) forming part of the U.N. Global Agenda.



5.1 SUSTAINABILITY **MODEL**

ENGIE Energía Chile wants its business to cause positive impacts on people and the environment. In that respect, our sustainability model is focused on three courses of action: **People, Planet and Profitability.**

We also have internal policies and regulations that reinforce our actions, as well as indicators and monitoring systems in some areas that we track using the company's Balanced Scorecard in order to promote behavior within the organization consistent with our commitment to responsible growth.

SUSTAINABILITY MODEL OF **ENGIE ENERGÍA CHILE**

People

- Provide safe work environments.
- Incorporate women and promote them to managerial positions.
- Foster local entrepreneurship.
- Local hiring and suppliers.

Planet

- Access to renewable energy, the promotion of the use of clean energy and responsible consumption.
- Commitment to being carbon neutral.
- Contribution to the fight against climate change.
- Protection of biodiversity.
- Decrease in negative externalities.

Profitability

- Construction of long-term relationships with customers.
- Long-term clean-energy PPAs.
- Sale of renewable energy.

5.1.1 Focus on the SDGs

ENGIE Energía Chile is moving forward in implementing a strategy and a work plan to position the Sustainable Development Goals (SDG) at the core of our work, as part of our sustainability management and ESG indicator management.

To do this, we are relying on the recent update to the ENGIE Group's sustainability strategy that adopted the SDGs as pillars to structure channel initiatives that have positive impacts on the environments where it operates.

On the basis of this experience, we began a review in 2021 to identify how we can better contribute from our local reality.

The steps we took in that direction were:

• Internal alignment. Prioritization of indicators, sensitization and validation of the work plan by the Leadership Committee and BPOs.

• Measurement method and baseline. A survey and closing of gaps in the measurement of actual indicators and the implementation of new methods aligned to the ENGIE Group.

• Reportability. A workshop on alignment to the new system for reporting the social and corporate responsibility indicators.

In addition to strengthening our management, this initiative also sought to attract investors and risk rating agencies, who are assigning an increasingly high value to extra-financial yield of their investments and to sustainability management. Additionally, it will help strengthen our reputation as a sustainable company and generate pride in those who work in it.

Finally, it will facilitate reporting the sustainability indicators in the new General Rule 461 on financial reports, issued by the Financial Market Commission (CMF, acronym in Spanish).

SUSTAINABILITY AT THE CORE OF THE ENGIE GROUP STRATEGY

Take action to accelerate the transition to a carbon-neutral economy by consuming less energy and providing more environmentally respectful solutions.

Road to Net Zero Carbon by 2045 in all scopes, following a trajectory "quite below 2°C".

No more coal by 2027.

Investments in projects and regions compatible with our goals.

Allocation of carbon budgets and integration of the coal price.

Inclusion of carbon goals in the incentives of the highest executives.

Planet

ENGIE Group Level 1 Goals for 2030

43 $MtCO_2eq$ from the production of electricity aligned to the SBT Trajectory goals.

52 $MtCO_2eq$ from the sale of gas in line with the SBT Trajectory goals.

58% of renewable energy in the installed capacity mix.

Reduce customer emissions by 45 $MtCO_2eq$.

100% of suppliers chosen are SBT-certified or SBT-aligned (excluding energy sales).

6 CLEAN WATER AND SANITATION | 7 ENERGÍA ASEQUIBLE Y NO CONTAMINANTE | 13 ACCIÓN POR EL CLIMA | 15 VIDA DE ECOSISTEMAS TERRESTRES

People

ENGIE Group Level 1 Goals for 2030

Frequency rate no greater than 2.3, including the employees of contractors.

50% of executive positions in the group are held by women.

Reach 100 points in the gender equity index.

3 SALUD Y BIENESTAR | 5 IGUALDAD DE GÉNERO | 8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO | 10 REDUCCIÓN DE LAS DESIGUALDADES | 16 PAZ, JUSTICIA E INSTITUCIONES SÓLIDAS

5.1.2 Social Investment Model

Another relevant aspect in 2021 management was the evaluation of our Early Approach Model that we use to approach our area of influence that currently covers 24 municipalities in 9 regions in the country. By 2025, we estimate that 65% of our stakeholders will be linked to new renewable energy projects that we will deploy throughout the country. This change in the composition of our stakeholder map created the need to reformulate our engagement model.

Under the current approach, this tool promotes initiatives that are catalogued as an expense financially. Our goal is for it to be scalable, so we want to include the vision of social investment in our Associativity Policy that focuses on initiatives that develop the local economy, entrepreneurship, and access to renewable energy that contributes to the quality of life of communities, among other aspects.

Toward that goal, we began to establish baselines to identify opportunities for the development of social projects that bear more of a relationship to our business. To that end, we have initiatives that give people in vulnerable sectors and, more specifically, entrepreneurs access to public services that use renewable energy.

From a strategic approach, we decided to incorporate impact assessment systems in the sites and places where we operate to measure the impacts of our initiatives to then on that basis, focus our investments more efficiently and effectively.

5.1.3 Stakeholderss

The relationship between ENGIE Energía Chile and stakeholders is a material aspect in the development of the business. Our relationship with stakeholders is grounded on permanent communication, mutual trust and reciprocal development.

In 2021 we premiered a new newsletter, ENGIE al Día (ENGIE Today), directed toward our investors and financial analysts to keep them informed of the business and our sustainability progress.

We also maintain an active communication through our LinkedIn, Twitter, Facebook, Instagram and YouTube accounts.

AREA	STAKEHOLDER	COMMUNICATION CHANNEL
Internal Stakeholder	**EMPLOYEES**	Intranet, Newsletter, ENGIE & Me Survey, Performance Management, Training and Leadership Programs, Internal Campaigns.
	UNIONS	Collective Bargaining Process and Monthly Meetings.
	JOINT HYGIENE AND SAFETY COMMITTEES	Work Meetings, Panels and Annual Conferences.
The Company Stakeholders	**COMMUNITIES**	Mainly Working Groups, Territorial Managers, Stakeholder Managers, South Zone Leaders Program, Integrated Report and Social Networks.
	NGOS	Territorial Managers, Stakeholder Managers, Integrated Report.
	TRADE ASSOCIATIONS	Membership on Committees, Working Groups, Integrated Report.
Authority Stakeholders	**LOCAL**	Working Groups, Stakeholder Managers, Integrated Report.
	NATIONAL	Formal Channels, Stakeholder Managers, Integrated Report.
Financial Stakeholders	**SHAREHOLDERS** **ANALYSTS** **BONDHOLDERS** **BANKS**	Shareholders Meeting, Corporate Website, Investor Relations Officer, Integrated Report, Regular Reporting to the Market, ENGIE al Día Newsletter.
Business Stakeholders	**CUSTOMERS**	Monthly Newsletter, Customer Day, Corporate Website, Site Visits, Social Network Communication, Integrated Report.
	SUPPLIERS	New Supplier Portal, Internal Contact, Monthly Meetings with Critical Suppliers, Training on ENGIE Platforms and the Integrated Report.
	INDUSTRIAL PARTNERS	Alliances and Agreements.

Institutions in which we take part

Acción Empresas
www.accionempresas.cl

Global Compact
www.unglobalcompact.org

Manufacturing Development Society (SOFOFA)
www.sofofa.cl

Chilean Association of Renewable Energy
www.acera.cl

Mejillones Industrialists Association
www.aimejillones.cl

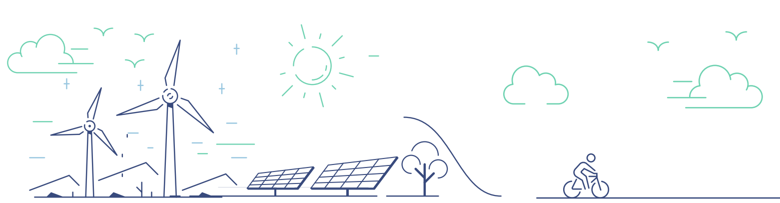
Chile Generators Association
www.generadoras.cl

Energy Efficiency Committee of the Ministry of the Environment
www.mma.gob.cl

Antofagasta Industrialists Association
www.aia.cl

5.1.4 Progress and Contribution to the SDGs

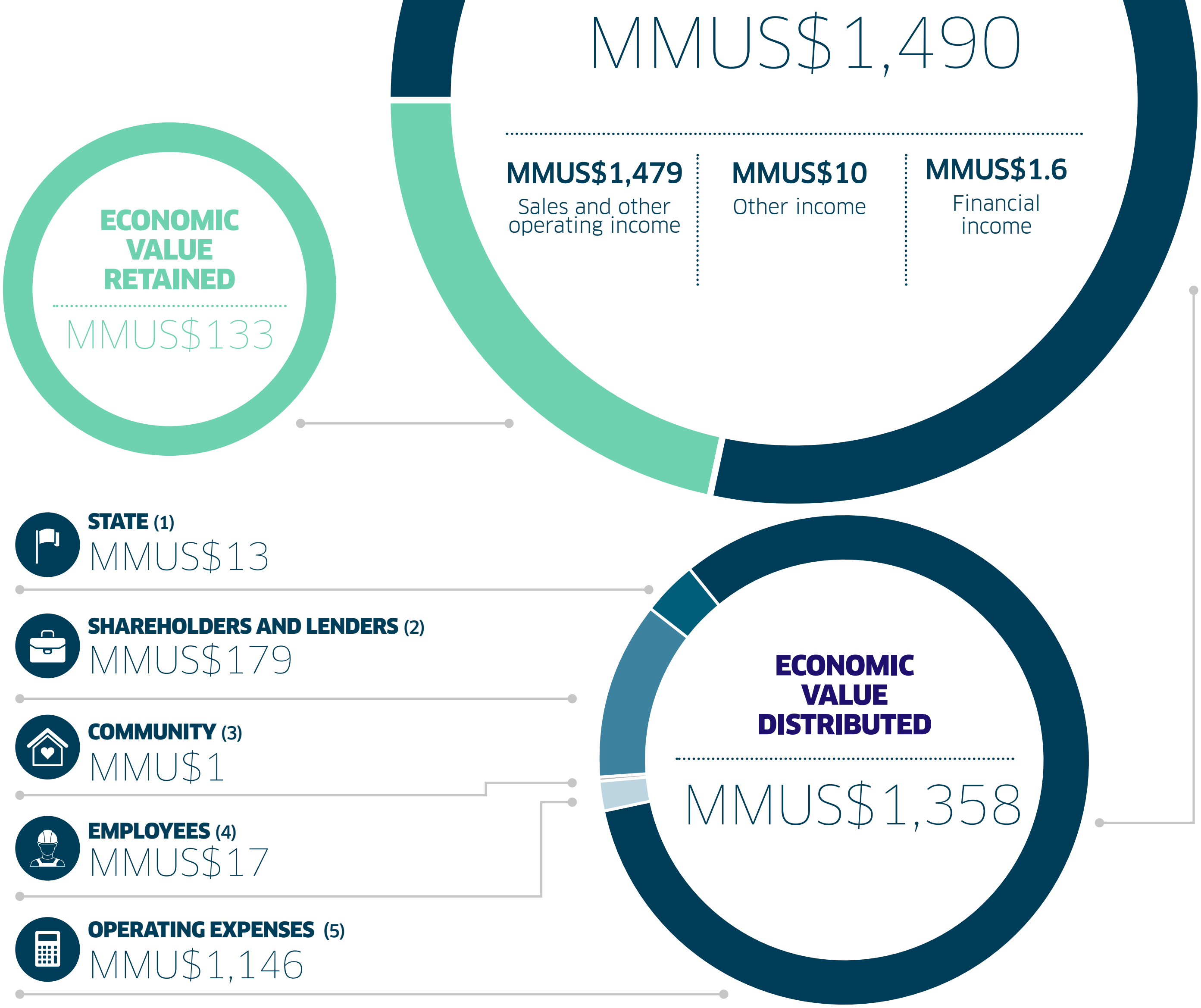
AREA	SDG
People	
	
	
Planet	



PROGRESS	COMMITMENTS
TERRITORIAL MANAGEMENT • We implemented 10 projects for communities to have access to renewable energy • Engagement with locals in 24 municipalities in 9 regions. • We launched competitive funding for entrepreneurs	• We engaged with 100% of the communities where we operate
OCCUPATIONAL SAFETY • Zero fatalities • We reduced the frequency rate by 23%. • We launched a new occupational safety strategy	• Zero fatalities • Implementation of a new Occupational Safety Strategy and action plans
TRAINING • We increased investment in training by 91.3%	• Performance evaluation of all people working in the Company
DIVERSITY • 22% of women are in supervisory positions	• Attain gender equity in management positions by 2030 (ENGIE Group goal)
SUPPLIERS • First supplier symposium • We trained 300 suppliers in the use of digital platforms	• Use of an ethical due diligence and environmental standards in supplier selection • Strengthening of the control of compliance with employer obligations
• We lowered emissions intensity (Tons CO_2 eq/MWh) by 3% at the close of 2021 as compared to the close of 2020.	Disconnection of all coal-fired units by 2025
• We reduced our water consumption by 8.9%	
• No environmental fines in 2021	
• Six operative Biodiversity Plans	

5.1.5 Creating Value

In 2021, ENGIE Energía Chile created direct economic value equal to **MUS$1,490**. This figure is **10%** above 2020. Of the total economic value that we generated in the last period, we distributed **23%** more among our main stakeholders **(MUS$1,358)** than in 2020. The remainder, **MUS$133**, corresponded to our retained value, **54%** below 2020. This drop is due to the increase in operating expenses.



(1) Taxes accruing in the fiscal year and shown as an expense in the consolidated statements of the group, including the Corporate Tax and Special Taxes.
(2) Dividends to shareholders and interest payments to suppliers of interest
(3) Social plans developed as part of territorial management.
(4) Salaries and benefits, except for training.
(5) The payment of the purchases of raw materials, product components, installations and services, property rentals, license fees, facilitation payments, employee subcontracting fees, employee training costs and employee personal protection equipment.

5.2 SOCIAL **REPORT**

MANAGEMENT APPROACH

Energy is vital to the progress of people and for that reason, our primary concern is to mitigate the adverse impacts and amplify the positive impacts for those who work in and live near our operations. To that end, we offer opportunities for job and personal development in a safe working environment. We encourage employability, entrepreneurship, the development of local economies and other initiatives to improve the quality of life of community inhabitants.

People

5.2.1 TERRITORIAL **MANAGEMENT**

Establishing bonds and relationships of trust with the communities where we operate is a strategic priority for our company. We promote engagement and the importance of local actors throughout the life cycle of a project using our Early Approach Model. We also arrange joint work with the locals and local authorities by which we identify the projects that will improve their quality of life.

I.New approach

In the framework of our Fair Transition, we incorporated new guidelines to manage the social impacts resulting from the replacement of the thermal units by renewable energy projects. This work also included the company's decision to deepen its contribution to the Sustainable Development Goals (SDG) from the different areas of our business.

From that standpoint, our Local Hiring and Involvement and Associativity Policies are providing a new framework of action under a relationship model that promotes self-employment and entrepreneurship and identifies projects meaningful to communities.

COMMUNITY EARLY APPROACH MODEL OF ENGIE ENERGÍA CHILE

- Inclusion
- Opportunity and Pertinence
- Transparency
- Incidence
- Joint planning
- Project positioning inside the company
- Project positioning in the community
- Project positioning among National and Sectorial Authorities

Based on these new directives, we began to include in the bidding terms for new renewable energy projects the obligation to consider the participation of local companies and workers in the construction and operation of our projects. Part of the requirements were to provide the necessary information on their internal operations so that local suppliers can participate in tenders on an informed basis and under arm's-length conditions in respect of all competitors. One single officer or a single window system must be implemented for the delivery of information during the development and construction of a project.

To facilitate this work, we committed to developing a local supplier catalogue for each project that contained what local suppliers and employees could offer. The information was gathered from formal entities such as the Municipal Job Intermediation Offices (OMIL) in each municipality.

At the close of this report, we had three local supplier catalogues.

We also created a formal channel for the community to express its annoyance or disagreement with the way that a person or company was acting in relation to the construction or operation of a company project. It is hosted at **https://engie-energia.cl/denuncias**/.

These new measures were implemented entirely at the Coya and Calama Farms.

II. Entrepreneurship and employment

Under our Associativity Policy, we implemented initiatives in 2021 focused on promoting entrepreneurship and the employability of people living in the localities where we operate. Some of the most significant projects were:

TAMAYA SOLAR FARM, MUNICIPALITY OF TOCOPILLA

Courses were given on **"Installation and maintenance of photovoltaic panels"** to anyone interested in learning how to install them. Close to 100 people participated, including a group of prisoners at the Tocopilla Preventive Detention Center.

MEJILLONES

Among relevant aspects, an **Entrepreneurship Fund was created in 2021, directed towards individuals in order to create opportunities for self-employment in that locality**. It is an innovation because historically, competitive funding in agreement with the community targeted social organizations. This new line was inaugurated in response to the significant unemployment in Mejillones as a consequence of the pandemic.

MARÍA ELENA

In conjunction with generators present in the zone, we developed a course for local suppliers in the Municipality of María Elena. **The "Better entrepreneurships, greater opportunities"** program was imparted online starting in October 2021. The contents were focused on legal and financial considerations and digital marketing.

III. Access to renewable energy

Our program "Access by all to energy: fighting energy poverty together with our communities" is another of the initiatives that comes from the Associativity Policy. In 2021, we began to implement projects to energize public spaces, public utilities and local entrepreneurships started by women in the community.

In 2021, together with the communities, we installed renewable energy projects in 10 communities, 5 in the north and 5 in the south.

Some were 100% funded by the Company and others were co-funded by a contest of the Ministry of Energy's Efficiency Commission, targeting mini-SMEs and social organizations. The projects were created by the communities themselves and we provided expert professionals who helped them apply for co-funding.

The projects consisted of photovoltaic solutions with or without battery storage (offgrid or ongrid), depending on the needs.

We signed agreements with six communities in the Upper Loa for construction of the Calama Wind

Farm: Toconce, Ayquina, Chiu Chiu, Lasana, Caspana and Cupo, which are already under way. Some of the initiatives that were agreed on were to solarize one of the main avenues, implement a photovoltaic power system in the Ayquina church, modernize the electric system of the rural emergency health care center that cares for more than 150 locals, and energize the Lasana Museum.

In line with SDG 5, Gender Equality, we also implemented electrification projects for the entrepreneurships of rural women who are endeavoring to become economically autonomous.

COMMUNITY PHOTOVOLTAIC PROJECTS

Project	Location	PV Capacity (KW)	Total Investment	ENGIE's Investment
Lasana Museum	Calama (Lasana)	2.3	9,979,696	9,979,696
Ayquina Church	Calama (Ayquina)	3	13,083,987	13,083,987
Caspana Neighborhood Boards	Calama (Caspana)	1.115	5,996,272	5,996,272
La Aguada Rural Potable Water System	Yumbel (La Aguada)	6.32	6,000,000	1,000,000
Business of Verónica Carrillo	Yumbel (La Aguada)	2.96	4,070,000	1,334,000
Puente Perales Neighborhood Boards	Yumbel (Puente Perales)	3.28	3,990,676	3,990,676
Business of María Montoya	Laja (Puente Perales)	2.96	4,070,000	1,334,000
Diner of Anita Reyes	Mulchén	2.96	4,070,000	1,334,000

SOLAR-POWERED LIGHT POSTS

Project	Location	Number of Posts	Total Investment	ENGIE's Investment
Calama City Athletic Field	Calama	26	19,944,400	19,944,400
Town of Toconce	Calama (Toconce)	6	4,924,220	4,924,220

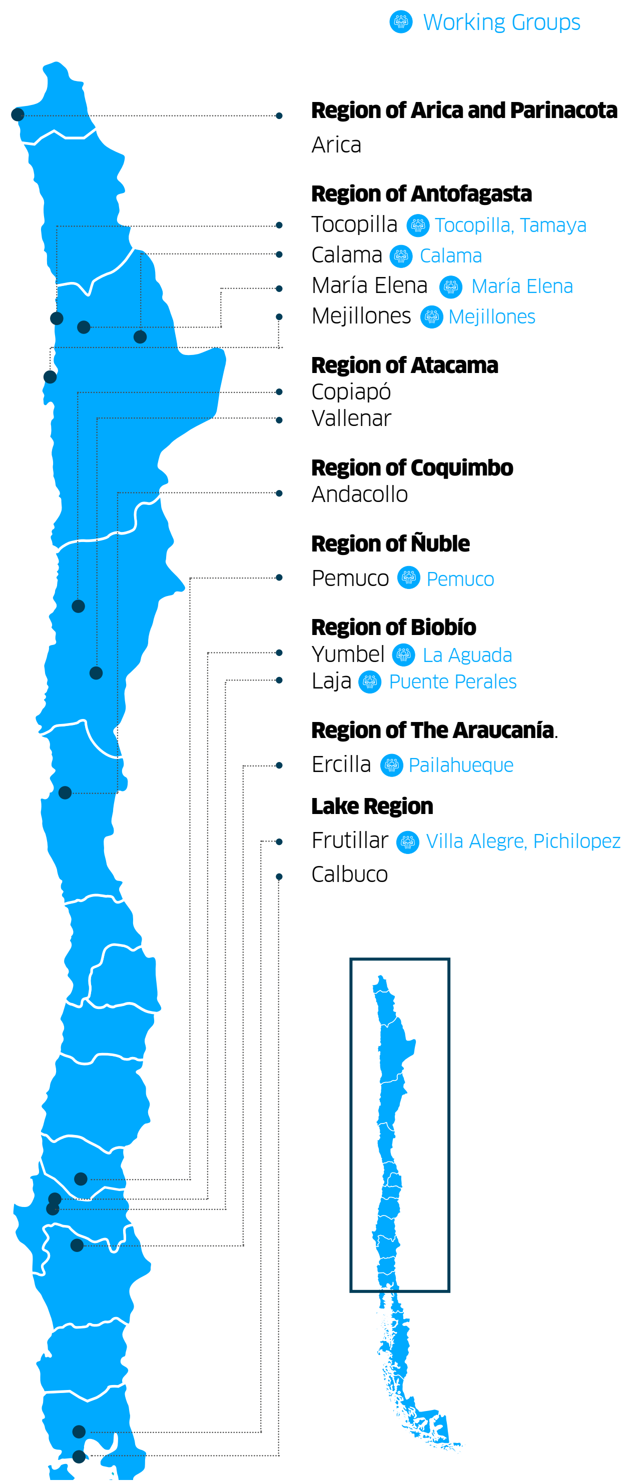
IV. Working groups

Our Early Approach Model includes instances of formal communication involving community Working Groups. These Working Groups are how we establish lines of work and support programs together with the community and how we agree on a system of monitoring the commitments assumed. Competitive Funding is driven by these working groups to support the initiatives of local organizations.

We are managing more than 12 working groups throughout the country in which more than 20 communities, authorities and urban and rural social organizations are involved. Indigenous people in the north and south of the country also take part.

Funding areas	Initiatives
Education	Primary, secondary and tertiary scholarships
Sports	Field Hockey School
Sports school for 70 children in Mejillones, sponsored together with the Sports Association (CORDEP) and the Mejillones Cachorro (Kids) Club	Calama (Caspana)
Training	Digital Literacy
Entrepreneurship	Competitive funding for entrepreneurs (individuals)
Infraestructure Improvement	Housing, social centers, warehouses, fences and the like
Work Implements	Inputs for seeding, purchase of chainsaws
Support to social organizations	Christmas Party
Access to clean energy	Spaces for public use and entrepreneurship

COVERAGE OF THE TERRITORIAL MANAGEMENT OF ENGIE ENERGÍA CHILE



5.2.2 PEOPLE **MANAGEMENT**

Our organization employed 909 people at the close of the year. Thinking of them, our efforts in 2021 were focused on giving them the tools they will need to face the multiple challenges involved in our transformation by the year 2025. Cultural focuses were reinforced, which include leadership, diversity and occupational safety. Toward that end, we pushed for significant changes in the health and safety system in 2021 to reinforce our primary goal of providing a safe work environment for everyone working in the Company.

5.2.2.1. Internal restructuring

We reorganized our internal structure in the fiscal year to align it to the new corporate strategy of the ENGIE Group and our goals for the year 2025.

Starting in 2021, our Company was organized into three lines of business, namely: thermal generation, renewable generation, and networks–transmission, port and gas–, in addition to the back-office areas. This new structure entails profound changes in the way we work and in operating models. To support its startup, the group implemented a specific change management program called "ENGIE WOW" (ENGIE Way of Working) that aims to support people in adapting and understanding the new principles of operation of the new organization so that they can channel their performance toward the expected results.

"ENGIE WOW" is based on five pillars based on which the Group aims to foster a unified global corporate culture that seeks the same objectives.

As concerns transformation and the internal challenges that it entails, we focused on the specific requirements and on the tools that teams in charge need so that they can achieve the expected results. We also deployed an internal campaign to provide timely information on the progress in the process, action plans and goals involved.

I. ENGIE&ME

Like every year, we took the ENGIE&Me survey that we use to measure the impact of the actions we implement to strengthen cultural focuses. The 2021 results were very good and showed an increase in the scores of the 5 categories compared to 2020. The best scores were Occupational Safety (rising 2 points, to 95) and Leadership (rising 2 points, to 90).

OUR EMPLOYEES IN NUMBERS

909
Total Number of employees (*)

749
Men

160
Women

82%

8%

NUMBER OF PEOPLE BY TYPE OF CONTRACT (*)

Permanent employees

749	160
Men	Women

Full-time employees

749	160
Men	Women

ANNUAL PERCENTAGE TURNOVER BY GENDER IN 2020

5%
Men

0.6%
Women

EMPLOYEES BY REGION

34%
Metropolitan Region

69%
Other Regions

(*) At the close of 2021, no one in our Company was employed under a part-time or temporary contract.

5.2.2.2. Training

In 2021, we nearly doubled our investment in training, which totaled US$528,000 annually. This enabled us to finance close to 21,600 hours of training in the year.

WE AVERAGED A TOTAL OF 21,600 HOURS OF TRAINING IN TECHNICAL COMPETENCIES, LEADERSHIP AND SAFETY IN 2021.

I. Leadership

In the framework of our technical training plan, we continued to focus on accreditation of critical competencies so that the people working in the company can perform their job safely. To facilitate participation, we increased the frequency of workshops so that people had more choices. We also invited external lecturers to this training.

We gave tools to our leaders for use in their everyday work. We averaged a total of 21,600 hours of training in technical competencies, leadership and safety while maintaining the focus on providing quickly implementable practical tools.

II. Performance evaluation

ENGIE Energía Chile has a performance evaluation system in which we not only measure what, linked to goals and plans, but also how, associated with our behavior and the Leadership Way, which is our leadership model. 100% of the people working in our company in 2021 were evaluated and received the feedback they needed to improve their performance.

TRAINING IN NUMBERS

ANNUAL INVESTMENT IN TRAINING

COMPARED TO 2020 **+91.6%**

US$ **528,000**

HOURS OF TRAINING BY POSITION

Executives	6,073
Professionals	4,821
Workers and administrative staff	10,761

21,654
Total hours of training in 2021

COMPARED TO 2020 **-21.6%**

US$ **629**
Amount invested in training per employee

COMPARED TO 2020 **+85%**

26
Average hours of training per employee

TOTAL HOURS OF TRAINING BY TRAINING AREA

1,284	1,230	11,037	6,129
Administrative (excluding e-learning)	Quality, Environment and Safety	Technical (excluding e-learning)	E-learning training

5.2.2.3 Working Conditions

One of our goals to achieve by the year 2025 is to reinforce our compensation system so that the jobs for technicians and specialists in renewable energy and transition in our company are attractive and competitive. Added to the specific conditions and features of this work, such as distance and geographic dispersion, is the demand to incorporate people with this profile.

In the area of compensation, retirement plans were addressed for Units 14 and 15 in Tocopilla. After the authority requested that we keep those units operative, we had to rehire a group of 13 to continue with the operation of those units.

In 2021, people were also offered the possibility of telecommuting and they were given all the support needed to perform their job: ergonometric chairs, internet connection and other necessities.

We also worked towards our goal of building a platform where our benefits are visible and flexible so that people can choose those that best fit their needs

I. Relationship with unions

ENGIE Energía Chile addresses its labor relations as a permanent, systematic continuing management under an open agenda that adds value to the company and to the people forming part of our organization. We have formal arrangements and frequent meetings to address all subjects and track commitments.

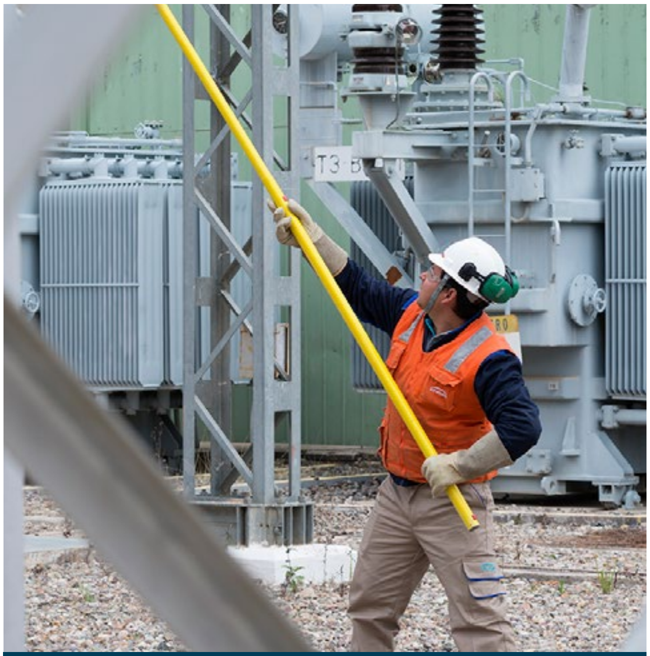
We implemented a group of activities in 2021 to mitigate the effects of the pandemic and ensure operational continuity and back-office support:

a) We adapted the work systems (shifts /schedules) for employees to enter and leave and we redefined the number allowed in employee transportation.

b) We defined and approved the hybrid Telecommuting Policy for onsite and remote work, and we regulated the use of implements and equipment to be used in this regimen.

c) We redefined the number of people allowed in offices, repair shops, common spaces, cafeterias and locker rooms.

d) We promptly implemented the sanitary measures ordered by the Ministry of Health in all of the Company's workplaces.



UNIONIZATION

	2020	2021
Number of unions	7	7
% unionization	77.56%	70.41%
Collective bargaining agreement coverage	660	640
Strikes in the year	0	0
Number of years with no strikes	16	17

At the close of 2021, close to 70% of workers were members of one of the 7 unions.

During the year, the Company signed three-year collective bargaining agreements with its unions, which is the longest period allowed. These processes took place in the framework of collaborative relationships and a recognition of the needs of the business, in the spirit of building long-term relationships.

Below is a description of the collective bargaining agreements made:

COLLECTIVE BARGAINING AGREEMENTS

NUMBER OF UNIONS	NUMBER OF MEMBERS	AREAS REPRESENTED	SITES	FROM	TO	TYPE OF BARGAINING
4	318	Generation, Transmission, Maintenance and Administration	Antofagasta, Mejillones, Arica and Iquique	01.01.2021	31.12.2023	Early, Agreement
2	192	Generation, Transmission, and Maintenance	Tocopilla and Mejillones	01.08.2021	31.07.2024	Regulated, Agreement
1	135	Generation and Maintenance (Supervisors)	All sites	01.01.2021	17.09.2024	Regulated, Agreement
TOTAL **7**	**645**					

5.2.3 DIVERSITY AND **INCLUSION**

Our Company encourages a diverse and non-discriminatory culture. In alignment with the ENGIE Group, it promotes initiatives to attract talent and create equal opportunities for men and women.

To strengthen our diversity, in 2021 we implemented initiatives for sensitization, talent attraction and employability targeting women. In that framework, we ascribed to the Women's Empowerment Principles or WEP's, based on which we designed a work plan that included courses on unconscious biases, sensitization of our leaders and other topics.

As concerns inclusion, we worked with a consultant who provided support in holding activities intended to sensitize people to the inclusion of the disabled. We conducted an inclusion survey and gave talks, to then begin to work on creating positions that could be feasibly filled by people with disabilities.

Our work plan included medium- and long-term commitments and goals.

I. Pay Gap

Our Company is managing its compensation system using the HAY method that involves defining salary levels by position level and the functions performed in each position. The method evaluates know-how, problem-solving and responsibility.

The use of this method leaves no room for biases or any type of discrimination in our compensation system. Based on this approach, the differences between the pay of men and women that might occur in the Company are due to variables such as time of employment and the specialization of the positions.

At the close of 2021, women accounted for 8% of all employees (160 people), 8% more than in 2021. 22% of those women held leadership or managerial positions.

Pay Gap (*)

Executives	**10%**
Tactical professionals	**5%**
Workers and back-office	**1%**

DIVERSITY IN NUMBERS

EMPLOYEES BY NATIONALITY

838 Chilean

71 Foreign

NUMBER OF PEOPLE BY AGE RANGE

Under age 30	42
From 30 to 40 years	323
From 41 to 50 years	279
From 51 to 60 years	182
From 61 to 70 years	82
Above age 70	1

NUMBER OF PEOPLE BY TIME OF EMPLOYMENT

Less than 3 year	229
From 3 to 6 years	168
More than 6 years and less than 9 years	98
From 9 to 12 years	87
More than 12 years	327

NUMBER OF WOMEN BY AGE

Under age 30	14
From 30 to 50 years	123
Over age 50	23

FEMALE TURNOVER BY AGE

Under age 30	1%
From 30 to 50 years	2%
Over age 50	1%

22% Women in executive positions out of all of the executive positions in the company.

5.2.4 OCCUPATIONAL **SAFETY**

Our Company has an Integrated Occupational Health and Safety Management System certified according to ISO 45.001. Internally it is known as “Simpler.” This system establishes operating standards in the areas of Quality, Environment, Ethics and Occupational Health and Safety, which the Company considers to be fundamental in meeting its strategic objectives and ensuring its sustainability over time.

In connection with Health and Safety, the priority corporate goals in this system are to provide safe and healthy working conditions that will prevent injury and/or avoid any deterioration in the health of all employees while they work. It also establishes processes to eliminate and control hazards and to reduce the risks to occupational health and safety.

It is important to note that all of the company’s facilities have a structure for the management of occupational health and safety risks and hazards.

At the close of 2021, the Company had 24 professional OHS experts whose work was supported by external experts of the Mutual Safety Association of the Chilean Chamber of Construction, which is an insurance manager. By order of the Company, each contractor must have at least one OHS expert.

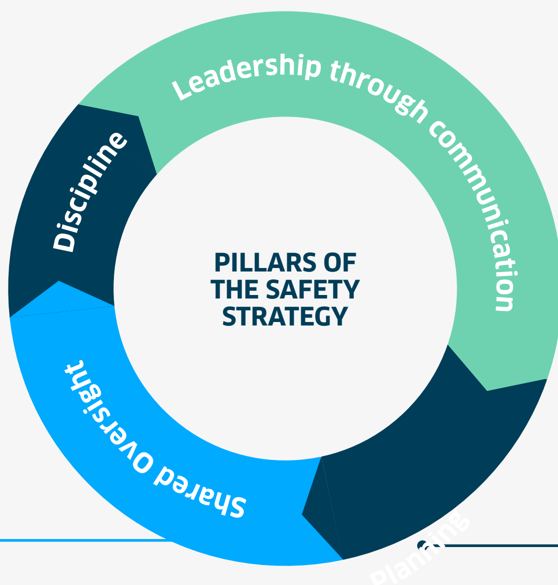
I. New Strategy

As the result of the fatalities that occurred in some of the Group’s operations around the world, in 2021 ENGIE Energía Chile joined the profound process of reviewing health and safety practices ordered by our parent company.

In this context, we took part in an activity called Stand Down that consisted of stopping all of the Company’s activities around the world in order to analyze participatively and in-depth the work that was being done in this respect.

Also in 2021, we held an activity called Deep Dive in which we explored in-depth the way we administrate safety in our construction projects. A multidisciplinary team took part in this activity, including international consultants and our local team, in order to find points for improvement, all in the spirit of optimizing our safety performance.

Based on the opinions, comments and appreciations that we gathered from these events, we identified the four pillars on which our future safety strategy will be based and around which we will design our 2022 action plans. Those pillars are:



Empowering people so that they are capable of stopping work that is being poorly done or is risky.

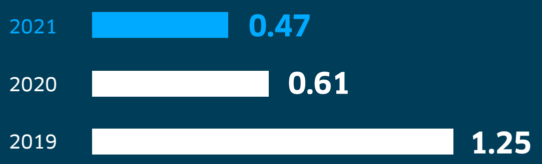
It bears a relationship to how we deliver messages and lead on the basis of knowledge and experience

Aiming to care and support everyone on our work teams to achieve a shared oversight.

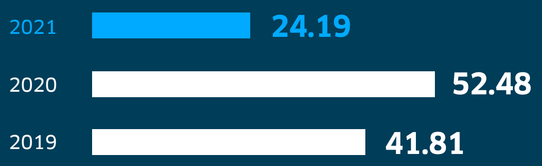
This means the continuing review of our methods and practices and the issuance of permits or a work approach in projects.

HEALTH AND SAFETY IN NUMBERS

FREQUENCY RATE



SEVERITY RATE



MAIN HEALTH AND SAFETY TRAINING PROGRAMS IN THE YEAR

- Electrical Safety, NFPA 70.
- Orientation and Prevention of COVID-19 infection.
- Control of Driving Risks.
- Control of Telecommuting Risks.
- Exposure to UV Radiation.
- Hazard Identification and Risk Assessment.
- Work Risk Analysis - ART.

RISK PREVENTION TRAINING

	2019	2020	2021
Employees trained	387	693	593
Total hours of training	5,096	13,800	5,548

JOINT HYGIENE AND SAFETY COMMITTEES

	2019	2020	2021
Number of Joint Hygiene and Safety Committees Operating in EECL	4	4	4
Workers represented on Joint Hygiene and Safety Committees	24	24	24

II. Internal Audits

A s part of the total stop process, information was gathered that helped us reinforce the internal audits of the operations of contractors in the three GBU into which ENGIE's operations in Chile are divided.

The controls of renewable power plants were centered on the Tamaya and Capricornio power plants while in the thermal world, those audits were focused on the dismantling of the plants in Tocopilla.

The analyses were oriented towards complying with Guidelines 2 and 9 of the ENGIE Group. Corporate leaders from Belgium and Brazil took part.

According to the criteria set down by the parent company, the main indicator that is evaluated in these audits is the Frequency Rate of external companies and other practices and standards like accreditation, leader training and supervisor work which, if not done right, can lead to termination.

The Company's plan intends to gather information to design programs on the basis of this analysis to improve knowledge, contractor rating systems and training plans, among other goals.

Please note that according to the priority we are assigning to the safety efforts of external companies, in 2021 we stopped contractor operations in Mejillones 32 times to review procedures and correct risky practices.

IV. Managing the Health Crisis

In 2021, managing the health crisis continued to be one of our health and safety priorities.

The work we did in this respect led to good comments by employees during the stoppage that we engaged in to review our practices, which helped us end the year with very good prevention, awareness and contagion numbers.

As a consequence of this work, one of our main achievements was to keep all of the units operative. In addition, our sites and projects received the COVID-19 seal from the mutual safety association, proof of full compliance with official prevention and control protocols.

III. Other 2021 Milestones

• **We reinforced and made visible the work of the OHS Division:** In the context of the strategic priority that we are assigning to health and safety topics in ENGIE Energía Chile, in the past year we decided that the area in charge of these matters would report directly to the Company's Chief Executive Officer. In addition to giving this area a greater relevance and making its work more visible, it will help us reinforce the message that safety is transversal and that we must work on it together and consistently inside the company.

• **ISO re-certification:** At the close of 2021, we were in the midst of being re-certified according to ISO 45.001, one of the standards comprising our Integrated Management System. As part of this work, we underwent the legal audit with no significant observations and even exceeded expectations.

EMPLOYEES COVERED BY THE INTEGRATED MANAGEMENT SYSTEM*

	2020	2021
Own Employees	900	867
Contractor Employees	1,800	1,941

(*) In ENGIE Energía Chile, these same universes of our own employees and those of contractors covered by the management system are subject to internal and external audits.

5.2.5 SUPPLIER **PROVEEDORES**

The COVID-19 pandemic continued to impact the chain of procurement and the supply of inputs and services in 2021, presenting obstacles, mainly delays, in the availability of materials and in the management of international purchases. To get ahead of these potential problems, we monitored each purchase from our suppliers, which helped us leave room to provide timely solutions to the needs for the operational continuity of our sites.

In this respect, we incorporated new companies to our supplier portfolio in 2021, in particular to handle the requirements of the renewable energy and transmission projects.

In 2021, we also held, virtually, the First Annual ENGIE Supplier Symposium. Close to 80 companies connected with which we have recurrent business ties. The purpose of the Symposium was to share the main thrusts, achievements and road maps with them regarding the processes managed by the Company. As part of the program, our audit team gave a presentation on the behavior and ethical conduct expected of our suppliers, included in contracts and purchase orders.

OUR SUPPLIERS IN NUMBERS

80

COMPANIES TOOK PART IN THE FIRST ANNUAL SUPPLIER SYMPOSIUM

300

SUPPLIERS TRAINED ON DIGITAL PLATFORMS

I. New selection criteria

As part of our continuing improvement of suppliers, starting in 2021, we added an ethical due diligence that is done in coordination with our legal area and entails a review of the legal situation of the supplier and its legal representative regarding, for example, their involvement in pending legal cases.

In the last year we also added the environmental dimension to our supplier management.

Together with the Company's environment team, we began an initiative to establish, among other things, diverse environmental management guidelines in our processes, such as a review of risks and submission of mitigation plans by our suppliers, mainly for Engineering, Maintenance and Operation Services that are provided at our facilities. Those guidelines include a map of waste from these activities and how it is treated, as well as a review of the Waste Management Plan.

We also actively oversee fulfillment with employer obligations by our onsite service suppliers. We are able to monitor and control this compliance weekly through an online platform managed by an outside company. This gives us access to reports, alerts and timely action plans should any risk occur.

II. Supplier Portal

Currently 40% of the company's supplier portfolio has accessed the platform. Nonetheless, this is a dynamic indicator because we are constantly working on creating new access for users who need a supplier.

We also continued with the ongoing monitoring of opportunities for improvement of the Supplier Portal in order to show the real-time status of invoices and payment dates and to provide a repository of autonomous online inquiry for suppliers.

This point became relevant because we started an automatic invoice claim process in mid-2021 through the Internal Revenue Service of Chile (SII).

To facilitate suppliers adopting digital tools (FEBOS Portal, Ariba Platform) that we use in our procurement process, we wrote diverse self-training manuals that are supplemented by direct access to a FEBOS support chat on the same platform available every hour of every day. We also maintained our training plan on use of the Ariba SAP platform.

III. Timely payment

We designed reviews of suppliers who have a contractual bond that requires an adjustment to the payment terms in order to make changes so that they receive timely payment.

We also processed early payment in some cases, depending on the type of purchase in order to have the materials and implementation necessary so as not to delay the commencement and provision of critical services.

IV. Key for 2022

In 2022, the safety of our contractors will continue to be a priority. In 2021 we designed health and safety protocols for suppliers and contractors providing services at our sites. We also conducted a monitoring and monthly review of compliance with the Safety Plan that we agreed upon with suppliers.

Another aspect will be to strengthen our monitoring of employer compliance. Finally, we will also give priority to digitalizing our processes and we will increase the supplier participation rate in our Ariba SAP platform and the Supplier Portal.

5.3 ENVIRONMENTAL **REPORT**

OUR FOCUS

The maximum priority in our environmental management is to reduce and mitigate the effects caused by our generating units, mainly on the air and sources of water (ocean). The intent is also to ensure compliance with the regulations on contaminating emissions such as particulate matter (PM), nitrogen oxide (NO_X), and sulfur dioxide (SO_2) generated by thermal power plants.

We have an environmental management system that guarantees compliance with the regulations applicable to our activities, in alignment with the most demanding performance standards. We also report our emissions and biodiversity plans on the Earth platform of the ENGIE Group, which is committed to its operations being carbon neutral in all scopes by 2045.

Planet

5.3.1 Carbon Footprint
- **I.** Emissions Intensity
- **II.** Green Taxes
- **III.** Particulate Matter
- **IV.** Energy Efficiency

5.3.2 Waste Management
- **I.** Producer Extended Liability Law
- **II.** Dumping

5.3.3 Water Footprint

5.3.4 Biodiversity

5.3.5 Environmental Compliance

▶ **Laja Falls**

5.3.1 CARBON **FOOTPRINT**

ENGIE Energía Chile measures the Scope 1 Carbon Footprint according to ISO 14.064 and the method of calculation of stationary combustion proposed by the Intergovernmental Panel on Climate Change (IPCC). We have a monthly monitoring system and the results are presented monthly to the Company's Board as part of its ongoing supervision

The complex energy conditions in the country in 2021 had an adverse impact in the downward trend in our Carbon Footprint. In order to respond to the urgent energy needs of the country, the authority asked us to make the capacity of all of our thermal units available to the national grid, including those that were being prepared for disconnection.

In this context, our Carbon Footprint increased 17% in 2021 compared to the previous year. The required increase in thermal generation is behind the break in the downward trend in recent years.

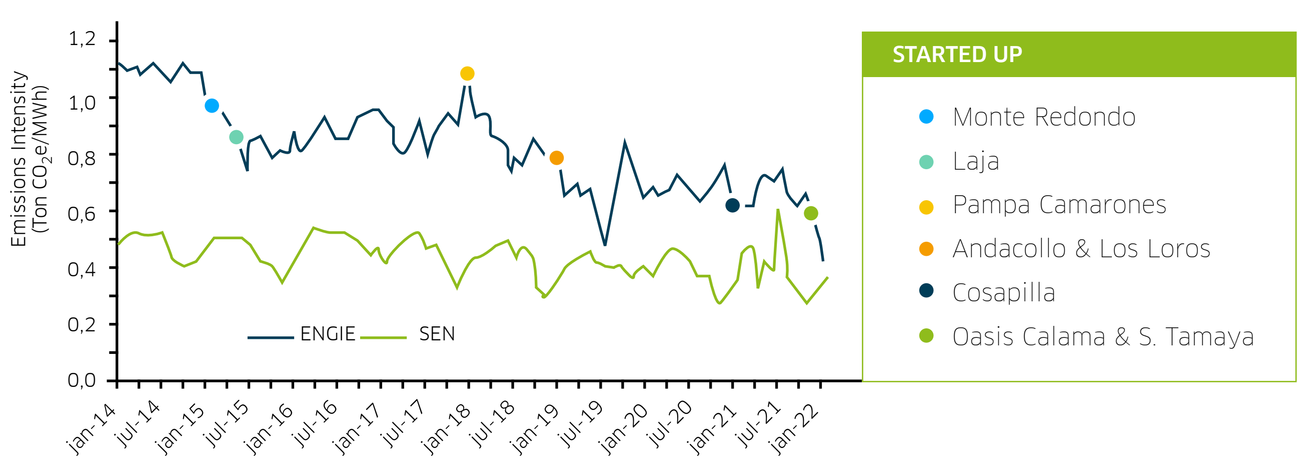
Carbon Footprint - Millions of Tons of CO_2e (Mt)

I. Emissions intensity

Despite the increase in our Carbon Footprint, our emissions intensity continued moving downward. This indicator is calculated using the CO_2eq emissions per MW produced. By way of reference, one old coal-fired unit can emit around 1.2 to 1.4 Tons CO_2e/MWh.

In the last 5 years, our emissions intensity has been progressively dropping and is approaching the levels recorded in the National Grid (SEN). At the close of 2021, it was 0.65 Tons CO_2 eq/MWh, 3% below the levels recorded in 2020. This drop is due to the startup of the Calama Wind Farm, of the Monte Redondo Wind Farm and of the Laja Hydroelectric Power Plants (both these latter units acquired in 2019). Also of influence was the disconnection of our first coal-fired units.

Trend in Emissions Intensity (Ton CO_2 eq/MWh)



II. Green Taxes

Our efforts to lower the corporate Carbon Footprint have been helped by the decarbonization plan. That plan has meant significantly decreasing the operation of our thermal power units.

As part of this work, in 2021 we paid green taxes for US$ 21,353,312. This value represents a 1% increase compared to 2020.

Taxes paid (*)

2021	US$ 21,354,312
2020	US$ 21,166,819
2019	US$ 24,226,604

(*) what was paid in the previous tax year.

III. Particulate Matter

Our total PM emissions in the fiscal year were 129.6 tons, 62% above the levels recorded in 2020. This rise was due largely to the operation of the IEM unit for the entire year.

Nitrogen oxide emissions (NO_x) totaled 6,762 tons and sulfur dioxide emissions (SO_2) 4,962 tons, an increase of 65% in both cases.

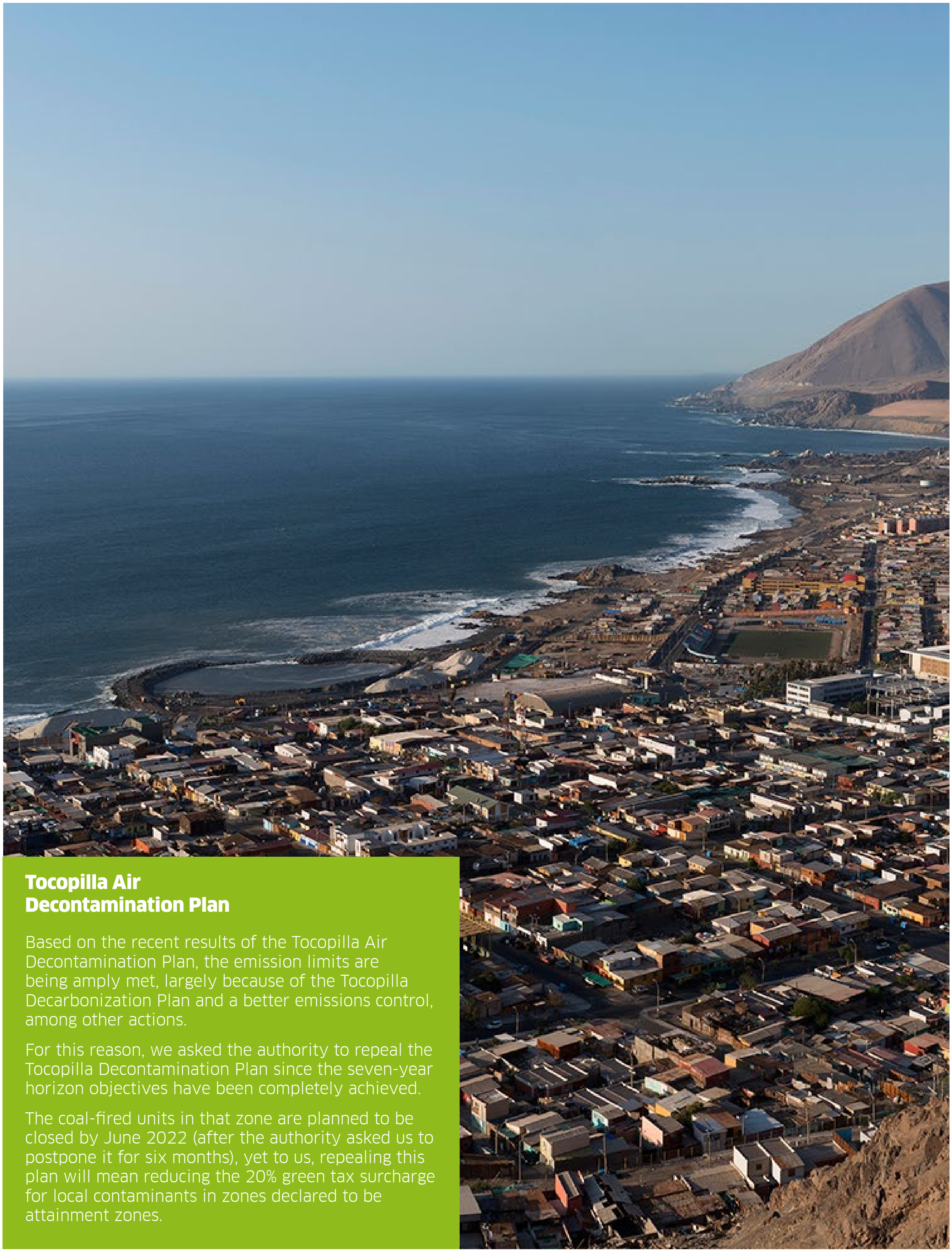
Please note in this respect that ENGIE Energía Chile has been monitoring air quality in the cities of Tocopilla and Mejillones for many years.

Based on these measurements, both cities have SO_2 indexes in line with parameters in the Primary Standard that began to be applied in this respect in May 2019. Therefore, the regulation has no impact on our operations.

In the last year, the annual average PM 10 concentration in Tocopilla was 14 micrograms/m_3N. This level is quite below the requirements in the breathable particulate matter air quality standard in a zone classified as clean for this parameter.

AIR EMISSIONS (IN TONS)

	2019	2020	2021
Annual average PM 2.5 concentration in Tocopilla (Air Quality)	12	8	7
Annual average PM 2.5 concentration in Mejillones (Air Quality)	12	6	5
Annual average PM 10 concentration in Tocopilla (Air Quality)	33	31	35
Annual average PM 10 concentration in Mejillones (Air Quality)	22	12	14
Total PM Emissions (tons/year)	53.6	79.8	129.6
NOx Emissions (tons/year)	4,288	4,099	6,762
SOx Emissions (tons/year)	3,496	2,999	4,962



Tocopilla Air Decontamination Plan

Based on the recent results of the Tocopilla Air Decontamination Plan, the emission limits are being amply met, largely because of the Tocopilla Decarbonization Plan and a better emissions control, among other actions.

For this reason, we asked the authority to repeal the Tocopilla Decontamination Plan since the seven-year horizon objectives have been completely achieved.

The coal-fired units in that zone are planned to be closed by June 2022 (after the authority asked us to postpone it for six months), yet to us, repealing this plan will mean reducing the 20% green tax surcharge for local contaminants in zones declared to be attainment zones.

5.3.2 WASTE **MANAGEMENT**

Our operations generate hazardous and non-hazardous (household) waste. The most significant waste comes from coal combustion (ash), slag and metals.

Managing this significant waste includes circularity initiatives and disposal in authorized dumps. Part of the fly ash generated by the Andina and Hornitos units in Mejillones is sent to cement companies for use in truck covers. A proportion of operating waste oils is also delivered as an alternative fuel to cement companies in the zone.

The same causes behind the impact on the Carbon Footprint explain the increase in waste generation in 2021. Non-hazardous waste, corresponding to waste delivered to companies that reuse it (such as waste oil, which is used as an alternative fuel), and waste sent to landfills totaled 393 tons, 18% above 2020. Waste management, mainly combustion waste (ash and slag), junk metal, mineral wool and other waste, amounted to 326 tons, 43.6% more than the previous year.

In 2020, 29 tons of metal waste were generated. The big difference is due to the fact that metal waste began to be generated in 2021 in the dismantling of Units 12-13.

SIGNIFICANT WASTE IN 2021 (IN TONS)

384,861	7,659	156	993
Combustion Waste	Metal Waste	Non-Hazardous Waste	Household Waste

WASTE BY DESTINATION (IN TONS)

	Ash sent to dumps			Slag sent to dumps			Recycled ash (sent to cement companies)		
	2019	**2020**	**2021**	**2019**	**2020**	**2021**	**2019**	**2020**	**2021**
TOCOPILLA	16,127	8,475	44,399	1,670	525	3,243	NA	NA	NA
MEJILLONES	41,968	19,772	51,375	2,311	1,251	714	NA	NA	NA
RED DRAGON / IEM	47,927	86,844	101,758	4,249	7,000	2,338	NA	NA	NA
ANDINA	51,962	62,862	36,221	2,515	5,466	504	16,451	18,406	19,535
HORNITO	43,341	69,847	37,367	6,964	6,074	425	35,180	18,237	19,471
TOTAL	**201,325**	**247,801**	**271,120**	**17,709**	**20,317**	**7,225**	**51,631**	**36,643**	**39,006**

(*) includes the IEM unit (Red Dragon)

RECYCLING AND RECOVERY (IN TONS)

	2020	2021
Metal waste	29	7,659
Recycled ash	26,643	39,006
Recovered hazardous waste (oils and other waste)	97	81

Reject limestone sent to dumps			Clay sent to dumps		
2019	2020	2021	2019	2020	2021
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
NA	NA	NA	12,553	22,011	19,397.4
13,266	20,335	23,345	NA	NA	NA
16,130	23,264	24,768	NA	NA	NA
29,396	**43,599**	**48,114**	**12,553**	**22,011**	**19,397**

WASTE GENERATED (IN TONS)

	2020	2021
Hazardous industrial waste	227	326
Non-hazardous industrial waste (including household waste)	334	393

I. PRODUCER EXTENDED LIABILITY LAW

We are not required to make statements under the Producer Extended Liability and Promotion of Recycling Law (REP Law), but we must provide information. In 2020, we provided the first report on our waste associated with the direct import of electronic items that we make for our units or for projects that are under construction.

In 2021, we added the information on the Los Loros, Coya and Capricornio Solar Farms.

II. Dumping

We use seawater to operate our power plants. After use, it is discharged once again into its source of origin. The discharges are regulated by the effluent dumping regulations that set limits on the water temperature, which cannot exceed 30 degrees. We implemented a water temperature sensor system in the discharge wells to manage that temperature.

We use seawater and the water produced by our desalination plants at the Tocopilla and Mejillones complexes. In 2021,there was also an increase in discharges because of the increase in activity.

EFFLUENTS

	Impoundment of seawater used for cooling m3/year			Discharge of seawater used for cooling m3/year		
	2019	2020	2021	2019	2020	2021
TOCOPILLA	271,977,234	195,452,816	234,921,967	271,976,180	195,452,816	234,921,967
MEJILLONES	294,926,678	358,765,056	465,041,288	269,349,017	327,938,814	432,841,567
RED DRAGON / IEM	184,252,793	274,476,885	309,179,155	183,533,653	272,939,522	307,625,636
ANDINA	98,893,651	138,138,353	124,931,458	98,884,083	138,084,435	124,899,490
HORNITO	133,849,259	150,178,345	142,093,346	133,835,183	150,126,516	142,056,368

5.3.3 WATER **FOOTPRINT**

Our production processes mainly use seawater that is then returned to the ocean. According to the dumping regulations, water discharged into the ocean cannot have a temperature above 30 degrees Celsius. ENGIE Energía Chile has a water temperature sensor system in the discharge wells that enables us to comply easily with those regulations.

We calculated Water Footprint using the following variables:

- The Water Footprint for conventional power plants was calculated using water balances and water flow charts to be able to identify types of water (blue, green or gray).
- The potable water obtained externally and consumed by power plants is weighed according to the source.
- The fraction of water from the ocean is not considered in the blue water footprint balance.

Agua reutilizada (Agua PTAS usada en regadío de áreas verdes) m3/año			Agua de alimentación a plantas de agua (captación agua de mar) m3/año			Agua usada para humectar vertedero de cenizas m3/año		
2019	**2020**	**2021**	**2019**	**2020**	**2021**	**2019**	**2020**	**2021**
38,685	38,430	38,430	432,681	494,399	575,699	4,384	3,054	5,191.14
8,742	10,465	11,661	307,928	335,456	366,369	11,620	5,058	45,937
		7,200	719,141	1,537,363	1,553,518			
5,938	5,938	4,968	180,305	177,947	227,100	20,778	12,894	14,776
7,220	7,220	5,271	220,343	203,577	240,939	25,264	14,751	15,676

- The water losses due to overflow and evaporation while the water passes through the generator are minimal in the operation of hydroelectric power plants and have no material impact on the calculation of the Water Footprint.

We have measured our Water Footprint according to these principles since 2015. Our Water Footprint is mainly influenced by the Laja Hydroelectric Power Plant.

Our 2021 Water Footprint was 1.53 million cubic meters, 8.9% below 2020.

Water Footprint - Millions of m^3 (Mm^3)

5.3.4 BIODIVERSITY

We are managing our biodiversity based on environmental regulations requiring companies to assess impacts before building projects in order to mitigate and, to the extent possible, eliminate those impacts. Our Company has five biodiversity management plans. These plans arose from the requirements in the Environmental Approvals (RCAs) of each project. However, our goal is to minimize the impact on the biodiversity and encourage the development of the ecosystems. Our plans are focused on protecting local flora and species, fauna and also biotic factors.

• **Los Loros Solar Farm.** Our plan for this farm was focused on developing, rescuing, relocating and monitoring reptiles and vizcachas, on a Xerophyte Formation Work Plan, on rescuing and relocating cactuses in categories of conservation and foresting other species of interest. For reasons unknown to us, the plan did not work. We hired environmental experts and they recommended replanting species and tracking them for the next two years. Part of being proactive with the authority was to decide to start over and monitor according to environmental standards.

• **Chapiquiña Hydroelectric Power Plant:** This plant is located near the Lauca National Reserve. In coordination and with the support of the National Forest Association (CONAF), we have a plan to reforest species at heights in the zone, mainly queñuas (Polylepsis) and some local cactuses.

• **Calama Wind Farm:** We have a biodiversity management plan that covers all of the commitments in the DIA and the baseline monitoring. A lizard endemic to the zone was found during the baseline survey, which led us to conduct studies of critical habitats and review the measures that had been adopted during construction to avoid damage to this species. Once the farm began commercial operation, the environmental authority asked that we monitor the avifauna every two weeks for the first two years of operation.

• **Pampa Camarones.** On this farm, we focused on the biotic factors that impact two live components in the formation of an ecosystem. We are working on replanting and we tracked a local species in the project areas through conclusion..

• **Laja Hydroelectric Power Plant.** We have plans to reforest local species in the location of this power plant in the Region of Biobío. The commitment is to reforest 120 hectares and progress thus far is 40 hectares.

• **Monte Redondo Wind Farm.** Our plan is focused on flora and vegetation and on the monitoring of local fauna. We are planting species, as required by the authority, that are from the region but not from the habitat where the farm is located. The results have not been as expected because the plants did not adapt, largely because of the water shortage in the zone. We are supporting the plants by additional irrigation, a measure that goes beyond the requirements of the authority. The law says that the required plans must be adapted to natural conditions. As concerns fauna, we are monitoring the flight path of birds and potential collisions with the wind turbines.

Below we show the total number of species on the IUCN Red List and national conservation lists whose habitats are in areas impacted by the organization's operations, by level of risk of extinction:

i. Critically endangered	
ii. Endangered	Liolaemus torresi Polylepis rugulosa
iii. Vulnerable	Adesmia argyrophylla Eriosyce aurata
iv. Nearly threatened	
v. Least concern	Krameria cistoidea

BIODIVERSITY PLANS

UNITS	NAME OF THE PROTECTED HABITAT	GEOGRAPHIC LOCATION	PROTECTED AREA (HECTÁRES)	SPECIES AFFECTED	TYPE OF IMPACT	RESTORATIVE MEASURES
Los Loros Solar Farm	Marginal desert at an elevation	Region of Atacama, Tierra Amarilla	8.7	• Adesmia argyrophylla • Krameria cistoidea • Eriosyce aurata	reversible	• Gather seeds. • Plant seeds in nurseries. • Reforest 5,492 Adesmia plants. • Reforest 124 Krameria plants. • Relocate 2 specimens of Eriosyce.
Chapiquiña Hydroelectric Power Plant	Lauca National Park	Region of Arica - Parinacota, Putre	Not Quantified	• Polylepis rugulosa	reversible	• Forest 1.4 hectares with que-ñuas.
Calama Wind Farm	Absolute Desert Regions of Antofagasta and Tarapacá	Region of Antofagasta, Calama	100	• Liolaemus torresi	reversible	• Controlled disturbance during construction. •Signage and information to employees to sensitize them to the specie.
Laja Hydroelectric Power Plant		Region of the Biobío	The commitment is to reforest 120 hectares. 40 have been reforested thus far.			• Plans to reforest with local species
Monte Redondo		Región of Atacama	In process.			

5.3.5 ENVIRONMENTAL **COMPLIANCE**

n 2021, we were inspected 20 times by the Environmental Commission and none of those inspections resulted in environmental fines.

An event occurred in Mejillones, caused by a flaw in the opening of a trap where ash was stored. This incident caused the emission of 22 tons of ash into the air that mostly occurred inside the plant and were recovered by sweeping, suction, etc. No new requirements were imposed or penalties or inspections were begun because of this event.

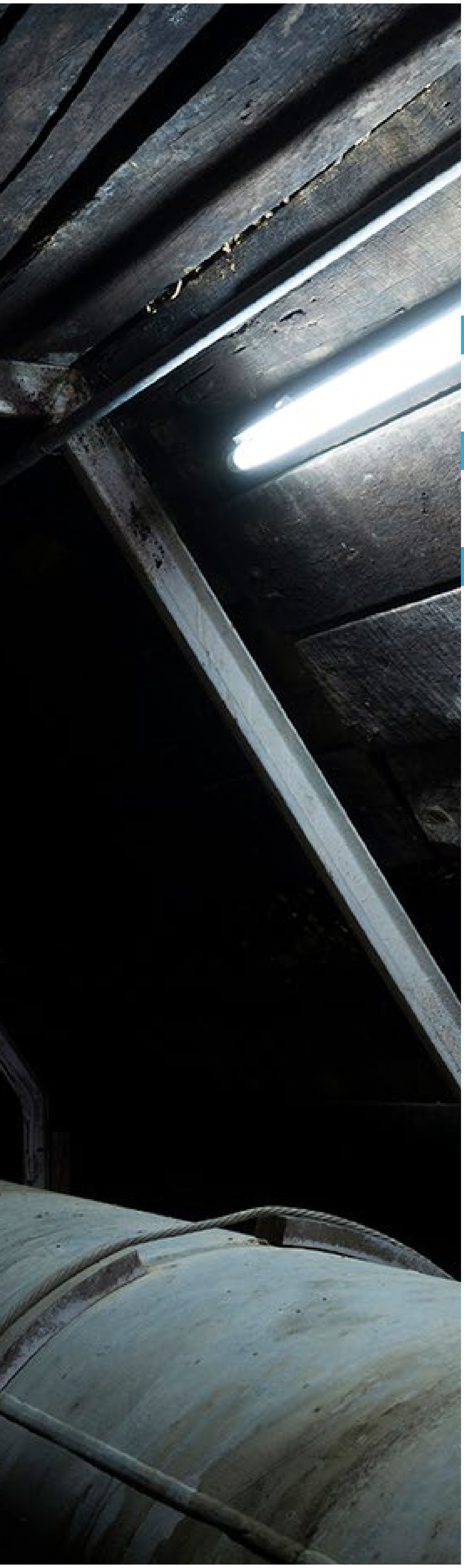
In connection with sanitation, an investigation began of the chemical substance control program at the Mejillones site. The investigation arose because of the regulatory change in the storage of hazardous substances in warehouses for which we still had no operating permit. The authority had not issued a final decision by the close of the fiscal year.

Digital emissions report. In 2021, we automated the emissions control system at our thermal power plants, which enabled us to give the authority online information minute by minute. This measure was adopted to comply with the new reporting requirements of the Environmental Commission.

New regulations on dark-sky preservation. This year a regulation entered into force that forbids contaminating the skies in the regions of Antofagasta, Atacama and Coquimbo in order to conserve their astronomic quality. In order to comply, we began to replace the lamps in all of our generation and transmission facilities located in these regions.

Sea Foam Monitoring in Mejillones. In 2021, we received the conclusions from the study we commissioned on the causes behind the sea foam events in Mejillones. Our investigations were focused on identifying and measuring the quantity of organic matter in the industrial discharges and in the natural conditions of the Mejillones Bay. The conclusion from the analyses and investigation was that the oceanographic conditions of the bay are determining in the formation of the foam. The industrial discharges are impacting to a lesser extent.

We are currently taking part in working groups convened by the Regional Authority to draft secondary quality standards for Mejillones Bay. To that end, the authority requested consulting over a two-year horizon, so the results are expected in 2023.



RISK FACTORS AND REGULATORY FRAMEWORK

The energy sector is exposed to several risk factors, both operational and financial, that may impact our performance and financial condition. The owners of the different processes in ENGIE Energía Chile monitor those factors regularly.

6.1 OUR **INDUSTY**

The electricity industry in Chile is divided into three sectors:

GENERATION

The generation sector is comprised of power generators who sell their production to unregulated customers, distribution companies and other generators.

TRANSMISSION

This sector is comprised of companies that transmit high-voltage electricity produced by generators or required by large customers. It includes all lines and transforming substations that operate at a nominal voltage above 23 kV.

DISTRIBUTION

This sector encompasses any supply to end customers in a concession zone at a voltage less than or equal to 23 kV.

TYPES OF CUSTOMERS

UNREGULATED CUSTOMERS

These are consumers whose connected capacity is greater than 5 MW as well as those in the range of 500 kW to 5 MW who have opted for this category. These users are not subject to price regulation. They also agree to certain considerations in PPAs, such as volume, price, period and general conditions of power supply.

REGULATED CUSTOMERS

These are customers who have a connected capacity less than or equal to 500 kW and any customer with a capacity of 500 kW to 5 MW who have opted to remain in the regulated sector. Regulated customers are supplied electricity by distributors who hold tenders for long-term supply contracts.

ENGIE Energía Chile supplies energy to regulated customers through distributors and to unregulated customers located in the former SING Grid. It also has power purchase agreements with both regulated and unregulated customers in the former SIC grid, all now are part of the National Grid.

The main power grid in Chile is the National Grid (SEN) that was created in November 2017 by the unification of the Far North Interconnected Grid (SING), where most of the mining industry in the nation is located, and the Central Grid (SIC), where 93% of the population resides.

The SEN runs for 3,300 kms, covering a large part of the nation from Arica to the north, to Chiloé in the south.

The other systems apart from the National Grid are the Aysén Grid and the Magellan Grid.

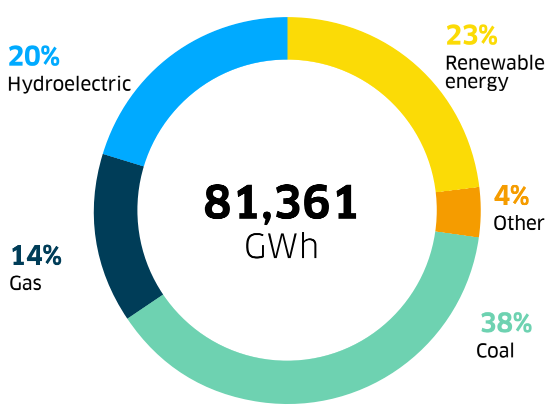
Since January 1, 2017, the National Electric Coordinator (CEN) coordinates the operation of the SEN. Its purpose is to preserve power supply with the required security in the most economical way possible, thus guaranteeing open access to transmission systems.

This entity is the successor to the former Economic Load Dispatch Centers (CDEC) of the SING and SIC that used to operate their systems independently.

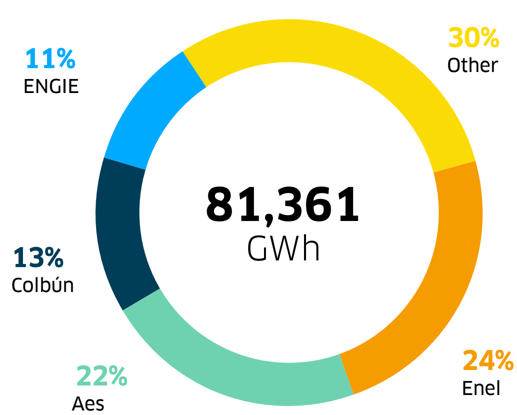
NATIONAL GRID (SEN) (3,300 kilómetros)

At the close of 2021, SEN power generation by type of fuel and by company was as follows:

Generation by source



Generation by company



Source: National Electric Coordinator (CEN)

6.2 REGULATORY **FRAMEWORK**

The General Electricity Law, the Power Transmission Law and the General Environmental Framework Law are the main rules of law regulating the operations of ENGIE Energía Chile.

The main regulators and oversight authorities are:

- **Ministry of Energy**
- **National Energy Commission (CNE)**
- **Ministry of the Environment**
- **Environmental Commission**
- **Electricity and Fuels Commission (SEC)**
- **National Electricity Coordinator (CEN)**
- **Panel of Experts**

ENGIE Energía Chile has a Regulation Division comprised by a group of experts dedicated to protecting and contributing to the Company's margin by identifying and managing regulatory risks that may impact the Company.

In 2021, this division became a part of the Corporate Affairs Division for the purpose of coordinating, establishing synergies and strengthening the relationship between ENGIE and its different stakeholders.

One of its main functions is to lead the Regulation Committee, whose members are the Chief Executive Officer, corporate division officers and one member of the Board. This committee defines the Company's regulatory strategy.

FIRST SEMESTER

T he first semester of 2021 was marked by an intense regulatory agenda imposed in 2020 because of the COVID-19 health crisis that shook the entire world.

Law 21,301 was published on January 5th, which extended, on an exceptional basis to 36 months, the payment by end users of debt for basic utilities like electricity, sanitation and pipe gas.

Energy Efficiency Law 21,305 was enacted in February.

Its purpose was to contribute to an efficient use of energy resources by promoting the management of energy by large consumers and encouraging the purchase of electric vehicles with a view towards becoming carbon neutral by 2050.

The 2023-2027 Long-Term Energy Planning began at

the end of March, led by the Ministry of Energy, to project the energy future of the country for the next 30 years. This annual planning entails different stages of work plans, citizen participation, thematic workshops and progress reports.

A great sectorial controversy began in Abril that would run through 2022. The dispute was between the National Energy Commission and transmission companies and the subject was the publication of the preliminary report on Appraisal of Transmission Facilities for the four-year period 2020-2023, given the great differences proposed compared to actual values.

On April 14th, the Ministry resumed the working groups in order to discuss technical aspects and proposals on changes to the capacity market, looking for agreements on a definition of the concept of sufficiency given the great penetration of variable renewable energy technologies and periods of a greater demand on the system.

The end of Abril also brought with it the publication of Exemption Resolution 115/2021 by the National Energy Commission. That resolution amended the regulatory framework of the Stabilization Fund as concerns the treatment of balances arising from the rate freeze occurring in 2020.

On May 24th, by means of Official Letter 994, the Electricity and Fuels Commission consulted companies about mitigative measures against outages occurring in 2020, in relation to the regulation on compensation for unavailability of supply to end customers, issued in 2020.

On May 25th, the "Regulations on Transmission Systems and Transmission Planning" was issued in Decree 37/2019, indispensable to the implementation of Transmission Law 20,936 of 2016 regarding the topics of Open Access, Transmission Planning and Tenders of Enlargement Works.

Law 21,340 was also enacted in May, which postponed the effects of the basic services law and extended the period for payment of debt by end customers from 36 to 48 months, indicating the benefit expiration date under the Law as December 31, 2021.

There was intense activity in June because of the Inflexible Gas Technical Standard. On June 4th, the Commission issued a proposed standard based on reports on potential quarterly maximums of Inflexible Gas, and the citizen consultation regarding this proposed standard began on June 11th.

SECOND SEMESTER

The second semester in 2021 began with the launching in July of the Strategic Environmental Assessment of the Strip Study for the 2017 Expansion Plan by the Ministry of Energy. The purpose was to incorporate environmental considerations to Public Policies and Plans with a view towards the sustainable development of systems.

On August 2nd, the Final Report on Appraisal of Transmission Facilities for the four-year period 2020-2023 was issued, in which the observations made by companies to the preliminary report were basically overlooked.

The disputes arising between the transmission companies and the Commission led to approximately 550 discrepancies presented to the Panel of Experts in 3 days of public hearings. That panel's decision will be rendered in early 2022. Of that total, 10 presented more than 90 topics in debate in 27 discrepancies.

In August, the 2020 Transmission System Expansion Plan was also presented in which the enlargement of the Algarrobal 220 kV Substation was ordered. The tender terms were subject to execution of work according to article 102.

The Preliminary 2023-2027 Long-Term Energy Planning Report was published on August 30th.

On September 16th, the National Energy Commission amended the regulation of the Stabilization Fund to include parallel balances associated with the concepts of Local Generation Recognition and Residential Rate Equity.

On October 18th, the amendment to the technical standard was approved for the scheduling of the operation of units that use regasified natural gas.

The Public Consultation of the proposed Flexibility Strategy Regulations ended in early October, and a change was made that reduced the "Premium" on the price of capacity as from publication of the regulations. A transition period also added that recognized a level of Initial Capacity of Storage Units in a URE hybrid configuration.

The final ENE22 Average Node Pricing Technical Report was issued at the end of October, where the Commission forecasted the limit of the stabilization fund as June 2022.

In November, the Ministry of Energy published the list of national and zonal works for which the strip study or tenders associated with the 2020 Plan must begin.

On November 23rd, in complement to the Flexibility Strategy, a Bill of Law was presented to promote storage, the creation of infrastructure connections that combine generation and consumption, and electromobility. The Bill of Law aims for pure storage systems, including those in electrical vehicles, to participate in the Capacity Market and be considered tax benefits that will encourage a greater inclusion of electric vehicles to the market.

On December 13th, the National Electric Coordinator awarded the rights of execution and exploitation of the Kimal–Lo Aguirre HVDC line to Consorcio Yallique.

On December 16th, the Antitrust Court issued a precautionary measure to freeze the application of the Inflexible Gas Content in the amendment to the LNG Technical Standard.

On December 21st, Edelnor Transmisión was granted a final concession for the New Chuquicamata–Calama 220kV project.

On December 30th, the Ministry of Energy published the final version of the Fair Transmission Strategy on country's carbon neutrality, also indicating the closing and/or new uses of the coal-fired power plants in Chile.

At the end of the year, on December 31st, the National Energy Commission published the Preliminary Technical and Administrative Terms and Conditions for Valuation Studies on Transmission System Facilities for the period 2024-2027, which will be useful in beginning debate in 2022.

6.3 RISK FACTORS

The energy sector is subject to diverse and changing economic, political, regulatory, social and competitive conditions. As part of the normal course of business, our Company is exposed to several risk factors, both operating and financial, that can impact our performance and financial position, which are monitored regularly and closely by the owners of the different processes and coordinated by the Company's Risk and Management Control and Insurance Areas.

ENGIE Energía Chile has implanted risk management procedures that describe the method of risk assessment and analysis, including the construction of a risk matrix that is updated and reviewed quarterly. The progress in action plans and the updating of risks are monitored constantly in the framework of the Enterprise Risk Management (ERM) process.

Risk management is presented to the Company's Board of Directors annually. The financial risk management strategy is oriented towards safeguarding the stability and sustainability of ENGIE Energía Chile in relation to all components of financial uncertainty or material risk events.

Below is a summary of the risk management of the company and its subsidiaries, grouped into:

1. Business risks

2. Country risks

3. Market risks

4. Reputational risks

5. Regulatory risks

6.3.1. Business risks

DECARBONIZATION

Our business is facing both risks and opportunities because of the efforts to promote decarbonization of the country's energy matrix to confront the growing demand for energy generated by renewable means. In this context, our own initiatives as well as legislative and regulatory actions to address climate change and environmental topics could have a material impact on our industry and business.

The Chilean Government has adopted a policy of supporting sources of renewable energy generation to reduce its dependence on coal as a source of electricity production. It is aiming for carbon neutrality by the year 2050.

We have participated actively in all instances and working groups convened by the government. In 2019, we announced the schedule to close six coal-fired units in the period 2019-2024 as part of our Decarbonization Plan. In April 2021 we announced an expansion of our transformation program that involves stopping coal-fired generation by the year 2025. This program contains an asset turnover plan that replaces thermal generation by renewable energy generation as well as several initiatives targeting mitigating the social impact that this reconversion entails, including a drop in the job-creating capacity of renewable energy assets. By the end of 2025, we will have disconnected coal-fired units 12 and 13 of the Tocopilla Thermal Power Complex (disconnected in June 2019); units 14 and 15 of the Tocopilla Complex (scheduled for disconnection at the end of 2021, although their closing had to be postponed at least until June 2022 at the request of the Coordinator as an emergency measure to confront the shortage of hydraulic generation); and units CTM1 and CTM2 of the Mejillones Thermal Power Complex (disconnection scheduled for 2024), making a total of nearly 800 MW of installed coal-fired capacity that will be disconnected from the system.

The units representing the remaining 700 MW of installed coal-fired capacity will be reconverted. The Mejillones Energy Infrastructure (IEM) (375 MW) will be reconverted to use natural gas, while the Andina Thermal Power Plant and the Hornitos Thermal Power Plant (350 MW) will begin to operate with biomass as of 2026. The early closing of the coal-fired generating units has meant asset impairment losses totaling US$187 million net of income tax, which were recognized in our 2018 and 2019 financial statements. Reconversion of the power plants is expected to cost close to US$75 million. Our transformation plan includes adding around 2,000 MW of installed renewable energy capacity, of which 393 MW have already been either acquired or connected between 2019 and 2021, while 268 MW of renewable energy capacity are under construction, with commercial operation scheduled for 2022 (more information on pages 45 to 49).

There are diverse initiatives before the National Congress that could lead to even stricter limitations and prohibitions in relation to fossil-fuel-based power plants. Although we are focused on finding ways to accelerate our decarbonization by either closing or reconverting the remaining units, legal initiatives of this nature will translate into greater impairment losses on our assets as well as the need for additional investments in renewable energy and energy storage systems to honor our power purchase agreements.

Furthermore, decarbonization is a world phenomenon that is not risk-free. To begin with, closing coal-fired power plants has caused an impairment to the value of assets, a greater dependency on fuels friendlier to the energy transition, such as natural gas, and limitations on production, transport and financing of the exploitation of fossil fuels that has resulted in significant rises in price. The conflict between Russia and the Ukraine has done nothing more than aggravate this supply shortage, and fossil fuel prices are at level never before seen. Building renewable power generation assets on a large scale in the world has also brought with it difficulties in obtaining supplies and their transport as well as people trained in building these assets and contractors in an operating and financial position sufficing to overcome the challenges in project construction.

Since the first step in decarbonization is to reformulate the prices in our PPAs with customers, leaving aside the indexation to fossil fuel prices and adopting only inflation indexing, there has been some mismatching during the transition between the rates in the PPA portfolio and the variable costs of operation.

FUELS AND SUPPLY CHAIN

- **Unavailability or interruptions in the fuel supply chain**

We import a significant portion of our fuel supply under short-, medium-, and long-term contracts, which makes us vulnerable to potential supply shortages or default by our suppliers. We also acquire a significant portion of coal, natural gas and other fuels from a limited number of suppliers. Should of any of our material suppliers experience a disruption in their production chain or become unable to fulfill their obligations under supply contracts, we could be forced to buy at higher prices, either the same fuel or a substitute, and we might be unable to adjust the price of the electricity sold using the price adjustment mechanisms included in our PPAs with customers, with the consequent reduction in our operating margins.

- **Fuel price risk**

ENGIE Energía Chile is exposed to the volatility of the prices of certain commodities as its generating activities require a continuous supply of fossil fuels, mainly coal, natural gas and fuel oil, for which the international prices fluctuate depending on geopolitical and market factors beyond the company's control. Coal is purchased mostly under annual contracts in which the prices are linked to traditional indexes on the

10 o Newcastle. Las compras de petróleo diésel y ciertas compras de gas natural licuado se realizan international coal market, like API 2, API 10 or Newcastle. Fuel oil purchases and certain purchases of liquefied natural gas are made at prices based on the international prices of oil (WTI or Brent). The company has long-term liquefied natural gas purchase agreements in which the prices are linked to the Henry Hub.

Fuel price is a key factor in the dispatching of thermal power plants, in the mean cost of the company's generation and in the marginal cost of the power grid in which it operates. Historically, the company's policy has been to put price indexing mechanisms in its power purchase agreements based on the fluctuation in the prices of the fuels relevant to determining its variable operating costs. It has thus been able to align its production and power supply costs to its contracted power sales revenue. However, in its energy transformation plan, the Company has decided to give preference to indexing prices to the change in the Consumer Price Index instead of indexing to fuel prices, especially starting in 2021. Therefore, its exposure to commodity price risk could temporarily rise until it has a renewable energy asset base sufficing to support the PPAs indexed to inflation. In the past, the Company has made derivatives agreements to hedge against the exposure of its income and cash flows given the volatility of fuel prices, and it is in the process of implementing a hedging strategy for 2022. During 2021 and thus far in 2022, this risk has been confirmed to exist. Chile has been extremely dry in recent years, with the consequent decrease in hydraulic generation. This has coincided with difficulties in the supply of coal and natural gas because of the rise in demand, combined with restrictions on the world production of those fuels, which has translated into price rises to levels never before seen. Consequently, the mean cost of the company's generation and the marginal costs of the system have reached levels quite a bit higher than in previous years, seen in the reduction in the operating margins of the electricity business.

CUSTOMERS

- **Dependence on a limited number of customers who represent a significant volume of our sales**

  In our business of the sale of electricity, we depend on the capacity and willingness of a limited number of large customers to fulfill their contractual commitments to us opportunely. If any of those customers cannot or refuses to pay their bills when due, our cash flow and financial positions might be affected. Additionally, our ability to recover payments from customers who become insolvent that are owed under purchase agreements could be limited. Furthermore, we cannot warrant that power purchase agreements will be renewed with important customers upon expiration or renewed in conditions that are at least as favorable as the current ones. ENGIE Energía Chile believes that its sales concentration risk is acceptable as customers are mostly large mining companies, power generators and power distributors of great solvency.

- **Impact on the drop in the price of copper on our main customers**

  Approximately 48% of our physical sales of energy are to mining companies whose financial condition depends largely on the international price of copper. Historically, copper prices have fluctuated due to factors beyond the control of our customers, such as international political and economic conditions, levels of supply and demand, the availability and cost of substitute products, inventory levels and diverse actions by the commodities market agents. Our customers are among the largest copper producers in the world, but sustained drops in the price of copper or prolonged drops in the demand for copper might have adverse impacts on the income and financial position of our customers, who might be forced to reduce or suspend some of their mining operations, thereby reducing their demand for electricity and their ability to fulfill their financial commitments under our power purchase agreements.

- **Installed capacity and customer expansion plans**

  Historically, increases in the demand for electricity in Chile have been correlated to the construction of large mining projects. The growing concern for global warming and the water shortage have also contributed to the stricter environmental limitations and regulations on the mining industry, resulting in relevant challenges to the development of large mining projects. We have responded to the requests of our customers to reduce their carbon footprint by renegotiating our power purchase agreements to change price indexation and sources of supply. Should our customers fail to complete the construction of new projects, they might become unable to honor the demand commitments in their power purchase agreements or they might terminate those agreements early. Usually, these types of agreements are backed by guarantees, but we might be exposed to selling electricity on the spot market or looking for alternative agreements, which might have adverse impacts on our financial position and our operating results.

- **Fines for failures in our supply to customers**

  The Company is exposed to fines for violating regulations in Chile, including total or partial outages of the grid and/or delays in restoring power after an outage. These fines could be imposed on all power companies participating in the SEN when the system outage is the result of an operating error of any generator or operator of the transmission system, including failures related to coordination of the obligations of the system's participants. Generators might also be forced to pay indemnities to both unregulated customers and regulated customers impacted by a power supply shortage.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- **Power supply to regulated customers**

  Generators supplying electricity to regulated customers are exposed to additional risks. Approximately 47% of our electricity sales, measured in U.S. dollars, are made to regulated distribution companies. First of all, a generator that makes power purchase agreements with regulated customers has the obligation to make compensatory payments to regulated customers impacted by power outages when those outages are attributable to the generator. For example, if a generator is unable to fulfill its power purchase agreements with regulated customers in a period during which a rationing decree is in force, it has the obligation to indemnify those customers for the resulting power shortage. This differs in power purchase agreements with unregulated customers, which require an indemnity only if stipulated in the power purchase agreement.

  Generators who have PPAs with regulated customers may not cite force majeure under those PPAs when a rationing decree has been enacted, be it as a consequence of a drought, a failure in one of the generating units or a lack of gas transported into international pipelines. Therefore, unlike power purchase agreements with unregulated customers, the supplier under a PPA with regulated customers assumes a greater risk should such events of force majeure occur.

- **Lawsuits, arbitration and other contingencies**

  We sell electricity under agreements with large mining and industrial customers and to power distribution companies. We also sign other commercial and legal agreements in the normal course of our business, including contracts with suppliers and contractors for the construction of our investment projects. The interpretation and enforcement of certain rules or clauses in our contracts could lead to disagreements or disputes between us and our customers, suppliers or other counterparties.

- **Risks relating to restrictions on transmission systems**

  Our power plants are connected to the SEN, the main power grid in Chile. We supply power through transmission lines that by law are open to all. Consequently, we can dispatch electricity to a substation, but our customers can withdraw electricity at another substation closer to their facilities. We also depend on services provided by third-parties who own or control the transmission lines and substations that we use to supply energy. Any transmission restrictions imposed because of technical or design conditions could limit our ability to supply power to our customers, which would materially impact our business and financial position.

NEW PROJECTS

- **Delays or cost overruns in construction or startup of our new projects**

  Delays in construction or in the commercial startup of new projects could affect our business adversely, although we carry insurance and have protective clauses in our contracts with suppliers and contractors. Some of the factors that could impact our ability to build or startup new projects are (i) delays in receiving permits, including environmental and sectorial permits; (ii) adverse court rulings on existing government approvals, such as environmental approvals; (iii) a scarcity of equipment, materials or personnel or an increase in their prices; (iv) the inability of contractors to complete the main or auxiliary works by the agreed dates due to technical, operating or financial difficulties; (v) opposition by political, environmental or ethnic groups, both local and international; (vi) strikes; (v) adverse political and regulatory changes in Chile; (viii) adverse weather; (ix) difficult terrains; and (x) national disasters, accidents or other unforeseen events, such as the COVID-19 pandemic that wreaked havoc in our country in 2020 and had varying adverse effects due to quarantines, the closing of ports, and restrictions on the transport of inputs, to name a few.

- **Necessary capital investments**

  Our business has a high capital coefficient. Major capital expenditures are required to build, repair, replace and improve our generation, transmission and energy transport facilities. The response to increases in competition, satisfying new customers' demands and improving the capacity of our power generation, transmission and transportation facilities could cause an increase in our necessary capital expenditures in the future.

TECNOLOGY AND CYBERSECURITY

- **Technological change and more competition**

  Thanks to the evolution of technology, the cost of developing wind and solar power projects has fallen significantly in recent years in comparison to the traditional thermoelectric and hydroelectric technologies. This is one of the main reasons for the massive entry of new suppliers to a market traditionally dominated by a limited number of producers, which has led to a decrease in the prices of energy offered in the most recent power supply tenders held by the Chilean government for account of power distribution companies. It is expected that the unconventional renewable energy (URE) power plants started up in the future will easily meet the goals of the Chilean State to have 20% URE by 2025. As new participants and the actual incumbents increase their renewable power generation capacity, the pressure to lower power prices, put on by our customers, competitors and society, will continue on the rise and could instigate changes in the terms of our power purchase agreements. Although this trend is expected to translate into a reduction in our operating costs, it could have a temporarily adverse impact on our financial position and on our ability to finance the construction of renewable energy projects needed for our asset reconversion plans.

- **Hacking and cyberattacks.**

  Information security risks have increased in general in recent years because of the proliferation of new technologies and the greater sophistication and activities of hackers, in addition to the increase in the number of machines and systems connected to the internet. Our commercial operations could be interrupted by a cyberattack, which would produce losses and response costs, as well as litigation and damage to our reputation. A cyberattack could adversely impact our businesses, operating results and financial position.

RISKS RELATED TO MECHANICAL AND ELECTRICAL FAILURES OR ACCIDENTS THAT MIGHT IMPACT THE AVAILABILITY OF OUR POWER SUPPLY ASSETS

Although we perform maintenance regularly, make operating improvements to guarantee the commercial availability of our power plants, and carry insurance against damages and business interruption, mechanical or electrical failures or accidents could result in outages for certain periods of time. Our performance would be negatively impacted if our power plants are inoperative for long periods of time because we would be forced to purchase electricity on the spot market at a higher price or to make up for this unavailability by increasing the energy produced by our higher-operating-cost power plants in order to fulfill our contractual obligations. To manage this risk, the Company carries insurance for damages and business interruption caused by events disrupting our services. Any greater difficulty in contracting insurance policies to cover coal-fired power plants and higher premiums due to an increased accident rate, both for operating reasons and geological or weather phenomena beyond our control, could have a negative impact on our businesses, operating results and financial condition.

6.3.2. Country risks

THE COUNTRY'S SOCIAL AND ECONOMIC SITUATION

Our business, operating results and financial condition depend considerably on the economic conditions prevailing in Chile. The Chilean economy proved that it was strong during the most recent international financial crisis, but it is smaller than other economies. Moreover, the economic conditions in Chile depend substantially on the export of raw materials like copper, and those exports depend in turn on international prices. When prices drop, copper exports decrease, which reduces the electricity demand of our mining customers and could negatively impact our sales and operating results. In particular, power sales of some of our subsidiaries depend on the mining industry, especially the copper mining industry.

Moreover, changes in social, political, regulatory and economic conditions or in the laws and policies governing foreign trade, manufacturing, development and investment in Brazil, the USA, Asia and Europe, among other nations and regions, combined with political crises and uncertainty in other countries in Latin America and the world, could have a harmful impact on the economic growth of Chile and neighboring countries, and consequently an adverse impact on our business.

A period of protesting began in Chile on October 18, 2019, initially triggered by an increase in the price of the Santiago Subway System tickets. The protests were marked by violence, accompanied by the destruction of numerous subway stations and other public and private assets in Santiago and other cities in the country. The protests and associated violence disrupted industries, transportation and trade, affecting, among other things, the demand for electricity in the fourth quarter of 2019. Numerous demands of citizens became visible, in view of which the government announced a social agenda, including an increase in the minimum pension, wider health care coverage, an increase in the taxes on the rich, a reduction in the work week and a reduction in, and stability of, the rates for public transportation and electricity. To finance the social agenda, the government began to process a change in the Tax Reform under debate in Congress.

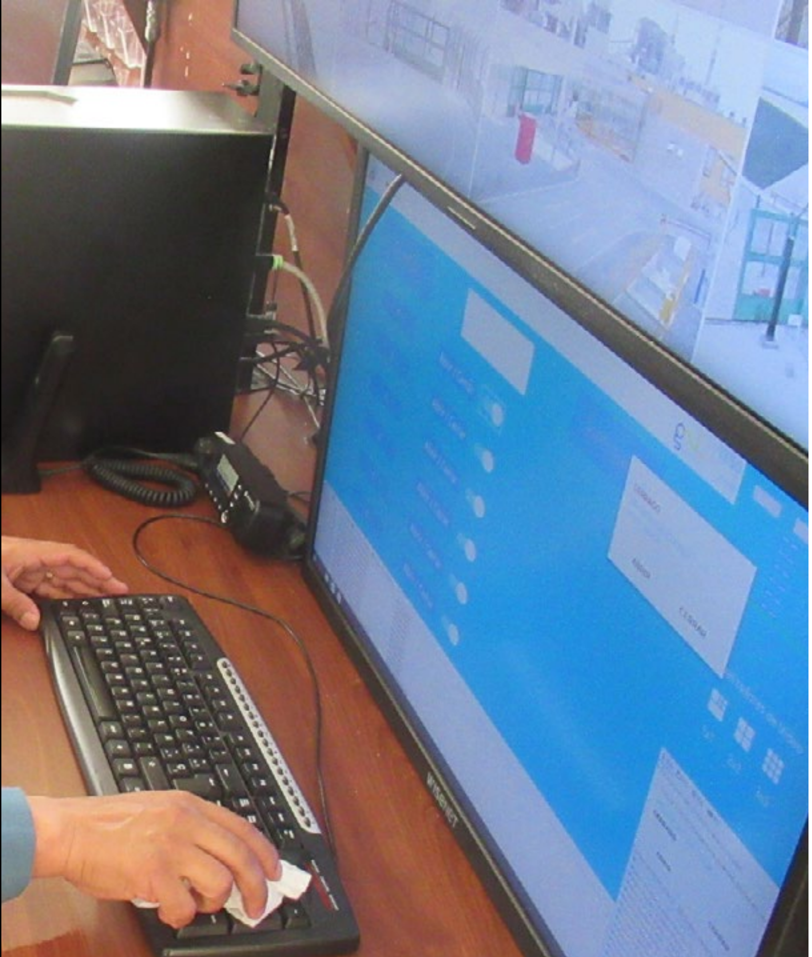
On November 15, 2019, the government and the leading political parties agreed to convene a referendum in April 2020, to determine the willingness of citizens to change the Political Constitution of the country. This referendum, which had to be postponed to October 2020 because of the pandemic, resulted in the approval by an ample majority of the drafting of a new constitution by means of the election of a Constitutional Assembly. The Assembly will have 9 months to write the new constitution and that period could be extended for another 3 months. Each new article in the Constitution must be approved by two-thirds of the assembly and ratified in a referendum in which voting is mandatory. Although these measures have tended to calm things down, the mass protesting has had economic impacts that include a rise in unemployment, a slowdown in economic growth and a depreciation in the exchange rate, and there continues to be an environment of great polarization and episodes of violence in different regions of the country. The greater degree of political, economic and social uncertainty might have impacts on our operations and results

NATURAL DISASTERS

Natural disasters could damage our power plants, adversely impact our generation capacity and increase our production costs, and they could also affect our customers and their demand for electricity. Should these operating difficulties occur, we might find ourselves in the need to purchase energy on the spot market or to enter into additional power purchase agreements in order to fulfill our contractual obligations, all of which could negatively impact our financial position and operating results. We cannot guarantee that natural disasters have no adverse impact on our facilities in the future. Chile is in a seismic area that exposes our facilities to earthquakes and tidal waves. To mitigate the potential effects of this risk, the Company's management adopts the measures that it deems pertinent, such as carrying property and business interruption insurance, preparing evacuation plans in coordination with the authorities, holding drills, having disaster recovery sites and other business continuity measures.

HEALTH CRISES: EPIDEMICS, ENDEMIC ILLNESSES AND PANDEMICS

A health crisis, either in the form of an epidemic or pandemic, could have adverse impacts on our employees, operations, the demand for electricity and the payment capacity of our customers, among other multiple effects that could negatively affect our financial position and operating results. The Company sets up a Crisis Committee immediately when an important health crisis occurs, like the COVID-19 pandemic that began to appear in Chile in March 2020, and it implements contingency plans that contain all corresponding onsite sanitary measures in observance of the orders by the authority, to ensure the health and wellbeing of our employees. The actions taken by our contractors and suppliers are also monitored in the same way and they are required to meet the necessary standards to keep their respective workers safe. In health crises, we give preference to three courses of action: Assuring the wellbeing of all our employees; assuring the operational continuity of our company, fundamental to maintaining a power supply in the country; and coordinating as best possible with our stakeholders, such as shareholders, customers, suppliers and communities, to maintain a direct dialogue and collaborate with each to the extent possible.



EXPOSURE TO INFLATION

Chile has experienced high rates of inflation in the past. Although those rates have been relatively low in recent years, this trend changed radically: inflation rates were 7.2% in Chile and 7% in the United States in 2021. It is possible that the measures adopted by governments to control inflation restrict the availability of credit and prevent economic growth. It is also possible that some of our costs and expenses rise as a result of inflation, which is mitigated by the prices in our power purchase agreements with customers that are generally denominated in dollars and partially indexed to the U.S. CPI. Even so, it may be that we are unable to transfer an increase in local inflation to our customers, which could cause an adverse impact on the company's results.

The Company is highly digitalized and a great percentage of its employees were able to telecommute to avoid the contagion and spread of the virus. A pandemic can lead to an international financial crises that could negatively impact our ability to obtain funding on the financial market, or it could affect financing costs. In addition, it might affect international trade, causing impacts on materials and supplies that we need to ensure our operation and the construction of investment projects.

The first case of Coronavirus or COVID-19 in Chile was recorded on March 3, 2020. On March 11, 2020, the World Health Organization officially recognized that Coronavirus was a pandemic. In 2020 and 2021, the Company's results were affected by the pandemic because of a drop in the demand for electricity by regulated customers, a slight increase in the delay in payments by our customers and delays in the construction of projects due to temporary interruptions in the supply of equipment, the closing of ports in the countries of origin, difficulties in the carriage of materials and the infection of contractors' employees. Despite these effects, the Company was able to achieve the results forecasted for the year.

TAX RISKS

On September 29, 2014, Law 20,780 (amended by Law 20,899, the "2014 Tax Reform") made significant changes to the taxation system in Chile and consolidated the authority of the Chilean Internal Revenue Service (SII) to control and prevent tax evasion. The 2014 Tax Reform made changes to the tax system by allowing alternative taxation regimes to coexist: (i) the partially integrated regime and (ii) the attributed income regime. As an open corporation, we were subject to the partially integrated regime that meant a 27% corporate tax rate as of 2018.

After the mass protesting in October 2019 in Chile, the Chilean government and part of the opposition reached an agreement that translated into the enactment of Law 21,210 that mainly introduced the following changes: (i) a new marginal tax limit of 40% instead of 35% for the personal tax bracket; (ii) a property tax surcharge on a set of real estate assets of one same taxpayer when the tax appraisal exceeds around US$0.6 million, at a progressive rate of 0% to 0.275%; (iii) the elimination of the provisional payment on absorbed profits (PPUA) effective in the 2024 fiscal year;

(iv) the elimination of the attributed income regime while keeping the semi-integrated regime as the general and only income tax system; (v) a special tax regime for SME taxpayers (entities with annual sales below around US$3.1 million), which included measures such as a 25% income tax rate, greater incentives for the reinvestment of profits while increasing the possibility of deducting 50% of the reinvested profits as an expense (limited to approximately US$0.2 million), instant depreciation and exemption from the property tax surcharge; (vi) creation of a special assessment of 1% on investment projects for first-category taxpayers that carry full accounting, provided the investment in tangible assets is greater than or equal to US$10 million and provided the project is subject to the Environmental Impact Assessment System (SEIA); and (vii) maintenance of the actual 65% VAT credit on the construction of housing. In addition, Law 21,256 was published on September 2, 2020, that establishes tax measures that form part of the emergency plan for economic reactivation and recovery of employment in a framework of a medium-term fiscal convergence. The main measures were: (i) a decrease in the tax rate to 10% for taxpayers in the Pro SME regime; (ii) the possibility of Pro SME taxpayers requesting a reimbursement of the cumulative remainder of VAT credit in tax declarations in July, August or September 2020; and (iii) the possibility of applying instant and integral depreciation for taxpayers who declare First-Category Tax on actual income determined according to complete accounting pursuant to the Income Tax Law who acquire new or imported fixed assets in the period from June 1, 2020 to December 31, 2022.

The 2014 Tax Reform also imposed a new annual tax on particulate matter, NOx, SO2, and CO_2 emissions for establishments whose stationary sources, like boilers and turbines, have an individual or combined thermal energy equal 50 MW or more (the "Green Tax"). The Company is subject to this Green Tax.

Currently, the Green Tax applicable to CO 2 emissions is approximately US$5.00 per ton emitted, while the Green Tax on NOx, SO2 and particulate matter emissions is approximately US$0.02 per ton emitted. In each case, the tax base is multiplied according to a formula that considers the contaminant dispersion factor, the social cost per capita of the contaminant and the country's population. The Green Tax entered into force and began to accrue on emissions in 2017. The Company and its subsidiaries paid a total of US$21.35 million in Green Taxes in April 2021.

The February 2020 Tax Reform contained some changes to the Green Tax rules, mainly in regard to the following:

First: The 50 MW limit for the application of Green Taxes was replaced and every establishment was ordered to pay Green Taxes (regardless of the technical capacity of their stationary sources) if emissions exceed (i) 100 tons of particulate matter or (ii) 25,000 tons of CO 2 per year. This change will enter into effect on January 1, 2025.

Second: To calculate the Green Tax, the reform defined establishment (the place where raw material is processed or new products are created), emitting source (stationary source generating emissions from combustion), but it excluded the "technological bias" by eliminating the requirement of installed capacity and combustion. Lastly, hot water boilers were excluded.

Third: The law allows Green Taxpayers to offset all or part of their taxable emissions by implementing projects to reduce the emissions of the contaminant that triggers the tax. Those projects must be certified by the Environmental Commission (SMA). This amendment will enter into force three years after publication of the law.

A new specific tax was enacted, applicable to air emissions, in relation to the 2014 Tax Reform that entered into force in 2017 where the initial payments came due in 2018. This could have an adverse effect on our business, financial situation and operating results if we are unable to transfer the cost increase caused by this tax to our customers. A new Tax Reform Bill of Law currently being debated by the Chilean Congress contains changes to some aspects of the specific tax.

Currently, the SMA sends a report in March of each year to the SII on the quantity of emissions by each Green Taxpayer in the previous calendar year so that the SII can calculate the applicable tax. If the Green Taxpayer objects to the SMA's calculation, the law only allows an appeal in the form of a general tax claim against the report before the tax courts after the applicable Green Tax has been calculated. The bill of law currently under debate gives Green Taxpayers the right to file claims before the Environmental Courts requesting a review of the Green Tax on emissions calculated by the SMA. If the Environmental Court issues a decision amending the report, the SII must issue a new tax calculation.

According to some of our power purchase agreements, we can transfer part of the cost increase from certain changes to laws to our customers. However, it is possible that we will not always be able to transfer the entire cost increase because of specific Green Taxes to our customers according to the change-in-law provisions in our PPAs. Our business, financial condition and operating results could be affected if we are unable to transfer them to some of our existing and future customers. Moreover, we cannot guarantee that there will be no further changes to the Green Tax rules because of amendments to the new Tax Reform bill of law or that any such changes will not increase Green Taxes in the future, or that we will be able to continue transferring the entire cost increase under our PPAs, all of which could have a materially adverse impact on our business, financial condition and operating results. In any case, our strategy to convert generation assets to renewable energy sources aims, among other things, to reduce our exposure to the risk of increases in Green Taxes.

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6.3.3. Market Risks

Market risk is the risk that fair value of future cash flows of a financial instrument fluctuate due to changes in market prices. This risk is comprised of 4 types: interest rate, exchange rate, commodity and other risks.

The financial instruments exposed to market risk are mainly loans and bank debt, time deposits and mutual funds, and financial derivatives.

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EXCHANGE RATE

Exchange rate risk is the risk that the value of an asset or liability (including the fair value of future cash flows of a financial instrument) fluctuate due to variations in exchange rates. In the year ending December 31, 2021, EECL held hedges (forwards and options) with banks in order reduce the effects of dollar/peso exchange rate fluctuations on the Company's cash flows and its financial results.

Since most of income, costs and financial debt are denominated in dollars, our exposure to exchange rate fluctuation risk is limited. The company's income is mostly denominated in dollars or indexed to that currency. For regulated PPAs with distributors, the rate in set in dollars and converted to pesos at the monthly average observed dollar exchange rate, so the exchange rate exposure of these PPA is limited in terms of impacts on the Company's statement of income. However, there is an impact on the Company's cash flow because of the lags in publication of Average Node Price decrees, which translated into monthly invoicing at exchange rates other than the monthly exchange rate stipulated in each PPA. Although these temporary differences are re-settled after the Average Node Price decrees are published, the uncertainty about the time of re-settlement does not allow for an effective hedging through derivatives. This lag in collecting receivables from distribution companies for the differences between the exchange rates effectively invoiced and the exchange rates applicable according to governing law increased significantly after approval of the Electricity Rate Stabilization Law in November 2019 for which the technical rules of implementation were disclosed in March 2020 by Exempt Resolution 72 of the National Energy Commission. These rules have caused an increase in the receivables from the distribution companies where the pace of the increase and subsequent recovery will largely depend on the behavior of exchange rates, among other variables. To face this risk and mitigate its effects on cash flow, in early 2021 the Company signed agreements with Goldman Sachs and IDB Invest to sell these receivables from distribution companies to a special-purpose company called Chile Electricity PEC SpA, with no recourse to the Company. On January 29, 2021, Chile Electricity PEC SpA placed Rule 144 A/Regulation S bonds for US$489 million on the international market. A part of that amount was used to purchase the receivables corresponding to the January 2020 Average Node Price Decree. Chile Electricity PEC completed the 4a2 US$419 million note issue on June 30, 2021, with deferred disbursements, with the participation of Allianz, IDB Invest and Goldman Sachs, which allowed them to buy the receivables under the January 2021 Average Node Price Decree from four groups of Chilean generators. Since the sale was in dollars, at a discount and with no recourse to generators, EECL and EMR will reduce their exchange rate exposure and the credit risk associated with these receivables, and they will improve their liquidity at the cost of a discount that had an impact on the 2021 financial statements. In 2021, the Company sold receivables for a nominal total of US$167.3 million and recorded a financial cost of US$48.7 million.

The main cost in Chilean pesos relates to employees and administrative expenses that account for approximately 10% of our operating costs. Therefore, since most of the Company's income is denominated in or linked to the Dollar while some operating costs are in Chilean pesos, the Company has decided to partially hedge the peso payment flows for recurrent items with known payment dates, such as wages and salaries and some service contracts, by forwards and zero-cost collar options. As of December 31, 2021, the Company held dollar forwards for a nominal total of US$102 million where US$8.5 million would expire each month from January to December 2022. In the past, the

Company and its subsidiary CTA had signed cash flow hedge derivatives associated with payments under EPC contracts for the construction of projects, which are normally considered regular payment flows in currencies other than the dollar (CLF and EUR), that expired at the same time as project completion. The Company has thus avoided variations in the cost of investing in fixed assets because of fluctuations in exchange rates beyond its control. At this time, it holds no derivatives associated with the cash flows of investment projects.

INTEREST RATE RISK

Interest rate risk is the risk created by changes in the fair value of the cash flows of financial instruments in the balance sheet because of changes in the market interest rates. Interest rate exposure occurs mainly because of long-term debt at floating interest rates. The Company and its subsidiaries manage interest rate risk through fixed-rate debt or Interest Rate Swaps (IRS) under which the Company agrees to swap from time to time an amount resulting from the differences between a fixed rate and a variable rate calculated on a notional amount. As of December 31, 2021, 89% of our financial debt was at a fixed rate and 11% (US$110 million) at a variable rate, excluding leasing debt according to IFRS 16.

SHARE PRICE RISK

As of December 31, 2021 and 2020, EECL and its subsidiaries held no investments in equity instruments.

CREDIT RISK

We are exposed to credit risk in the ordinary course of our business and when investing our cash balances. In the power generation business, our main customers are large mining companies of renowned solvency who generally present a low level of risk. However, those companies are subject to the variation in the world prices of raw materials. Even though our customers have proven to be strong in confronting adverse cycles, our company conducts regular reviews of commercial risks. We also have regulated customers who supply residential and commercial customers whose credit risk is low. In recent years, the electricity industry has evolved toward a greater atomization of its customer base due to the right of consumers with a demand of 500 kV to 500 MW to contract their power supply directly with generators instead of through power distribution companies. As a result of this elimination of intermediaries, the Company has signed PPAs with smaller commercial and industrial customers who could entail a greater credit risk. To mitigate this risk, the Company has implemented a commercial counterparty risk policy that requires, among other things, a review of the credit risk prior to signature of power purchase agreements. At this time, PPAs with small and mid-sized commercial and industrial customers represent a small percentage of our contract portfolio. The outbreak of the pandemic caused by the COVID-19 virus generated uncertainty about the behavior of demand and the financial capacity of basic utility customers to make timely payment of their power consumption and other services. To confront this situation, the Company has ordered its commercial areas to stay in direct contact with our customers in order to track the situation and adopt timely measures to support our customers and to mitigate the impacts of the pandemic on the Company's performance.

Our investment policy stipulates investing our cash resources in the short term with investment-grade institutions. We also consider the financial risk of our counterparties when contracting exchange rate or interest rate derivative hedges and we set maximum limits on investments with each counterparty in order to manage and diversify our credit risk.

TRADE RECEIVABLES RISK

Credit risk is managed by each business unit subject to the policy, procedures and controls established by the Company. ENGIE Energia Chile sets credit limits for all its customers based on internal policies. Both credit limits and policies are reviewed regularly. Trade receivables are monitored periodically for performance in consideration of the international prices of minerals and other relevant factors, while for generators, it is based on their generation capacity and debt. Impairment is analyzed on each reporting date individually for all material customers. The maximum exposure to credit risk on the reporting date is the current value of trade receivables. The Company has evaluated the concentration of risk in trade receivables as acceptable because customers are mainly highly solvent large mining companies, power generating companies and power distribution companies.

FINANCIAL ASSETS AND DERIVATIVES

The credit risk to which the Company is exposed in transactions with banks and financial institutions in current accounts, time deposits, mutual funds and financial derivatives is managed by the Corporate Finance Division according to the Company's policy. Investments can only be made with authorized counterparties and within the credit limits assigned to each. The Company also has set limits by period and risk diversification by financial counterparty. The credit limits for each counterparty are set according to the national or international risk rating and liquidity insolvency indicators of each institution, and they are reviewed from time to time by management. Limits are set to minimize risk concentration and thus mitigate losses in a potential counterparty default.

.LIQUIDITY

Liquidity risk relates to the need for funding to pay obligations when due. The goal of the Company is to maintain a balance between fund availability and financial flexibility through regular operating flows, loans, short-term investments and credit facilities. The Company recurrently evaluates risk concentration in respect of debt refinancing.

As of December 31, 2021, the Company had a total of US$50 million in short-term financial debt expiring in April 2022, but no other significant debt maturities until 2025. Given its sound credit rating, the Company has easy access to financial markets and it keeps cash and holds short-term investments sufficing to easily meet its short-term financial commitments. Therefore, the Company's liquidity risk is considered to be moderate, but it must carefully handle the effects of pronounced rises in fuel costs on the Company's operating cash generation.

6.3.4. Reputation risks

REPUTATION AND IMAGE

In addition to environmental and electricity industry regulations, our business must comply with a significant number of laws, standards and regulations, including in relation to competition and anti-trust, anti-bribery and anti-corruption, health, safety and the environment, employees and employment, and taxation. We could be the subject of investigations or proceedings by the authorities because of alleged infringements of these laws. The outcome of these processes could result in fines or other forms of liability that might have a materially adverse effect on our reputation, business, financial condition and operating results.

To mitigate this risk, we have implanted compliance procedures and internal control systems to prevent and detect inappropriate practices, fraud or violations of the law by our subsidiaries, directors, officers, employees, contractors and other persons who act on our behalf.

SUSTAINABILITY

In the framework of sustainability management, in 2019 we created a social-environmental indicator that measures the handling of undesired incidents that may cause social unrest with an effect on the company's reputation, regardless of whether they cause environmental damage. That indicator considers the operating containment of the event and timely management with stakeholders.

6.3.5. Regulatory risks

The Company is subject to regulations governing in Chile that may encompass diverse aspects of the business. Its operations must abide by broad regulations on rates and other aspects regulating its business in Chile. Accordingly, any new laws or regulations or amendments to existing ones could impacts its activities, economic situation and the results of its operations. The Company's activities are also required to abide permanently by broad environmental regulations. Eventual changes to these matters could affect activities, the economic situation and the results of operations. Among other things, environmental regulations require that environmental impact studies be prepared for projects under study; that licenses, permits and other regulatory authorizations be received; and that all requirements in such licenses, permits and standards be met. Like what occurs with any regulated company, the Company cannot guarantee that the government authorities will approve the environmental impact studies; that public opposition will not result in delays or changes to a proposed project; that laws or regulations will not be amended or interpreted so as to increase expenses; or that operations, plants or plans of the Company will not be affected (further information on page 36/ Regulatory Framework).

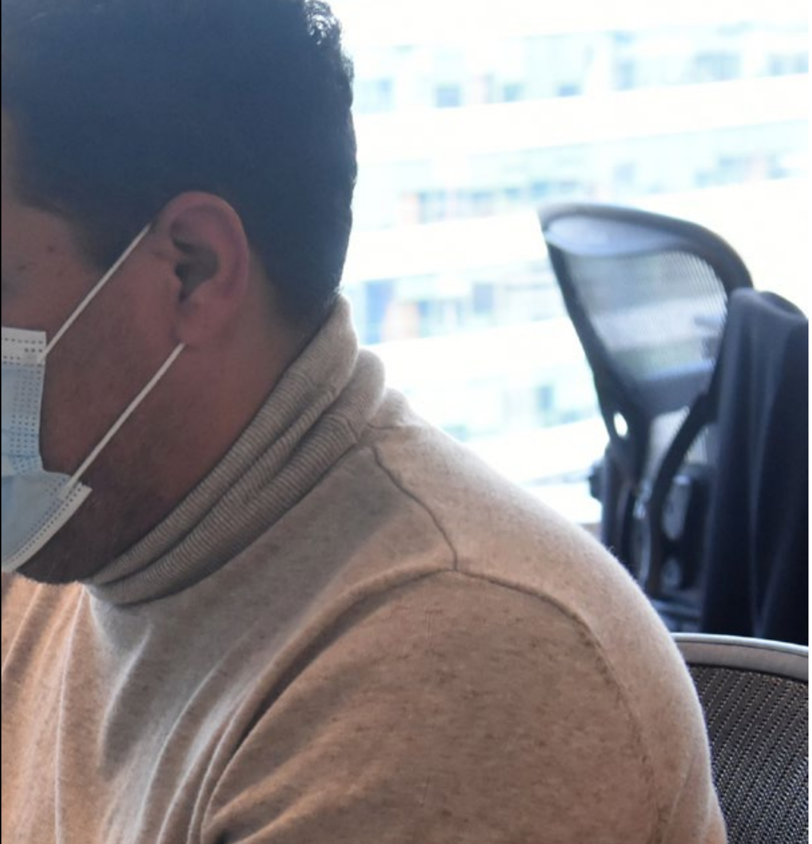
CHANGES TO, AND COMPLIANCE WITH, ENVIRONMENTAL REGULATIONS

Our operations are subject to a wide range of environmental requirements. We have defrayed expenses and made investments, which we will continue to do, in order to stay in compliance with environmental laws and the permits required for our operations. A breach of environmental requirements could result in fines or civil or criminal penalties, environmental damage lawsuits, reparation obligations, the revocation of environmental authorizations or the temporary or permanent closing of facilities. Many of our PPAs include clauses on the transfer of capital costs, operating costs or the cost of complying with certain changes in law, in particular environmental laws.

It may be that new environmental requirements or changes in the enforcement, interpretation or implementation of existing requirements result in a substantial increase in capital, operating and compliance costs, and conditions may be imposed that restrict or limit our operations. Moreover, changes in environmental regulations may restrict even further the use of coal or increase the cost of using it as a source fuel, which may adversely impact our income and, consequently, our financial situation and operating results. These changes in environmental regulations could limit the availability of our funding for other purposes, which might have a negative impact on our business, operating results and financial situation.

LAW 21,185 AND TEMPORARY ELECTRICITY PRICE STABILIZATION

On March 11, 2020, the National Energy Commission published Exempt Resolution 72 that contained the rules and provisions required to implement the temporary electricity price stabilization method for rate-regulated customers established in Law 21,185 of November 2, 2019. This method considers freezing electricity rates at levels existing in the first half of 2019 until the end of 2027, subject to certain adjustments stipulated in the law, while prices that generating companies charge distribution companies will remain the same according to the contracts existing between them. The method will produce a differential between the rates that generating companies are authorized to charge according to their contracts and the rates applied in the collection from end customers subject to price regulation. As a result of the rate differential, generating companies are reporting accounts receivable from distribution companies that combined, create the so-called stabilization fund. Under Law 21,185, this fund may grow through July 2023 or until a total of US$1.35 billion has been accumulated, whichever occurs first. It is expected that once the power purchase agreements awarded in the most recent tenders enter into effect at lower prices, the average prices of PPAs between generating companies and distribution companies will begin to drop gradually as from 2021 and fall below the stabilized price that will continue in

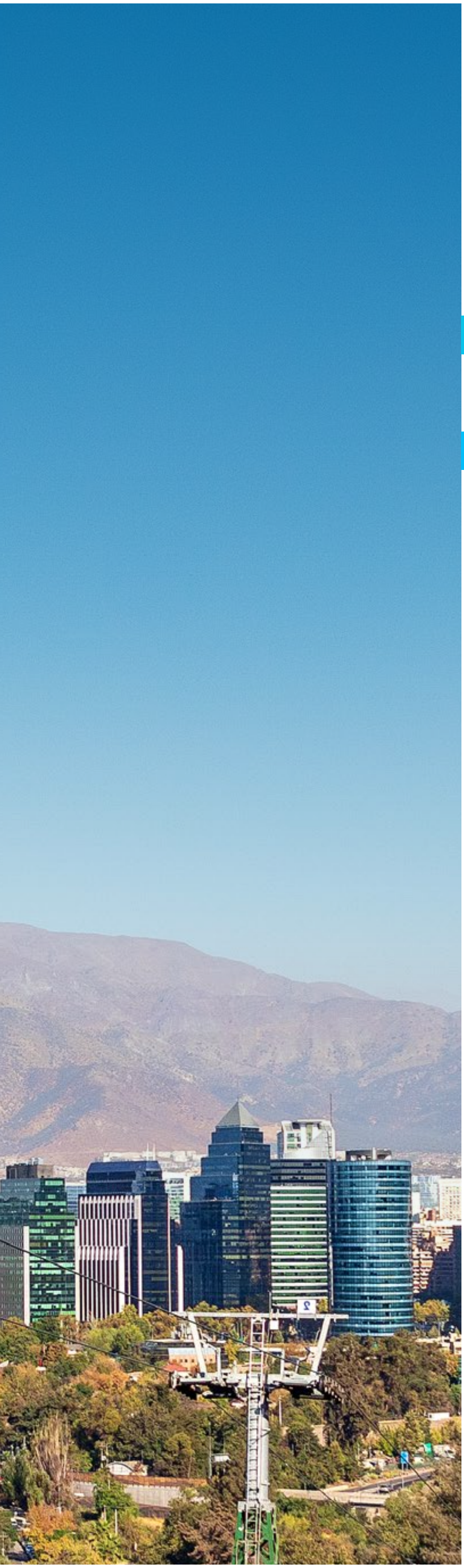


force with the adjustments stipulated by law through December 31, 2027. As of the moment when the average contractual rates fall below the stabilized price, distribution companies may begin to pay the receivables forming part of the stabilization fund. As of December 31, 2021, non-current receivables of EECL for this reason totaled approximately US$90 million after US$167.3 million in trade receivables were sold between January and July 2021, as explained below.

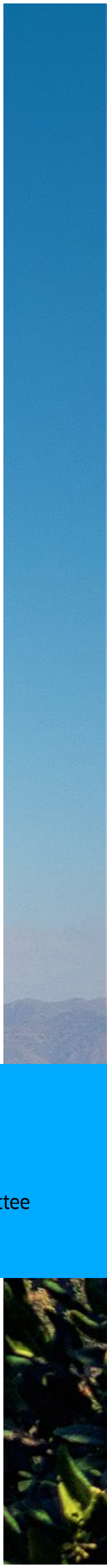
To confront this risk and mitigate its effects on cash flow, on February 8, 2021, the Company and its subsidiary Eólica Monte Redondo SpA sold the first set of balances in their favor under the temporary electricity price stabilization method to Chile Electricity PEC SpA, a special-purpose company. ENGIE Energia Chile S.A. closed the sale of the second set of balances on March 31st, while Eolica Monte Redondo SpA sold its second set of balances on April 1st. These sales, made according to the terms and conditions of agreements signed with Goldman Sachs and IDB Invest and disclosed as material events on January 20 and 30, 2021, included receivables for a total nominal amount of US$141.9 million, accounting for around 54% of the balances that ENGIE expects to accumulate during the stabilization duration. On June 30th, ENGIE Energia Chile S.A. sold Chile Electricity PEC SpA the third group of balances in Engie's favor under the electricity price stabilization method while Eolica Monte Redondo SpA sold its balances on July 5, 2021. The nominal total of balances sold was US$28.8 million, and US$20.8 million in cash was received. The difference between the nominal amount of balances sold and the purchase price was recorded as a financial expense in the 2021 fiscalyear (US$40.9 million in the first quarter, US$0.9 million in April 2021 and US$8 million in the third quarter). Chile Electricity PEC SpA received funding to purchase the balances included in the first two decrees from an international 144A/Reg S bond issue of US$489 million that was used to purchase the receivables of seven generators, including EECL and EMR, under the January and July 2020 Average Node Price decrees. Chile Electricity PEC SpA then obtained the funding to purchase the January 2021 decree balances from a private international 4a2 issue, with deferred drawdowns, in which the Allianz, IDB Invest and Goldman Sachs investment funds participated. Since the sales were in dollars, at a discount and without recourse to the generators, EECL and EMR were able to reduce their exchange rate exposure and credit risk associated with these receivables and improve their liquidity at the cost of a discount that had impacts on the 2021 financial statements.

REGULATORY INITIATIVES IN PROCESS

As a result of the ongoing technological, political, social and environmental evolution taking place in the energy industry, there are a variety of congressional and authority initiatives that are in different stages of development on the date of this report. If they materialize, they could have material effects on our operations, results and the course of our businesses. The main initiatives that might have an impact on our operations include (1) the Electrical Portability Law that is centered on three main thrusts: (i) activating sales; (ii) modernizing supply tenders; and (iii) creating an Information Manager; (2) the congressional Accelerated Decarbonization initiative; (3) an amendment to the Technical Standard for the Scheduling and Coordination of Operational Units using regasified natural gas (LNG Technical Standard or NT GNL as abbreviated in Spanish); and (4) the Ministry of Energy's Flexibility Strategy that involves 12 measures and thus far has focused on: (i) perfecting the method for sufficiency compensation to determine the contribution of different generating units to the reliability and sufficiency of the power grid and (ii) incorporating flexibility requirements in the capacity payment method.



LEGAL INFORMATION



7.1 LEGAL **INFORMATION**

7.1.1 Charter Documents

ENGIE Energía Chile S.A. was incorporated by capital contributions from Empresa Nacional de Electricidad S.A. (Endesa) and the Production Development Association (Corfo). It was incorporated under the name of Empresa Eléctrica del Norte Grande Limitada (Edelnor) by public deed executed October 22, 1981, in the notarial office of Enrique Morgan Torres. An abstract of that deed was registered on page 556 (overleaf), No. 314, in the Commercial Register of the Antofagasta Real Estate Registrar, and it was published in the Official Gazette on November 7, 1981.

7.1.2 Main Modifications

The business of the company is the production, transmission, distribution and supply of electricity; the purchase, sale and transport of all types of fuels, whether liquid, solid or gaseous; the rendering of consulting services in all areas and fields of engineering and business management; and the provision of electric system maintenance and repair services.

Since its incorporation ENGIE Energía Chile S.A. has undergone several modifications, the most important of which are described below:

MAIN MODIFICATIONS

DATE OF PUBLIC DEED	MODIFICATION	NOTARIAL OFFICE	REGISTRATION	REGISTER	PUBLICATION IN THE OFFICIAL GAZETTE
30/09/1983	The company (then Edelnor) was converted into a continuing open corporation traded on the country's stock exchanges.	Enrique Morgan Torres, Santiago.	Page 467, N° 244.	1983 Commercial Register of the Antofagasta Real Estate Registrar	03/11/1983
09/11/1988	A Special Shareholders Meeting decided to divide the company effective July 1, 1998, into four corporations: a continuing company that would retain its name and three new open corporations: Empresa Eléctrica de Antofagasta S.A. (Elecda S.A.), Empresa Eléctrica de Iquique S.A. (Eliqsa S.A.) and Empresa Eléctrica de Arica S.A. (Emelari S.A.).	Vicente Castillo Fernández, Antofagasta.	Page 1,141, N° 437.	1988 Register of the Antofagasta Real Estate Registrar.	03/01/1989
13/03/2002	A Special Shareholders Meeting held March 13, 2002, resolved to amend the bylaws to move the registered offices from the city of Antofagasta to Santiago, in the municipality of Las Condes	María Soledad Santos Muñoz, Antofagasta.	Page 8,180, N° 6,673.	2002 Commercial Register of the Santiago Real Estate Registrar	23/03/2002

MAIN MODIFICATIONS

DATE OF PUBLIC DEED	MODIFICATION	NOTARIAL OFFICE	REGISTRATION	REGISTER	PUBLICATION IN THE OFFICIAL GAZETTE
02/06/2004	A Special Shareholders Meeting held April 26, 2004, resolved to modify the company's capital in order to state it in dollars of the United States of America	Fernando Opazo Larraín, Santiago.	Pages 17,684, N° 13,314.	2004 Commercial Register of the Santiago Real Estate Registrar	18/06/2004
29/12/2009	A Special Shareholders Meeting held December 29, 2009, decided: A) to merge EDELNOR with Inversiones Tocopilla-1 S.A. ("Tocopilla" or the "Absorbed Company") by the absorption of Tocopilla by EDELNOR. As a result, Inversiones Tocopilla-1 S.A. was dissolved and all of its assets and liabilities were transferred in block to the company. The shareholders in Tocopilla received shares issued by EDELNOR in exchange, in the manner and periods agreed by that Shareholders Meeting. B) Because of the company's merger with Inversiones Tocopilla-1 S.A. and the merger terms, to increase the capital by US$704,404,607.11 through the issuance of 604,176,440 new shares with no par value, in one series and of the same par value as the remaining shares in the company.	Iván Torrealba Acevedo, Santiago.	Pages 3,581, N° 23.	2010 Commercial Register of the Santiago Real Estate Registrar	22/01/2010
04/05/2010	A Special Shareholders Meeting held April 27, 2010, amended the company's by-laws to change its name to E.CL S.A., with the right to do business under the acronym "E.CL."	Iván Torrealba Acevedo, Santiago.	Pages 22,767, N° 15,578.	2010 Commercial Register of the Santiago Real Estate Registrar	11/05/2010
30/03/2011	An ipso jure decrease in capital was declared.	Iván Torrealba Acevedo, Santiago.			
09/05/2016	A Special Shareholders Meeting held April 26, 2016, amended the company's bylaws to change its name to "ENGIE Energía Chile S.A.“	Iván Torrealba Acevedo, Santiago	Pages 34,238, N° 18,964.	2016 Commercial Register of the Santiago Real Estate Registrar.	19/05/2016

7.1.3 Share Transactions by Related Parties

The management of ENGIE Energía Chile S.A. has not received any information that its senior executives and directors held shares in the company exceeding 0.001% of all of the company's shares.

7.1.4 Ownership

12 largest shareholders as of December 31, 2021:

Name	Number of Shares	Interest
ENGIE Austral S.A.	631,924,219	59.99%
Banco Santander for account of foreign investors	36,367,952	3.45%
Banco de Chile for account of State Street	30,459,194	2.89%
Santiago Stock Exchange	18,522,221	1.76%
AFP Provida S.A. C Pension Fund	18,370,387	1.74%
BCI Corredores de Bolsa S.A.	17,054,788	1.62%
Larrain Vial S.A. Corredora de Bolsa	16,946,064	1.61%
AFP Habitat S.A. Type A Fund	15,014,763	1.43%
BTG Pactual Chile S.A. Corredora de Bolsa	14,540,088	1.38%
AFP Provida S.A. Type B Fund	13,711,965	1.30%
AFP Provida S.A. Type A Fund	12,883,096	1.22%
Banchile Corredores de Bolsa S.A.	12,724,631	1.21%
Other shareholders	214,790,408	20.4%
Total	**1,053,309,776**	**100.00%**

Types of shareholders

Type of Shareholders	Number of Shareholders	Percentage by Type	Number of paid-in shares
Individual	6,523,718	0.62%	6,523,718
Legal Entity	1,046,786,058	99.38%	1,046,786,058
Total	1,053,309,776	100%	1,053,309,776

ENGIE Energía Chile Stock Trading in 2021

Period	# of Shares	Price	Avg. Price
1st quarter	67,660,581	57,958,014,779	595.46
2nd quarter	119,905,816	84,395,878,154	679.36
3rd quarter	98,446,004	52,603,474,175	534.45
4th quarter	124,709,499	64,503,138,531	509.23

Antofagasta

7.1.5 Dividend Policy

The EECL dividend policy, approved at the Regular Shareholders Meeting held Tuesday, April 27, 2021, is to distribute at least the mandatory minimum dividend according to the law and bylaws during the course of each fiscal year. To the extent the business situation allows, always taking into consideration the projects and development plans of the company, interim or final dividend distributions may be approved above the mandatory minimum dividend. Subject to Board approval and, if relevant, to approval by a Shareholders Meeting, efforts will be made to distribute the profits from each fiscal year in the form of interim dividends based on the results of the financial statements for the second and third quarters, plus a final dividend payable in May of each year.

On April 27, 2021, the Regular Shareholders Meeting approved distribution of a final dividend of US$51,055,643.26 to shareholders against 2020 fiscal year profits, which was a dividend of US$0.0484716314 per share that was paid to shareholders in the Chilean peso equivalent on May 20, 2021, converted at the observed dollar exchange rate published in the Official Gazette on May 17, 2021.

On July 27, 2021, the Company's Board approved distribution of an interim dividend of US$41,500,000 against 2021 fiscal year profits, which was a dividend of US$0.0393996153 per share that was paid to shareholders in the Chilean peso equivalent on August 26th, converted at the observed dollar exchange rate published in the Official Gazette on August 23rd.

The dividends paid since 2010 are shown in the next table:

Dividends paid by ENGIE Energía Chile S.A

Payment Date	Type of Dividend	Amount	US$ per share
May 4, 2010	Final (against net profits for 2009)	77.7	0.07370
May 4, 2010	Additional (against net profits for 2009)	1.9	0.00180
May 5, 2011	Final (against net profits for 2010)	100.1	0.09505
August 25, 2011	Interim (against net profits for 2011)	25.0	0.02373
May 16, 2012	Final (against net profits for 2011)	64.3	0.06104
May 16, 2013	Final (against net profits for 2012)	56.2	0.05333
May 23, 2014	Final (against net profits for 2013)	39.6	0.03758
September 30, 2014	Interim (against net profits for 2014)	7.0	0.00665
May 27, 2015	Final (against net profits for 2014)	19.7	0.01869
October 23, 2015	Interim (against net profits for 2015)	13.5	0.01280
January 22, 2016	Interim (against net profits for 2015)	8.0	0.00760
May 26, 2016	Final (against net profits for 2015)	6.8	0.00641
May 26, 2016	Interim (against net profits for 2016)	63.6	0.06038
May 18, 2017	Final (against net profits for 2016)	12.8	0.01220
May 22, 2018	Interim (against net profits for 2017)	30.4	0.02888
October 25, 2018	Interim (against net profits for 2018)	26.0	0.02468
May 24, 2019	Final (against net profits for 2018)	22.1	0.02102
June 21, 2019	Interim (against net profits for 2019)	50.0	0.04747
December 13, 2019	Interim (against net profits for 2019)	40.0	0.03798
November 30, 2020	Interim (against net profits for 2020)	66.6	0.06323
May 20, 2021	Final (against net profits for 2020)	51.1	0.04847
August 26, 2021	Interim (against net profits for 2021)	41.5	0.03940

7.1.6 Trademarks, Patents, Licenses, Franchises, Royalties and/or Concessions as of December 2021

Trademark	Application #	Type	Class(es)	Application Date
CENTRAL TERMOELÉCTRICA ANDINA	848563	Denominative	37 39 40 42	17-Dec-08
CTA	848564	Denominative	37 39 40 42	17-Dec-08
PUERTO ANDINO	1249504	Denominative	36	6-Apr-17
PUERTO ANDINO	1249505	Denominative	37	6-Apr-17
PUERTO ANDINO	1249507	Denominative	39	6-Apr-17
PUERTO ANDINO	1249508	Denominative	42	6-Apr-17
	1081618	Label	35 36 37 38 39 40 42	6-Nov-13
	1081624	Label	35 36 37 38 39 40 42	6-Nov-13
E.CL	329044	Mixed	04 09 16	28-Feb-20
E.CL	891537	Mixed	35 36 37 39 40 42	13-Jan-10
E·CL GREEN	1164325	Mixed	37 39 40 42	30-Jul-15
EDELNOR	329045	Denominative	35 37 39 40	28-Feb-20
EDELNOR	1037224	Denominative	42	10-Dec-12
GNE GAS NATURAL ESENCIAL	1027237	Mixed	04 16 35 39 40	28-Sep-12
IMA	1309692	Denominative	7	17-Dec-18
IMA	1309694	Denominative	9	17-Dec-18
IMA	1309699	Denominative	11	17-Dec-18
IMA	1309703	Denominative	35	17-Dec-18
IMA	1309704	Denominative	36	17-Dec-18
IMA	1309706	Denominative	37	17-Dec-18
IMA	1309708	Denominative	39	17-Dec-18
IMA	1309712	Denominative	40	17-Dec-18
IMA	1309713	Denominative	41	17-Dec-18
IMA	1309718	Denominative	42	17-Dec-18
Ima	1309722	Mixed	7	17-Dec-18
Ima	1309728	Mixed	9	17-Dec-18
Ima	1309729	Mixed	11	17-Dec-18
Ima	1309731	Mixed	35	17-Dec-18
Ima	1309732	Mixed	36	17-Dec-18
Ima	1309734	Mixed	37	17-Dec-18
Ima	1309736	Mixed	39	17-Dec-18
Ima	1309741	Mixed	40	17-Dec-18

Status	Registration number	Registration date	Coverage	Holder	Expiration Date
Registered	873762	25-Jan-10	Services	Central Termoeléctrica Andina S.A.	25-Jan-30
Registered	1027608	2-Aug-13	Services	Central Termoeléctrica Andina S.A.	2-Aug-23
Registered	1259247	14-Sep-17	Services	Central Termoeléctrica Andina S.A.	14-Sep-27
Registered	1269674	15-Feb-18	Services	Central Termoeléctrica Andina S.A.	15-Feb-28
Registered	1265467	13-Dec-17	Services	Central Termoeléctrica Andina S.A.	13-Dec-27
Registered	1261415	18-Oct-17	Services	Central Termoeléctrica Andina S.A.	18-Oct-27
Registered	1066231	27-Nov-13	Services	ENGIE Energía Chile S.A.	27-Nov-23
Registered	1069793	4-Dec-13	Services	ENGIE Energía Chile S.A.	4-Dec-23
Registered	896784	10-Sep-20	Products	ENGIE Energía Chile S.A.	10-Sep-30
Registered	942347	17-Jan-12	Services	ENGIE Energía Chile S.A.	17-Jan-22
Registered	1218377	26-Aug-16	Services	E.CL S.A.	26-Aug-26
Registered	905136	16-Dec-20	Services	ENGIE Energía Chile S.A.	16-Dec-30
Registered	1012123	18-Feb-13	Services	ENGIE Energía Chile S.A.	18-Feb-23
Registered	1131771	9-Oct-14	Products and Services	ENGIE Energía Chile S.A.	9-Oct-24
Registered	1303829	14-Aug-19	Products	ENGIE Energía Chile S.A.	14-Aug-29
Registered	1298455	5-Jun-19	Products	ENGIE Energía Chile S.A.	5-Jun-29
Registered	1305934	12-Sep-19	Products	ENGIE Energía Chile S.A.	12-Sep-29
Registered	1311557	5-Dec-19	Services	ENGIE Energía Chile S.A.	5-Dec-29
Registered	1300274	28-Jun-19	Services	ENGIE Energía Chile S.A.	28-Jun-29
Opposed			Services	ENGIE Energía Chile S.A.	
Registered	1314736	17-Jan-20	Services	ENGIE Energía Chile S.A.	17-Jan-30
Registered	1317093	25-Feb-20	Services	ENGIE Energía Chile S.A.	25-Feb-30
Registered	1320764	23-Apr-20	Services	ENGIE Energía Chile S.A.	23-Apr-30
Opposed			Services	ENGIE Energía Chile S.A.	
Registered	1303830	14-Aug-19	Products	ENGIE Energía Chile S.A.	14-Aug-29
Registered	1300275	28-Jun-19	Products	ENGIE Energía Chile S.A.	28-Jun-29
Registered	1305935	12-Sep-19	Products	ENGIE Energía Chile S.A.	12-Sep-29
Registered	1309642	12-Nov-19	Services	ENGIE Energía Chile S.A.	12-Nov-29
Registered	1300276	28-Jun-19	Services	ENGIE Energía Chile S.A.	28-Jun-29
Opposed			Services	ENGIE Energía Chile S.A.	
Registered	1314737	17-Jan-20	Services	ENGIE Energía Chile S.A.	17-Jan-30
Registered	1317094	25-Feb-20	Services	ENGIE Energía Chile S.A.	25-Feb-30

Trademark	Application #	Type	Class(es)	Application Date
Ima	1309739	Mixed	41	17-Dec-18
Ima	1309740	Mixed	42	17-Dec-18
T	811926	Mixed	39 40	18-Mar-08
	809736	Label	39	29-Feb-08
	809737	Label	4	29-Feb-08
GASODUCTO NOR ANDINO	942751	Denominative	39	1-Mar-11
GASODUCTO NOR ANDINO	943489	Denominative	4	8-Mar-11
CTH	848565	Denominative	37 39 40 42	17-Dec-08
HORNITOS	848566	Denominative	37 39 40 42	17-Dec-08
TEN	1162942	Denominative	37 39 40 42	20-Jul-15
TEN	1162940	Mixed	37 39 40 42	20-Jul-15
TEN	1375329	Mixed	37	23-Sep-20
TEN	1375330	Mixed	39	23-Sep-20
TEN	1375354	Mixed	40	23-Sep-20
TEN	1375355	Mixed	42	23-Sep-20
TEN UNA EMPRESA RED ELÉCTRICA INTERNACIONAL	1375356	Mixed	37	23-Sep-20
TEN UNA EMPRESA RED ELÉCTRICA INTERNACIONAL	1375331	Mixed	39	23-Sep-20
TEN UNA EMPRESA RED ELÉCTRICA INTERNACIONAL	1375332	Mixed	40	23-Sep-20
TEN UNA EMPRESA RED ELÉCTRICA INTERNACIONAL	1375333	Mixed	42	23-Sep-20

7.1.7 Main Suppliers

As of December 31, 2021, the main suppliers of ENGIE Energía Chile were:

SPARE PARTS AND SERVICES FOR GENERATING UNITS

GENERAL ELECTRIC GLOBAL SERVICE GMBH.
GE GLOBAL PARTS & PRODUCTS GMBH.
ANSALDO ENERGÍA SPA.
JUAN CARLOS PEREIRA GERALDO (NORTIG).
MITRA LTDA.
SK INDUSTRIAL S.A.
SOCIEDAD COMERCIAL GLOBAL SERVICE.
SIEMENS SOCIEDAD ANONIMA.
ATLAS COPCO CHILE SPA.
LINDE GAS CHILE.
INDURA S.A.

GENERATING UNIT OPERATIONS

SOC MARITIMA Y COMERCIAL SOMARCO LTDA.
SERVICIOS INDUSTRIALES LIMITADA (AXINNTUS).
ADECCO RECURSOS HUMANOS S.A.

INDUSTRIAL CLEANING AND MEAL SERVICE

SOC. POR ACCIONES LSV INDUSTRIAL SPA.
NEWREST CHILE SOPORTE LIMITADA.
ISS CHILE S.A.

SPARE PARTS, EQUIPMENT AND SERVICES FOR SOLAR, WIND AND TRANSMISSION PROJECTS

SIEMENS ENERGY SPA.
GRID SOLUTIONS CHILE S.A.
CRUZ Y DÁVILA INGENIEROS.

Status	Registration number	Registration date	Coverage	Holder	Expiration Date
Registered	1320765	23-Apr-20	Servicios	ENGIE Energía Chile S.A.	23-Apr-30
Opposed			Servicios	ENGIE Energía Chile S.A.	
Registered	828494	29-May-08	Servicios	ENGIE Energía Chile S.A.	29-May-28
Registered	838560	9-Jan-09	Servicios	Gasoducto Nor Andino S.A.	27-Feb-28
Registered	847321	27-Feb-18	Productos	Gasoducto Nor Andino S.A.	27-Feb-28
Registered	917542	22-Jun-11	Servicios	Gasoducto Nor Andino S.A.	22-Jun-21
Registered	917823	30-May-11	Productos	Gasoducto Nor Andino S.A.	30-May-21
Registered	872006	7-Jan-10	Servicios	Inversiones Hornitos S.A.	7-Jan-30
Registered	872007	7-Jan-10	Servicios	Inversiones Hornitos S.A.	7-Jan-30
Registered	1232831	5-Jan-17	Servicios	Transmisora Eléctrica del Norte S.A.	5-Jan-27
Registered	1211970	7-Jul-16	Servicios	Transmisora Eléctrica del Norte S.A.	7-Jul-26
In process			Servicios	Transmisora Eléctrica del Norte S.A.	
In process			Servicios	Transmisora Eléctrica del Norte S.A.	
In process			Servicios	Transmisora Eléctrica del Norte S.A.	
In process			Servicios	Transmisora Eléctrica del Norte S.A.	
In process			Servicios	Transmisora Eléctrica del Norte S.A.	
In process			Servicios	Transmisora Eléctrica del Norte S.A.	
In process			Servicios	Transmisora Eléctrica del Norte S.A.	
In process			Servicios	Transmisora Eléctrica del Norte S.A.	

VIETNAM SUNERGY JOINT STOCK COMPANY.
TRINA SOLAR (CHILE) SPA.
OHL INDUSTRIAL CHILE S.A.
INNERIA CHILE SPA.
SOLTEC ENERGIAS RENOVABLES, S.L.U.
COBRA MONTAJES SERVICIOS Y AGUA LIMITADA.
INGENIERIA Y CONSTRUCCION INGECOZ SPA.
SUNGROW POWER SUPPLY CO., LIMITED.
SOCIEDAD DE MONTAJES ELECTRICOS RCA.
ABENGOA CHILE S.A.
INVERSIONES MARMAN LTDA.
EMEC MONTAJES ELECTRICOS Y CONSTRUCCION.

INFRASTRUCTURE

FLESAN MINERIA.

SUBMARINE SERVICES

SOLMATEK SERVICIOS INDUSTRIALES.

INDUSTRIAL PROTECTION

SOMACOR S.A.

GAS PIPELINE SERVICES

COMGAS ANDINA S.A.

NATIONAL AND INTERNATIONAL FREIGHT SERVICES

TRADE POINT SHIPPING.

FUEL SUPPLY

COMPANIA DE PETROLEOS DE CHILE COPEC S.A.

7.2 DIRECTORS **COMMITTEE REPORT**

In compliance with article 50-bis of Law 18,046, the Company's Board of Directors agreed, at its Meeting #598 held April 28, 2020, to appoint Mauro Valdés Raczynski, Cristian Eyzaguirre Johnston and Claudio Iglesis Guillard as members of the Directors Committee, all of whom are independent directors. Mauro Valdés Raczynski was elected chairman at the Committee meeting held on that same date.

The Directors Committee met regularly during 2021 and accomplished the following:

1. It examined and adopted a decision on the quarterly financial statements of the Company in 2021.

2. It met with the Company's external auditing firm, the Internal Auditor and Crime Prevention Officer.

3. It examined the compensation plans and systems of the Company's managers, senior executives and employees.

4. It drafted a proposal on a new version of the Manual on Handling Information of Interest to the Market, which was approved by the Board on June 29, 2021. The purpose was to amend the rules in the Manual on freezing the purchase of Company shares, in line with the provisions in Law 21,314, and to add a procedure for the preparation and disclosure of material events to avoid leaks before those events are revealed.

5. In view of the legal amendments introduced by Law 21,314, it drafted a proposal on the general conflicts of interest policy that contains and systematizes the rules on the subject found in diverse manuals, codes and procedures approved by the Board and/or in place in the Company, as well as certain rules that it deemed appropriate to include. This policy was approved by the Board on June 29, 2021.

6. In accordance with the legal changes made by Law 21,314, it drafted a policy on the appointment of directors in subsidiaries, which was approved by the Board on June 29, 2021.

7. It reviewed the transactions with related parties discussed in the next point:

In accordance with article 50-bis of Law 18,046, in 2021, the Directors' Committee examined information on the Company's transactions with related parties pursuant to Title XVI of Law 18,046, and it recommended approval of the following acts and contracts:

RELATED-PARTY TRANSACTIONS

1) Award of a contract to **Salar SpA** for the supply and installation of 2,624 replacement lamps at the Mejillones Power Plant (Committee Meeting held January 26, 2021).

2) Signature of a contract with **ENGIE Factory** for automated cleaning of the solar panels of the Los Loros Plant (Committee Meeting held January 26, 2021).

3) Award of a contract to **Tractebel Engineering** for provision of Owner Engineering Services to the Kimal–Lo Aguirre HVDC transmission project (Committee Meeting held January 26, 2021).

4) Extension of the car-sharing agreement with **Los Andes Rent a Car** to April 2022 for visits to customers, authorities and other business-related activities (Committee Meeting held March 2, 2021).

5) Authorization of the purchase of a partial shipment of LNG, ranging from 0.8 TBtu to1.4 TBtu, from **Global Energy Management** or any other authorized supplier; and a regasification and storage agreement with GNL Mejillones S.A. by means of signature of a Terminal Use Agreement or an assignment (Committee Meeting held March 2, 2021)

6) Extension of the master agreement between ENGIE Services and **Termika S.A. Ingenieria y Montaje** (Sunplicity) for implementation of photovoltaic systems at customer sites through December 31, 2021 or through completion of contracts, for a total price of US$15,000,000, including the services provided since the start of the agreement in 2019 (Committee Meeting held March 30, 2021).

7) Signature of a Big Data software support and license agreement with **Blue.e**, for software developed by this company, to identify opportunities for improvement in fuel consumption and start-up times of Unit 16, as well as support in optimizing the operational routines needed for improvements to be effective (Committee Meeting held March 30, 2021).

8) Authorization of the purchase of a half-shipment of LNG from **Global Energy Management**, a related company, or any other authorized supplier; and a regasification and storage agreement with **GNL Mejillones S.A.** by means of signature of a Terminal Use Agreement (Committee Meeting held March 30, 2021).

9) Authorization to contract property damage and business interruption insurance for the generation assets of Eólica Monte Redondo SpA under the regional insurance policy of the **ENGIE Group** (Committee Meeting held March 30, 2021).

10) Authorization of the purchase of 0.8 TBtu to 1.4 TBtu of LNG in March or April 2021 and a half-shipment of LNG for May 2021 from **Global Energy Management**, a related company, or any other authorized supplier (Committee Meeting held April 27, 2021).

11) Signature of an agreement with E**NGIE Energy Management SRL** for the purchase of 10,000 tons of biomass to perform testing at the CTA and CTH units (Committee Meeting held May 25, 2021).

12) Signature of an agreement with **ENGIE Solar** for a review of the design of trackers of the Capricornio PV farm (Committee Meeting held May 25, 2021).

13) Signature of an agreement with **ENGIE University** to leave a record of the 44 EECL employees who took part in Learning Festival courses (Committee Meeting held May 25, 2021).

14) Signature of a LinkedIn license agreement with **ENGIE Latam** (Committee Meeting held May 25, 2021).

15) Authorization of the purchase of a half-shipment (1.5 Tbtu) of LNG from **Global Energy Management**, a related company, for July or August 2021, depending on the trend in marginal costs in that period (Committee Meeting held June 29, 2021).

16) Signature of an agreement with **Tractebel Engineering** for the drafting of the technical terms for the tender to dismantle Units 14 and 15 of the Tocopilla Power Plant, and of the technical terms and cost estimate of dismantling units CTM1, CTM2, CTM3, CTA, CTH and IEM of the Mejillones Power Plant, subject to Tractebel Engineering presenting an offer that is at least 50% below the price agreed for the preparation of the technical terms for the tender to dismantle Units 12 and 13 of the Tocopilla Power Plant (Committee Meeting held June 29, 2021).

17) Signature of an agreement with **European Maintenance Support RL** for specialized support in preparing for the inspection of C-07 in Unit 16 (Committee Meeting held June 29, 2021).

18) Amendment of the counterparty engineering agreement with **Tractebel Engineering** for transmission and renewable energy projects in order to include the transmission projects for the Mandatory Enlargement of the Arica-Pozo Almonte Line Sectioning and the new Roncacho Sectioning Substation (Committee Meeting held June 29, 2021).

19) Contracting of licenses through **ENGIE S.A.** for the use of Microsoft Office 365 products (Committee Meeting held July 27, 2021).

20) Increase in the authorized global amount of work orders to be issued annually under the master agreement with **ENGIE Lab.**

21) Signature of service agreements with **ENGIE Energie Services France** and **ENGIE Services Perú** to formalize, make reimbursements and pay fees and expenses of EECL executives who have provided services to those companies in the ENGIE Group and of executives of those companies who have provided services to EECL (Committee Meeting held August 31, 2021).

22) Signature of service agreement with **ENGIE Energie Services France, ENGIE Services Perú, ENGIE Latam S.A.** and other members of the **ENGIE Group** to formalize the reimbursement and payment of fees and expenses of EECL executives who were seconded to those companies (Committee Meeting held August 31, 2021).

23) Authorization of the purchase of 2 TBtu of LNG from **Global Energy Management**, a related company, deliverable in September 2021 (Committee Meeting held August 31, 2021).

24) Authorization of the purchase of all or part of the surplus gas that **Sociedad GNL Mejillones S.A.** has available in 2021 as a result of retention gas deriving from a better efficiency in gas regasification and storage (Committee Meeting held August 31, 2021).

25) A contract with **Sociedad GNL Mejillones S.A.** on regasification rights in the additional purchases of LNG forecasted for 2022, at the listed prices published by that company, either by contracting them directly from GNL Mejillones or from the actual holders of regasification rights at the Mejillones regasification terminal (Committee Meeting held August 31, 2021).

26) Signature of a lease with **ENGIE LATAM S.A.** for land measuring approximately 29,000 square meters on which the Tamaya Power Plant is located, for a period of 15 years, subject to several conditions precedent (Committee Meeting held August 31, 2021).

27) Authorization of the purchase from **ENGIE Lab** of 3 mobile weather stations to measure albedo, weather variables and soiling in solar projects under development and construction, including data management and analysis for one year (Committee Meeting held October 26, 2021).

COMPENSATION AND USE OF EXPENSE BUDGET

The compensation set by the Regular Shareholders meeting for members of the Directors Committee totals an all-events fee of 55 UF monthly, and the committee was assigned a budget of 5,000 UF annually. The Committee made no disbursements against that budget in the 2021 fiscal year.

PROCEDURE FOR APPROVAL OF THE CONTRACTING OR TENDERING OF SERVICES IN WHICH RELATED COMPANIES MAY PARTICIPATE

01) In preparing the budget, the Corporate Divisions must plan the services that could potentially be provided by related companies.

02) The chief executive officer must present a list of the above-mentioned services at least quarterly to the Directors Committee, indicating the characteristics of the tender procedure to be followed in each case and the companies to be invited to submit bids. This presentation will be notwithstanding the need to submit the tendered agreement at the pertinent time to the approval procedure described below.

03) If there are market, competition or quality reasons that justify a direct contract, the chief executive officer must present the information to the Directors Committee so that it can express its opinion. Nonetheless, the service cannot be awarded until it is approved by the Board.

04) The Directors Committee will state its opinion on the tenders presented to it and may, as part of its authority, make recommendations to management, review or cause others to review the bidding terms and conditions, and ask that certain companies be included or excluded from the invitees.

It may also decide that the bids should be addressed exclusively to one of the independent directors appointed by the Committee especially for that purpose. Moreover, when services require a more complex evaluation, the Committee may ask that both the bidding terms as well as the bids received be reviewed by an independent third party in order to protect the competitiveness and transparency of the procedure.

05) If it is recommendable for a service to be awarded to a related company, the chief executive officer will present the outcome of the tender to the Directors Committee and a recommendation on its approval. However, the service cannot be awarded until it is approved by the Board.

06) During the course of the service, the respective corporate manager must report quarterly to the chief executive officer on the progress in the service and the expenses involved, any deviation from the scope or any difficulty that may arise. The chief executive officer must report this quarterly to the Directors Committee.

07) The process of approval by the Directors Committee must be carried out by the pertinent corporate manager and once approval is received, it will take effect via a purchase order for the amounts approved by the Committee in order to keep an appropriate control of disbursements.

08) In general, services will be contracted from related companies for a lump sum after a comparison of the total costs, always endeavoring to avoid awards based on merely estimated budgets.

09) Any stages of bid improvement in bidding procedures must require that new bids--or changes to those submitted—be presented on the same date by all bidders selected for that stage. This will protect the arm's length conditions and competitiveness among the bidders. The contract must be awarded to the bid most convenient to the Company, according to the criteria set down in the bidding terms.

7.3 MATERIAL **DISCLOSURES**

Day and Time	Entity	Subject
20-Jan-2021 8:13:14 am	ENGIE Energía Chile S.A.	Miscellaneous
30-Jan-2021 8:12:30 am	ENGIE Energía Chile S.A.	Loan signature or renegotiation
31-Mar-2021 12:43:47 pm	ENGIE Energía Chile S.A.	Profit distribution (dividend payment)
27-Apr-2021 6:57:25 pm	ENGIE Energía Chile S.A.	Regular shareholders meeting, notices, resolutions and motions
28-Apr-2021 8:55:09 am	ENGIE Energía Chile S.A.	Miscellaneous
12-May-2021 9:05:56 pm	ENGIE Energía Chile S.A.	Profit distribution (dividend payment)
27-Jul-2021 7:50:13 pm	ENGIE Energía Chile S.A.	Profit distribution (dividend payment)

RESUMEN

- On January 20, 2021, the Company disclosed that on that same date, EECL and its subsidiary, Eólica Monte Redondo SpA ("EMR"), reached an agreement with Goldman Sachs & Co. LLC and Goldman Sachs Lending Partners LLC on the terms and conditions of a loan transaction under Law 21,185 that created a temporary electricity price stabilization arrangement for regulated customers, and under Exempt Resolution 72 of the National Energy Commission, specifically regarding the trade receivables from diverse power distribution companies held by the Company and EMR on that date and those that they may come to hold in the future because of the price stabilization imposed by that law. Under this agreement with Goldman Sachs, EECL and EMR could gradually sell Chile Electricity PEC SpA the receivables they hold either on the dates when the Average Node Price Decrees are published, together with the corresponding payment balance tables, or in the future under the Price Stabilization Regulations, limited to a commitment of US$162 million and subject to fulfillment of the agreed conditions.
- On January 30, 2021, the Company supplemented the Disclosure reported January 20, 2021 in relation to the loan structure, consisting of the sale by the Company and EMR of trade receivables owed by different power distribution companies. It reported that the Company and EMR had reached an agreement on January 27, 2021 with Inter-American Investment Corporation ("IDB Invest") whereby IDB Invest will grant loans to Chile Electricity PEC SpA to purchase: (a) a part of the aforesaid distribution company receivables, subject to certain conditions set down in the Purchase Agreements executed January 29, 2021 by the Company, EMR and Chile Electricity PEC SpA; and (b) all or part of the distribution company receivables held by EECL and EMR on that date or in the future under the Price Stabilization Regulations imposed by Law 21,185.

- On March 30, 2021, the Company disclosed that at a meeting held that same day, the EECL Board had decided to convene a Regular Shareholders Meeting for April 27, 2021 in Santiago to discuss and decide on the proposal to pay a final dividend of US$51,055,643.26, or a dividend of US$0.0484716314 per share, among other matters. On that date there were no impacts other than those reported in relation to this disclosure.

- On April 27, 2021, the Company disclosed the following decisions by its Regular Shareholders Meeting: (a) to pay a final dividend to shareholders of US$51,055,643.26, or a dividend of US$0.0484716314 per share, against 2020 fiscal year profits; and (b) to appoint Ernst & Young Servicios Profesionales de Auditoria y Asesoria Limitada (EY) as the external auditing firm. On that date there were no impacts other than those reported in relation to this disclosure.

- On May 12, 2021, the Company disclosed that because of the declaration that May 15th would be a mandatory holiday given publication of Law 21,341 in the Official Gazette on May 12, 2021, the date set for the Company's shareholders to receive the final dividend approved by the Regular Shareholders Meeting on April 27, 2021 would be brought forward by one day.

- On July 27, 2021, the Company disclosed that at a meeting held that same day, the Board of ENGIE Energia Chile S.A. had approved the distribution of an interim dividend for US$41,500,000 against profits from the 2021 fiscal year, which meant a dividend of US$0.0393996153 per share. On that date there were no impacts other than those reported in relation to this disclosure.

7.4 SUMMARY OF COMMENTS AND **PROPOSALS BY SHAREHOLDERS AND THE DIRECTORS COMMITTEE**

There were no comments or proposals by shareholders during the 2021 fiscal year.

In compliance with Law 18,046, the Directors Committee did make the following recommendations to shareholders:

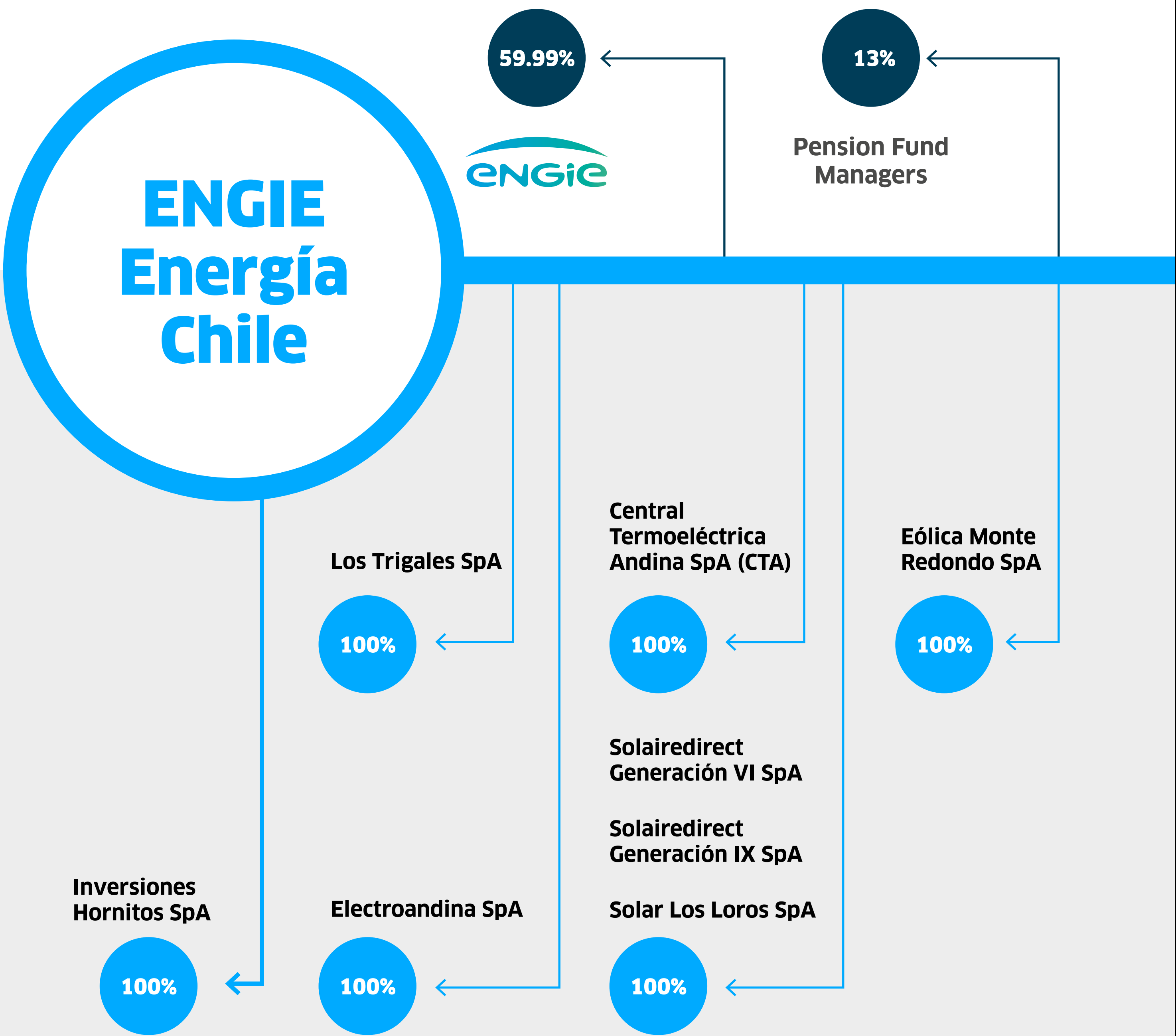
1) Approval of the annual report for the fiscal year ending December 31, 2021, of the balance sheet, other financial statements, and external auditing opinion on the company for that fiscal year.

2) Appointment of Ernst & Young Servicios Profesionales de Auditoría y Asesorías Limitada as the external auditing firm for the 2021 fiscal year and Deloitte Auditores y Consultores Limitada as the second alternative.

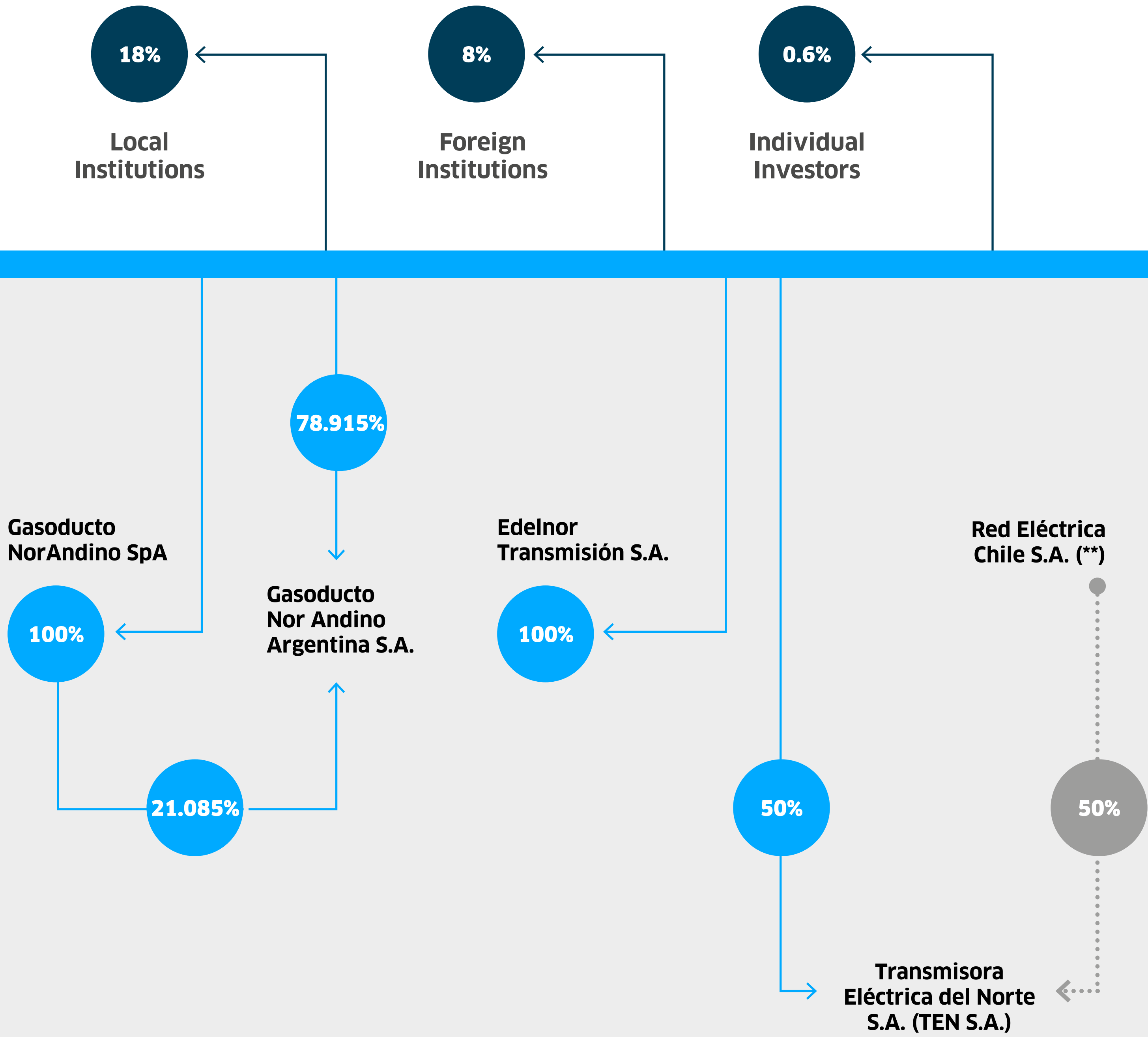
3) Appointment of Feller Rate Clasificadora de Riesgo Ltda. and Fitch Chile Clasificadora de Riesgo Ltda. as the private risk rating agencies for the 2021 fiscal year.

7.5. CORPORATE **ORGANIZATION CHART**

(as of December 31, 2021)



(**) Red Eléctrica Chile S.A. belongs to Red Eléctrica de España.


18%
Local Institutions
8%
Foreign Institutions
0.6%
Individual Investors
78.915%
Gasoducto NorAndino SpA
100%
Gasoducto Nor Andino Argentina S.A.
21.085%
Edelnor Transmisión S.A.
100%
Red Eléctrica Chile S.A. (**)
50%
50%
Transmisora Eléctrica del Norte S.A. (TEN S.A.)

7.6 SUBSIDIARIES **AND ASSOCIATES**

as of December 31, 2021

ELECTROANDINA SpA.

This subsidiary was incorporated by public deed dated May 15, 1995, in the Santiago Notarial Office of Hugo Leonardo Perez Pousa. An abstract of that deed was registered on page 16 (overleaf), number 11, of the 1995 Tocopilla Commercial Register and was published in the Official Gazette on May 18, 1995.

Company Name: Electroandina SpA
Tax I.D.: 96.731.500-1
Type of Company: Joint Stock Company
Paid-In Capital: kUS$50,445
Held by: ENGIE Energía Chile S.A., 100%
Board of Directors: This company is managed by agents of ENGIE Energía Chile S.A.
Chief Executive Officer: Axel Levêque
Business Purpose: Generation, transmission, sale of energy and other services.

CENTRAL TERMOELÉCTRICA ANDINA SpA.

This subsidiary was incorporated by public deed dated November 20, 2006, in the Santiago Notarial Office of Juan Ricardo San Martin Urrejola. An abstract of that deed was registered on page 48,227, number 34,417, of the 2006 Santiago Commercial Register and was published in the Official Gazette on November 29, 2006.

Company Name: Central Termoeléctrica Andina SpA
Tax I.D.: 76.708.710-1
Type of Company: Joint Stock Company
Paid-In Capital: kUS$30,000
Held by: ENGIE Energía Chile S.A., 100%
Board of Directors: This company is managed by agents of ENGIE Energía Chile S.A.
Chief Executive Officer: Axel Levêque
Business Purpose: Generation, transmission and distribution of electricity.

INVERSIONES HORNITOS SpA

This subsidiary was incorporated by public deed dated May 15, 1995, in the Santiago Notarial Office of Hugo Leonardo Perez Pousa. An abstract of that deed was registered on page 16 (overleaf), number 11, of the 1995 Tocopilla Commercial Register and was published in the Official Gazette on May 18, 1995.

Company Name: Inversiones Hornitos SpA.
Tax I.D.: 76.009.698-9
Type of Company: Joint Stock Company
Paid-In Capital: kUS$180,000
Held by: ENGIE Energía Chile S.A., 100%
Chief Executive Officer: Axel Levêque
Business Purpose: Its main business is the generation, transmission and distribution of electricity.

TRANSMISORA ELÉCTRICA DEL NORTE S.A.

TEN is an associate, incorporated by public deed dated March 1, 2007, executed in the Santiago Notarial Office of Juan Ricardo San Martín Urrejola. An abstract of that deed was registered on page 9373, No. 6856, of the 2007 Commercial Register of the Santiago Real Estate Registrar and it was published in the Official Gazette on March 7, 2007.

Company Name: Transmisora Eléctrica del Norte S.A.
Tax I.D.: 76.787.690-4
Type of Company: Closed corporation
Paid-In Capital: kUS$72,876
Held by: ENGIE Energía Chile S.A., 50%
Board of Directors: Eva Pagan Diaz (Chairwoman), Angel Mahou, Axel Leveque, Eduardo Milligan Wenxel, Gabriel Marcuz, Juan Majada Tortosa
Chief Executive Officer: Demián Talavera
Business Purpose: Electric power transmission. It may exploit and develop its own or third-party electric systems, regardless of the transmission system of which it is a member or the name it may be given. This therefore includes its own dedicated national transmission facilities, zonal facilities and development poles, the sale of transmission line capacity and the transformation capacity of power substations and assets, equipment and facilities associated with such lines and substations; obtaining and exploiting concessions, easements and the permits necessary to conduct its business; and providing services in the area of electrical engineering, electric system maintenance and the management of companies related to its special purpose.

EDELNOR TRANSMISIÓN S.A.

Edelnor Transmisión S.A. ("ETSA") was created under article 7 of the Electricity Law. It is a subsidiary that was incorporated by public deed dated December 9, 2008, executed in the Santiago Notarial Office of Iván Torrealba Acevedo. An abstract of that deed was registered on December 17, 2008, on page 59,017, No. 40920, of the 2008 Commercial Register of the Santiago Real Estate Registrar. That abstract was published in the Official Gazette on December 22, 2008.

Company Name: Edelnor Transmisión S.A.
Tax I.D.: 76.046.791-K
Type of Company: A corporation registered in the Reporting Entities Register established by Article 7 of Law 18,045.
Paid-In Capital: kUS$2
Held by: ENGIE Energía Chile S.A., 100%
Board of Directors: Eduardo Milligan Wenzel, Fernando Valdés Urrutia, Carlos Regolf, Luis Meersohn García-Huidobro, Carlos Arias and Gabriel Marcuz
Chief Executive Officer: Axel Levêque
Business Purpose: Electricity transmission through power lines, power substations and other facilities, whether they are part of the trunk transmission system, subtransmission system or additional transmission system, owned by the company or by third parties, in the terms of the Electricity Law, as amended.

GASODUCTO NOR ANDINO SpA.

Gasoducto Nor Andino SpA was incorporated on March 4, 1997. It was converted into a Closed Corporation on November 12, 1997 and changed its name to Gasoducto Nor Andino S.A. "GNA". On November 30, 2015, Gasoducto Nor Andino S.A. was converted to a Joint Stock Company and consequently changed its name to Gasoducto Nor Andino SpA.

Company Name: Gasoducto Nor Andino SpA.
Tax I.D.: 78.974.730-K
Type of Company: Joint Stock Company
Paid-In Capital: kUS$12,516
Held by: ENGIE Energía Chile S.A., 100%
Board of Directors: This company is managed by agents of ENGIE Energía Chile S.A.
Chief Executive Officer: Axel Levêque
Business Purpose: (a) The design, construction, ownership, operation, exploitation, commercialization, financing, maintenance, expansion and modification of a gas pipeline running between the Republic of Argentina and the Republic of Chile, either directly or through third parties. (b) The purchase, sale, commercialization, import and export of natural gas, the transportation of that fuel from the Republic of Chile to other countries in the region and vice versa, and the export of services relating to the above activities. (c) The execution of any type of act and contract, including the creation of, and holding of an interest in, companies; and the obtainment of the permits, rights and concessions required for this purpose.

EÓLICA MONTE REDONDO SpA.

This subsidiary was incorporated by public deed dated November 12, 2007, executed in the Santiago Notarial Office of Antonieta Mendoza Escalas. An abstract of that deed was registered on page 52,557, No. 37,149, of the 2007 Santiago Commercial Register and it was published in the Official Gazette on December 10, 2007.

Company Name: Eólica Monte Redondo SpA.
Tax I.D.: 76.019.239-2
Type of Company: Joint Stock Company
Paid-In Capital: kUS$396,101
Business Purpose: Generation, transmission, sale, commercialization and distribution of electricity.

GASODUCTO NOR ANDINO ARGENTINA S.A.

The original by-laws were registered in the Public Commercial Register on December 1, 1997.

Company Name: Gasoducto Nor Andino Argentina S.A.
Type of Company: Closed Corporation.
Paid-In Capital: The nominal capital is 6,565,300 shares with a par value of a A$1, equal to US$1.
Held by: ENGIE Energía Chile S.A., 100%
Board of Directors: Axel Levêque (Chairman), Dante Dell'Elce, Gustavo Schettini, Ricardo Fraga and Darío Febre
Chief Executive Officer: Rodolfo Reale
Business Purpose: Construction, design, erection, operation and exploitation of gas pipelines, oil pipelines and multi-product pipelines in the territory of the Republic of Argentina and of related engineering works, services and equipment.

ALGAE FUELS S.A.

Algae Fuels S.A. was incorporated by public deed dated October 26, 2010, executed in the Santiago Notarial Office of Patricio Zaldívar Mackenna. An abstract of that deed was registered on page 61,492, No. 42,775, of the 2010 Commercial Register of the Santiago Real Estate Registrar and it was published in the Official Gazette on November 18, 2010

Company Name: Algae Fuels S.A.
Tax I.D.: 76.122.974-5
Type of Company: Closed Corporation
Approved Capital: CLP$2,038,093
Held by: ENGIE Energía Chile S.A., 44.5%
Board of Directors: Roberto Zazzali Sánchez, Lorenzo Gazmuri Schleyer, Gloria Lederman Enríquez, Anselmo Palma Pfotzer, Fernando Delfau Vernet and María Loreto Massanés Vogel
Chief Executive Officer: Juan Claudio Ilharreborde
Business Purpose: The implementation, execution and development of research, development and innovation programs relating to the production of biofuels made from microalgae, among other associated businesses.

PARQUE EÓLICO LOS TRIGALES SpA.

Incorporation: The Company was incorporated on May 20, 2014, in the Santiago Notarial Office of Eduardo Avello Concha and it was registered on page 38,858, number 24,133, of the 2014 Santiago Commercial Register.

Company Name: Parque Eólico Los Trigales SpA.

Tax I.D.: 76.379.625-K

Capital: CLP$973,235,052

Type of Company: Joint Stock Company

Held by: 100% ENGIE Energía Chile S.A.

Board of Directors: This company is managed by agents of ENGIE Energía Chile S.A.

Chief Executive Officer: Axel Levêque

Purpose: The management, development and investment in all types of renewable energy projects in Chile, either for its own account or for third parties; and the generation, transmission, distribution, transportation, transformation, acquisition, supply, purchase and sale of electricity of any nature, in particular renewable energy.

SOLAIREDIRECT GENERACIÓN VI SpA.

Incorporation: The Company was incorporated on August 31, 2012, in the Santiago Notarial Office of Eduardo Avello Concha and it was registered on page 66,219, number 45,959, of the 2012 Santiago Commercial Register.

Company Name: Solairedirect Generación VI SpA.

Tax I.D.: 59.169.880-K

Capital: CLP$100,000

Type of Company: Joint Stock Company

Held by: 100% ENGIE Energía Chile S.A.

Board of Directors: This company is managed by agents of ENGIE Energía Chile S.A.

Chief Executive Officer: Axel Levêque

Purpose: The generation, transmission, distribution, transportation, transformation, acquisition, supply, purchase and sale of electricity of any nature, in particular renewable energy.

SOLAIREDIRECT GENERACIÓN IX SpA.

Incorporation: The Company was incorporated on February 28, 2013, in the Santiago Notarial Office of Eduardo Avello Concha and it was registered on page 18,840, number 12,302, of the 2013 Santiago Commercial Register.

Company Name: Solairedirect Generación IX SpA.

Tax I.D.: 76.267.537-4

Capital: CLP$100,000.

Type of Company: Joint Stock Company

Held by: 100% by ENGIE Energía Chile S.A.

Board of Directors: This company is managed by agents of ENGIE Energía Chile S.A.

Chief Executive Officer: Axel Levêque

Purpose: The generation, transmission, distribution, transportation, transformation, acquisition, supply, purchase and sale of electricity of any nature, in particular renewable energy.

SOLAR LOS LOROS SpA.

Incorporation: The Company was incorporated on August 31, 2012, in the Santiago Notarial Office of Eduardo Avello Concha and registered on page 66,137, number 45,926, of the 2012 Commercial Registry of the Santiago Real Estate Registrar.

Company Name: Solar Los Loros SpA.

Tax I.D.: 76.247.976-1

Paid-In Capital: KUS$52,120

Type of Company: Joint Stock Company

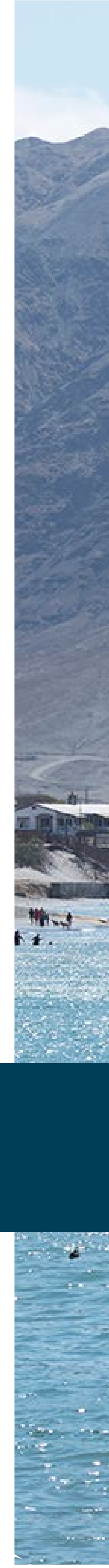
Held by: ENGIE Energía Chile S.A., 100%

Board of Directors: This company is managed by agents of ENGIE Energía Chile S.A.

Chief Executive Officer: Axel Levêque

Business Purpose: Distribution, transmission, generation, transportation and supply of electricity of any nature, in particular renewable energy, whether solar, wind, hydraulic or otherwise.

METHODOLOGY AND GRI INDEX



8.1 **SCOPE**

Through our sixth Integrated Report, we are fulfilling our commitment to keep our stakeholders informed of the most relevant aspects of our annual management of the economic, social and environmental factors of our business.

This report has been prepared following the guidelines in the Standards of the Global Reporting Initiative (GRI), Core option, and governing regulations. It considers the operations of ENGIE Energía Chile in the country. The information was provided by the areas in charge of the management of the topics reported.

Figures from previous periods were included in order to give readers a more comprehensive vision of the evolution of our Company.

Please direct questions and suggestions on economic performance content to marcela.munoz@engie.com. For social and environmental performance content, please contact matias.bernales@engie.com.

8.1.1 Application of the principles in the GRI Standards

- **Stakeholder participation.** The results of a materiality survey conducted in 2021 among 104 people representing our stakeholders were used to prioritize content. The vision of our senior executives was also taken in account.

- **Sustainability Context.** This report discusses the main social, environmental and economic topics associated with our Company's activities, the impacts of the COVID-19 pandemic in 2021 and the challenges being faced by the energy industry under the Global Agenda and its Sustainable Development Goals (SDGs), particularly those related to Climate Change.

- **Materiality.** This report focuses on material topics that arose during the materiality process, benchmarked against companies in the sector.

- **Exhaustiveness.** The information in this report was validated by the different areas and internal sources.

8.1.2 Principles to guarantee the quality of the information disclosed

- **Accuracy.** ENGIE Energia Chile aims, through this Integrated Report, to provide all the information that its stakeholders need to form an adequate view of corporate management.

- **Balance.** This annual report includes the progress and corporate challenges of the Company.

- **Clarity.** This document was prepared in a clear and precise language to facilitate an understanding of its contents.

- **Comparability.** The 2021 report was supplemented by indicators from previous years to provide a global view of our Company's performance.

- **Reliability. T**he contents of this Integrated Report were validated by the areas in charge of the management of the topics.

- **Frequency.** ENGIE Energía Chile publishes its Integrated Report annually.

8.1.3 Material Topic Identification

- **Sustainability context.** We conducted an exhaustive review of the commitments we adopted in 2020, the variables of our social and economic environment, new regulations, press coverage and other factors.

- **Secondary source analysis.** We took in account the commitments and guidelines in internal policies of ENGIE Energia Chile and the ENGIE Group, the information we provide to our stakeholders through our communication channels, and other sources.

- **Stakeholder consultation.** We conducted a materiality survey among Shareholders, analysts, risk rating agencies, directors and top-level managers, employees, customers, contractors, suppliers, trade associations, foundations and the media. A total of 104 people responded to the survey. We explained 22 relevant topics in the fiscal year chosen on the basis of the material topics reported in 2020, the guidelines in our Sustainability Model, strategic initiatives, and factors in the economic, social and environmental setting that impacted our management in 2021. Participants were asked to prioritize the ten topics of greatest interest so that they could be developed more in-depth.

- **Interviews of senior executives.** Top-level managers were interviewed to survey the topics more exhaustively and understand the priorities of each area and their contributions from a sustainability perspective. The heads of specific areas were also included in these interview rounds.

- **Review of the initiatives to which ENGIE Energia Chile ascribes.** We reviewed the new requirements in:

A. the Global Reporting Initiative (GRI) Standards for the preparation of sustainability reports;

B. the initiatives of organizations and centers specializing in sustainability matters.

C. the Principles of the Global Compact that we have signed.

D. the U.N. Sustainable Development Goals (SDGs).

- **Benchmarking results.** Through this comparative study, we identified the material topics most recurrent in the companies in the sector. Some of the most recurrent are:

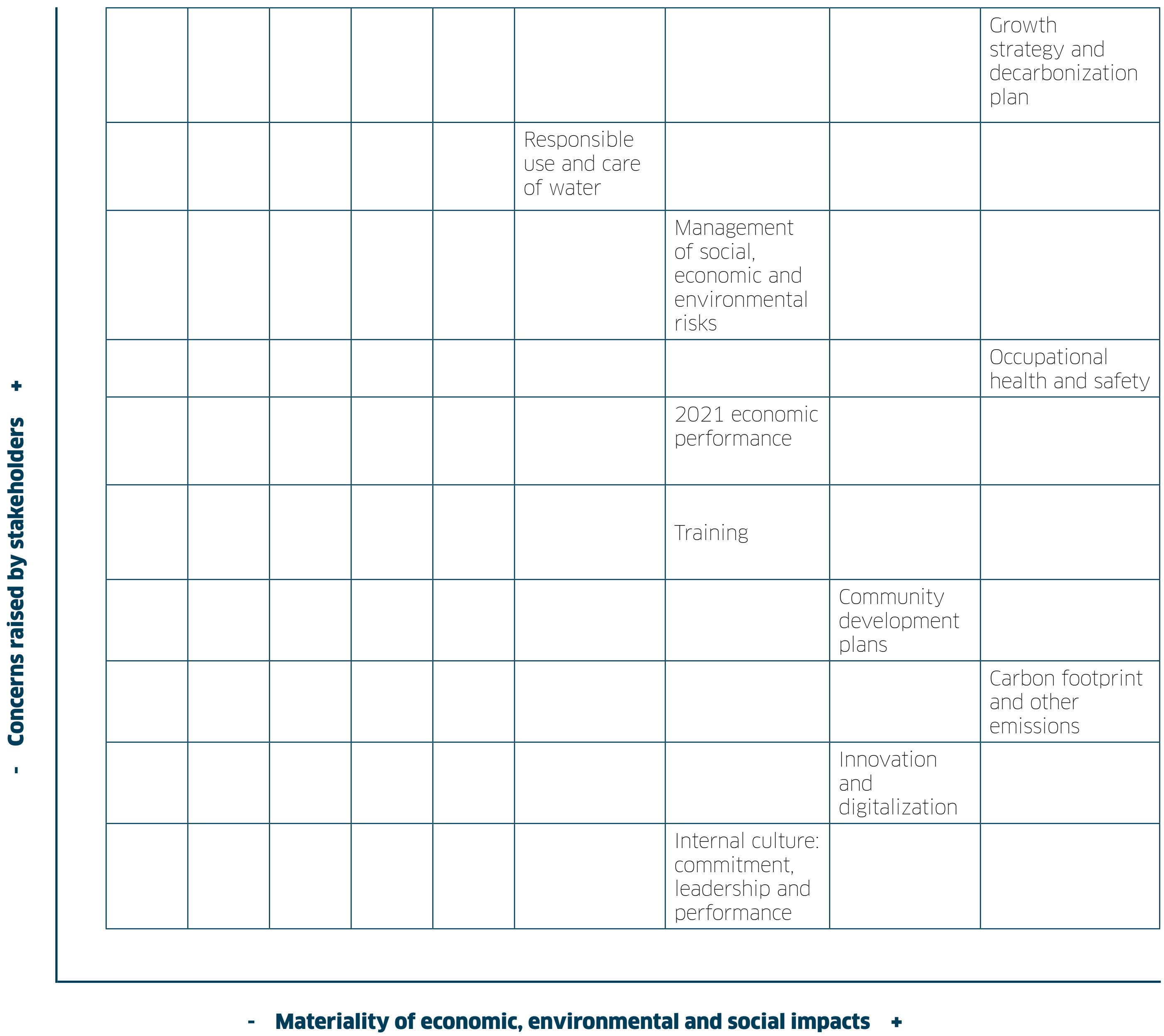
ECONOMIC AND GOVERNANCE	SOCIAL	ENVIRONMENTAL
Profitability and growth	Occupational health and safety	Transition to a 100% renewable energy matrix
Operational excellence	Internal culture	Environmental footprint and climate change
Commercial and customer management	Diversity and inclusion	Preservation of ecosystems and environmental management
Corporate governance and good practices	Community relations and development	Decarbonization of the energy mix
Electricity industry regulation and change	People management (diversity, talent management and other factors)	Circular economy
Risk management	Sustainable supply chain	
Innovation and digital transformation		

8.1.4 Stakeholders' main concerns

Below we present the topics that awakened the greatest interest among our stakeholders.

MAIN CONCERNS	DISCUSSED IN THE INTEGRATED REPORT
1. Growth strategy and decarbonization plan	Pages 31 to 42
2. Responsible use and care of water	Pages 92 to 93
3. Management of social, economic and environmental risks	Pages 67- 44- 99
4. Occupational health and safety	Pages 80-81
5. 2021 economic performance	Pages 55 to 59
6. Training	Pages 74 to 75
7. Community development plans	Pages 68 to 71
8. Carbon footprint and other emissions	Pages 87
9. Innovation and digitalization	Pages 53 to 54
10. Internal culture: commitment, leadership and performance	Pages 73 to 74

TOPICS OF MODERATE INTEREST	
11. Energy efficiency plans	**17.** Competition and anti-corruption
12. Diversity, inclusion and non-discrimination management	**18.** Good corporate governance practices
13. Free access of neighboring communities to renewable energy	**19.** Regulatory framework
14. Management of ethics, crime prevention and compliance	**20.** Biodiversity management
15. Waste management	**21.** Union relations
16. Gender equity	**22.** Supplier management


Growth strategy and decarbonization plan
Responsible use and care of water
Management of social, economic and environmental risks
Occupational health and safety
2021 economic performance
Training
Community development plans
Carbon footprint and other emissions
Innovation and digitalization
Internal culture: commitment, leadership and performance
- Concerns raised by stakeholders +
- Materiality of economic, environmental and social impacts +

8.2 GRI INDEX

GRI 102: General Disclosures		Page
PROFILE OF THE ORGANIZATION		
102-1	Name of the organization	2
102-2	Activities, brands, products and services	12
102-3	Location of headquarters	2
102-4	Location of operations	14
102-5	Ownership and legal form	2
102-6	Markets served	12
102-7	Scale of the organization	12
102-8	Information on employees and other workers	12 - 65 to 84
102-9	Supply chain	84
102-10	Significant changes to the organization and its supply chains	There were no significant changes
102-11	Precautionary principle or approach	The environmental practices, procedures and internal frameworks of ENGIE Energía Chile are in full harmony with Principle 15 of the Rio Declaration that says: "In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. When there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation."
102-12	External initiatives	64
102-13	Membership of associations	64
STRATEGY		
102-14	Statement from senior decision-maker	4 to 7
102-15	Key impacts, risks, and opportunities	105
ETHICS AND TRANSPARENCY		
102-16	Values, principles, standards and norms of behavior	20
102-18	Governance structure	21

GRI 102: General Disclosures		Page
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	63
102-41	Collective bargaining agreements	77
102-42	Identifying and selecting stakeholders	63
102-43	Approach to stakeholder engagement	150
102-44	Key topics and concerns raised	152
REPORTING PRACTICES		
102-45	Entities included in the consolidated financial statements	76
102-46	Defining report content and topic boundaries	75 to 77
102-47	List of material topics	76
102-48	Restatements of information	No information was restated
102-49	Changes in reporting	There were no significant changes
102-50	Reporting period	2021
102-51	Date of most recent report	2020
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	marcela.munoz@engie.com. matias.bernales@engie.com
102-54	Claims of reporting in accordance with the GRI Standards	76
102-55	GRI content index	154
102-56	External assurance	In 2021, the Company decided not to externally assure the information in this Integrated Report on economic, social and environmental topics because the content is assured by the respective areas.

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EU1	Installed Capacity	14
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EU5	Management approach to ensure short- and long-term electricity availability	46 to 48

GRI 201: ECONOMIC PERFORMANCE		Page
103-1 103-2 103-3 Management approach		**60**
201-1	Economic value generated	66
GRI 205: ANTI-CORRUPTION		
103-1 103-2 103-3 Management approach		**28**
205-3	Confirmed incidents of corruption and actions taken	There were no cases of corruption
GRI 206: ANTI-COMPETITIVE BEHAVIOR		
103-1 103-2 103-3 Management approach		**28**
206-1	Legal actions for anti-competitive behavior, anti-trust, monopoly practices	There were no such legal actions
GRI 303: WATER		
GRI 303: Management approach		
303-1	Interactions with water as a shared resource	86 - 92
303-2	Management of water discharge-related impacts	92 to 93
GRI 303: Topic-specific disclosures		
303-3	Water withdrawal	92 to 93
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305-2	Energy direct (Scope 1) GHG emissions	87
305-4	GHG emissions intensity	87
305-5	Reduction of GHG emissions	87
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	87
GRI 306: WASTE		
GRI 306: Management approach		
306- 1	Waste generated and significant waste-related impacts	90 to 92
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306- 3	Waste generated	90 to 92
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GRI 307: ENVIRONMENTAL COMPLIANCE PAGE		Page
103-1 103-2 103-3 Management approach		**86**
307-1	Non-compliance with environmental laws and regulations	No environmental fines were imposed in 2021
GRI 401: EMPLOYMENT		
103-1 103-2 103-3 Management approach		**72**
401-1	New employee hires and employee turnover	72
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GRI 403: Management approach		
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403-2	Hazard identification, risk assessment, and incident investigation	80
403-3	Occupational health services	80
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403-6	Promotion of worker health	80
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	80 to 84
GRI 403: Topic-specific disclosures		
403-8	Workers covered by an occupational health and safety management system	83
GRI 404: TRAINING		
103-1 103-2 103-3 Management approach		**72**
404-1	Average hours of training per year per employee	75
404-3	Percentage of employees receiving regular performance and career development reviews	74
GRI 405: DIVERSITY		
103-1 103-2 103-3 Management approach		**78**
405-1	Diversity of governance bodies and employees	24 - 75
405-2	Ratio of basic salary and remuneration of women to men	78
LOCAL EMPLOYMENT		
103-1 103-2 103-3 Management approach		**68 to 70**
PROMOTION OF CLEAN ENERGY IN COMMUNITIES		
103-1 103-2 103-3 Management approach		**70**
GRI 419: SOCIOECONOMIC COMPLIANCE		
103-1 103-2 103-3 Management approach		**28**
419-1	Non-compliance with laws and regulations in the social and economic area	No significant fines were imposed

8.3 COMMITMENT TO THE **GLOBAL COMPACT**

GLOBAL IMPACT PRINCIPLES	PAGES WITH 2021 ADVANCES AND/OR CORPORATE VISION
PRINCIPLE 1 Businesses should support and respect the protection of internationally proclaimed human rights; and	In its Human Rights policy, entitled "Group Human Rights Commitments," ENGIE Energía Chile publicly reaffirms its support of a respect for human rights according to the principles and directives of the United Nations (Code of Conduct and Ethics in Business, page 28, available at www.engie-energia.cl).
PRINCIPLE 2 make sure that they are not complicit in Human Rights abuses.	ENGIE Energía Chile includes a provision in contracts with its suppliers, contractors and partners stipulating that these stakeholders must respect the human rights commitments to which the company ascribes (Code of Conduct and Ethics in Business, page 28, available at www.engie-energia.cl).
PRINCIPLE 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	In Commitment 2 of its Human Rights Policy, ENGIE Energía Chile states that it will ensure that the human rights of its employees are respected according to the conventions of the International Labour Organization. This means, among other aspects, its "Recognition of the Freedom of Association and the Right to Collective Bargaining" (Code of Conduct and Ethics in Business, page 28, available at www.engie-energia.cl).
PRINCIPLE 4 The elimination of all forms of forced and compulsory labor;	In Commitment 2 of its Human Rights Policy, ENGIE Energía Chile states that it will ensure respect for the human rights of its employees according to the conventions of the International Labour Organization. This means, among other aspects, its "Rejection of any Form of Forced or Mandatory Labor" (Code of Conduct and Ethics in Business, page 28, available at www.engie-energia.cl).
PRINCIPIO 5 The effective abolition of child labor; and	In Commitment 2 of its Human Rights Policy, ENGIE Energía Chile states that it will ensure respect for the human rights of its employees according to the conventions of the International Labour Organization. This means, among other aspects, its "Rejection of any Form of Forced or Mandatory Labor" (Code of Conduct and Ethics in Business, page 28, available at www.engie-energia.cl).
PRINCIPLE 6 The elimination of discrimination in respect of employment and occupation.	Pages 78 to 79 of the 2021 Integrated Report.

GLOBAL IMPACT PRINCIPLES	PAGES WITH 2021 ADVANCES AND/OR CORPORATE VISION
PRINCIPLE 7 Businesses should support a precautionary approach to environmental challenges.	Pages 87 to 97 of the 2021 Integrated Report.
PRINCIPLE 8 Undertake initiatives to promote greater environmental responsibility; and	Pages 87 to 97 of the 2021 Integrated Report.
PRINCIPLE 9 Encourage the development and diffusion of environmentally friendly technologies.	Pages 87 to 97 of the 2021 Integrated Report.
PRINCIPLE 10 Businesses should work against corruption in all its forms, including extortion and bribery.	Pages 28 to 29 of the 2021 Integrated Report.

FINANCIAL STATEMENTS

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Consolidated Classified Statements of Financial Position

as of December 31, 2021 and 2020, in thousands of U.S. dollars

ASSETS	Note	12/31/2021 kUSD	12/31/2020 kUSD
Current Assets			
Cash and cash equivalents	6	215,689	235,250
Other financial assets, current	7-21	0	54
Other non-financial assets, current	8	46,882	14,894
Trade receivables and other accounts receivable, current	9	165,012	107,242
Intercompany receivables, current	10	6,429	812
Current inventories	11	158,319	76,680
Current tax assets	12	23,901	29,934
Total Current Assets		**616,232**	**464,866**
Non-Current Assets			
Other non-current non-financial assets	13	25,748	16,067
Trade receivables and other accounts receivable, non-current	9	85,601	139,888
Intercompany receivables, non-current	10	14,161	21,726
Investments accounted for using the equity method	14	108,906	81,608
Intangible assets other than goodwill	15	188,532	204,825
Goodwill	16	25,099	25,099
Property, plant and equipment	17	2,746,143	2,668,897
Right-of-use assets	18	168,175	76,457
Deferred tax assets	19	20,265	21,547
Total Non-Current Assets		**3,382,630**	**3,256,114**
Total Assets		**3,998,862**	**3,720,980**

The accompanying notes form an integral part of these consolidated financial statements.

/ ENGIE Energia Chile S.A

Consolidated Classified Statements of Financial Position

as of December 31, 2021 and 2020, in thousands of U.S. dollars

EQUITY AND LIABILITIES	Note	12/31/2021 kUSD	12/31/2020 kUSD
Current Liabilities			
Other financial liabilities, current	20-21	99,745	64,280
Current lease liabilities	23	6,305	4,327
Trade payables and other accounts payable	24	262,763	207,141
Intercompany payables, current	10	8,065	9,732
Current tax liabilities	12	3,672	10,161
Current provisions for employee benefits	25	11,753	15,524
Other non-financial liabilities, current	26	5,086	12,294
Total Current Liabilities		**397,389**	**323,459**
Non-Current Liabilities			
Other non-current financial liabilities	20-21	958,043	830,998
Non-current lease liabilities	23	140,951	78,341
Intercompany payables, non-current	10	53,420	54,948
Other non-current provisions	27	58,546	62,418
Deferred tax liabilities	19	218,374	202,682
Non-current provisions for employee benefits	28	47	69
Other non-current non-financial liabilities	26	81	57
Total Non-Current Liabilities		**1,429,462**	**1,229,513**
Total Liabilities		**1,826,851**	**1,552,972**
Equity			
Issued capital		1,043,728	1,043,728
Retained earnings		752,913	798,096
Other reserves	29	375,370	326,184
Net equity attributable to the owners of the controller		**2,172,011**	**2,168,008**
Total Equity		**2,172,011**	**2,168,008**
Total Equity and Liabilities		**3,998,862**	**3,720,980**

The accompanying notes form an integral part of these consolidated financial statements.

/ ENGIE Energia Chile S.A

Consolidated Statements of Comprehensive Income by Function

as of December 31, 2021 and 2020, in thousands of U.S. dollars

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME BY FUNCTION	Note	12/31/2021 kUSD	12/31/2020 kUSD
Revenue	31	1,478,614	1,351,658
Cost of sales	32	(1,311,571)	(1,043,672)
Gross Earnings		**167,043**	**307,986**
Other income	33	10,328	3,380
Administrative expenses	34	(37,955)	(37,059)
Other income or expenses by function	36	(12,077)	(10,753)
Profit from operating activities		**127,339**	**263,554**
Financial income	37	1,607	2,545
Financial expenses	38	(88,807)	(59,476)
Share in earnings (losses) of associates and joint ventures accounted for using the equity method	14	(1,934)	4,368
Exchange differentials	39	22,592	(7,269)
Pre-tax profit		**60,797**	**203,722**
Tax expense in continuing operations	19	(13,423)	(40,191)
Earnings from continuing operations		**47,374**	**163,531**
Earnings attributable to			
the owners of the controller		47,374	163,531
Earnings per Share			
Profit		47,374	163,531
Basic earnings per share in continuing operations	40	USD 0.045	USD 0.155

The accompanying notes form an integral part of these consolidated financial statements.

/ ENGIE Energia Chile S.A

Other Consolidated Comprehensive Income

as of December 31, 2021 and 2020, in thousands of U.S. dollars

OTHER COMPREHENSIVE INCOME	12/31/2021 kUSD	12/31/2020 kUSD
Gain	**47,374**	**163,531**
Cash flow hedges		
Earnings (losses) on cash flow hedges, before taxes	23,689	(13,299)
Income tax related to cash flow hedges in other comprehensive income		
Income tax related to cash flow hedges in other comprehensive income	1,497	1,215
Other comprehensive income	**25,186**	**(12,084)**
Comprehensive income	**72,560**	**151,447**
Comprehensive Income attributable to:		
the owners of the controller	72,560	151,447
non-controlling interests	0	0
Total Comprehensive Income	**72,560**	**151,447**

The accompanying notes form an integral part of these consolidated financial statements.

/ ENGIE Energia Chile S.A

Statements of Cash Flows – Direct Method,

as of December 31, 2021 and 2020, in thousands of U.S. dollars

CONSOLIDATED STATEMENT OF CASH FLOW - DIRECT	Note	12/31/2021 kUSD	12/31/2020 kUSD
Cash flow from (used in) operating activities			
Types of collections in operating activities			
Collection of the sales of goods and provision of services		1,729,101	1,491,036
Collection of annual premiums and consideration and other policy benefits		5,341	7,337
Other collections in operating activities		4	14
Types of cash payments in operating activities			
Payments to suppliers for the supply of goods and services		(1,361,431)	(981,396)
Payments to and for account of employees		(60,265)	(55,229)
Payments for premiums and benefits, annuities and other obligations under policies		(27,376)	(17,923)
Other payments in operating activities		(9,639)	(10,431)
Cash flow from (used in) operating activities			
Interest paid, classified as operating activity		(75,920)	(55,681)
Income tax paid (refunded), classified as operating activity		(453)	(61,094)
Other cash inflows (outflows) classified as operating activities		(67,396)	(85,300)
Cash flow from (used in) operating activities		**131,966**	**231,333**

The accompanying notes form an integral part of these consolidated financial statements.

/ ENGIE Energia Chile S.A

Statements of Cash Flows – Direct Method,

as of December 31, 2021 and 2020, in thousands of U.S. dollars

CONSOLIDATED STATEMENT OF CASH FLOW - DIRECT	Note	12/31/2021 kUSD	12/31/2020 kUSD
Cash flow from (used in) investing activities			
Cash flow used to obtain control of subsidiaries or other businesses		0	(56,651)
Other collections from the sale of equity or debt instruments of other entities, classified as investing activities		0	2,739
Other payments to acquire equity or debt instruments of other entities, classified as investing activities		0	(2,354)
Purchases of property, plant and equipment, classified as investing activities		(208,594)	(185,089)
Collections from related entities		8,000	7,500
Interest received		359	1,894
Payments under futures, term, option and swap contracts		(42,000)	(36,000)
Collections under futures, term, option and swap contracts		39,509	26,435
Cash flow from (used in) investing activities		**(202,726)**	**(241,526)**
Cash flow from (used in) financing activities			
Proceeds from stock issues			-
Payments to purchase or redeem the entity's shares		(36,000)	-
Proceeds from short-term loans		50,000	50,000
Proceeds from long-term loans		125,000	500,000
Loans paid		(50,000)	(480,000)
Payment of financial lease liabilities		(6,475)	(2,327)
Dividends paid		(90,565)	(64,813)
Cash flow from (used in) financing activities		**(8,040)**	**2,860**
Increase (decrease) in cash and cash equivalents before the effect of variations in the exchange rate		(78,800)	(7,333)
Effects of the variation in the exchange rate on cash and cash equivalents		(761)	1,123
Increase (decrease) in cash and cash equivalents		**(79,561)**	**(6,210)**
Cash and cash equivalents at the start of the period	6	235,250	241,460
Cash and cash equivalents at the end of the period	**6**	**155,689**	**235,250**

The accompanying notes form an integral part of these consolidated financial statements.

/ ENGIE Energia Chile S.A

Statement of Changes in Consolidated Net Equity

as of as of December 31, 2021, in thousands of U.S. dollars

Statement of Changes in Net Equity as of December 31, 2021	Changes in Issued Capital Common Shares	Changes in Other Reserves		Change in Retained Earnings (Cumulative Losses)	Net Equity Attributable to the Owners of the Controller, Total	Changes in Non-Controlling Interests	Changes in Net Equity, Total
		Other Sundry Reserves	Translation Reserves				
	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
Equity at 1/1/2021	1,043,728	326,184	-	798,096	2,168,008	-	2,168,008
Profit	0	0	-	47,374	47,374	-	47,374
Other Comprehensive Income	0	25,186	-	-	25,186	-	25,186
Total Comprehensive Income	**-**	**25,186**	**-**	**47,374**	**72,560**	**-**	**72,560**
Dividends	-	-	-	(92,557)	(92,557)	-	(92,557)
Increases (decreases) due to other changes in equity	-	24,000	-	-	24,000	-	24,000
Changes in Equity	**-**	**49,186**	**-**	**(45,183)**	**4,003**	**-**	**4,003**
Final Balance as of 12/31/2021	**1,043,728**	**375,370**	**-**	**752,913**	**2,172,011**	**-**	**2,172,011**

The accompanying notes form an integral part of these consolidated financial statements.

/ ENGIE Energia Chile S.A

Statement of Changes in Consolidated Net Equity

as of December 31, 2020, in thousands of U.S. dollars

Statement of Changes in Net Equity as of December 31, 2021	Changes in Issued Capital Common Shares	Changes in Other Reserves		Change in Retained Earnings (Cumulative Losses)	Net Equity Attributable to the Owners of the Controller, Total	Changes in Non-Controlling Interests	Changes in Net Equity, Total
		Other Sundry Reserves	Translation Reserves				
	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
Equity at 1/1/2020	1,043,728	314,356	-	701,167	2,059,251	64,350	2,123,601
Profit	0	-	-	163,531	163,531	-	163,531
Other Comprehensive Income	0	(12,084)	-	-	(12,084)	-	(12,084)
Total Comprehensive Income	**-**	**(12,084)**	**-**	**163,531**	**151,447**	**-**	**151,447**
Dividends	-	-	-	(66,602)	(66,602)	-	(66,602)
Increases (decreases) due to other changes in equity(1)	-	23,912	-	-	23,912	(64,350)	(40,438)
Changes in Equity	**-**	**11,828**	**-**	**96,929**	**108,757**	**(64,350)**	**44,407**
Final Balance as of 12/31/2020	**1,043,728**	**326,184**	**-**	**798,096**	**2,168,008**	**-**	**2,168,008**

(1) On March 31, 2020, EECL and its subsidiary Inversiones Hornitos SpA had signed the contracts listed below with Minera Centinela, a client:

1. *An amendment to the power purchase agreement dated September 7, 2009 between Inversiones Hornitos SpA and Minera Esperanza, now Minera Centinela and a subsidiary of Antofagasta Minerals S.A., for a capacity of 150 MW. The purpose was to apply a price discount for the years 2020 and 2021 and set the expiration date as December 31, 2021;*
2. *An amendment to the power purchase agreement dated December 20, 2012 between Inversiones Hornitos SpA and Minera El Tesoro, later absorbed by Minera Esperanza and now Minera Centinela, for a capacity of 36 MW. The purpose was to apply a price discount for the years 2020 and 2021 and set the expiration date as December 31, 2021;*
3. *A new power purchase agreement between EECL and Minera Centinela for an agreed capacity of 186 MW covering the period January 2022 to December 2033 at a price adjustable by the change in the CPI, differentiated for the periods 2022 to 2028 and 2029 to 2033; and*
4. *An amendment to the agreements on corporate governance and ownership of Inversiones Hornitos SPA, including (a) an agreement where Inversiones Hornitos SPA will not distribute new dividends until the debt it owes EECL is extinguished so that the cash generated by Inversiones Hornitos can be allocated to payment of that debt; and (b) the transfer of the remaining 40% of the shares in Inversiones Hornitos SPA to EECL (until now owned by Inversiones Punta de Rieles Limitada, a company related to Antofagasta Minerals S.A.) no later than December 2021. The global agreement means that EECL will gain full control of Inversiones Hornitos SPA and consequently eliminate the minority interest in that subsidiary.*

Under the agreements signed in March 2020, both shareholders promised to make a capital contribution to Inversiones Hornitos for as much as US$60 million, to be allocated to payment of the debt owed by Inversiones Hornitos to EECL. This capital increase was to be paid by December 31, 2021. EECL would pay its share of the capital contribution by capitalizing debt totaling US$36 million, while Minera Centinela would pay its share by contributing cash for US$24 million. Both contributions were made on December 22, 2021 and allocated toward reducing the debt owed by Inversiones Hornitos to EECL. As a result, the debt owed to EECL totaled US$46.1 million as of December 31, 2021.

The accompanying notes form an integral part of these consolidated financial statements.

NOTE 1 – GENERAL INFORMATION

1.1 Corporate Information

ENGIE ENERGIA CHILE S.A., hereinafter EECL, was created as a limited liability company on October 22, 1981, through contributions made by Empresa Nacional de Electricidad S.A. (ENDESA) and Corporación de Fomento de la Producción (CORFO, the Production Development Association of Chile).

The Company´s first registered address was in Antofagasta, where it began operating in June 1981.

On December 31, 1983, Engie Energia Chile S.A. was transformed into a continuing open corporation listed on the Chilean stock exchange. It was registered under number 273 on July 23, 1985, in the Securities Registry of the Securities and Insurance Commission, and is therefore subject to oversight by the Financial Market Commission. The company's taxpayer identification number is 88.006.900-4.

A Special Shareholder's Meeting held on April 26, 2016 resolved to change the company's name from E.CL S.A. to "Engie Energia Chile S.A."

The registered and main offices of Engie Energia Chile S.A. are at Isidora Goyenechea 2800, Suites 1601,1701 and 1801, Las Condes, Santiago, Chile, and its phone number is (56-2) 2353-3200.

The company is controlled directly by the Engie Group through Engie AUSTRAL S.A., which owns 631,924,219 shares with no par value in one single series, equal to an interest of 59.99%. The remaining 40.01% is traded on Chilean stock exchanges.

The Company´s Board approved the Consolidated Financial Statements of Engie Energia Chile S.A. as of December 31, 2021 on January 25, 2022. The Company's Board approved the Consolidated Financial Statements of Engie Energia Chile S.A. as of December 31, 2020 on January 26, 2021.

These consolidated financial statements are presented in thousands of U.S. dollars (unless otherwise expressly indicated), as this is the Company's functional currency.

NOTE 2 – BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

The Consolidated Financial Statements of Engie Energia Chile S.A. and its subsidiaries have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

These consolidated financial statements fairly reflect the financial position of Engie Energia Chile S.A. as of December 31, 2021 and 2020, and the results of its operations, changes in net equity and cash flows for the fiscal years ending on those dates.

These consolidated financial statements have been prepared using the accounting records kept by Engie Energia Chile S.A. and its subsidiaries.

2.2 New IFRS and Interpretations of the IFRS Interpretations Committee

The Company applied certain standards, interpretations and amendments for the first time that entered into effect for the fiscal years beginning January 1, 2021 or later. The Company has not adopted any standard, interpretation or amendment early that was issued but had not yet entered into effect.

a) The standards, interpretations and amendments to IFRS that entered into effect on the date of the financial statements, their nature and impacts are described below:

Amendments		Date of mandatory application
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2	January 1, 2021
IFRS 16	Covid-19-related rent concessions after June 30,2021	April 1, 2021

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2

In August 2020, the IASB published the second phase of the Interest Rate Benchmark Reform that comprises the amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. This publication completed the IASB's work to respond to the impacts of the Interbank Offered Rates (IBOR) on financial reporting.

The amendments allow temporary exceptions to address the impacts on financial reporting when a reference interest rate (IBOR) is replaced by an alternative, and virtually risk-free, interest rate.

The amendments are mandatory and early application is allowed. A hedge relationship must be renewed if it was discontinued only because of the changes required by the interest rate benchmark reform and would not have been discontinued if the second phase would have been applicable at that time. Although application is retrospective, entities are not required to restate previous fiscal years.

The amendment is applicable for the first time in 2021 and has no impact on the entity's financial statements.

IFRS 16, Covid-19-related rent concessions subsequent to June 30, 2021

In March 2021, the IASB changed the conditions of the practical solution in IFRS 16 as relates to the application of the IFRS 16 guide on amendments to rent arising as a consequence of Covid-19.

As a practical solution, lessees may choose not to evaluate whether a lessor's rent concession related to Covid-19 is an amendment to the lease. Lessees making this choice must account for any changes in lease payments as a result of Covid-19-related rent concessions in the same way that they would account for the change under IFRS 16 if such change were not an amendment to the lease.

The practical solution now applies to the case where any reduction in rent affects only the payments that originally expired on or before June 30, 2022, provided the other conditions for application of the practical solution are met.

Lessees must apply this practical solution retroactively and recognize the cumulative effect of the initial application of the amendment as an adjustment to the initial balance of cumulative profits or losses (or other component of equity, as applicable) at the start of the year being reported when the lessee applies the amendment for the first time. Lessees are not obligated to disclose the information required in Paragraph 28(f) of IAS 8.

According to Paragraph 2 of IFRS 16, lessees are required to apply the solution consistently to eligible leases that have similar characteristics and are in similar circumstances, regardless of whether the lease became eligible for the practical solution before or after the amendment.

The amendment is applicable for the first time in 2021 and has no impact on the Company's financial statements.

b) The following new standards and interpretations have been issued, but have not yet entered into effect:

Standards and Interpretations	Date of mandatory application
IFRS 17, Insurance Contracts January 1, 2023	1 de enero de 2023

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a new accounting standard specifically for insurance contracts that covers recognition, measurement, presentation and disclosure. Once it takes effect, it will supersede IFRS 4, Insurance Contracts, issued in 2005. The new standard applies to all types of insurance contracts, regardless of the issuing entity, as well as to certain guarantees and financial instruments with certain discretionary participation features.

The IASB amended IFRS 17 in December 2021 to add a transition option for a "classification overlay" to address possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of IFRS 17.

Entities choosing to use the classification overlay can only do so for comparative periods to which they apply IFRS 17 (that is, from the transition date to the date of initial application of IFRS 17).

IFRS 17 will take effect for fiscal years beginning on or after January 1, 2023, and comparative figures will be required. Early application is allowed provided the entity is applying IFRS 9 Financial Instruments on or before the date when IFRS 17 is applied for the first time.

The amendment is applicable for the first time in 2020 and has no impact on the Company's financial statements.

Amendments	Date of mandatory application
IFRS 3 Reference to the Conceptual Framework	January 1, 2022
IAS 16 Property, Plant and Equipment: Proceeds before Intended Use	January 1, 2022
IAS 37 Onerous Contracts – Cost of Fulfilling a Contract	January 1, 2022
IAS 1 Classification of liabilities as current or non-current	January 1, 2023
IAS 8 Definition of Accounting Estimates	January 1, 2023
IAS 1 Disclosure of Accounting Policies	January 1, 2023
IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
IFRS 10/IAS 28 – sale or contribution of assets between an investor and its associate or joint venture in consolidated financial statements	To be determined

IFRS 3 Reference to the Conceptual Framework

The IASB issued amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework in May 2020. These amendments are intended to replace the reference to a previous version of the IASB's Conceptual Framework (1989 Framework) by a reference to the present version issued in March 2018, but without significantly changing the requirements.

The amendments will enter into effect for fiscal years beginning on or after January 1, 2022 and must be applied retrospectively. Early application is allowed provided an entity is also applying, either simultaneously or previously, all amendments to the References to the Conceptual Framework of the IFRS issued in March 2018.

The amendments will make financial reporting consistent and will avoid potential confusion from having more than one version of the Conceptual Framework in use.

The Company will evaluate the impact of the amendment once it enters into effect.

IAS 16 Property, Plant and Equipment: Proceeds before Intended Use

The amendment forbids entities to deduct any sale made to take an asset to the location and put it in the condition needed to be operated as intended by management from the cost of an element of property, plant and equipment. Instead, entities must recognize the proceeds from the sale of those elements and their cost in the income for the fiscal year, according to applicable Standards.

The amendment will enter into effect for fiscal years beginning on or after January 1, 2022 and must be applied retrospectively only to the elements of property, plant and equipment available for use on or after the start of the first period in which the entities apply the amendment for the first time to the financial statements.

The Company applied this amendment early, starting this fiscal year.

IAS 37 Onerous Contracts – Cost of Fulfilling a Contract

The IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets in May 2020 to specify the costs that entities must include when evaluating whether a contract is onerous or is causing losses.

The amendment will enter into effect for fiscal years beginning on or after January 1, 2022 and must be applied retrospectively to contracts existing at the start of the first fiscal year when the entities apply the amendment for the first time (date of initial application). Early application is allowed and must be disclosed.

The amendments are intended to provide clarity and help guarantee that the standard is applied consistently. Entities that previously applied the incremental cost approach will see provisions rise to reflect the inclusion of the costs directly related to the contract's activities, while entities that previously recognized provisions for contractual losses using the guide for the previous standard, IAS 11 Construction Contracts, must exclude the indirect cost allocations from their provisions.

The Company will evaluate the impact of the amendment once it enters into effect.

IAS 1 Presentation of Financial Statements – Classification of liabilities as current or non-current

In June 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for the classification of liabilities as current or non-current.

The amendments take effect for fiscal years beginning on or after January 1, 2023. Entities must carefully consider whether there is any aspect of the amendments that suggests that the terms of their existing loan agreements must be renegotiated. In this context, it is important to emphasize that the amendments must be applied retrospectively.

The Company will evaluate the impact of the amendment once it enters into effect.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

In February 2021, the IASB issued amendments to IAS 8 to introduce a new definition of "accounting estimates." The amendments explain the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. They also clarify how entities should use the measurement techniques and inputs to account for estimates.

The amended standard clarifies that the effects of a change in an input or a change in a measuring technique on an accounting estimate are changes in accounting estimates, provided the estimates are not the result of correcting errors in previous fiscal years. This definition of a change in accounting estimates specified that changes in accounting estimates can result in added information or new developments. Therefore, these changes are not error corrections.

The amendment will take effect for years beginning January 1, 2023.

The Company will evaluate the impact of the amendment once it enters into effect.

IAS 1 Presentation of Financial Statements – Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1 and the IFRS Practice Statement 2 – Making Materiality Judgements in which it provides guidance and examples to help entities apply materiality judgements in relation to the disclosure of accounting policies.

The purpose of the amendments is to help entities make more useful disclosures of accounting policies by:

- replacing the requirement that entities disclose their "significant" accounting policies by the requirement of disclosing their "material" accounting policies;
- including guidance on how entities should apply the concept of materiality in making decisions on accounting policy disclosures.

In evaluating the relative importance of accounting policy information, entities should consider the size of transactions, other events and conditions, and their nature.

The amendment will take effect for years beginning January 1, 2023. Early application of the amendments to IAS 1 is allowed provided that early application is disclosed.

The Company will evaluate the impact of the amendment once it enters into effect.

IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In May 2021, the IASB issued amendments to IAS 12 that reduce the scope of the exception in initial recognition according to IAS 12 so that it no longer applies to transactions that create temporary tax differences and equal deductibles.

The amendments explain that when the payments settling a liability are tax deductible, it is a matter of judgment (in consideration of governing tax laws) whether those deductions are attributable, for tax purposes, to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgment is important in determining whether there are temporary differences in the initial recognition of the asset and liability.

Moreover, based on these amendments, the exception in the initial recognition does not apply to transactions that create temporary tax differences and equal deductibles in the initial recognition. It only applies if the recognition of a lease asset and a lease liability (or a dismantling liability and a dismantling asset component) create unequal temporary tax differences and deductibles. However, it is possible for the resulting deferred tax assets and liabilities not to be equal (for example, if the entity cannot benefit from the tax deductions or different tax rates are applicable to the temporary tax differences and deductibles). In those cases, entities must record the difference between the deferred tax asset and liability in income.

The amendment will take effect for years beginning January 1, 2023.

The Company will evaluate the impact of the amendment once it enters into effect.

IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associations and Joint Ventures – sale or contribution of assets between an investor and its associate or joint venture

The amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) address a recognized inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011) in the treatment of a sale or contribution of assets between an investor and its associate or joint business.

The amendments, issued in September 2014, stipulate that when the transaction involves a business (whether or not it is in a subsidiary), the entire gain or loss must be recognized. A partial gain or loss is recognized when the transaction involves assets not comprising a business, even when the assets are in a subsidiary.

The date of mandatory application of these amendments is to be determined because the IASB is waiting for the results of its research on accounting according to the equity method. These amendments must be applied retrospectively, and early adoption is allowed, which must be disclosed.

The Company will evaluate the impact of the amendment once it enters into effect.

2.3 Responsibility for the information, judgments and estimates

The Board of Engie Energia Chile S.A. has analyzed the information included in these consolidated financial statements and assumes liability for the veracity of the information contained in these financial statements as of December 31, 2021.

The preparation of the financial statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Relevant estimates and assumptions are reviewed on a regular basis. Any revision to these accounting estimates is recorded in the period in which such estimates are revised and in any future period affected.

The estimates mainly relate to:

• Useful lives of property, plant and equipment and impairment testing

Management has estimated the useful life of each set of productive assets. This estimate could vary as a result of technological changes and/or other business factors. In addition, the Company has looked for any signs of impairment at the fiscal year closing, as required by IAS 36.

• Assumptions used for the actuarial calculation of severance indemnities

An actuarial study is the method that has been used to determine the respective liability, using the discount rate, employee turnover, the mortality rate, average retirements and, finally, the salary increase rate (Note 3.10.1).

• Contingencies, lawsuits and litigation

The Company evaluates the probability of losing its lawsuits and of contingencies from time to time based on estimates made by its legal counsel. No provisions have been made whenever Management and the Company's attorneys opine that the outcome will be favorable or is uncertain and the lawsuits are ongoing.

• Intangible Assets

The Company prepares pre-tax future cash-flow provisions to estimate value in use. If the recoverable amount is less than the net carrying value of the asset, the corresponding impairment loss provision is made for the difference, as a debit against amortization in the Statement of Income.

2.4 Subsidiaries

These consolidated financial statements include the financial statements of the Company and of entities controlled by the Company. Control exists when the company:

- has power over the investee;
- has rights or is exposed to variable returns on its interest in the investee; and
- has the ability to use its power to affect the investee's returns.

The Company re-evaluates whether it has control over an investee if facts and circumstances indicate that there are changes in one or more of the three elements of control mentioned above.

The subsidiaries Electroandina SpA, Central Termoeléctrica Andina SpA, Gasoducto Nor Andino SpA, Gasoducto Nor Andino Argentina S.A., Inversiones Hornitos SpA, Edelnor Transmisión S.A., Solairedirect Generación VI SpA, Solairedirect Generación IX SpA, Parque Eolico Los Trigales SpA, Solar Los Loros SpA, and Eolica Monte Redondo SpA are consolidated in these financial statements. The assets, liabilities and income are included in the annual consolidated financial statements after eliminating and/or adjusting transactions within the EECL Group (see Appendix 1.a).

2.5 Investments Accounted for Using the Equity Method

These are interests in companies in which EECL has joint control with another company or over which it exercises a considerable influence.

The equity method consists of recording the interest as the fraction of net equity that the Company's interest represents in the issuer's adjusted capital.

Associates are entities over which the Company has a considerable influence, but not control over financial and operating policies.

The companies accounted for using the equity method are described in Appendix 1.b.

Transmisora Electrica del Norte S.A. is accounted for using the equity method.

A joint venture is a joint agreement whereby the parties who have joint control under the agreement have the right to the net assets in the joint venture. Joint control is a contractual agreement to share the control of an agreement, and it exists only when the decisions on the relevant activities require the unanimous consent of the parties sharing control.

The income, assets and liabilities of associates and/or joint venturees are included in these Financial Statements using the equity method, unless the investment is classified as held for sale. In this latter case, it is recorded according to IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates and/or joint ventures are initially recorded at cost, and then adjusted by the changes occurring to the portion of net assets of the associate belonging to the Company after the acquisition, less any impairment in the value of the individual investments.

When the Company's share in losses of an associate or joint venture exceeds its share in the same, it will stop recognizing its share in further losses. The share in an associate or joint venture will be the carrying value of the investment in the associate or joint venture calculated using the equity method, as well as any long-term interest that essentially forms a part of the net investment by the entity in the associate or joint venture.

An investment in an associate and/or joint venture will be accounted for using the equity method as from the date when it becomes an associate or joint venture. Any cost of the investment exceeding the Company's share in the net fair value of identifiable assets and liabilities at the time of investment in the associate or joint venture will be recorded as goodwill and will be added to the carrying value of the investment. Any interest in the net fair value of identifiable assets and liabilities of the investee exceeding the investment cost, after a reassessment, will be immediately recognized in income in the period when the investment was acquired.

2.6 Principles of Consolidation

The operations of Engie Energia Chile S.A. and its subsidiaries have been consolidated line by line according to the following basic principles:

1. On the date that the Company takes control, the assets acquired and liabilities assumed by the subsidiary are recorded at the fair value, except for certain assets and liabilities, which are accounted for according to the valuation principles of the IFRS. If the fair value of the total transferred, plus the fair value of any non-controlling interest, exceeds the fair value of the net assets acquired in the subsidiary, this difference is recorded as goodwill. Any gain from a purchase at a low price is recorded as a credit to income, after re-evaluating whether the assets acquired and liabilities assumed have been correctly identified and after reviewing the procedures used to measure the fair value of such assets and liabilities.
2. If it is not possible to determine the fair value of all such assets and liabilities on the date of acquisition, the Company will report the provisional values recorded. During the measurement period, which may not exceed one year from the date of acquisition, the provisional values will be adjusted retrospectively and additional assets or liabilities will also be recognized to reflect new information on the facts and circumstances existing on the date of acquisition, but which were unknown to management at that time.
3. The value of the interests of non-controlling shareholders in the equity and comprehensive income of subsidiaries is shown in Non-Controlling Interests in Total Equity in the consolidated statement of financial position and in Earnings attributable to non-controlling interests and Comprehensive income attributable to non-controlling interests in the Consolidated Statement of Comprehensive Income.
4. The balances and transactions among the consolidated companies have been eliminated in their entirety in the consolidation process.
5. The changes in interests in subsidiaries that do not result in a gain or loss of control are recorded as equity transactions and the carrying value of controlling and non-controlling interests are adjusted to reflect changes in the relative shares in the subsidiary. Any difference that may exist between the adjustment to the non-controlling interests and the fair value of the consideration paid or received is recognized directly in Equity attributable to the owners of the controller.

2.7 Changes in significant accounting policies

The Company implemented IFRS 16, Leases, effective January 1, 2019, and it is disclosing the impacts in the Consolidated Financial Statements as of December 31, 2021. As a lessee, Engie Energía Chile S.A. has decided not to use the practical exception in IFRS 16 that allows no re-evaluation of old contracts classified as an operating lease under IAS 17 and IFRIC 4: "As a practical solution, an entity is not required to re-evaluate whether a contract is or contains a lease on the date of initial application. Instead, the entity is allowed: (a) to apply the standard to contracts that were previously identified as leases in the application of IAS 17, Leases, and IFRIC 4, Determining Whether an Arrangement Contains a Lease." Since Lessors are not required to any make any adjustment in the transition to IFRS 16, the company opted not to analyze the contracts in which EECL is lessor. For the transition to the standard, EECL decided to apply the modified retrospective approach model to record the right-of-use asset for an amount equal to the liability. This record began to be made on January 1, 2019, thus applying the standard on its date of mandatory application. The incremental discount rates used to calculate the respective amortization tables associated with the lease obligation were determined by the Company's Management as well as the lease periods for those where a renewal is possible. The application of other pronouncements has had no significant impact on EECL.

The remaining accounting criteria applied during the 2021 fiscal year did not vary compared to those used in the previous fiscal year.

2.8 Functional Currency and Currency of Presentation

The functional currency and currency of presentation of the Company and its subsidiaries is the U.S. dollar. All amounts have been rounded to the nearest thousand (kUSD).

2.9 Accounting Period

These Consolidated Financial Statements cover the following periods:

- Consolidated Statements of Financial Position for the fiscal years ending December 31, 2021 and 2020.
- Statements of Changes in Equity for the fiscal years ending December 31, 2021 and 2020.
- Consolidated Statements of Comprehensive Income for the fiscal years ending December 31, 2021 and 2020.
- Statements of Direct Cash Flows for the fiscal years ending December 31, 2021 and 2020.

2.10 Foreign Currency Translation

The U.S. dollar is the Company's functional currency and the presentation currency of the consolidated financial statements of Engie Energia Chile S.A. Transactions in local and foreign currencies other than the functional currency are translated using the exchange rates on the transaction date. Monetary assets and liabilities denominated in a foreign currency are translated at the functional currency exchange rate on the date of the general balance sheet. Foreign currency gains and losses resulting from these transactions and from the translation of monetary assets and liabilities in a foreign currency at the closing exchange rates are recognized under Exchange Differentials in the consolidated statement of income.

Assets and liabilities in a foreign currency were translated using the following closing exchange rates:

Currency	12/31/2021 USD 1	12/31/2020 USD 1
Chilean peso	844.6900	710.9500
Euro	0.8839	0.8141
Yen	115.1800	103.3000
Argentine peso	102.7572	84.1411
Pound sterling	0.7414	0.7351
Unidad de Fomento	36.6901	40.8894

NOTE 3 – ACCOUNTING CRITERIA

The main accounting criteria applied in preparing these consolidated financial statements were as follows:

3.1 Property, Plant and Equipment

Property, plant and equipment are valued at either the acquisition cost or construction cost, less cumulative depreciation and impairment losses. The historic cost of property, plant and equipment as of January 1, 2009, the date of transition to IFRS, was used to determine the cost of property, plant and equipment. Costs include expenses attributed directly to the acquisition of the asset. The cost of assets built by the Company includes the cost of materials, direct labor, and any other cost directly attributable to the process of making the asset ready for use. In addition to the price paid to acquire each element, cost also includes the following items, where relevant:

1. Financial expenses accrued during the construction period that are directly attributable to the acquisition, construction or production of qualified assets, and which require a substantial period of time before being ready to use. The specific loan interest rate was used, or if there was none, the mean financing rate of the company making the investment.
2. Subsequent costs: The cost of replacing part of an item of property, plant and equipment is recorded as an asset when it is likely that the future economic benefits associated with it will be received by the company, provided they can be reliably determined. The value of the replaced component is charged off in the accounting.

The costs of maintaining property, plant and equipment are recognized in profit or loss as they are incurred.

Strategic spare parts are classified as Property, Plant and Equipment and a distinction is made as to whether they will be used in major maintenance or are required for emergencies.

Depreciation is recognized in profit or loss using the straight-line method for the economic useful life of each component of property, plant and equipment, without any residual value. Leased assets are depreciated over the shorter of the term of the lease or their useful lives, unless the Company is certain that it will obtain ownership at the end of the lease.

Land is recorded separately from buildings or facilities that might be built on it, and it has an indefinite useful life, so it is not depreciable.

The following are the main classes of property, plant and equipment along with their estimated useful lives:

Estimated Useful Lives of the Company's Main Assets		Minimum	Maximum
Coal-fired power plants	Years of useful life	25	40
Combined cycle power plants	Years of useful life	25	25
Wind farm	Years of useful life	25	45
Photovoltaic power plants	Years of useful life	25	35
Civil works	Years of useful life	25	50
Hydraulic works	Years of useful life	35	50
Transmission lines	Years of useful life	10	50
Gas pipelines	Years of useful life	25	30
Control systems	Years of useful life	10	14
Auxiliary systems	Years of useful life	7	10
Furniture, vehicles and tools	Years of useful life	3	10
Other	Years of useful life	5	20

The Group reviews the useful lives of property, plant and equipment at the end of each fiscal year being reported.

3.2 Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the fair value on the acquisition date, and the amount or quantity of any non-controlling interests in the investee. The Group chooses, for each business combination, whether to measure non-controlling interests in the investee at the fair value or at the proportional part of its identifiable net assets. The costs related to the acquisition are recorded as expenses incurred and included in administrative expenses.

When the Group acquires a business, it evaluates the financial assets and liabilities acquired for their classification and designation according to the contract terms, economic circumstances and pertinent conditions on the date of acquisition. This includes the separation of embedded derivatives in the investee's main contracts.

Any contingent consideration to be transferred by the buyer will be recognized at the fair value on the acquisition date.

The contingent consideration classified as equity is not remeasured, and any subsequent settlement is accounted for in net equity. A contingent consideration classified as an asset or liability that is a financial instrument within the scope of IFRS 9 Financial Instruments is measured at the fair value, and changes in fair value are recognized through profit or loss according to IFRS 9.

Other contingent considerations outside the scope of IFRS 9 are measured at the fair value on each reporting date, and changes in fair value are recognized through profit or loss.

Goodwill is initially measured at cost (which is the excess of the aggregate of the consideration transferred and the sum recognized for non-controlling interests and any prior interest held in identifiable net assets acquired and liabilities assumed). If the fair value of the net assets acquired is above the consideration transferred, the Group re-evaluates whether it has correctly identified all assets acquired and all liabilities assumed, and it reviews the procedures used to measure the amounts to be recognized on the acquisition date. If there is an excess fair value of the net assets acquired above the consideration transferred after this re-evaluation, then the gain is recognized in income.

After the initial recognition, goodwill is measured at cost, less any cumulative impairment loss. For impairment testing, goodwill acquired in a business combination is allocated from the acquisition date to each of the Group's cash generating units that are expected to benefit from the combination, regardless of whether other assets or liabilities in the investee are allocated to those units.

When goodwill has been allocated to a cash generating unit (CGU) and part of the operation is eliminated from that unit, the goodwill associated with the eliminated operation is included in the carrying value of the operation to determine the gain or loss in the derecognition or impairment. Goodwill that has been written off or derecognized under these circumstances is measured at the value of the transferred operation and the portion retained in the cash generating unit.

3.3 Other Non-Current Non-Financial Assets

The Company includes assets among its other non-current non-financial assets that are by nature long term and are not classified as tangible assets, intangible assets or financial assets.

The Company classifies all its relevant projects under development in this line until they begin to operate or have tangible elements. As of that moment, they are reclassified to Property, Plant and Equipment.

3.4 Intangible Assets

Intangible assets in contracts with customers are comprised mainly of power purchase agreements of our subsidiaries Central Termoeléctrica Andina SpA and Inversiones Hornitos SpA, which are being amortized over 30 years and 15 years, respectively, since 2011. The amortization shown for intangible assets in contracts with customers in 2010 pertains to the gas transportation agreement of our subsidiary, Gasoducto Nor Andino SpA, and the amortization is being recorded as a cost of sale in the statement of income for a period of 11 years.

The other identifiable intangible assets are comprised of assignments and transfers of rights, transmission line concessions and other government-land concessions. These rights are recorded at the purchase price and are being amortized on a straight-line basis over a period of 30 years since 2012.

Intangibles	Useful Life of Intangibles	
	Minimum	Maximum
Rights and concessions	20 years	30 years
Contracts with customers	10 years	30 years

Nevertheless, the potential recovery of intangible assets with indefinite useful lives that form a part of Cash-Generating Units is assessed annually.

The recoverable amount is the higher of its market value less the cost required to sell it, and its value in use, which is understood to be the present value of the estimated future cash flows. Value-in-use is the criterion that is almost always used by the Company to calculate the recoverable value of intangible assets.

To estimate the value in use, Engie Energia Chile S.A. prepares pre-tax future cash-flow projections based on the most recent available budgets. These budgets contain EECL Management's best estimates of income and costs of cash-generating units based on sectorial projections, past experience and future expectations. These projections cover the next five years. Cash flows are estimated for following years using reasonable growth rates that are never increasing or in excess of the mean long-term growth rates for the relevant sector and country.

3.5 Asset Impairment

The worth and useful lives of property, plant and equipment are reviewed annually to determine whether there are any signs of impairment. This occurs when there are events or circumstances indicating that the value of the asset might not be recoverable. When the carrying value of an asset exceeds its recoverable value, a loss is recognized in the statement of income.

The recoverable value is the higher of the fair value, less the cost of sale, and its value in use. Fair value less the cost of sale is the amount that can be obtained by selling an asset or cash-generating unit in an arm's length transaction between interested and duly informed parties, less disposal costs. The value in use is the present value of the estimated cash flows from the continuous use of an asset. If this cannot be determined for a specific asset, the cash-generating unit to which it belongs is used.

Intangible assets and other non-current non-financial assets are evaluated during the fiscal year, especially on the closing date, for any sign of any impairment loss. If there is any impairment loss, an estimate is made of the recoverable value of the asset in order to determine the impairment, if any.

For financial instruments, the Group's companies have established a generally applicable policy of recording an impairment provision based on the age of the balance past-due, except in cases where a certain particularity makes a specific collectability analysis advisable.

The process of determining the obsolescence of spare parts consists of an item-by-item review, and a provision is made for 100% of the impairment of spare parts for which:

- the related equipment is in permanent disuse;
- there is no related equipment;
- the spare part is damaged in such a way that it cannot be used; and
- there is no active market for its sale

The provision for the rest of the spare parts inventory is calculated globally according to the following rule:

- 10% after 2 years without use
- 20% after 4 years without use
- 30% after 6 years without use
- 40% after 8 years without use
- 50% after 10 years without use
- 60% after 12 years without use
- 70% after 14 years without use
- 80% after 16 years without use
- 90% after 18 years without use
- 100% after 20 years without use

3.6 Leased Assets

The implementation of IFRS 16 means that most leases are recognized in the balance sheet by lessees, which changes the financial statements of companies and their related ratios to a greater extent. EECL has leases for long-term concessions with the government, for vehicles, pick-ups and properties.

3.6.1 Lessee

As a lessee, the Company recognizes an asset on the date the lease begins provided it represents the right to use the underlying asset during the period of the lease (a right-of-use asset) and a liability for rent payments (lease liability). Leases out to less than 12 months (and not renewable) may be excluded as well as leases where the value of the underlying asset is not significant. The Company recognizes separately the interest expense for the lease liability and the amortization expense for the right-of-use asset.

3.6.2 Classification

All leases are classified as if they were financial. Lessees record a right-of-use asset and a lease liability on the date the lease begins.

3.6.3 Depreciation Charge

Lessees will apply the depreciation requirements in IAS 16, Property, Plant and Equipment, when depreciating (amortizing) a right-of-use asset.

3.6.4 Impairment

Lessees will apply IAS 36, Impairment of Assets, to determine whether the right-of-use asset has become impaired and to account for identified impairment losses.

3.6.5 Lessor

The accounting of lessors under IFRS 16 is substantially the same as the accounting under IAS 17. Lessors will continue classifying at the start of the lease whether the lease is operative or financial based on the essence of the transaction. Leases that substantially transfer all risks and benefits inherent to ownership of the underlying asset are classified as financial leases. All other leases are classified as operating leases.

In the case of operating leases, the installments are recognized as expenses if the Company is lessee, or as revenue if it is lessor, on a straight-line basis for the term of the lease, unless another systematic basis of distribution is more representative.

3.7 Financial Instruments

A financial instrument is any contract that simultaneously creates a financial asset in an entity and a financial liability or an equity instrument in another entity.

Financial assets mostly include investments in time deposits and fixed-income mutual funds, which are recognized at the fair value. They are classified as investments held through maturity and are settled in 90 days or less.

3.7.1 Fair Value Hierarchy

The Company measures financial instruments, such as derivatives, and non-financial assets, such as investment properties, at the fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- on the principal market for the asset or liability or
- in the absence of a principal market, on the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset for its greatest and best use or by selling it to another market participant that would use the asset for its greatest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows:

Level 1: Quoted (unadjusted) price on active markets for identical assets and liabilities;

Level 2: Inputs other than quoted prices that are included in Level 1 and are observable for assets or liabilities, either directly (namely price) or indirectly (i.e., a price derivative). The methods and assumptions used to determine the fair values in this level take into consideration, by type of financial asset or financial liability, the estimated future cash flows discounted using the zero-coupon interest rate curves for each currency. All such appraisals are made using external tools like “Bloomberg”; and

Level 3: Inputs for assets or liabilities not based on observable market information (non-observable inputs).

3.7.2Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition and in subsequent measurements, at amortized cost, at fair value through other comprehensive income (OCI), or at fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and EECL's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, EECL initially measures a financial asset at its fair value, and in the case of a financial asset not at fair value through profit or loss, plus transaction costs.

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in the section (IFRS 15 Revenue from contracts with customers).

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it must generate cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and it is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

EECL's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective of holding financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and of selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular-way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

EECL's financial assets at amortized cost may include items such as trade receivables and loans to related parties, and they are included under other non-current financial assets.

Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of income and calculated in the same way as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

EECL's debt instruments at fair value through OCI include investments in listed debt instruments shown under other non-current financial assets.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI provided they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the income statement when the right of payment has been established, except when EECL benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its non-listed equity investments in this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of income.

This category includes derivatives and listed equity investments which EECL had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognized as other income in the statement of income when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset outside the fair value through profit or loss category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from EECL's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company as neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that EECL has retained.

Continuing involvement that takes the form of a guarantee on the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that EECL could be required to pay.

Impairment

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that EECL expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages:

- For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from events of default that may occur within the next 12 months (a 12-month ECL).
- For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, EECL applies the low credit risk simplification. At every reporting date, EECL evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, EECL reassesses the internal credit rating of the debt instrument. In addition, EECL considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, EECL may also consider a financial asset to be in default when internal or external information indicates that EECL is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.7.3 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, as loans and borrowings, as accounts payable, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans, borrowings, and accounts payable, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings, including bank overdrafts, and financial derivatives.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

<u>Financial liabilities at fair value through profit or loss</u>

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchase in the near term. This category also includes financial derivatives entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the income statement. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

<u>Financial liabilities at amortized cost (loans and borrowings)</u>

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of income.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of income.

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.7.4 Derivatives and Hedge Transactions

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment;
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecasted transaction or the foreign currency risk in an unrecognized firm commitment;
- hedges of a net investment in a foreign business.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is “an economic relationship” between the hedged item and the hedging instrument;
- The effect of credit risk does not “dominate the value changes” that result from that economic relationship;
- The hedge ratio is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognized in the statement of income as other expenses. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the statement of income as other expenses.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in profit or loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in the cash flow hedge reserve in OCI, while any ineffective portion is recognized immediately in the statement of income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Company uses forward currency contracts as hedges against its exposure to foreign currency risk in forecasted transactions and firm commitments, as well as forward commodity contracts for its exposure to the volatility of commodity prices. The ineffective portion relating to foreign currency contracts is recognized as other expenses and the ineffective portion relating to commodity contracts is recognized in other operating income or expenses.

The Company designates only the spot element of forward contracts as a hedging instrument. The forward element is recognized in OCI and accumulated in a separate component of equity, under hedging reserve cost.

The amounts accumulated in OCI are accounted for according to the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and added to the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in OCI for the period. This also applies where the hedged forecasted transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment to which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for according to the nature of the underlying transaction, as described above.

The financial risk management strategy of Engie Energia Chile S.A. and its subsidiaries focuses on mitigating the exchange rate risk related to income, costs, investments of cash surpluses, investments in general and debt denominated in a currency other than the U.S. dollar.

Delays or changes in the payment flows may produce a mismatch between the hedge flows and the hedged item. To reduce the impact of these mismatches on the effectiveness of the hedge, the main hedged instruments are complemented by other instruments contracted on their due date, such as: (a) time deposits in UF, (b) repo agreements, (c) extensions of forwards or (d) new, opposite forwards.

EECL's hedges may only be interrupted in the following cases:

- The position of the designated hedge instrument expires, and no situation or renewal is predicted if it is sold or liquidated, exercised or closed.
- The hedge no longer meets one of the requirements for special hedge accounting.
- There is evidence that the predicted future transaction being hedged will not be consummated.
- Any subsidiary of the Company suspends its designation separately from the other subsidiaries.

3.8 Inventories

This category mainly includes spare parts for maintenance and inputs used in generating electricity. Inventories are recorded at cost, based on the weighted average. The cost of inventories excludes financing expenses and exchange differentials. The cost of inventories is debited against income as the inventories are consumed.

3.9 Non-Current Assets Held for Sale and Discontinued Operations

The Company classifies property, plant and equipment, intangible assets, investments in associates, joint ventures and disposal groups (a group of assets that will be sold together with the directly associated liabilities) as non-current assets held for sale, provided actions are being taken as of the closing date of the statement of financial position to sell them and it is considered highly likely that the sale will be consummated within twelve months following that date.

These assets or disposal groups are appraised at the lower of the carrying value or the estimated sale price after deducting the costs of sale, and they are no longer amortized as of the date that they are classified as non-current assets held for sale.

The assets no longer classified as held for sale or no longer considered part of a disposal group are appraised at the lower of the carrying value prior to classification, less depreciation, amortization or revaluation that would have been recognized if they had not been so classified, and the recoverable value on the date on which they will be reclassified in Non-Current Assets.

3.10 Provisions

A provision is made if:

- the Company has a legal or implicit obligation as a result of a past event;
- it can be estimated reliably;
- it is likely that a cash outflow will be required to settle the obligation.

Obligations existing as of the date of the financial statements as a consequence of past events that are likely to result in equity damage for the Company, but the amount and payment date of which are uncertain, are recorded as provisions at the current value of the most probable amount that is estimated to be disbursable to discharge the obligation

3.10.1 Post-Employment Benefits and Other Similar Benefits

The Company recognizes the present value of severance indemnity obligations in liabilities (severance for years of employment) as of the closing date of its financial statements. These obligations are appraised using an actuarial calculation that utilizes assumptions on mortality rates, employee turnover, interest rates, derecognition dates, effects of employee salary raises, and the effects on benefit variations resulting from changes in the rate of inflation. The actuarial losses or gains from variations in the pre-established obligations are recorded directly in other comprehensive income. The actuarial losses and gains originate in the deviations between the estimated and real values of the actuarial assumptions or the reformulation of the established actuarial assumptions (see Note 28).

3.11 Classification of Current and Non-Current Assets and Liabilities

The Company classifies its assets and liabilities by maturity. Current assets and liabilities mature in twelve months or less and any maturing beyond one year are classified as non-current.

Liabilities maturing in less than twelve months but securely refinanced in the long term, at the Company's discretion, through unconditional long-term credit facilities, may be classified as non-current liabilities, and the short-term portion as a current liability.

3.12 Income Tax and Deferred Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to calculate the amount are those that have been enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income. Current income tax relating to items recognized directly in equity is recognized in net equity, and not in the statement of income. Management periodically evaluates positions adopted in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation, and it establishes provisions where appropriate.

Deferred tax

Deferred taxes are calculated, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, it affects neither the book profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry-forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, it affects neither the book profit nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction, either in other comprehensive income or directly in equity.

3.13 Recognition of Income and Expenses

Revenue is recognized when there is a gross entry of economic benefits originating in the normal course of the Company's business in the period, provided that entry causes an increase in total equity unrelated to contributions from the owners of that equity and those benefits can be reliably appraised. Revenue is appraised at the fair value of the counter-entry received or receivable as a result.

EECL analyzes and takes into consideration all relevant facts and circumstances when it applies each step of the IFRS 15 model for contracts with customers: (i) identification of the contract; (ii) identification of performance obligations; (iii) determination of the transaction price; (iv) allocation of the price; and (v) recognition of revenue.

EECL also evaluates whether there are any incremental costs of obtaining a contract as well as the costs directly related to contract performance. Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

EECL recognizes revenue when the steps in IFRS 15 have been completed satisfactorily and it is likely that future economic benefits will flow to the company.

Revenue comes mainly from the sale of energy, capacity, port services, industrial services and electricity transmission, including services provided but not yet invoiced at the close of the period. Revenue is shown net of taxes, refunds, rebates and discounts and is recorded when the amount can be reliably measured and it is likely that future economic benefits will flow to the Company. Said benefits are allocated on an accrual basis.

- Energy sales: Energy supplied and not invoiced as of the last day of the closing month is recorded as revenue, appraised at the prices in force in the relevant period of consumption. The energy cost is also included in income.
- Sales of services: Services are recorded in income in the period that the services are provided.
- Interest income: Interest income is recorded on the basis of the proportion of time elapsed, using the effective-interest-rate method.
- Leases: The current value of the payments for leased assets recognized as a financial lease is recorded as an account receivable. The difference between the gross amount receivable and the current value of such payment is recognized as a financial yield. This amount is recorded in income on a straight-line basis over the term of the lease.

3.14 Earnings (Loss) per Share

The basic earnings per share are calculated as a quotient between the net earnings (losses) in the fiscal year attributable to the Parent Company and the weighted average number of common shares in the Parent Company outstanding during the fiscal year, excluding the average number of Parent Company shares held by subsidiaries, if any.

3.15 Dividends

EECL's dividend policy is to pay the minimum dividend required by the law and the Company's bylaws. Dividends above the legal minimum can be approved if the company's conditions allow. Each year the board proposes a dividend payment based on financial results, available cash and the estimated financing needed for capital investments. The dividend proposed by the Board must be approved at a Regular Shareholders Meeting pursuant to law.

In relation to Circulars 1945 and 1983 of the Financial Market Commission, the Company's Board decided that the net distributable profit will be the fiscal year profit attributable to shareholders shown in the financial statements, without any adjustment.

A proposal may be made to the respective Regular Shareholders Meeting to distribute, as a final dividend, the profits not distributed as a dividend, which must be done within thirty days following the date of the respective Meeting.

3.16 Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand, unrestricted bank checking accounts, time deposits and marketable securities maturing within 90 days, which are easily convertible into known amounts of cash with negligible risk of significant changes in value.

3.17 Operating Segments

The Company´s principal business is the generation and sale of electricity. It has thermal and combined-cycle, solar and hydroelectric power plants that produce the energy that is sold to customers with whom it has power purchase agreements, pursuant to the Electricity Law. Its customers are classified as regulated customers, non-regulated customers and the spot market.

There is no direct relationship between any one generating unit and the power purchase agreements as power purchase agreements are made in line with the Company's total capacity. PPAs are supplied by any of its power plants or, otherwise, energy is acquired from other generating companies.

EECL is part of the National Grid (SEN). The National Electricity Coordinator (CEN) defines how much each of the generating units will generate.

As EECL only operates on the National Grid, geographic segmentation does not apply.

Chilean electricity regulations define energy and capacity separately, not because they are different physical elements, but rather in order to set economically efficient prices. Energy prices are thus set in monetary units per unit of energy (KWh, MWh, etc.), and capacity prices are set in monetary units per unit of capacity–unit of time (KW-month).

Consequently, in accordance with IFRS 8, EECL's only operating segment is the entire business described above.

3.18 Contingent Assets and Liabilities

Contingent liabilities are not recorded in the financial statements, but rather are disclosed in the notes to the financial statements unless it is unlikely that they will occur. Contingent assets are not recorded in the financial statements and are disclosed only if the cash inflow is likely.

NOTE 4 – REGULATION AND OPERATION OF THE ELECTRICITY SYSTEM

4.1 Description of the Business

The objectives of Engie Energia Chile S.A. are the production, transmission, distribution and supply of electricity; the purchase, sale and transportation of fuels, either in a liquid, solid or gaseous state; and the provision of engineering and management consultancy services as well as electrical system maintenance and repair services.

As of December 31, 2021, Engie Energia Chile S.A. had an installed capacity of 2,329 MW on the National Grid, thus giving it an approximate 8% share of the system's total gross capacity. The Company's transmission lines are operated over a distance of 2,348 kilometers, and it has a natural gas pipeline with the capacity to transport 8 million cubic meters per day for gas distribution and sale in the north of Chile.

4.2 Regulation and Operation of the Electricity

The electricity sector in Chile is regulated by the General Electricity Law contained in Statutory Decree 1, issued in 1982 by the Ministry of Mining, and by the Regulations to that law contained in Executive Decree 327 of 1998. Three government agencies are responsible for the enforcement of, and compliance with, the law: the National Energy Commission (Comisión Nacional de Energía, or NEC), which has the authority to propose regulated prices (node price) and to design indicative plans for the construction of new generation units; the Electricity and Fuels Commission (Superintendencia de Electricidad y Combustibles, or EFC), which supervises and enforces compliance with the laws, regulations and technical standards for the generation, transmission and distribution of electricity, liquid fuels and gas; and the Ministry of Economy, which reviews and approves the prices proposed by the NEC and regulates concessions granted to electricity generation, transmission and distribution companies based on a report prepared by the EFC. The law establishes a panel of experts primarily responsible for resolving any disputes that might arise among electricity companies.

The National Grid runs from Arica to Chiloe.

According to the Electricity Law, companies that generate for a power grid must coordinate their operations through the CEN so that the system operates at minimum cost while preserving service security. The CEN therefore plans and manages the operation of the system, including the calculation of the hourly marginal cost, which is the price used to appraise energy transfers among generators. Each company´s generation is subject to the CEN operating plan. Companies may freely decide whether to sell electricity to regulated or non-regulated customers. Any surplus or deficit between customer sales and production is sold to, or purchased from, other generators at the marginal cost.

4.3 Types of Customers

a) Regulated customers: Residential, commercial and small and mid-sized businesses with a connected capacity of no more than 5,000 KW that are located in a distribution company's concession area. The transfer price between generation and distribution companies will be the price resulting from tenders by distribution companies.

b) Non-regulated customers: Customers that have an installed capacity above 5,000 KW, mainly mining and industrial companies. These customers can negotiate their power supply prices freely with generators and/or distributors. Customers with a capacity of 500 to 5,000 KW have the option of contracting energy at prices agreed with their suppliers, or to continue to be subject to regulated prices. They must remain in the chosen regime for a minimum of four years.

c) Spot or short-term market: Power purchase transactions between generating companies resulting from the coordination of the CEN to ensure an economic operation of the system. Any production surpluses (deficits) as compared to a generator's commercial commitments are transferred through sales to (purchases from) other generators who are members of the CEN. Energy transfers are appraised at the marginal cost, while capacity is appraised at the appropriate node price set by the authority every six months.

The capacity payable to each generator in Chile depends on the annual system-wide calculation made by the CEN that shows the sufficiency capacity for each power plant. This value is separate from load dispatching.

With the enactment of Law 20,018, since 2010 distribution companies must have a supply available constantly for their entire demand, which requires that they hold long-term public tenders.

4.4 Principal Assets

The generating capacity of EECL and its subsidiaries is comprised of combined-cycle thermal and coal-fired power plants that combined supply 2,329 MW to the National Grid, 8% of the total gross generation supplied to that grid.

It has 9 coal-fired and combined-cycle power plants in the Region of Antofagasta, 6 located in Mejillones and 3 in Tocopilla, with a total capacity of 1,940 MW, and other smaller power plants that, taken together, generate a total of 242 MW, which are located along the SEN.

4.5 Renewable Energy

Renewable Energy Law 20,257 was enacted in April 2008 and amended by Law 20,698 passed in October 2013. It encourages the use of unconventional renewable energy (UCRE). The principal aspect of this law is that it obliges generators to generate at least 5% of their energy sold from renewable sources between 2010 and 2014. That requirement then rises progressively by 0.5% per annum from 2015 to 2024, the year when a total of 10% should be generated for contracts signed after August 31, 2007 but prior to July 1, 2013. For contracts signed after July 1, 2013, this requirement is 5% by 2013, with annual increases of 1% from 2014 until it totals 12% by 2020, and then annual increases of 1.5% as of 2021 to total 18% by 2024, followed by an increase of 2% in 2025 to become 20%.

In 2013, EECL opened the El Aguila I Photovoltaic Power Plant that has an installed capacity of 2 MWp.

The Pampa Camarones Photovoltaic Solar Power Plant began commercial operation on September 9, 2016. It has an installed capacity of 6 MWp.

On April 17, 2019, the Company acquired the subsidiaries "Solar Los Loros SpA," that has an installed capacity of 46 MWp, and "Solairedirect Generacion Andacollo SpA," that has an installed capacity of 1.3 MWp.

On July 1, 2020, the Company acquired "Eolica Monte Redondo SpA" that has an installed capacity of 82.4 MW.

The Calama Wind Farm began commercial operation on October 29, 2021 and has an installed capacity of 152.6 MW.

The Company purchases unconventional renewable energy (UCRE) on the market in order to comply with governing regulations.

NOTE 5 – CORPORATE REORGANIZATIONS

5.1 Acquisition of subsidiaries

On March 31, 2020, EECL and its subsidiary Inversiones Hornitos SpA signed the following contracts with their client Minera Centinela:

1. An amendment to the power purchase agreement dated September 7, 2009 between Inversiones Hornitos SpA and Minera Esperanza, now Minera Centinela and a subsidiary of Antofagasta Minerals S.A., for a capacity of 150 MW. The purpose was to apply a price discount for the years 2020 and 2021 and set the expiration date as December 31, 2021;
2. An amendment to the power purchase agreement dated December 20, 2012 between Inversiones Hornitos SpA and Minera El Tesoro, later absorbed by Minera Esperanza and now Minera Centinela, for a capacity of 36 MW. The purpose was to apply a price discount for the years 2020 and 2021 and set the expiration date as December 31, 2021;

3. A new power purchase agreement between EECL and Minera Centinela for an agreed capacity of 186 MW covering the period January 2022 to December 2033 at a price adjustable by the change in the CPI, differentiated for the periods 2022 to 2028 and 2029 to 2033; and
4. An amendment to the agreements on corporate governance and ownership of Inversiones Hornitos SpA, including (a) an agreement where Inversiones Hornitos SpA will not distribute new dividends until the debt it owes EECL is extinguished so that the cash generated by Inversiones Hornitos can be allocated to payment of that debt; and (b) the transfer of the remaining 40% of the shares in Inversiones Hornitos SpA to EECL (until now owned by Inversiones Punta de Rieles Limitada, a company related to Antofagasta Minerals S.A.) no later than December 2021. The global agreement means that EECL will gain full control of Inversiones Hornitos SpA and consequently eliminate the minority interest in that subsidiary.

Under the agreements signed in March 2020, both shareholders promised to make a capital contribution to Inversiones Hornitos for as much as US$60 million, to be allocated to payment of the debt owed by Inversiones Hornitos to EECL. This capital increase was to be paid by December 31, 2021. EECL would pay its share of the capital contribution by capitalizing debt totaling US$36 million, while Minera Centinela would pay its share by contributing cash for US$24 million. Both contributions were made on December 22, 2021 and allocated toward reducing the debt owed by Inversiones Hornitos to EECL. As a result, the debt owed to EECL totaled US$46.1 million as of December 31, 2021.

The Company acquired PV Coya SpA, a subsidiary, from Holding Intihuaira SpA on April 3, 2020.

The Company acquired Eolica Monte Redondo S.A. from Engie Austral S.A. on July 1, 2020. Eolica Monte Redondo owns two generating assets: Monte Redondo Wind Farm and Laja Hydroelectric Power Plant.

Solairedirect Transmisión SpA, SD Minera SpA, Solairedirect Generación XI SpA and Solairedirect Generación XV SpA were merged into Engie Energia Chile S.A. effective December 1, 2020.

PV Coya SpA was merged with Engie Energia Chile S.A. on September 1, 2021.

Details are provided in Appendix 1.a).

NOTE 6 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of December 31, 2021 and 2020, classified by type of cash, are shown below:

Types of Cash and Cash Equivalents (Presentation)	12/31/2021 kUSD	12/31/2020 kUSD
Cash	34	47
Bank balances	65,979	40,993
Short-term deposits classified as cash equivalents	149,676	194,210
Total Cash and Cash Equivalent	**215,689**	**235,250**

The balances of cash and cash equivalents shown in the Statement of Financial Position do not differ from those shown in the Statement of Cash Flow and are not subject to any type of restriction.

Cash and cash equivalents are itemized below:

6.1 Cash Available

Cash available is comprised of cash held in tills and in bank current accounts, and the carrying value is the same as the fair value.

6.2 Time Deposits

Time deposits include principal plus accrued interest and adjustments as of the closing date.

Entity	Currency	Rate %	Expiration	12/31/2021 kUSD	Rate %	Expiration	12/31/2020 kUSD
Banco BBVA	USD	0.09%	6-Jan-22	250	0.11%	4-Jan-2021	250
Banco BCI	USD	0.30%	5-Jan-22	5,001	0.04%	5-Jan-2021	19,500
Banco BCI	USD	0.18%	10-Jan-22	4,500	0.02%	6-Jan-2021	1,500
Banco BCI	USD	0.27%	12-Jan-22	6,900	0.30%	6-Jan-2021	1,300
Banco BCI	USD	0.30%	13-Jan-22	3,001	0.11%	13-Jan-2021	5,900
Banco BCI	USD	0.28%	19-Jan-22	4,800		-	
Banco Chile	USD	0.01%	-	0	0.10%	4-Jan-2021	7,000
Banco Chile	USD		-	0	0.10%	6-Jan-2021	21,800
Banco Chile	USD		-	0	0.55%	19-Jan-2021	5,502
Banco Consorcio	USD	0.45%	3-Jan-22	5,002	0.65%	4-Jan-2021	5,006
Banco Consorcio	USD	0.50%	3-Jan-22	18,013	0.37%	8-Jan-2021	5,808
Banco Consorcio	USD		-	0	0.50%	20-Jan-2021	5,002
Banco Consorcio	USD		-	0	0.70%	26-Jan-2021	9,014
Banco Estado	USD	0.01%	6-Jan-22	8,000	0.05%	6-Jan-2021	22,000
Banco Estado	USD		-	0	0.05%	12-Jan-2021	4,000
Banco Itaú Corpbanca	USD	0.30%	3-Jan-22	10,001	0.50%	4-Jan-2021	3,001
Banco Itaú Corpbanca	USD	0.40%	3-Jan-22	13,006	0.37%	7-Jan-2021	8,003
Banco Itaú Corpbanca	USD	0.20%	5-Jan-22	2,400	0.82%	11-Jan-2021	20,008
Banco Itaú Corpbanca	USD	0.30%	12-Jan-22	5,000	0.65%	15-Jan-2021	4,502
Banco Santander	USD	0.34%	3-Jan-22	17,501	0.48%	6-Jan-2021	1,401
Banco Santander	USD	0.30%	12-Jan-22	8,000	0.65%	11-Jan-2021	14,706
Banco Santander	USD	0.30%	13-Jan-22	3,501	0.40%	14-Jan-2021	10,004
Banco Santander	USD	0.30%	19-Jan-22	4,000	0.70%	25-Jan-2021	8,003
Scotiabank	USD	0.30%	4-Jan-22	17,000	0.05%	4-Jan-2021	7,000
Scotiabank	USD	0.20%	5-Jan-22	13,800	0.02%	5-Jan-2021	4,000
Consolidated Total				**149,676**			**194,210**

6.3 Cash and Cash Equivalents

Liabilities originating in financing activities	Balance at 1/1/2021 (1)	Financing cash flows			Changes not representing cash flows						Balance at 12/31/2021 (1)
		From	Used	Total	Acquisition of subsidiaries	Sale of subsidiaries	Changes in fair value	Exchange differentials	New financial leases	Other changes (2)	
	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
Unsecured bonds (Note 20)	844,782	0	-32,750	(32,750)	0	0	0	0	0	35,741	847,773
Interest-bearing loans (Note 20)	50,496	175,000	(51,579)	123,421	0	0	0	0	0	687	174,604
Intercompany loans (Notes 10.5)	9,732	115,996	(117,663)	(1,667)	0	0	0	0	0	0	8,065
Total	**905,010**	**290,996**	**(201,992)**	**89,004**	**0**	**0**	**0**	**0**	**0**	**36,428**	**1,030,442**

(1) The balance includes the current and non-current portions.

(2) Interest accrued.

Liabilities originating in financing activities	Balance at 1/1/2020 (1)	Financing cash flows			Changes not representing cash flows						Balance at 12/31/2020 (1)
		From	Used	Total	Acquisition of subsidiaries	Sale of subsidiaries	Changes in fair value	Exchange differentials	New financial leases	Other changes (2)	
	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
Unsecured bonds (Note 20)	754,623	500,000	(419,125)	80,875	0	0	0	0	0	9,284	844,782
Interest-bearing loans (Note 20)	80,663	50,000	(80,819)	(30,819)	0	0	0	0	0	652	50,496
Intercompany loans (Notes 10.5)	12,635	83,107	(86,010)	(2,903)	0	0	0	0	0	0	9,732
Total	**847,921**	**633,107**	**(585,954)**	**47,153**	**0**	**0**	**0**	**0**	**0**	**9,936**	**905,010**

NOTE 7 – OTHER FINANCIAL ASSETS

Current

Description of Instruments	12/31/2021 kUSD	12/31/2020 kUSD
Mutual Funds	0	54
Total Other Financial Assets	**0**	**54**

7.1 Fixed-Income Mutual Fund Shares

Mutual fund shares are recorded at fair value and were as follows:

Description of Instruments	Currency	12/31/2021 kUSD	12/31/2020 kUSD
Banco Santander Río	USD	0	54
Total Mutual Funds		**0**	**54**

NOTE 8 – OTHER CURRENT NON-FINANCIAL ASSETS

The amounts that the Company has recorded in this category correspond to services that will be provided in subsequent months, within one year from the closing date of the period being reported.

Types of Payments	12/31/2021 kUSD	12/31/2020 kUSD
Prepaid insurance (1)	10,958	6,923
VAT credit (2)	33,633	6,988
Supplier advances	1,718	958
Other	573	25
Total	**46,882**	**14,894**

(1) Damage, business interruption, civil liability and other insurance policies for EECL and associates.

(2) The VAT credit remaining and accumulated on the purchases related to the construction of renewable energy projects according to the company's investment plan.

NOTE 9 – TRADE RECEIVABLES AND OTHER ACCOUNTS RECEIVABLE

In general, balances in this category do not accrue interest.

There are no restrictions on the disposal of significant amounts of this type of accounts receivable.

As required by paragraph 36 of IFRS 7, the Company carries no collateral for its commercial credit to customers.

The average maturity of customers' obligations is 15 calendar days from the invoice date. No individual customer has significant balances as compared to the Company's total sales or accounts receivable.

See Note 23 Risk Management for further analysis of the risk of uncollectibles.

The Company establishes an uncollectibles provision at the close of each quarter, taking into account aspects such as the age of its accounts receivable and a case-by-case analysis of each.

The Company has renegotiated accounts with one customer and has no protested portfolio or customers from whom collection is being sought through the courts.

The amounts included in this category relate to the following types of documents:

9.1 Current Trade Receivables and Other Accounts Receivable

Current trade receivable and other accounts receivable	12/31/2021 kUSD	12/31/2020 kUSD
Invoices and accounts receivable	156,351	98,541
Sundry receivables, current	175	233
Other accounts receivable, current	8,486	8,468
Total	**165,012**	**107,242**

9.2 Non-Current Trade Receivables and Other Accounts Receivable

Non-current trade receivable and other accounts receivable	12/31/2021 kUSD	12/31/2020 kUSD
Accounts receivable (*)	85,581	139,868
Other sundry receivables	20	20
Total	**85,601**	**139,868**

(*) These are the accounts receivable impacted by the regulated customer rate stabilization fund under Electricity Price Stabilization Law 21,185. During 2021, the Company sold accounts receivable for a nominal total of kUSD 167,298 to Chile Electricity PEC SpA under the agreement signed with Goldman Sachs and IDB Invest, disclosed as material events on January 20 and 27, 2021. This sum includes the balances reported in the January 2020, July 2020 and January 2021 average node price decrees. The non-current receivables totaling kUSD 85,521 as of December 31, 2021 include the balances reported in the July 2021 and January 2022 average node price decrees that are in process and are expected to be approved. The Company expects to sell these receivables to Chile Electricity PEC SpA after said decrees are published in the Official Gazette.

The aged balances of the Company´s gross receivables were as follows as of December 31, 2021:

		Payment Arrears	Payment Arrears	Payment Arrears	Payment Arrears	Payment Arrears	Payment Arrears	Payment Arrears	Payment Arrears	Payment Arrears		
	Compliant Portfolio	1-30 days	31-60 days	61-90 days	91-120 days	121-150 days	151-180 days	181-210 days	211-250 days	More than 250 days	Total Current	Total Non-Current
Receivables	**kUSD**	**kUSD**	**kUSD**	**kUSD**	**kUSD**	**kUSD**	**kUSD**	**kUSD**	**kUSD**	**kUSD**	**kUSD**	**kUSD**
Current receivables for credit transactions	147,235	8,358	775	251	303	25	13	10	-	4,761	161,731	90,085
Estimated uncollectibles	(268)	-	-	-	(303)	(25)	(13)	(10)	-	(4,761)	(5,380)	(4,504)
Current sundry receivables	175	-	-	-	-	-	-	-	-	-	175	20
Estimated uncollectibles	-	-	-	-	-	-	-	-	-	-	-	-
Other current accounts receivable	8,486	-	-	-	-	-	-	-	-	-	8,486	-
Total	**155,628**	**8,358**	**775**	**251**	**-**	**-**	**-**	**-**	**-**	**-**	**165,012**	**85,601**

The aged balances of the Company's gross receivables were as follows as of December 31, 2020:

Receivables	Compliant Portfolio	Payment Arrears 1-30 days	Payment Arrears 31-60 days	Payment Arrears 61-90 days	Payment Arrears 91-120 days	Payment Arrears 121-150 days	Payment Arrears 151-180 days	Payment Arrears 181-210 days	Payment Arrears 211-250 days	Payment Arrears More than 250 days	Total Current	Total Non-Current
	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
Current receivables for credit transactions	90,014	5,169	2,180	447	359	326	204	243	275	4,726	103,943	141,936
Estimated uncollectibles	(371)	(21)	(4)	(5)	(319)	(326)	(204)	(243)	(275)	(3,634)	(5,402)	(2,068)
Current sundry receivables	233	-	-	-	-	-	-	-	-	-	233	20
Estimated uncollectibles	-	-	-	-	-	-	-	-	-	-	-	-
Other current accounts receivable	8,468	-	-	-	-	-	-	-	-	-	8,468	-
Total	**98,344**	**5,148**	**2,176**	**442**	**40**	**-**	**-**	**-**	**-**	**1,092**	**107,242**	**139,888**

Balances expired for which no provision has been made correspond to customers who have no liquidity or solvency troubles. However, they have objected to a charge in some invoices and we were negotiating a solution on the date of these financial statements.

The rescheduled portfolio is defined as a non-performing portfolio or a portfolio with a significant increase in risk. No lower risk rating can be assigned until the entire debt is repaid. This ensures that a rescheduling will not cause any reduction in provisions.

Segments of Payment Arrears as of December 31, 2021	Rescheduled Portfolio		Portfolio Not Rescheduled		Total Gross Portfolio	
	Number of Customers	Amount kUSD	Number of Customers	Amount kUSD	Number of Customers	Amount kUSD
Compliant	-	-	1,142	155,896	1,142	155,896
From 1 to 30 days	-	-	339	8,358	339	8,358
From 31 to 60 days	-	-	53	775	53	775
From 61 to 90 days	-	-	22	251	22	251
From 91 to 120 days	-	-	19	303	19	303
From 121 to 150 days	-	-	7	25	7	25
From 151 to 180 days	-	-	11	13	11	13
From 181 to 210 days	-	-	2	10	2	10
From 211 to 250 days	-	-	2	-	2	-
More than 251 days	1	2,288	353	2,473	354	4,761
Total		**2,288**		**168,104**		**170,392**

Segments of Payment Arrears as of December 31, 2020	Rescheduled Portfolio		Portfolio Not Rescheduled		Total Gross Portfolio	
	Number of Customers	Amount kUSD	Number of Customers	Amount kUSD	Number of Customers	Amount kUSD
Compliant	-	-	1,043	98,715	1,043	98,715
From 1 to 30 days	-	-	357	5,169	357	5,169
From 31 to 60 days	-	-	140	2,180	140	2,180
From 61 to 90 days	-	-	33	447	33	447
From 91 to 120 days	-	-	54	359	54	359
From 121 to 150 days	-	-	22	326	22	326
From 151 to 180 days	-	-	26	204	26	204
From 181 to 210 days	-	-	10	243	10	243
From 211 to 250 days	-	-	9	275	9	275
More than 251 days	1	2,288	422	2,438	423	4,726
Total		**2,288**		**110,356**		**112,644**

Provisions and write-offs	12/31/2021 kUSD	12/31/2020 kUSD
Starting balance	7,470	4,103
Provision for portfolio not rescheduled	4,458	5,114
Recoveries in the period	(1,569)	(2,038)
Other	(475)	291
Ending balance	**9,884**	**7,470**

NOTE 10 – ACCOUNTS RECEIVABLE, ACCOUNTS PAYABLE AND TRANSACTIONS WITH RELATED PARTIES

10.1 Compensation of Key Management Personnel

The Company is managed by a Board of Directors comprised of seven members who hold office for a period of two years and may be re-elected.

The shareholders appointed all the members of the board, in accordance with Law 18,046, at the Regular Shareholders Meeting held on April 28, 2020. The Company has identified key personnel to be the Chief Executive Officer and Corporate Managers.

The Regular Shareholders Meeting approved compensation of UF 160 per meeting per director for the 2021 fiscal year, payable until the next Regular Shareholders Meeting. The chairman of the board receives compensation of U.F. 320 per meeting. The shareholders also resolved that alternate directors would receive no compensation for their duties, except when they attend meetings in replacement of a regular director.

No other compensation is paid but the fees received by the directors for their directorships, except as explained in the next paragraph.

In accordance with the article 50-bis of Companies Law 18,046, the minutes of the Regular Shareholders Meeting show that although the Company has no obligation to create a director´s committee, it has done so voluntarily. The members of this committee are the independent directors. Their compensation will be UF 55 monthly, and the committee approved an annual expense budget of UF 5,000. The committee did not disburse against this budget thus far in 2021.

Board Compensation	12/31/2021 kUSD	12/31/2020 kUSD
Cristian Eyzaguirre, Director	102	93
Mauro Valdes, Director	102	93
Claudio Iglesis, Director	102	93
Total Board Compensation	**306**	**279**

Engie Energia Chile S.A. did not pay any member of the Company's Board of Directors for any additional consulting thus far in 2021, and it recorded general expenses of kUSD 138 for the Board in the same period.

Key Manager Compensation	12/31/2021 kUSD	12/31/2020 kUSD
Compensation	2,158	2,993
Short-term benefits	398	328
Total	**2,556**	**3,321**

The costs include recurrent monthly salaries part of which is variable and earned in the form of bonuses based on individual performance and the Company's results for the fiscal year. They also include severance indemnities.

10.2 Key Management Personnel

Managers and Senior Executives

Name	Position
Axel Levêque	Chief Executive Officer
Fernando Valdes	Corporate Chief Legal Officer
Eduardo Milligan	Corporate Chief Financial and Shared Services Officer
Andrea Cabrera*	Corporate Chief Human Resources Officer
Gabriel Marcuz	Corporate Chief Operations Officer
Luis Meersohn	Corporate Chief Commercial Officer
Pablo Villarino	Corporate Chief Institutional Relations Officer
Carlos Regolf	Chief Project Implementation Officer

**Ms. Cabrera left the company on December 31, 2021..*

10.3 Current Intercompany Accounts Receivable

Accounts receivable from and payable to, and transactions with, related parties are in compliance with articles 44 and 49 of Companies Law 18,046. The Company has made no provisions for doubtful accounts because these obligations are paid when due, which varies from 7 to 30 days.

Intercompany accounts receivable were as follows:

Tax I.D.	Company	Country	Relationship	Currency	12/31/2021 kUSD	12/31/2020 kUSD
76.134.397-1	Engie Gas Chile SpA	Chile	Common Parent	USD	5,931	123
76.134.397-1	Engie Gas Chile SpA	Chile	Common Parent	UF	0	6
76.134.397-1	Engie Gas Chile SpA	Chile	Common Parent	CLP	2	2
96.885.200-0	ENGIE AUSTRAL S.A.	Chile	Parent	UF	0	41
96.885.200-0	ENGIE AUSTRAL S.A.	Chile	Parent	CLP	33	12
96.885.200-0	ENGIE AUSTRAL S.A.	Chile	Parent	USD	18	414
76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	Joint Control	USD	2	1
Foreign	Energy Consulting Services S.A.	Argentina	Associate of Shareholder	Argentine Peso	0	2
76.215.533-8	Engie Stream Solutions Chile SpA	Chile	Common Parent	USD	7	30
76.215.533-8	Engie Stream Solutions Chile SpA	Chile	Common Parent	CLP	13	2
76.775.710-7	Sociedad GNL Mejillones S.A.	Chile	Common Parent	USD	66	0
76.775.710-7	Sociedad GNL Mejillones S.A.	Chile	Common Parent	UF	9	0
76.775.710-7	Sociedad GNL Mejillones S.A.	Chile	Common Parent	CLP	12	0
FOREIGN	Sustainability Solutions Latam SpA	Chile	Common Parent	USD	17	0
88.689.100-8	IMA Industrial Ltda.	Chile	Common Parent	UF	0	5
76.242.762-1	IMA SpA	Chile	Common Parent	USD	5	101
Foreign	Engie Energía Peru S.A.	Peru	Common Parent	USD	314	73
Intercompany Receivables, Current					**6,429**	**812**

10.4 Non-Current Intercompany Accounts Receivable

Tax I.D.	Company	Country	Relationship	Currency	12/31/2021 kUSD	12/31/2020 kUSD
76.787.690-4	Transmisora Eléctrica del Norte S.A. (1)	Chile	Joint Control	USD	14,161	21,726
Intercompany Receivables, Non-Current					**14,161**	**21,726**

(1) A loan granted to Transmisora Electrica del Norte S.A. Interest accrues annually at the 180-day Libor + 2.7%. The loan expires on July 17, 2024.

10.5 Current Intercompany Accounts Payable

Tax I.D.	Company	Country	Relationship	Currency	12/31/2021 kUSD	12/31/2020 kUSD
95.543.670-7	CAM CHILE SPA	Chile	Common Parent	UF	2	3
Foreign	Electrabel Corporate HQ Benelux	Belgium	Common Parent	USD	2	0
Foreign	Energy Consulting Services S.A.	Argentina	Shareholder Affiliate	USD	0	31
96.885.200-0	Engie Austral S.A.	Chile	Parent	USD	0	9
Foreign	Engie Digital	France	Common Parent	EUR	0	11
Foreign	Engie EBL SA - EMS	Belgium	Common Parent	EUR	31	0
76.134.397-1	Engie Gas Chile SpA	Chile	Common Parent	USD	28	349
Foreign	Engie GBS Latam SA de CV	Mexico	Common Parent	USD	30	49
Foreign	Engie Information et Technologies	France	Common Parent	EUR	106	60
Foreign	Engie S.A.	France	Common Parent	EUR	0	13
Foreign	Engie Solar S.A.S.	France	Common Parent	EUR	7	0
76.108.126-8	IMA Automatización Ltda.	Chile	Common Parent	UF	51	51
88.689.100-8	IMA Industrial Ltda.	Chile	Common Parent	UF	0	510
88.689.100-8	IMA Industrial Ltda.	Chile	Common Parent	CLP	569	0
59.281.960-0	Laborelec Latin America	Chile	Common Parent	UF	433	98
76.143.206-0	Los Andes Rent a Car Ltda.	Chile	Common Parent	USD	0	2
76.775.710-7	Sociedad GNL Mejillones S.A.	Chile	Common Parent	USD	3,823	5,273
Foreign	Solairedirect Global Operations S.A.	Switzerland	Common Parent	USD	0	181
96.902.900-6	Termika Ingenieria y Montaje SpA	Chile	Common Parent	UF	10	0
96.858.530-4	Termika Servicios de Mantención S.A.	Chile	Common Parent	UF	0	221
76.058.076-7	Tractebel Engineering S.A.	Chile	Common Parent	UF	0	120
76.058.076-7	Tractebel Engineering S.A.	Chile	Common Parent	CLP	0	11
76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	Joint Control	USD	1,445	1,329
76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	Joint Control	CLP	0	21
76.787.690-4	Transmisora Eléctrica del Norte S.A.(1)	Chile	Joint Control	USD	1,528	1,390
Intercompany Payables, Current					**8,065**	**9,732**

(1) The short-term portion of the lease payable for transmission facilities, in monthly installments over a period of 20 years.

10.6 Non-Current Intercompany Accounts Payable

Tax I.D.	Company	Country	Relationship	Currency	12/31/2021 kUSD	12/31/2020 kUSD
76.787.690-4	Transmisora Eléctrica del Norte S.A. (1)	Chile	Joint Control	USD	53,420	54,948
Intercompany Payables, Non-Current					**53,420**	**54,948**

(1) The long-term portion of the lease payable for transmission facilities, in monthly installments over a period of 20 years.

10.7 Intercompany Transactions

Entity						12/31/2021		12/31/2020	
Tax I.D.	Company	Country	Relationship	Currency	Transaction Description	Amount	Impact on Income	Amount	Impact on Income
						kUSD	kUSD	kUSD	kUSD
96.543.670-7	CAM Chile SpA	Chile	Common Parent	UF	Services received	23	(23)	20	(20)
96.543.670-7	CAM Chile SpA	Chile	Common Parent	CLP	Services provided	5	5	-	-
Foreign	Electrabel Corporate HQ Benelux	Belgium	Common Parent	USD	Services	21	(21)	24	-
Foreign	Energy Consulting Services S.A.	Argentina	Shareholder Associate	Argentine peso	Services provided	1	1	2	2
Foreign	Energy Consulting Services S.A.	Argentina	Shareholder Associate	Argentine peso	Services received	221	(221)	308	(308)
Foreign	Energy Consulting Services S.A.	Argentina	Shareholder Associate	USD	Purchase of gas	-	-	7,147	(7,147)
Foreign	Engie (China) Energy Technology Co., Ltd.	China	Common Parent	USD	Services	8	(8)	-	-
96.885.200-0	Engie Austral S.A.	Chile	Parrent	USD	Dividend	55,528	-	35,142	-
96.885.200-0	Engie Austral S.A.	Chile	Parrent	UF	Leases	246	246	432	432
96.885.200-0	Engie Austral S.A.	Chile	Parrent	EUR	Services received	-	-	21	(21)
96.885.200-0	Engie Austral S.A.	Chile	Parrent	USD	Expense refund	-	-	773	773
96.885.200-0	Engie Austral S.A.	Chile	Parrent	CLP	Expense refund	85	85	33	33
96.885.200-0	Engie Austral S.A.	Chile	Parrent	USD	Purchase of shares	-	-	55,031	-
96.885.200-0	Engie Austral S.A.	Chile	Parrent	USD	Services received	23	(23)	8	(8)
96.885.200-0	Engie Austral S.A.	Chile	Parrent	USD	Services provided	425	425	124	124
Foreign	Engie Digital	France	Common Parent	EUR	Services received	33	(33)	11	(11)
Foreign	Engie EBL SA - EMS	Belgium	Common Parent	EUR	Services received	31	(31)	-	-
Foreign	Engie Energy Marketing Singapore Pte Ltd	Singapore	Common Parent	USD	Indemnity	-	-	2,000	2,000
Foreign	Engie Energy Marketing Singapore Pte Ltd	Singapore	Common Parent	USD	LNG purchase	39,850	-	-	-
76.134.397-1	Engie Gas Chile SpA	Chile	Common Parent	UF	Leases	36	36	26	26
76.134.397-1	Engie Gas Chile SpA	Chile	Common Parent	USD	Services provided	140	140	85	85
76.134.397-1	Engie Gas Chile SpA	Chile	Common Parent	USD	Services received	149	(149)	152	(152)
76.134.397-1	Engie Gas Chile SpA	Chile	Common Parent	USD	Sale of gas	29,470	29,470	27,101	27,101
76.134.397-1	Engie Gas Chile SpA	Chile	Common Parent	USD	Gas transportation	1,122	1,122	938	938
76.134.397-1	Engie Gas Chile SpA	Chile	Common Parent	CLP	Expense refund	6	6	1	1
Foreign	Engie GBS Latam S.A. de CV	Mexico	Common Parent	USD	Services received	460	(460)	717	(717)
Foreign	ENGIE Hydrogen International SAS	France	Common Parent	USD	Expense refund	-	-	99	99
Foreign	Engie Information et Technologies	France	Common Parent	EUR	Services	95	(86)	205	(205)

Entity						12/31/2021		12/31/2020	
Tax I.D.	Company	Country	Relationship	Currency	Transaction Description	Amount	Impact on Income	Amount	Impact on Income
						kUSD	kUSD	kUSD	kUSD
76.143.206-0	Engie Movilidad SpA	Chile	Common Parent	UF	Services received	11	(11)	16	(16)
76.143.206-0	Engie Movilidad SpA	Chile	Common Parent	CLP	Services received	15	(15)	-	-
Foreign	Engie Energia Peru S.A.	Peru	Common Parent	USD	Services provided	319	319	73	73
Foreign	Engie SA	France	Common Parent	EUR	Services received	365	(365)	58	(58)
Foreign	Engie Services Peru S.A.	Peru	Common Parent	USD	Services received	23	(23)	-	-
Foreign	Engie Solar S.A.S.	France	Common Parent	USD	Services received	182	-	205	-
Foreign	Engie Solar S.A.S.	France	Common Parent	EUR	Services received	7	(7)	-	-
76.215.533-8	Engie Stream Solutions Chile SpA	Chile	Common Parent	CLP	Expense refund	10	10	6	6
76.215.533-8	Engie Stream Solutions Chile SpA	Chile	Common Parent	UF	Leases	63	63	28	28
76.215.533-8	Engie Stream Solutions Chile SpA	Chile	Common Parent	USD	Services provided	118	118	29	29
76.019.239-2	Eólica Monte Redondo SpA (*)	Chile	Common Parent	UF	Services provided	-	-	560	560
76.019.239-2	Eólica Monte Redondo SpA (*)	Chile	Common Parent	USD	Sale of energy and capacity	-	-	40	40
76.019.239-2	Eólica Monte Redondo SpA (*)	Chile	Common Parent	USD	Purchase of energy and capacity	-	-	26	(26)
76.019.239-2	Eólica Monte Redondo SpA (*)	Chile	Common Parent	USD	Tolls	-	-	8	(6)
76.108.126-8	IMA Automatización Ltda	Chile	Common Parent	UF	Services	214	(214)	256	(256)
76.108.126-8	IMA Automatización Ltda	Chile	Common Parent	USD	Services	34	(34)	9	(9)
76.108.126-8	IMA Automatización Ltda	Chile	Common Parent	CLP	Services	-	-	39	(39)
88.689.100-8	IMA Industrial Ltda.	Chile	Common Parent	UF	Services	-	-	12	12
88.689.100-8	IMA Industrial Ltda.	Chile	Common Parent	CLP	Services	9,334	(9,151)	8,353	(8,121)
88.689.100-8	IMA Industrial Ltda.	Chile	Common Parent	CLP	Services provided	11	11	-	-
76.242.762-1	IMA SpA	Chile	Common Parent	USD	Expense refund	319	319	352	352
76.242.762-1	IMA SpA	Chile	Common Parent	USD	Services provided	64	64	21	21
59.281.960-0	Laborelec Latin America	Chile	Common Parent	EUR	Services received	1,108	(762)	535	(346)
59.281.960-0	Laborelec Latin America	Chile	Common Parent	UF	Services received	98	-	-	-
59.281.960-0	Laborelec Latin America	Chile	Common Parent	CLP	Services received	4	-	-	-
76.143.206-0	Los Andes Rent a Car Ltda.	Chile	Common Parent	UF	Services received	11	(11)	16	(16)
76.775.710-7	Sociedad GNL Mejillones S.A.	Chile	Common Parent	USD	Sale of energy, capacity and services	1,069	1,069	595	595
76.775.710-7	Sociedad GNL Mejillones S.A.	Chile	Common Parent	USD	Gas regasification service	45,061	(45,061)	47,589	(47,589)
76.775.710-7	Sociedad GNL Mejillones S.A.	Chile	Common Parent	CLP	Expense refund	35	35	5	5
76.775.710-7	Sociedad GNL Mejillones S.A.	Chile	Common Parent	UF	Leases	98	98	54	54
76.775.710-7	Sociedad GNL Mejillones S.A.	Chile	Common Parent	USD	Tolls	632	632	659	659
76.775.710-7	Sociedad GNL Mejillones S.A.	Chile	Common Parent	USD	Services provided	279	279	70	70

(*) The transactions with Eolica Monte Redondo SpA took place from January 1, 2020 to June 30, 2020. As of July 1, 2020, this company began to be consolidated with Engie Energia Chile S.A.

Entity						12/31/2021		12/31/2020	
Tax I.D.	Company	Country	Relationship	Currency	Transaction Description	Amount	Impact on Income	Amount	Impact on Income
						kUSD	kUSD	kUSD	kUSD
Foreign	Solairedirect Global Operations S.A.	Switzerland	Common Parent	USD	Services provided	-	-	181	-
Foreign	SSINERGIE blu.e	France	Common Parent	EUR	Services	26	(26)	34	(34)
77.209.127-3	Sustainability Solutions LATAM SpA	Chile	Common Parent	USD	Leases	125	125	-	-
77.209.127-3	Sustainability Solutions LATAM SpA	Chile	Common Parent	UF	Leases	3	3	-	-
77.209.127-3	Sustainability Solutions LATAM SpA	Chile	Common Parent	USD	Services provided	56	56	-	-
96.902.900-6	Termika Ingeniería y Montaje SpA	Chile	Common Parent	USD	Services received	72	-	-	-
96.902.900-6	Termika Ingeniería y Montaje SpA	Chile	Common Parent	UF	Services received	222	(19)	46	-
96.902.900-6	Termika Ingeniería y Montaje SpA	Chile	Common Parent	CLP	Services received	-	-	2	-
96.858.530-4	Termika Servicios de Mantención S.A.	Chile	Common Parent	CLP	Services received	-	-	10	(10)
96.858.530-4	Termika Servicios de Mantención S.A.	Chile	Common Parent	UF	Services received	41	(41)	374	(374)
Foreign	Tractebel Engineering S.A.	Belgium	Common Parent	EUR	Services received	-	-	68	(68)
76.058.076-7	Tractebel Engineering S.A.	Chile	Common Parent	USD	Services received	2,883	(2,883)	40	(20)
76.058.076-7	Tractebel Engineering S.A.	Chile	Common Parent	UF	Services received	324	(10)	397	(375)
76.058.076-7	Tractebel Engineering S.A.	Chile	Common Parent	CLP	Services received	-	-	231	(121)
76.058.076-7	Tractebel Engineering S.A.	Chile	Common Parent	UF	Leases	-	-	4	4
76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	Joint Control	USD	Loans (interest)	434	434	865	865
76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	Joint Control	USD	Payment of loan	8,000	-	7,500	-
76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	Joint Control	USD	Services provided	676	676	640	640
76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	Joint Control	USD	Expense refund	-	-	2	2
76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	Joint Control	UF	Lease of facilities	251	251	229	229
76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	Joint Control	UF	Leases	42	42	19	19
76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	Joint Control	UF	Leases Paid	-	-	47	(47)
76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	Joint Control	CLP	Expense refund	10	10	11	11
76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	Joint Control	CLP	Expense reimbursement	-	-	14	(14)
76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	Joint Control	CLP	Tolls	7,515	(7,515)	7,675	(7,675)
76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	Joint Control	CLP	Sale of energy and capacity	148	148	109	109
76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	Joint Control	USD	Amortization of lease (principal)	1,389	-	1,263	-
76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	Joint Control	USD	Amortization of lease (interest)	6,024	(6,024)	6,064	(6,064)
76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	Joint Control	USD	Purchase of materials	8	-	76	-

Guarantees have been granted or received for transactions with related parties (see Note 41.2).

There are no doubtful accounts related to outstanding balances that warrant a provision or expense for this reason.

All transactions with related parties were performed under market terms and conditions.

NOTE 11 – CURRENT INVENTORIES

Current inventories were as follows at the closing date:

Types of Inventories	12/31/2021 kUSD	12/31/2020 kUSD
Operating materials and inputs	102,833	104,359
Obsolescence provision	(27,612)	(26,265)
Spare parts impairment provision	(40,070)	(42,295)
Coal	104,802	28,128
Bunker oil 6	511	511
Diesel oil	2,833	2,049
Hydrated lime	2,386	5,710
Limestone - Biomass - Silica Sand	6,990	1,707
LNG	5,493	2,623
Lubricants	153	153
Total	**158,319**	**76,680**

Details on the inventory costs recorded in expenses in 2021 and 2020 are shown in the next table:

Expenses in the period	12/31/2021 kUSD	12/31/2020 kUSD
Fuel for operations	377,835	233,345
Other operating inputs	20,540	11,144
Materials and spare parts (1)	1,414	8,045
Total	**399,789**	**252,534**

(1) Provisions were reversed in 2021.

The movements in the obsolescence provision were as follows:

Inventories Obsolescence Provision (1)	12/31/2021 kUSD	12/31/2020 kUSD
Starting balance	26,265	24,327
Increase (decrease) in the provision	1,347	1,938
Ending Balance	**27,612**	**26,265**

(1) See the provision criteria in Note 3.5 (Asset Impairment)

NOTE 12 – CURRENT TAXES

General Information

The balances of income tax recoverable and payable shown in current assets and liabilities, respectively, are comprised of the following:

a) Current Tax Assets

Recoverable Taxes	12/31/2021 kUSD	12/31/2020 kUSD
Provisional monthly tax payments	18,637	20,588
Foreign-sourced tax credit	0	459
Taxes recoverable from previous fiscal years	4,958	8,661
Training credit	306	0
Other recoverable taxes	0	226
Total Recoverable Taxes	**23,901**	**29,934**

b) Current Tax Liabilities

Income Tax	12/31/2021 kUSD	12/31/2020 kUSD
Current tax expense	3,650	10,109
Article 21 Special Tax	22	52
Total Taxes Payable	**3,672**	**10,161**

NOTE 13 – OTHER NON-CURRENT NON-FINANCIAL ASSETS

Other Non-Financial Assets	12/31/2021 kUSD	12/31/2020 kUSD
Rights to other assets	2,161	2,161
Project under development - Solar and Wind Power Plants (1)	13,603	3,109
Project under development - Los Trigales Wind Farm (1)	7,959	4,493
Other projects under development (1)	1,546	4,582
Project under development - Coya Photovoltaic (2)	0	1,225
Other	479	497
Total	**25,748**	**16,067**

(1) The Company´s policy is to show the costs of projects in a development stage in Other Non-Financial Assets in the Statement of Financial Position as long as the technical viability and economic profitability of the project are reasonably assured. The projects are:

- *Solar and wind power plants and storage plants: photovoltaic and wind projects in an early stage of development, located between the Region of Arica and Parinacota and the Lake Region of Chile.*
- *Los Trigales Wind Farm: a wind farm located in the Region of La Araucania.*
- *Other projects under development: small transmission and other renewable energy projects.*

(2) Coya Photovoltaic power plant located in the Region of Antofagasta. It is currently under construction and is recorded in Property, Plant and Equipment.

NOTE 14 – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Companies under Joint Control

The details on the company accounted for by the equity method and the movements as of December 31, 2021 were as follows:

Type of Relationship	Company	Number of Shares	Percentage Interest	Balance at 12/31/2020	Profit (Loss) Accrued	Dividend Provision	Variation in the Hedge Derivatives Reserve at 6/30/2021	Total at 12/31/2021
			%	kUSD	kUSD	kUSD	kUSD	kUSD
Joint Control	Transmisora Eléctrica del Norte S.A.	1,438,448	50.00%	81,608	(1,934)	0	29,232	108,906
Total				**81,608**	**(1,934)**	**0**	**29,232**	**108,906**

Profit (Loss) Accrued	12/31/2021 kUSD	12/31/2020 kUSD
Share in earnings (loss) of associates and joint ventures accounted for using the equity method	**(1,934)**	**4,368**

Tax I.D.	Company Name	Interest	Current Assets	Non-Current Assets	Total Assets	Current Liabilities	Non-Current Liabilities	Total Liabilities	Net Equity	Revenue	Ordinary Expenses	Net Profit (Loss)
		%	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
76.787.690-4	Transmisora Eléctrica del Norte S.A.	50.00%	61,496	750,345	811,841	37,186	672,250	709,436	102,405	48,556	22,257	(1,479)

The details on the company accounted for by the equity method and the movements as of December 31, 2020 were as follows:

Type of Relationship	Company	Number of Shares	Percentage Interest	Balance at 12/31/2019	Profit (Loss) Accrued	Dividend Provision	Variation in the Hedge Derivatives Reserve at 12/31/2020	Total at 12/31/2020
			%	kUSD	kUSD	kUSD	kUSD	kUSD
Joint Control	Transmisora Eléctrica del Norte S.A.	1,438,448	50.00%	89,697	4,368	0	(12,457)	81,608
Total				**89,697**	**4,368**	**0**	**(12,457)**	**81,608**

Tax I.D.	Company Name	Interest	Current Assets	Non-Current Assets	Total Assets	Current Liabilities	Non-Current Liabilities	Total Liabilities	Net Equity	Revenue	Ordinary Expenses	Net Profit (Loss)
		%	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
76.787.690-4	Transmisora Eléctrica del Norte S.A.	50.00%	86,008	738,578	824,586	39,890	739,275	779,165	45,421	74,151	26,873	11,124

NOTE 15 – INTANGIBLE ASSETS OTHER THAN GOODWILL

Below are the movements and reconciliation of intangible assets of the Company as of December 31, 2021 and 2020.

Intangible Assets, Net	12/31/2021 kUSD	12/31/2020 kUSD
Intangibles, Contracts with Customers, net (1)	184,080	199,949
Easements, net	4,452	4,876
Net Total	**188,532**	**204,825**

(1) Intangible assets related to contracts with customers mainly come from power purchase agreements associated with projects of our subsidiaries Central Termoeléctrica Andina SpA and Inversiones Hornitos SpA, which began to be amortized in 2011 over a period of 30 years and 15 years, respective. See the criteria in Note 3.4.

Intangible Assets, Gross	12/31/2021 kUSD	12/31/2020 kUSD
Intangibles, Contracts with Customers, gross	362,134	362,134
Easements, gross	13,847	13,847
Gross Total	**375,981**	**375,981**

Amortization of Intangible Assets	12/31/2021 kUSD	12/31/2020 kUSD
Amortization of Intangibles, Contracts with Customers	(178,054)	(162,185)
Amortization of Easements	(9,395)	(8,971)
Gross Total	**(187,449)**	**(171,156)**

The movement in intangible assets by type was as follows during the 2021 and 2020 fiscal years:

Intangible Assets	Starting Gross Balance 01/01/2021	Additions (Charge-Offs) in the Period	Ending Gross Balance at 12/31/2021	Cumulative Amortization at 12/31/2020	Amortization in the Period	Cumulative Amortization (Charge-Offs) 9/30/2021	Cumulative Amortization at 12/31/2021	Net Balance at 12/31/2021
	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
Contracts with Customers (business combinations)	362,134	0	362,134	(162,185)	(15,869)	0	(178,054)	184,080
Easements	13,847	0	13,847	(8,971)	(424)	0	(9,395)	4,452
TOTAL	**375,981**	**0**	**375,981**	**(171,156)**	**(16,293)**	**0**	**(187,449)**	**188,532**

Intangible Assets	Starting Gross Balance 01/01/2020	Additions (Charge-Offs) in the Period	Ending Gross Balance at 12/31/2020	Cumulative Amortization at 12/31/2019	Amortization in the Period	Cumulative Amortization (Charge-Offs) 9/30/2020	Cumulative Amortization at 12/31/2020	Net Balance at 12/31/2020
	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
Contracts with Customers (business combinations)	362,134	0	362,134	(145,402)	(16,783)	0	(162,185)	199,949
Easements	13,063	784	13,847	(8,551)	(420)	0	(8,971)	4,876
TOTAL	**375,197**	**784**	**375,981**	**(153,953)**	**(17,203)**	**0**	**(171,156)**	**204,825**

The amortization of intangible assets is recorded under the cost of sales in the statement of income (Note 30).

In December 2009, as a result of the acquisition of the companies indicated in Note 16, the Company recognized intangible assets associated with contracts with customers of Central Termoelectrica Andina SpA (CTA) and Inversiones Hornitos SpA (CTH), according to IFRS 3 Business Combinations.

These contracts were appraised using the multi-excess earning method (MEEM) that considers the value of the contracts with customers to be the present value of the excess cash flows generated by the intangible asset during its useful life, after deducting the cash flows associated with the remaining tangible and intangible operating assets, deducted at a discount rate that represents the risk of each asset.

The Company's ownership of intangible assets is unrestricted and there are no commitments to acquire new intangible assets (IAS 38, paragraph 122(c) and (d)).

NOTE 16 – GOODWILL

The following table summarizes the main types of consideration that were transferred and the amounts recorded for assets acquired and liabilities assumed, as of the date of acquisition.

Goodwill	Balance at 12/31/2020 kUSD	Balance at 12/31/2020 kUSD
Fair purchase value	**1,221,197**	**1,221,197**
Identifiable assets acquired and liabilities assumed		
Net assets	902,929	902,929
Fair value of property, plant and equipment	37,466	37,466
Intangible assets	315,750	315,750
Deferred tax liabilities	(60,047)	(60,047)
Subtotal	**1,196,098**	**1,196,098**
Goodwill	**25,099**	**25,099**

The origin of goodwill is explained as follows:

On December 29, 2009, the companies of the Engie LATAM Group (formerly Engie Chile S.A., and before that, Suez Energy Andino – SEA) and Codelco signed an agreement to merge the Company (the continuer) with Inversiones Tocopilla 1. Inversiones Tocopilla 1 was a vehicle created for the merger that held the investments that SEA and Codelco had in Electroandina S.A., Central Termoeléctrica Andina S.A., Inversiones Hornitos SpA, Gasoducto Nor Andino S.A. and Gasoducto Nor Andino Argentina S.A.

As a consequence of the merger, the Company became the controller of Central Termoeléctrica Andina S.A., Gasoducto Nor Andino S.A. and Gasoducto Nor Andino Argentina S.A. It is also the owner and operator of the assets of Electroandina S.A. and Inversiones Hornitos SpA

The fair value of the acquisition was determined by appraising 100% of the assets delivered in the transaction and the payments made on the transaction date. The market method was used, which consists of the present value of future cash flows discounted at a rate representing each asset's risk, which ranged from 7% to 8% per annum.

The fair value of property, plant and equipment was determined to be the replacement value, adjusted by the functional or market useful life. Outside experts appraised property, plant and equipment.

The intangible assets, mainly contracts with customers, are appraised following the Multi-Excess Earning Method, or MEEM. This method considers that the value of contracts with customers is the present value of the surplus cash flows generated by the intangible asset over its useful life, after deducting cash flows associated with the rest of existing tangible and intangible operating assets, discounted at a rate representative of the risk of each asset. The range is from 8% to 9% annually.

NOTE 17 – PROPERTY, PLANT AND EQUIPMENT

The movements recorded in Property, Plant and Equipment were as follows in the 2021 fiscal year:

Movement in 2021	Construction in progress	Land	Buildings	Plant and Equipment	Information Technology Equipment	Fixed Facilities and Accessories	Motor Vehicles	Other Property, Plant and Equipment	Property, Plant and Equipment
	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
Gross Value	**271,900**	**38,284**	**281,111**	**3,824,548**	**41,183**	**445,426**	**12,122**	**289,924**	**5,204,498**
Cumulative Depreciation	**0**	**0**	**(104,464)**	**(1,688,596)**	**(34,732)**	**(270,719)**	**(9,711)**	**(175,181)**	**(2,283,403)**
Impairment	**0**	**0**	**(2,673)**	**(222,190)**	**(530)**	**(14,927)**	**0**	**(11,878)**	**(252,198)**
Starting balance at 1/1/2021	**271,900**	**38,284**	**173,974**	**1,913,762**	**5,921**	**159,780**	**2,411**	**102,865**	**2,668,897**
Additions	254,198	0	0	0	7	0	0	(569)	253,636
Derecognitions	0	0	(1,361)	(9,414)	0	(163)	0	(329)	(11,267)
Impairment	0	0	0	0	0	0	0	0	0
Depreciation expenses	0	0	(7,865)	(127,100)	(2,672)	(11,291)	(620)	(15,575)	(165,123)
Closing of work in progress	(233,625)	978	1,664	179,022	2,766	43,371	29	5,795	0
Total Changes	**20,573**	**978**	**(7,562)**	**42,508**	**101**	**31,917**	**(591)**	**(10,678)**	**77,246**
Ending balance at 12/31/2021	**292,473**	**39,262**	**166,412**	**1,956,270**	**6,022**	**191,697**	**1,820**	**92,187**	**2,746,143**

The movements recorded in Property, Plant and Equipment were as follows in the 2020 fiscal year:

Movement in 2020	Construction in progress	Land	Buildings	Plant and Equipment	Information Technology Equipment	Fixed Facilities and Accessories	Motor Vehicles	Other Property, Plant and Equipment	Property, Plant and Equipment
	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
Gross Value	**101,005**	**37,968**	**282,523**	**3,656,657**	**38,162**	**442,361**	**11,901**	**258,197**	**4,828,774**
Cumulative Depreciation	**0**	**0**	**(98,153)**	**(1,498,748)**	**(31,156)**	**(260,309)**	**(9,012)**	**(160,526)**	**(2,057,904)**
Impairment	**0**	**0**	**(2,673)**	**(203,753)**	**(530)**	**(14,927)**	**0**	**(11,878)**	**(233,761)**
Starting balance at 1/1/2020	**101,005**	**37,968**	**181,697**	**1,954,156**	**6,476**	**167,125**	**2,889**	**85,793**	**2,537,109**
Additions	213,180	0	0	39,341	5	0	0	(481)	252,108
Acquisitions by means of PPE business combinations	48	316	0	55,801	228	0	0	168	56,561
Derecognitions	0	0	0	(158)	0	0	(3)	0	(161)
Impairment (*)	0	0	0	(18,437)	0	0	0	0	(18,437)
Depreciation expenses	0	0	(8,081)	(121,816)	(2,719)	(10,409)	(674)	(14,584)	(158,283)
Closing of work in progress	(42,333)	0	358	4,875	1,931	3,064	199	31,906	0
Total Changes	**170,895**	**316**	**(7,723)**	**(40,394)**	**(555)**	**(7,345)**	**(478)**	**17,072**	**131,788**
Ending balance at 12/31/2020	**271,900**	**38,284**	**173,974**	**1,913,762**	**5,921**	**159,780**	**2,411**	**102,865**	**2,668,897**

(*) The provisions for dismantling of generating units were adjusted and the amounts for coal-fired units for which impairment was recorded in previous periods were adjusted and recorded as an increase in impairment.

Property, plant and equipment were comprised as follows as of December 31, 2021 and 2020:

Types of Property, Plant and Equipment, Net (Presentation)	12/31/2021 kUSD	12/31/2020 kUSD
Construction in Progress		
Renewable Energy Plants	237,981	200,294
Transmission Substations	15,022	24,443
Other Projects	39,470	47,163
Land	**39,262**	**38,284**
Buildings	**166,412**	**173,974**
Plant and Equipment		
Combined Cycle Thermoelectric Power Plants	54,185	69,597
Thermoelectric Power Plants	1,462,587	1,542,806
Diesel-Fired Power Plants	964	1,111
Hydroelectric Power Plants	21,959	22,402
Photovoltaic Power Plants	34,282	35,930
Wind Farm	195,806	36,962
Gas pipelines	**102,380**	**115,612**
Ports	84,107	89,342
Information Technology Equipment	**6,022**	**5,921**
Fixed Facilities and Accessories		
Power lines and substations	190,542	157,561
Other fixed facilities and accessories	1,155	2,219
Motor Vehicles	1,820	2,411
Other Property, Plant and Equipment		
Leased Buildings	11,445	11,762
Leased Power Lines and Substations	43,213	44,525
Other Leased Property, Plant and Equipment	3,608	3,704
Other Property, Plant and Equipment	33,921	42,874
Total Property, Plant and Equipment	**2,746,143**	**2,668,897**

Types of Property, Plant and Equipment, Gross (Presentation)	12/31/2021 kUSD	12/31/2020 kUSD
Construction in Progress		
Renewable Energy Plants	237,981	200,294
Transmission Substations	15,022	24,443
Other Projects	39,470	47,163
Land	**39,262**	**38,284**
Buildings	**279,524**	**281,111**
Plant and Equipment		
Combined Cycle Thermoelectric Power Plants	318,386	318,345
Thermoelectric Power Plants	2,700,533	2,700,138
Diesel-Fired Power Plants	42,191	42,191
Hydroelectric Power Plants	41,513	40,993
Photovoltaic Power Plants	50,126	49,968
Wind Farm	257,274	94,551
Gas pipelines	**428,325**	**428,325**
Ports	150,037	150,037
Information Technology Equipment	**43,571**	**41,183**
Fixed Facilities and Accessories		
Power lines and substations	426,938	384,001
Other fixed facilities and accessories	61,607	61,425
Motor Vehicles	12,016	12,122
Other Property, Plant and Equipment		
Leased Buildings	12,716	12,716
Leased Power Lines and Substations	52,386	52,386
Other Leased Property, Plant and Equipment	3,990	3,990
Other Property, Plant and Equipment	225,218	220,832
Total Property, Plant and Equipment	**5,438,086**	**5,204,498**

Types of Cumulative Depreciation, Property Plant and Equipment (Presentation)	12/31/2021 kUSD	12/31/2020 kUSD
Buildings	**(110,439)**	**(104,464)**
Plant and Equipment		
Combined Cycle Thermoelectric Power Plants	(264,201)	(248,748)
Thermoelectric Power Plants	(1,016,109)	(935,495)
Diesel-Fired Power Plants	(40,874)	(40,727)
Hydroelectric Power Plants	(19,554)	(18,591)
Photovoltaic Power Plants	(15,844)	(14,038)
Wind Farm	(61,468)	(57,589)
Gas pipelines	(325,945)	(312,713)
Ports	(65,930)	(60,695)
Information Technology Equipment	**(37,019)**	**(34,732)**
Fixed Facilities and Accessories		
Power lines and substations	(221,469)	(211,513)
Other fixed facilities and accessories	**(60,452)**	**(59,206)**
Motor Vehicles	**(10,196)**	**(9,711)**
Other Property, Plant and Equipment		
Leased Buildings	(1,271)	(954)
Leased Power Lines and Substations	(9,173)	(7,861)
Other Leased Property, Plant and Equipment	(382)	(286)
Other Property, Plant and Equipment	(179,419)	(166,080)
Total Cumulative Depreciation of Property, Plant and Equipment	**(2,439,745)**	**(2,283,403)**

Types of Impairment, Property Plant and Equipment (Presentation)	12/31/2021 kUSD	12/31/2020 kUSD
Buildings	**(2,673)**	**(2,673)**
Plant and Equipment		
Cumulative Depreciation of Diesel-Fired Power Plants	(353)	(353)
Cumulative Depreciation of Thermoelectric Power Plants	(221,837)	(221,837)
Information Technology Equipment	**(530)**	**(530)**
Fixed Facilities and Accessories	**(14,927)**	**(14,927)**
Other Property, Plant and Equipment	**(11,878)**	**(11,878)**
Total Impairment of Property, Plant and Equipment	**(252,198)**	**(252,198)**
Total Cumulative Depreciation and Impairment of Property, Plant and Equipment	**(2,691,943)**	**(2,535,601)**

The Company's ownership of property, plant and equipment is unrestricted.

Property, Plant and Equipment is appraised at the amortized cost, which does not differ significantly from the fair value.

The Company had no items of property, plant and equipment temporarily out of service on the date of these financial statements.

17.1 Capitalized Financing Costs

Project	Interest Rate	12/31/2021	12/31/2020
Renewable Energy Projects	3.490%	9,610	4,439
Substation Projects	3.700%	470	0
Total		**10,080**	**4,439**

The rate used is the weighted rate of the Company's loans and it was adjusted as of August 27, 2021 for the renewable projects covered by the new loan with IDB Invest (See Note 20.1).

17.2 Reconciliation of minimum payments for leased assets

Reconciliation of minimum financial lease payments by lessee	December 31, 2021		
	Gross Value kUSD	Interest kUSD	Present Value kUSD
Less than one year	7,023	5,495	1,528
From 1 to 5 years	28,093	20,290	7,803
More than 5 years	77,256	31,639	45,617
Total	**112,372**	**57,424**	**54,948**

Reconciliation of minimum financial lease payments by lessee	December 31, 2020		
	Gross Value kUSD	Interest kUSD	Present Value kUSD
Less than one year	7,023	5,633	1,390
From 1 to 5 years	28,093	20,999	7,094
More than 5 years	84,279	36,425	47,854
Total	**119,395**	**63,057**	**56,338**

See Notes 10.5 and 10.6.

NOTE 18 – RIGHT-OF-USE ASSETS

As of December 31, 2021, the balance of right-of-use assets was kUSD 168,175, which was the net carrying value of the assets subject to a financial lease. EECL currently records financial leases for its vehicles and concessions with the Government. The right-of-use assets recognized as leases as of December 31, 2021 and 2020 are shown below:

Movements in 2021	Land kUSD	Motor Vehicles kUSD	Total kUSD
Right-of-Use Assets	81,460	1,153	82,613
Cumulative Amortization	(5,007)	(1,149)	(6,156)
Starting balance at 1/1/2021	76,453	4	76,457
New contracts	95,227	2,763	97,990
Finished contracts	0	(1,153)	(1,153)
Amortization Expense	(2,344)	(695)	(3,039)
Amortizatión (*)	(3,233)	0	(3,233)
Amortization of finished contracts	0	1,153	1,153
Total Changes	89,650	2,068	91,718
Final Balance as of 9/30/2021	**166,103**	**2,072**	**168,175**

Movements in 2020	Land kUSD	Motor Vehicles kUSD	Total kUSD
Right-of-Use Assets	25,809	1,153	26,962
Cumulative Amortization	(1,982)	(698)	(2,680)
Starting balance at 1/1/2020	23,827	455	24,282
New contracts	55,971	0	55,971
Finished contracts	(320)	0	(320)
Amortization Expense	(2,060)	(451)	(2,511)
Amortizatión (*)	(1,285)	0	(1,285)
Amortization of finished contracts	320	0	320
Total Changes	52,626	(451)	52,175
Final Balance as of 12/31/2020	**76,453**	**4**	**76,457**

(*) The amortization of some leases (rights of use) has been capitalized in the corresponding construction projects.

18.1 Reconciliation of minimum payments for leased assets

Reconciliation of minimum financial lease payments by lessee	December 31, 2021			
	Gross kUSD	Interest kUSD	Short-Term Present Value kUSD	Long-Term Present Value kUSD
Less than one year	10,778	4,473	6,305	0
From 1 to 3 years	25,456	12,712	0	12,744
From 3 to 5 years	16,171	7,867	0	8,304
More than 5 years	181,942	62,039	0	119,903
Total	**234,347**	**87,091**	**6,305**	**140,951**

Reconciliation of minimum financial lease payments by lessee	December 31, 2020			
	Gross kUSD	Interest kUSD	Short-Term Present Value kUSD	Long-Term Present Value kUSD
Less than one year	6,993	2,666	4,327	0
From 1 to 3 years	16,484	7,434	0	9,050
From 3 to 5 years	10,937	4,487	0	6,450
More than 5 years	92,730	29,889	0	62,841
Total	**127,144**	**44,476**	**4,327**	**78,341**

NOTE 19 – DEFERRED TAXES

Deferred taxes correspond to the taxes that the Company will have to pay (liabilities) or that it may recover (assets) in future years, related to temporary differences between the tax base and carrying value of certain assets and liabilities.

Our subsidiary Gasoducto Nor Andino Argentina S.A. takes the following into account:

The Tax Reform Law 27,430, amended by Law 27,478 and Law 27,541, stipulates the following regarding the tax adjustment for inflation, effective for the fiscal years starting January 1, 2018:

(a) The adjustment will apply in the fiscal year in which the CPI varies by more than 100% in the thirty-six months prior to the close of the fiscal year being taxed;

(b) This procedure will apply to the first, second and third fiscal years after it takes effect provided the CPI variation, calculated since the start through the close of each of those fiscal years, exceeds 55% for the first year, 30% for the second year and 15% for the third year the adjustment is applicable; and

(c) One-sixth of the tax inflation adjustment, whether positive or negative, for the first and second fiscal years as from January 1, 2019, to be calculated should the assumptions in letters (a) and (b) above hold true, must be allocated in that fiscal year and the remaining five-sixths in equal portions in the next succeeding fiscal years.

The Company determines the impact of the income tax using the deferred income tax method, which consists of recognizing the tax effect of temporary differences between the book value and tax value of assets and liabilities as a credit or debt, at the rate of 30% or 25%, which is then allocated to income in the fiscal years in which they are reversed, also considering the possibility of applying the tax breaks in the future.

The temporary differences result in deferred income tax assets or liabilities provided the future reversal will decrease or increase the taxes calculated. When cumulative tax breaks may reduce future taxable profits or when income tax deferred due to temporary differences becomes an asset, they are recognized in the accounting as credits provided the Company's Management believes they can be used.

The Tax Reform passed December 27, 2017, amended by Law 27,541, introduced a reduction in the tax aliquot of income tax that will be implemented gradually, as follows:

Fiscal year starting	Aliquot	
	Minimum	Maximum
January 1, 2020	25%	30%
1° de enero de 2021	25%	35%

The impact of the gradual change in the income tax aliquot mentioned above was considered in the measurement of deferred tax assets and liabilities originating in temporary differences that are estimated to be reversed in the periods in which the new aliquots are in effect.

19.1 Deferred tax assets at closing

Deferred Tax Assets	12/31/2021 kUSD	12/31/2020 kUSD
relating to provisions	12,617	13,944
relating to the fair value of property, plant and equipment (not at cost)	82,703	103,134
relating to pre-operating income	4,356	4,580
relating to tax losses	128,391	24,187
relating to intangibles	527	568
relating to deferred income	4,031	7,016
relating to other items	3,086	1,357
Deferred Tax Assets	**235,711**	**154,786**

The recovery of deferred tax assets depends on whether there will be enough taxable income in the future. According to the Company´s management, future income as forecasted should suffice for the recovery of these assets.

19.2 Deferred tax liabilities at closing

Deferred tax liabilities	12/31/2021 kUSD	12/31/2020 kUSD
relating to depreciation	213,830	138,558
relating to post-employment benefit obligations	1,154	1,154
relating to intangibles	56,142	61,515
relating to compoundable interest	48,287	38,245
relating to cost differentials for property, plant and equipment of subsidiaries	87,398	78,197
for the historic cost differential of property, plant and equipment of Gasoducto Nor Andino Argentina S.A.	8,706	10,983
relating to other items	18,303	7,269
Deferred Tax Liabilities	**433,820**	**335,921**

Deferred taxes are shown in the balance sheet as explained below:

	12/31/2021 kUSD	12/31/2020 kUSD
Non-current deferred tax assets	20,265	21,547
Non-current deferred tax liabilities	218,374	202,682
Net	**198,109**	**181,135**

The Company is potentially subject to income tax audits by the tax authorities of each country. Those audits are limited to a number of tax years, which are generally not open to audit after the statute of limitations has expired. Tax audits are, by nature, often complex and may take several years. The tax periods potentially subject to audit are summarized below:

Country	Period
Chile	2016-2021
Argentina	2017-2021

19.3 Reconciliation of Effective Rates

The reconciliation of tax expense was as follows as of December 31, 2021 and 2020:

19.3.1 Consolidated

Item	2021		2020	
	Tax 27%	Effective Rate	Tax 27%	Effective Rate
	kUSD	%	kUSD	%
Theoretical tax on financial income	**18,588**	**27.00**	**54,247**	**27.00**
Present value of permanent differences for subsidiaries	(1,456)	(2.14)	(1,179)	(0.94)
Other permanent differences	(3,709)	(5.16)	(12,877)	(6.33)
Total Permanent Differences	**(5,165)**	**(7.30)**	**(14,056)**	**(7.27)**
Income Tax Expense	**13,423**	**19.70**	**40,191**	**19.73**

19.3.2 Domestic Entities

Item	2021		2020	
	Tax 27%	Effective Rate	Tax 27%	Effective Rate
	kUSD	%	kUSD	%
Theoretical tax on financial income	**21,017**	**27.00**	**57,563**	**27.00**
Present value of permanent differences for subsidiaries	(1,456)	(1.87)	(1,179)	(0.54)
Other permanent differences	(4,635)	(5.95)	(13,840)	(6.50)
Total Permanent Differences	**(6,091)**	**(7.82)**	**(15,019)**	**(7.04)**
Income Tax Expense	**14,926**	**19.18**	**42,544**	**19.96**

19.3.3 Foreign Entities

Item	2021		2020	
	Tax 25%	Effective Rate	Tax 35%	Effective Rate
	kUSD	%	kUSD	%
Theoretical tax on financial income, Gasoducto Nor Andino Argentina S.A.	**(2,429)**	**25.00**	**(3,316)**	**35.00**
Other permanent differences	926	(9.53)	963	(10.17)
Total Permanent Differences	**926**	**(9.53)**	**963**	**(10.17)**
Income Tax Expense	**(1,503)**	**15.47**	**(2,353)**	**24.83**

19.3.4 Effects of income tax and deferred taxes on income

The debit for income tax against income was as follows:

Item	2021 kUSD	2020 kUSD
Current tax expense (tax provision)	13,765	32,345
Article 21 Special Tax	22	52
Tax expense adjustment (previous fiscal year)	(15,646)	667
Impact of deferred tax assets and liabilities in the fiscal year	121,177	20,177
Tax benefit for tax losses	(104,204)	(11,077)
Tax differentials for other jurisdictions	(194)	(758)
Income tax on investments in equity instruments in other comprehensive income	(1,497)	(1,215)
Total	**13,423**	**40,191**

19.3.5 Income tax related to other comprehensive income

Item	2021 kUSD	2020 kUSD
Income tax on investments in equity instruments in other comprehensive income	1,497	1,215
Total	**1,497**	**1,215**

19.4 Taxable Income of Domestic Subsidiaries at the end of the period

Taxable income was kUSD 40,200 as of December 31, 2021 and kUSD 130,837 as of December 31, 2020.

NOTE 20 – OTHER FINANCIAL LIABILITIES

As of December 31, 2021 and 2020, other financial liabilities were:

Other Financial Liabilities	12/31/2021		12/31/2020	
	Current	Non-Current	Current	Non-Current
	kUSD	kUSD	kUSD	kUSD
Interest-bearing loans	64,334	958,043	64,280	830,998
Hedge derivatives (see note 21)	5,543	0	0	0
Other Financial Liabilities(*)	29,868	0	0	0
Total	**99,745**	**958,043**	**64,280**	**830,998**

(*) The Company's financial liabilities are described in detail in Notes 20.1 and 20.2. kUSD 29,868 were recorded in other financial liabilities as of December 31, 2021 to account for the duplicate payment of an invoice by a customer on the last business day of the year. Until that money is reimbursed to the customer, which took place on the first business day of 2022, it was recorded in other financial liabilities in the Company's balance sheet.

Interest-bearing loans

Types of interest-bearing loans	12/31/2021 Current kUSD	12/31/2021 Non-Current kUSD	12/31/2020 Current kUSD	12/31/2020 Non-Current kUSD
Bank loans	50,550	124,054	50,496	0
Bonds	13,874	833,989	13,784	830,998
Total	**64,424**	**958,043**	**64,280**	**830,998**

20.1 Interest-Bearing Loans

20.1.1 Interest-Bearing Loans, Current

Borrower Tax I.D.	Borrower Name	Borrower Country	Lender Tax I.D.	Lender Name	Lender Country	Currency	Type of Amortization	Effective Rate %	Nominal Rate %	Out to 90 days 12/31/2021 kUSD	Out to 90 days 12/31/2020 kUSD	90 days to 1 year 12/31/2021 kUSD	90 days to 1 year 12/31/2020 kUSD	Total 12/31/2021 kUSD	Total 12/31/2020 kUSD
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	Banco Estado (1)	Chile	USD	Bullet	1.580	1.580	0	0	0	50,496	0	50,496
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	Scotiabank (2)	Chile	USD	Bullet	0.880	0,880	0	0	50,304	0	50,304	0
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	IDB Invest (3)	USA	USD	Amortizable	2.158	2.158	0	0	150	0	150	0
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	IDB Invest (3)	USA	USD	Amortizable	2.158	2.158	0	0	74	0	74	0
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	IDB Invest (3)	USA	USD	Bullet	1.000	1.000	0	0	22	0	22	0
Total Interest-Bearing Loans, Current										**0**	**0**	**50,550**	**50,496**	**50,550**	**50,496**

(1) The short-term loan for USD 50 million with Banco Estado was prepaid on April 26, 2021.

(2) The short-term loan for USD 50 million with Scotiabank is accruing interest at a fixed rate and expires April 26, 2022. It has been documented by a simple promissory note recording the obligation to make payment on the agreed date. There are no financial or operating restrictions and the Company can prepay it without being charged any prepayment fee.

(3) On August 27, 2021, the Company drew down the entire US$125 million loan from IDB Invest granted December 23, 2020. The facility is comprised of an IDB Invest senior loan for US$74 million, US$36 million from the China Fund for co-financing in Latin America and the Carribbean and US$15 million of mixed funding from the Clean Technology Fund. The first two tranches, for a total of US$110 million, are at a variable rate and are payable in 16 installments of different amounts starting June 15, 2025 and ending December 15, 2032. The US$15 million CTF loan is accruing interest at a fixed rate of 1% annually and is payable in one single installment on December 15, 2032. The purpose of the loans is to finance the construction, operation and maintenance of the Calama wind farm. The facility uses an innovative financial instrument that encourages the acceleration of decarbonization by monetizing the real reduction in carbon dioxide (CO2) emissions through the early closing of coal-fired power plants whose generation will be substituted by the Calama wind farm. If there is no carbon credit market, the loan structure will set a minimum price for emissions that will be used to lower the cost of the CTF loan.

20.1.2 Interest-Bearing Loans, Non-Current

Borrower			Lender							1 to 3 years		3 to 5 years		3 to 5 years		Total at	
Tax I.D.	Name	Country	Tax I.D.	Name	Country	Currency	Type of Amortization	Effective Rate %	Nominal Rate %	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020
										kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	IDB Invest (1)	USA	USD	Amortizable	2.158	2.158	0	0	5,022	0	68,417	0	73,439	0
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	IDB Invest (1)	USA	USD	Amortizable	2.158	2.158	0	0	2,443	0	33,285	0	35,728	0
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	IDB Invest (1)	USA	USD	Bullet	1.000	1.000	0	0	0	0	14,887	0	14,887	0
Total Interest-Bearing Loans, Non-Current										**0**	**0**	**7,465**	**0**	**116,589**	**0**	**124,054**	**0**

(1) On August 27, 2021, the Company drew down the entire US$125 million loan from IDB Invest granted December 23, 2020. The facility is comprised of an IDB Invest senior loan for US$74 million, US$36 million from the China Fund for co-financing in Latin America and the Carribbean and US$15 million of mixed funding from the Clean Technology Fund. The first two tranches, for a total of US$110 million, are at a variable rate and are payable in 16 installments of different amounts starting June 15, 2025 and ending December 15, 2032. The US$15 million CTF loan is accruing interest at a fixed rate of 1% annually and is payable in one single installment on December 15, 2032. The purpose of the loans is to finance the construction, operation and maintenance of the Calama wind farm. The facility uses an innovative financial instrument that encourages the acceleration of decarbonization by monetizing the real reduction in carbon dioxide (CO2) emissions through the early closing of coal-fired power plants whose generation will be substituted by the Calama wind farm. If there is no carbon credit market, the loan structure will set a minimum price for emissions that will be used to lower the cost of the CTF loan.

20.2 Bonds

20.2.1 Bonds, current

Borrower			Lender							Out to 90 days		90 days to 1 year		Total 12/31/2021	Total 12/31/2020
Tax I.D.	Name	Country	Tax I.D.	Name	Country	Currency	Type of Amortization	Effective Rate %	Nominal Rate %	12/31/2021	12/31/2020	12/31/2021	12/31/2020		
										kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	The Bank of New York Mellon	USA	USD	Bullet	5.228	4.500	6,606	6,606	0	0	6,606	6,606
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	The Bank of New York Mellon	USA	USD	Bullet	3.669	3.400	7,178	7,178	0	0	7,178	7,178
Total for Bonds										**13,784**	**13,784**	**0**	**0**	**13,784**	**13,784**

20.2.2 Bonds, non-current

Borrower			Lender								1 to 3 years		3 to 5 years		3 to 5 years		Total at	
Tax I.D.	Name	Country	Tax I.D.	Name	Country	Currency	Type of Amortization	Effective Rate %	Nominal Rate %	Face Valuel	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020
											kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	The Bank of New York Mellon (1)	USA	USD	Bullet	5.228	4.500	405,125	0	0	343,316	341,372	0	0	343,316	341,372
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	The Bank of New York Mellon (2)	USA	USD	Bullet	3.669	3.400	644,500	0	0	0	0	490,673	489,626	490,673	489,626
"Total for Bonds "											**0**	**0**	**343,316**	**341,372**	**490,673**	**489,626**	**833,989**	**830,998**

(1) On October 29, 2014, EECL made a bond issue on the international market for a total of US$350,000,000 under Rule 144-A and Regulation S, of the U.S. Securities Act of 1933. It was listed in the Official List of the Luxembourg Stock Exchange to be traded on the Euro MTF Market of the Luxembourg Stock Exchange. The bonds have a term of 10 years and the coupon interest rate is 4.500%. Interest is payable semi-annually starting January 29, 2015, and the principal is repayable in one single installment on January 29, 2025.

(2) On January 23, 2020, EECL made a bond issue on the international market for a total of US$500,000,000. A significant part of the funds from the new issue was allocated to payment of the offer made under the voluntary early redemption of bonds for US$400,000,000 originally expiring in January 2020 ("Any and All Tender Offer"). The Company then made use of the prepayment option contained in the documentation on the bond expiring in January 2021 to be able to retire the bond and pay the balance outstanding to bondholders who did not participate in the voluntary redemption program. In February 2020, the Company was able to pay the US$400M bond in full that was to expire in January 2021. The remainder of the new issue was allocated to debt payment, transaction costs and other general purposes of the company. Premiums paid on the early redemption totaled US$13,618,079.36 that was debited entirely against 2020 fiscal year income. The new US$500M bond is for 10 years at a coupon interest rate of 3.400% annually. Interest will be paid semi-annually starting July 28, 2020, and principal will be amortized in one single installment on January 28, 2030.

20.2.3 Bonds, face value

2021

Borrower			Lender								0 to 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
Tax I.D.	Name	Country	Tax I.D.	Name	Country	Currency	Type of Amortization	Effective Rate	Nominal Rate	Face Value	12/31/2021	12/31/2021	12/31/2021	12/31/2021	
											kUSD	kUSD	kUSD	kUSD	kUSD
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	The Bank of New York Mellon	USA	USD	Bullet	5.228	4.500	405,125	15,750	31,500	357,875	0	405,125
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	The Bank of New York Mellon	USA	USD	Bullet	3.669	3.400	644,500	17,000	34,000	34,000	559,500	644,500
Total										**1,049,625**	**32,750**	**65,500**	**391,875**	**559,500**	**1,049,625**

2020

Borrower			Lender								0 to 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
Tax I.D.	Name	Country	Tax I.D.	Name	Country	Currency	Type of Amortization	Effective Rate	Nominal Rate	Face Value	12/31/2021	12/31/2021	12/31/2021	12/31/2021	
											kUSD	kUSD	kUSD	kUSD	kUSD
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	The Bank of New York Mellon	USA	USD	Bullet	6.098	5.625	420,875	15,750	31,500	373,625	0	420,875
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	The Bank of New York Mellon	USA	USD	Bullet	5.228	4.500	661,500	17,000	34,000	34,000	576,500	661,500
Total										**1,082,375**	**32,750**	**65,500**	**407,625**	**576,500**	**1,082,375**

NOTE 21 – DERIVATIVES AND HEDGE TRANSACTIONS

The assets and liabilities in financial derivatives classifying as hedge transactions were recognized in the statement of financial position as of December 31, 2021 and 2020, as shown below:

Exchange Rate Hedge	12/31/2021				12/31/2020			
	Asset		Liability		Asset		Liability	
	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current
	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
Cash flow hedges	0	0	5,543	0	0	0	0	0
Total	**0**	**0**	**5,543**	**0**	**0**	**0**	**0**	**0**

The financial hedge derivatives and underlying asset or liability are shown below:

Hedge Instrument	Description of Hedge Instrument	Description of Hedged Instruments	Fair Value of Hedged Instruments		Nature of the Risks Hedged
			12/31/2021 kUSD	12/31/2020 kUSD	
Forward	Exchange rate	Local currency debt	102,000	0	Cash flow

At the close of the fiscal years ending December 31, 2021 and 2020, the Company had not recognized any gains or losses due to the ineffectiveness of cash flow hedges.

Derivative contracts have been made to hedge against interest-rate risk exposure. The effects of forwards are shown in income when the Company does not meet the formal documentation requirements needed to qualify those instruments as hedge instruments.

Forwards that qualify as cash-flow hedges are to reduce the variability of the cash flows in a currency other than the functional currency (USD) and under fuel purchase and sale contracts.

The financial instruments recorded at fair value in the statement of financial position are classified at their fair value, according to the levels indicated in Note 3.7.1.

Financial Instruments	12/31/2021 Carrying Value kUSD	12/31/2021 Fair Value kUSD	12/31/2020 Carrying Value kUSD	12/31/2020 Fair Value kUSD
Cash and cash equivalents				
Cash on hand	34	34	47	47
Bank balances	65,979	65,979	40,993	40,993
Short-term deposits classified as cash equivalents	149,676	149,676	194,210	194,210
Financial Assets				
Trade receivables and other accounts receivable, current and non-current	250,613	250,613	247,130	247,130
Intercompany receivables	6,429	6,429	812	812
Financial liabilities				
Other financial liabilities	1,057,788	879,750	895,278	929,998
Trade payables and other accounts payable	262,763	262,763	207,141	207,141
Intercompany payables, current and non-current	61,485	61,485	64,680	64,680

Financial Instruments Measured at Fair Value	12/31/2021 kUSD	LEVEL 1 kUSD	LEVEL 2 kUSD	LEVEL 3 kUSD
Financial Assets				
Financial assets at fair value through profit or loss	0	0	0	0
Total	**0**	**0**	**0**	**0**
Financial Liabilities				
Financial derivatives used as a cash-flow hedge	5,543	0	5,543	0
Total	**5,543**	**0**	**5,543**	**0**

Financial Instruments Measured at Fair Value	12/31/2020 kUSD	LEVEL 1 kUSD	LEVEL 2 kUSD	LEVEL 3 kUSD
Financial Assets				
Financial assets at fair value through profit or loss	0	0	0	0
Total	**0**	**0**	**0**	**0**
Financial Liabilities				
Financial derivatives used as a cash-flow hedge	0	0	0	0
Total	**0**	**0**	**0**	**0**

Hedge Effectiveness – Prospective

Hedge effectiveness should be measured prospectively, simulating different scenarios in the USD-Libor interest-rate curve using the “hypothetical derivative” method, which consists of structuring a derivative in such a manner that it is 100% effective in hedging the syndicated loan. The changes in the fair value of the hypothetical derivative will be compared to the changes in the fair value of the “real derivative,” which is the derivative obtained by the Company on the market to make the hedge. The quotient of the change in both fair values attributable to the hedged risk must range between 80%-125% throughout the life of the hedge in order to meet the standard specified in IFRS 9. This test is performed at each accounting closing, simulating different scenarios in the USD-Libor interest-rate curve, which are described below:

Scenario 1: -50 bps

Scenario 2: -25 bps

Scenario 3: -15 bps

Scenario 4: +15 bps

Scenario 5: +25 bps

Scenario 6: +50 bps

The results support the fact that the expected effectiveness of the hedge is high in the case of changes in cash flows attributable to the hedged risk (USD Libor), satisfactorily achieving the set-off.

Hedge Effectiveness – Retrospective

The effectiveness of the hedge should be measured retrospectively, using the hypothetical derivative method. This effectiveness must be measured by evaluating changes in the fair value of the hypothetical derivative and of the real derivative using the real changes that occurred on the market for the inputs used in the appraisal.

Hedge Ineffectiveness

The ineffectiveness of a hedge is the difference between the fair value of the real derivative and that of the hypothetical derivative, which must be recognized as a gain or loss in the statement of income for the period of measurement.

NOTE 22 – LEASE LIABILITIES

Lease liabilities were as follows as of December 31, 2021 and 2020:

Lease Liabilities	12/31/2021		12/31/2020	
	Current	Non-Current	Current	Non-Current
	kUSD	kUSD	kUSD	kUSD
IFRS 16 Leases	6,305	140,951	4,327	78,341
Total	**6,305**	**140,951**	**4,327**	**78,341**

22.1 Lease Liabilities, current

Lessee			Lessor					Out to 90 days		90 days to 1 year		Total	
Tax I.D.	Name	Country	Name	Currency	Type of Amortization	Effective Rate %	Nominal Rate %	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020
								kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of National Defense	Monthly Tax Units	Semi-annual	4.455	4.455	53	64	23	26	76	90
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	3.810	3.810	126	153	175	202	301	355
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	3.810	3.810	90	110	125	144	215	254
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	3.810	3.810	157	192	219	252	376	444
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	CLP	Monthly	3.395	3.395	0	134	0	409	0	543
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	3.810	3.810	30	37	62	71	92	108
88.006.900-4	Engie Energia Chile S.A.	Chile	Deka Inmobiliaria Chile One SpA	UF	Monthly	2.430	2.430	176	206	499	583	675	789
88.006.900-4	Engie Energia Chile S.A.	Chile	Los Andes Rent a Car Ltda.	UF	Monthly	2.990	2.990	0	3	0	0	0	3
88.006.900-4	Engie Energia Chile S.A.	Chile	Sencorp Rentas Inmobiliarias SpA	UF	Monthly	2.450	2.450	94	110	266	311	360	421
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	2.940	2.940	244	284	299	328	543	612
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	3.560	3.560	23	28	28	32	51	60
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	2.670	2.670	6	7	38	45	44	52
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	2.870	2.870	29	0	59	0	88	0
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	2.640	2.640	28	0	82	0	110	0
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	2.590	2.590	7	0	21	0	28	0
88.006.900-4	Engie Energia Chile S.A.	Chile	Arrendadores de Vehiculos S.A.	UF	Monthly	0.800	0.800	128	0	383	0	511	0
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	3.010	3.010	472	0	373		845	
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	3.010	3.010	758	0	607		1,365	
76.019.239-2	Eolica Monte Redondo Spa	Chile	Monte Redondo S.A.	USD	Quarterly	4.006	4.006	84	84	164	158	248	242
76.019.239-2	Eolica Monte Redondo Spa	Chile	Arrendadores de Vehiculos S.A.	UF	Monthly	0.800	0.800	9	0	25	0	34	0
76.247.976-1	Soloar Los Loros SpA	Chile	Sociedad Agricola Rio Escondido Limitada	UF	Annual	4.371	4.371	3	4	37	43	40	47
76.708.710-1	Centra Termoelectrica Andina SpA	Chile	Ministry of Public Property	CLP	Monthly	2.960	2.960	10	12	30	34	40	46
76.708.710-1	Centra Termoelectrica Andina SpA	Chile	Ministry of National Defense	Monthly Tax Units	Semi-annual	2.500	2.500	123	140	109	121	232	261
78,974,730-K	Gsoducto Nor Andina SpA	Chile	Arrendadores de Vehículos S.A.	UF	Monthly	0.800	0.800	8	0	23	0	31	0
Total Lease Liabilities								**2,658**	**1,568**	**3,647**	**2,759**	**6,305**	**4,327**

22.1 Lease Liabilities, non-current

Lessee			Lessor					1 to 3 years		3 to 5 years		More than 5 years		Total at	
Tax I.D.	Name	Country	Name	Currency	Type of Amortization	Effective Rate %	Nominal Rate %	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	31/12/2021	31/12/2020
								kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of National Defense	Monthly Tax Units	Semi-annual	4.455	4.455	149	170	110	126	1,111	1,395	1,370	1,691
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	3.810	3.810	566	651	414	477	6,852	8,443	7,832	9,571
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	3.810	3.810	404	465	295	340	4,891	6,026	5,590	6,831
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	3.810	3.810	708	815	518	597	8,573	10,564	9,799	11,976
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	3.810	3.810	200	230	146	169	4,438	5,394	4,784	5,793
88.006.900-4	Engie Energia Chile S.A.	Chile	Deka Inmobiliaria Chile One SpA	UF	Monthly	2.430	2.430	2,089	2,438	1,479	1,726	1,222	2,355	4,790	6,519
88.006.900-4	Engie Energia Chile S.A.	Chile	Sencorp Rentas Inmobiliarias SpA	UF	Monthly	2.450	2.450	1,122	1,301	824	951	682	1,313	2,628	3,565
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	2.940	2.940	943	1,044	676	748	18,340	21,277	19,959	23,069
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	3.560	3.560	90	103	65	76	786	980	941	1,159
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	2.670	2.670	122	142	86	101	1,098	1,365	1,306	1,608
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	2.870	2.870	187	0	133	0	2,094	0	2,414	0
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	2.640	2.640	259	0	185	0	2,026	0	2,470	0
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	2.590	2.590	68	0	49	0	491	0	608	0
88.006.900-4	Engie Energia Chile S.A.	Chile	Arrendadoras de Vehículos S.A.	UF	Monthly	0.800	0.800	1,032	0	0	0	0	0	1,032	0
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	3.010	3.010	1,189		854		24,261		26,304	
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	3.010	3.010	1,920		1,379		39,758		43,057	
76.019.239-2	Eolica Monte Redondo Spa	Chile	Monte Redondo S.A.	USD	Quarterly	4.006	4.006	704	677	518	498	1,660	1,924	2,882	3,099
76.019.239-2	Eolica Monte Redondo Spa	Chile	Arrendadores de Vehiculos S.A.	UF	Monthly	0.800	0.800	69	0	0	0	0	0	69	0
76.247.976-1	Soloar Los Loros SpA	Chile	Sociedad Agricola Rio Escondido Limitada	UF	Annual	4.371	4.371	122	141	91	104	666	850	879	1,095
76.708.710-1	Central Termoelectrica Andina SpA	Chile	Ministry of Public Property	CLP	Monthly	2.960	2.960	58	116	0	0	0	0	58	116
76.708.710-1	Central Termoelectrica Andina SpA	Chile	Ministry of National Defense	Monthly Tax Units	Semi-annual	2.500	2.500	680	757	482	537	594	955	1,756	2,249
78,974,730-K	Gsoducto Nor Andina SpA	Chile	Arrendadores de Vehículos S.A.	UF	Monthly	0.800	0.800	63	0	0	0	0	0	63	0
Total Lease Liabilities								**12,744**	**9,050**	**8,304**	**6,450**	**119,543**	**62,841**	**140,591**	**78,341**

NOTE 23 – RISK MANAGEMENT

Financial Risk Management Policy

EECL is exposed in the ordinary course of business to several risk factors that may impact its performance and financial condition, which are monitored closely from time to time by the company's Finance and Risk and Insurance Areas.

ENGIE Energía Chile has procedures for Risk Management where the method of risk assessment and analysis is described, including the building of the risk matrix. The risk matrix is updated and reviewed every six months and the progress in action plans is constantly monitored as part of Enterprise Risk Management (ERM).

Risk management is presented to the Company's board each year. The Company's financial risk strategy aims to protect ENGIE Energía Chile's stability and sustainability in relation to all components of financial uncertainty or material risk events.

The market risk management policy of the Company and its subsidiaries can be summarized as follows.

Risk Factors

23.1 Market Risk

Market risk is the risk that the fair value of future cash flows from a financial instrument may fluctuate due to changes in market prices. It is composed of four types of risk: interest rate risk, exchange rate risk, commodity risk, and other risks.

The financial instruments exposed to market risk are mainly bank debt, bank loans, financial leasing transactions, time deposits, and financial derivatives.

23.1.1 Exchange Rate Risk

Exchange rate risk is the risk that the value of an asset or liability (including the fair value of future cash flows of a financial instrument) fluctuate due to variations in exchange rates.

Since most of our income, costs and financial debt are denominated in dollars, our exposure to the risk of fluctuations and exchange rates is limited. The Company's income is mostly denominated in, or indexed to, dollars. The rate for regulated contracts with distribution utilities is set in dollars and converted to pesos using the average monthly observed dollar exchange rate, so the exposure of these contracts to the exchange rate is limited in terms of the impact on the company's results. However, there is an impact on the company's cash flow because of the backlog in publishing the decrees on the Average Node Price. This means that monthly invoicing is at exchange rates different from the monthly exchange rates stipulated in each contract. Although these temporary differences are re-settled once the Average Node Price decrees are published, effective hedging by derivatives is not possible given the uncertainty of the time of re-settlement. This backlog in collecting the differences between the exchange rates invoiced and the exchange rates applicable by law to the accounts receivable from distribution companies has risen significantly after approval of the Electricity Rate Stabilization Law in November 2019. The technical rules on implementation in that law were disclosed in March 2020 in Exempt Resolution 72 of the National Energy Commission. They caused an increase in the accounts receivable from distribution companies and the rate of increase and subsequent payment will largely depend on the trend in exchange rates, among other variables. To confront this risk and mitigate its impacts on cash flow, in early 2021, the Company signed agreements with Goldman Sachs and IDB Invest to sell these receivables, without recourse to the Company, to a special-purpose company called Chile Electricity PEC SpA. On January 29, 2021, Chile Electricity PEC SpA placed Rule 144A/Regulation S bonds worth US$489 million on the international market. Part of the funds were allocated to purchasing the accounts receivable under the January 2020 Average Node Price Decree, and the remainder to buy the receivables under the July 2020 Average Node Price Decree. On June 30, 2021, EECL formalized the sale to Chile Electricity PEC SpA of the receivables corresponding to the January 2021 Average Node Price Decree. Chile Electricity PEC SpA received funding from a Form 4a2 private placement in which Allianz, IDB Invest and Goldman Sachs participated. The sales were in dollars, at a discount and without recourse to the selling generation companies, so EECL and EMR will reduce their exchange rate exposure and credit risk associated with these receivables and improve their liquidity at the cost of a discount that had an impact on the 2021 financial statements and is expected to have an impact on the 2022 financial statements as the corresponding Average Node Price Decrees are published. This financial cost totaled US$49.6 million in 2021.

Since most of the company's income is denominated in, or linked to, the dollar, but some operating costs are in Chilean pesos, the Company has decided to partially hedge the peso payment flows for recurrent items that have known payment dates, such as wages and salaries and some service contracts, through forwards and zero-cost collars. As of December 31, 2021, the Company held forward dollar sales contracts with banks for a total notional amount of US$102 million, expiring monthly from January to December 2022. The purpose was to reduce the effects of the dollar/peso exchange rate fluctuation on the company's cash flows and financial results. In addition, in the past, the Company and its subsidiary CTA signed cash flow hedge derivative agreements for the payments under the EPC agreements for project construction, which are usually considered regular payment flows in currencies other than the Dollar (CLF and EUR), until the end of the respective periods of construction of the projects. The Company has thus avoided variations in the costs of investments in property, plant and equipment as a result of fluctuations in exchange rates beyond its control. There are currently no derivatives contracts associated with the cash flows of investment projects.

In the aim of reducing exposure to exchange rate volatility, the Cash Surplus Investment Policy of the Company stipulates that at least 80% of the cash surpluses must be invested in U.S. dollars unless a different percentage is required to keep assets and liabilities naturally matched by currency. This policy provides a natural hedge of commitments or debt in currencies other than the dollar. As of December 31, 2021, 98.1% of the current accounts and short-term investments used in cash management were denominated in U.S. dollars. The Company's exposure to other foreign currencies is immaterial.

23.1.2 Interest-rate risk

Interest-rate risk is the risk that arises from changes in the fair value of the cash flows from the financial instruments in the general balance sheet due to changes in market interest rates. Exposure to interest-rate risk arises mainly from long-term debt at floating interest rates. The Company and its subsidiaries manage interest rate risk through fixed interest rates or interest-rate swaps (IRS) in which the Company agrees to swap from time to time the difference between a fixed rate and a variable rate calculated on an agreed notional amount. As of December 31, 2021, 89% of the consolidated financial debt of EECL was at a fixed rate and 11%, or US$110 million, was at a variable rate. These proportions do not include the financial leasing debt accounted for according to IFRS 16.

	12/31/2021 kUSD	12/31/2020 kUSD
Fixed interest rate	89.27%	100.00%
Variable interest rate	10.73%	0.00%
Total	**100.00%**	**100.00%**

23.2 Share Price Risk

Neither EECL nor its subsidiaries held investments in equity instruments as of December 31, 2021 and 2020.

23.3 Fuel Price Risk

ENGIE Energía Chile is exposed to the volatility of certain commodities since its generation activities require a continuous supply of fossil fuels, mainly coal, diesel oil and liquefied natural gas. The international prices of those fuels fluctuate according to market factors beyond the Company's control. Coal is purchased mostly under annual contracts in which prices are linked to traditional indexes for the international coal market, such as API 2, API 10 and Newcastle. Diesel oil and certain purchases of liquefied natural gas are bought at prices based on international oil prices (WTI or Brent). The Company has made long-term liquefied natural gas purchase agreements in which the prices are linked to the Henry Hub index.

Fuel prices are a key factor in the dispatching of the company's thermal power plants, in its average generation costs, and in its marginal costs on the grid where it operates. Historically, the Company's policy has been to include price indexing in its power purchase agreements based on fluctuations in the prices of fuels material to calculating its variable operating costs. The Company endeavors to align its power production and supply costs with revenue under its power purchase agreements. However, under its energy transformation plan, the Company has decided to give preference to indexing rates to the change in consumer price indexes, especially as from 2021, which might temporarily increase its exposure to commodity price risk until it has a sufficient renewable energy base to back the inflation-indexed power purchase agreements. In the past, the Company has contracted derivatives to hedge the exposure of its income and cash flows to fuel price volatility. It is currently implementing a hedge strategy for 2022. This risk did materialize in 2021 because the year was extremely dry in Chile, which caused a decrease in hydraulic power generation. Simultaneously, there were difficulties in receiving a supply of coal and natural gas because of the rise in demand combined with restrictions around the world on the production of those fuels. This translated into price rises never before seen. Accordingly, the mean costs of self-generation and marginal costs of the system reached levels quite higher than in previous years, seen in the reduction in the operating margins of the electricity business.

23.4 Credit risk

Our income is dependent upon certain important customers

We are exposed to credit risk in the ordinary course of our business and when investing our cash balances. In the power generation business, our main customers are large mining companies of renowned solvency who generally present a low level of risk. However, those companies are subject to the variation in the world prices of copper and other raw materials and to a decrease or depletion in mineral resources or other operating, climate or labor issues. Even though our customers have proven to be strong in confronting adverse cycles, our Company conducts regular reviews of commercial risks.

We also have regulated customers who supply residential and commercial customers whose credit risk is low. A lower growth in energy demand by end users could adversely impact our financial condition, operating income and cash flows. The Electricity Rate Stabilization Law enacted in November 2019 is not expected to materially affect our income as shown in the statement of income, but it is predicted to impact our cash flow, with the consequent financial cost associated with a temporary rise in working capital. To confront this risk and mitigate the impact on cash flows, in early 2021 the company signed agreements with Goldman Sachs and IDB Invest to sell these receivables, on a non-recourse basis, to Chile Electricity PEC SpA, a special-purpose company. On February 8, March 31 and December 31, 2021, the Company sold accounts receivables under the January 2020, July 2020 and January 2021 Average Node Price Decrees for a nominal price of US$167.3 million. It received net resources of US$118.6 million and reported a financial cost of US$49.6 million. In 2020, the demand for electricity by price-regulated customers fell 4.24% in Chile because of the coronavirus pandemic, as compared to 2019. Due to the decline in economic activity because of the preventive measures adopted to flatten the contagion curve in the nation, such as mandatory quarantines in certain communities where the number of cases is higher, the payment of basic utilities, like electricity, has been postponed in the sectors most affected. Although the demand for electricity recovered among regulated customers in 2021, the extension of the basic utilities law meant that collections from certain small-sized regulated customers were even slower, with the consequent rise in the company's need for working capital loans.

In recent years, the electricity industry has evolved toward a greater atomization of its customer base due to the right of consumers with a demand of 500 kV to 500 MW to contract their power supply directly with generating companies instead of through power distribution companies. As a result of this elimination of intermediaries, the Company has signed PPAs with smaller commercial and industrial customers who could entail a greater credit risk. To mitigate this risk, the Company has implemented a commercial counterparty risk policy that requires, among other things, a review of the credit risk prior to signature of power purchase agreements. At this time, PPAs with small and mid-sized commercial and industrial customers represent a small percentage of our contract portfolio. In the context of the Covid-19 pandemic, the Company has ordered its commercial areas to stay in direct contact with our customers in order to track the situation and adopt timely measures to support our customers and to mitigate the impacts of the pandemic on the Company's performance.

Our investment policy stipulates investing our cash resources in the short term with investment-grade institutions. We also consider the financial risk of our counterparties when contracting exchange rate or interest rate derivative hedges and we set maximum limits for investments with each counterparty in order to manage and diversify our credit risk.

23.5 Trade receivables

Credit risk is managed by each business unit and it is subject to the policy, procedures and controls established by the Company. The Company sets credit limits for all customers in line with internal policies that require assigning risk ratings to each customer. The credit limits, risk ratings and the internal policies are reviewed from time to time. Trade receivables are monitored regularly for performance on the basis of different risks to which they are exposed. Impairment of all relevant customers is analyzed at each reporting date on an individual basis, and provisions are made according to IFRS 9 to which a default probability is assigned to each receivable and a percentage loss in the event of non-payment. The maximum exposure to credit risk as of the reporting date is the current value of trade receivables. The Company has determined that trade receivables risk concentration is acceptable as customers are mostly highly solvent large mining companies, power companies and electricity distribution companies.

23.6 Financial assets and derivatives

The credit risk to which the Company is exposed in transactions with banks and financial institutions for checking accounts, time deposits, mutual funds and financial derivatives is managed by the Corporate Finance Division in accordance with the Company's policy. Investments can only be made with authorized counterparties within the credit limits assigned to each counterparty. The Company also has term and risk diversification limits per financial counterparty. Counterparty credit limits are set on the basis of the national or international risk rating and of liquidity and solvency indicators for each institution, which are reviewed from time to time by management. Limits are set in order to minimize the concentration of risk and thus mitigate losses in the event of default by counterparties.

23.7 Liquidity risk

Liquidity risk is related to the need for money to meet payment obligations when due. The Company´s objective is to maintain a balance between cash availability and financial flexibility through normal operating cash flows, loans, short-term investments and lines of credit. The company regularly evaluates the concentration of risk in relation to debt refinancing.

On April 26, 2021, the Company borrowed US$50 million from Scotiabank for one year. The money was used to repay the loan received from the New York Branch of Banco Estado on May 19, 2020. This loan is documented by a simple promissory note and does not impose any financial restrictions or positive or negative covenants. It can be prepaid at no cost to the Company. As of December 31, 2021, the Company's short-term debt included this loan, the interest accrued and the current portion of financial leases. Also as of December 31, 2020, the Company had no other significant maturities until 2025. Given its sound credit rating, the Company has access to financial markets and holds cash and short-term investments that enable it to easily face its short-term financial and trade commitments. The Company signed a loan agreement for US$125 million with IDB Invest on December 23, 2020, to fund renewable energy projects to replace coal-fired generation that will be phased out as the power plant closing schedule was brought forward. The Company drew down the entire facility on August 27, 2021. As a result, the Company's liquidity risk is currently considered to be low.

23.8 Insurance

We carry insurance for our properties, operations, third parties, directors and executives, personnel and businesses.

We carry an Operational All-Risk policy for EECL and associates. This policy covers our physical assets, such as plants, offices and substations, as well as business interruption. The policy includes coverage for machinery damage, fire, explosions and risks of nature.

Our company and its subsidiaries also carry coverage for transportation under a cargo insurance policy with limits that vary by the type of merchandise carried; and global charterer liability insurance that provides protection and indemnities for ship risks and damage. We also carry a general civil liability insurance policy that covers employer liability and supply outages, as well as motor vehicle accident insurance. Directors and executives are insured under the Director and Officer liability policy.

The Company has contracted other insurance programs, such as life insurance and vehicle, building, content, contractor equipment and contractor liability insurance policies.

The projects are insured against all risks of construction, including consequential damages caused by delays in start-up (DSU), civil liability, employer civil liability and freight.

23.9 Risk Rating

As of December 31, 2021, EECL was risk-rated as follows:

International Risk Rating	Solvency	Outlook
Standard and Poor's	BBB	Stable
Fitch Ratings	BBB+	Stable

National Risk Rating	Solvency	Outlook	Shares
Feller - Rate	AA-	Positive	1st Class, Level 2
Fitch Ratings	AA	Stable	1st Class, Level 2

Fitch Ratings ratified the long-term debt rating of Engie Energia Chile as BBB+ with a Stable outlook. In January 2021, Standard & Poor's ratified the BBB long-term debt rating of Engie Energia Chile, with a Stable outlook. Nationally, in June 2021 Fitch Ratings ratified the Company's solvency rating as AA, with a Stable outlook, while on December 29, 2021, Feller-Rate ratified the rating of -AA with a Stable outlook. Both agencies maintain the rating of Engie Energia Chile's shares as 1st Class, Level 2.

NOTE 24 – TRADE PAYABLES AND OTHER ACCOUNTS PAYABLE

Trade payables and other accounts payable are itemized below:

Trade Payables and Other Accounts Payable, Current	12/31/2021 kUSD	12/31/2020 kUSD
Invoices payable to foreign suppliers	3,584	26,029
Invoices payable to domestic suppliers	194,383	130,467
Invoices receivable for domestic and foreign purchases	64,796	50,645
Total	**262,763**	**207,141**

The carrying value of these obligations does not differ significantly from their fair value because they are paid on average at 30 days.

Type of supplier	Amounts by Expiration						12/31/2021 KUSD	Average Period of Payment (days)
	Out to 30 days kUSD	31-60 days kUSD	61-90 days kUSD	91-120 days kUSD	121-365 days kUSD	366 days and longer kUSD		
Products	60,823	0	0	0	0	0	60,823	30
Services	201,747	0	0	0	0	0	201,747	30
Dividends payable	0	0	0	0	0	0	0	
Total kUSD	**262,570**	**0**	**0**	**0**	**0**	**0**	**262,570**	

Type of supplier	Amounts by Days Past-Due: Out to 30 days kUSD	31-60 days kUSD	61-90 days kUSD	91-120 days kUSD	121-365 days kUSD	366 days and longer kUSD	12/31/2021 KUSD
Products	6	0	0	0	0	2	8
Services	139	28	1	7	8	2	185
Dividends payable	0	0	0	0	0	0	0
Total kUSD	**145**	**28**	**1**	**7**	**8**	**4**	**193**

Type of supplier	Amounts by Expiration: Out to 30 days kUSD	31-60 days kUSD	61-90 days kUSD	91-120 days kUSD	121-365 days kUSD	366 days and longer kUSD	12/31/2020 KUSD	Average Period of Payment (days)
Products	18,250	0	0	0	0	0	18,250	30
Services	188,650	0	0	0	0	0	188,650	30
Dividends payable	0	0	0	0	0	0	0	
Total kUSD	**206,900**	**0**	**0**	**0**	**0**	**0**	**206,900**	

Type of supplier	Amounts by Days Past-Due: Out to 30 days kUSD	31-60 days kUSD	61-90 days kUSD	91-120 days kUSD	121-365 days kUSD	366 days and longer kUSD	12/31/2020 KUSD
Products	10	0	1	1	0	0	12
Services	117	7	2	89	4	10	229
Dividends payable	0	0	0	0	0	0	0
Total kUSD	**127**	**7**	**3**	**90**	**4**	**10**	**241**

The amounts by days past-due may be for different situations, such as credit notes pending receipt, invoices not collected by suppliers, and invoices lacking support for payment.

NOTE 25 – CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Provisions for Employee Benefits, Current	12/31/2021 kUSD	12/31/2020 kUSD
Vacation provision	6,390	6,199
Annual bonus provision	3,975	8,096
Social security and health insurance deductions	779	793
Tax withholdings	348	392
Other compensation	261	44
Total	**11,753**	**15,524**

NOTE 26 – OTHER NON-FINANCIAL LIABILITIES

Other current non-financial liabilities were as follows:

Other Current Non-Financial Liabilities	12/31/2021 kUSD	12/31/2020 kUSD
Debitable VAT	4,177	11,392
Withholding taxes	645	637
Prepaid income	0	0
Prepaid income under GTA with Engie Gas Chile SpA (1)	264	265
Total	**5,086**	**12,294**

(1) As a result of the sale of Engie Gas Chile S.A., EECL S.A. received a prepayment for the gas transportation agreement (GTA).

The carrying value of these obligations does not differ significantly from their fair value since they are paid on average within 60 days.

Other non-current non-financial current liabilities are shown below:

Other Non-Current Non-Financial Liabilities	12/31/2021 kUSD	12/31/2020 kUSD
Income from guarantees	81	57
Total	**81**	**57**

NOTE 27 – OTHER NON-CURRENT PROVISIONS

Other Non-Current Provisions	12/31/2021 kUSD	12/31/2020 kUSD
Gasoducto Nor Andino S.A. tax contingency (1)		
Starting balance	490	769
Movement	(139)	(279)
Subtotal	**351**	**490**
(1) See Note 40.5.c)		
GTA		
Starting balance	463	728
Movement	(265)	-265
Subtotal	**198**	**463**
Dismantling Provision		
Starting balance	61,465	12,284
Movement (*)	(3,468)	49,181
Subtotal	**57,997**	**61,465**
Total	**58,546**	**62,418**

(*) The generating unit dismantling provisions have been adjusted.

NOTE 28 – NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

The balance of employee benefit obligations was as follows:

Non-Current Provisions for Employee Benefits	12/31/2021 kUSD	12/31/2020 kUSD
Severance indemnities	47	69
Total	**47**	**69**

Changes in the benefits obligations were:

Non-Current Provisions for Employee Benefits	12/31/2021 kUSD	12/31/2020 kUSD
Starting balance	69	62
Payments in the period	0	0
Actuarial severance indemnities (appraised at the closing rate)	(22)	7
Total	**47**	**69**

Expenses recognized in the Statement of Income

Non-Current Provisions for Employee Benefits	12/31/2021 kUSD	12/31/2020 kUSD	Line where recognized in the Statement of Income
The cost of interest on defined benefit obligations	12	12	Ordinary and administrative expenses
The cost of benefits under the defined plan	13	13	Ordinary and administrative expenses
Total	**25**	**25**	

Actuarial assumptions

Actuarial Assumptions Used	12/31/2021 kUSD	12/31/2020 kUSD
Nominal discount rate	1.63%	1.63%
Expected rate of salary increase	Change in CPI	Change in CPI
Turnover rate	1.36%	1.36%
Women's retirement age	60 years	60 years
Men's retirement age	65 years	65 years
Mortality table	RV-2009	RV-2009

NOTE 29 – EQUITY

The Company´s capital is represented by 1,053,309,776 issued, subscribed and paid-up shares in one single series of no par value, that are officially traded on Chilean stock exchanges.

The Company has not issued any shares or convertible instruments during the period, so the number of shares remained the same as of December 31, 2021.

Other Equity Reserves	12/31/2021 kUSD	12/31/2020 kUSD
Investment in subsidiaries, business combination (1)	327,043	327,043
Balance of investment to take over control of subsidiary (2)	23,912	23,912
Cash flow hedge net of taxes	(1,696)	(24,771)
Total	**349,259**	**326,184**

(1) Increase in the fair value of capital due to the acquisition of Electroandina S.A., Gasoducto Nor Andino SpA, Gasoducto Nor Andino Argentina S.A., Central Termoeléctrica Andina SpA. and Inversiones Hornitos SpA on December 29, 2009.

(2) The differential between absorbing the minority interest and the valuation of the investment of 40% under the agreement with AMSA dated March 31, 2020, reported as a material disclosure to the Financial Market Commission.

29.1 Dividend Policy

EECL's dividend policy is flexible. At least the minimum mandatory dividend of 30% is distributed pursuant to law and the bylaws. If the business situation allows, taking into consideration the company's projects and development plans, or final dividends may be paid in excess of the mandatory minimum. Subject to the pertinent approvals, the company endeavors to pay two dividends and a final dividend in May of each year.

In relation to Circulars 1945 and 1983 of the Financial Market Commission, the Company's Board of Directors decided that distributable net profits will be the Fiscal Year Profit attributable to shareholders shown in the financial statements, without any adjustment.

Distributable earnings totaled kUSD 47,374 as of December 31, 2021, and KUSD 163,531 as of December 31, 2020.

On April 27, 2021, the Shareholders Meeting approved the distribution of final dividends for kUSD 51,057 against the 2020 fiscal year profits.

At its meeting held July 27, 2021, the Company's Board of Directors approved the distribution of a dividend of kUSD 41,500 against 2021 fiscal year profits.

Dividends	12/31/2021 kUSD
Dividends in 2020	(51,057)
Dividends in 2021	(41,500)
Total Dividends	**(92,557)**

Dividends	12/31/2020 kUSD
2020 Interim Dividend	(66,602)
Total Dividends	**(66,602)**

29.2 Capital Management

The corporate objective is to maintain an appropriate equilibrium so that there is sufficient capital to support operations and provide prudent leverage while optimizing the return for shareholders and maintaining a sound financial position.

Capital calls are made on the basis of the Company's financing needs, taking care to maintain an adequate level of liquidity and comply with the financial covenants set down in outstanding loan agreements.

NOTE 30 – NON-CONTROLLING INTERESTS

On March 31, 2020, EECL and its subsidiary Inversiones Hornitos SpA signed the following contracts with their client Minera Centinela:

1. An amendment to the power purchase agreement dated September 7, 2009 between Inversiones Hornitos SpA and Minera Esperanza, now Minera Centinela and a subsidiary of Antofagasta Minerals S.A., for a capacity of 150 MW. The purpose was to apply a price discount for the years 2020 and 2021 and set the expiration date as December 31, 2021;

2. An amendment to the power purchase agreement dated December 20, 2012 between Inversiones Hornitos SpA and Minera El Tesoro, later absorbed by Minera Esperanza and now Minera Centinela, for a capacity of 36 MW. The purpose was to apply a price discount for the years 2020 and 2021 and set the expiration date as December 31, 2021;
3. A new power purchase agreement between EECL and Minera Centinela for an agreed capacity of 186 MW covering the period January 2022 to December 2033 at a price adjustable by the change in the CPI, differentiated for the periods 2022 to 2028 and 2029 to 2033; and
4. An amendment to the agreements on corporate governance and ownership of Inversiones Hornitos SpA, including (a) an agreement where Inversiones Hornitos SpA will not distribute new dividends until the debt it owes EECL is extinguished so that the cash generated by Inversiones Hornitos can be allocated to payment of that debt; and (b) the transfer of the remaining 40% of the shares in Inversiones Hornitos SpA to EECL (until now owned by Inversiones Punta de Rieles Limitada, a company related to Antofagasta Minerals S.A.) no later than December 2021. The global agreement means that EECL will gain full control of Inversiones Hornitos SpA and consequently eliminate the minority interest in that subsidiary.

Under the agreements signed in March 2020, both shareholders promised to make a capital contribution to Inversiones Hornitos for as much as US$60 million, to be allocated to payment of the debt owed by Inversiones Hornitos to EECL. This capital increase was to be paid by December 31, 2021. EECL would pay its share of the capital contribution by capitalizing debt totaling US$36 million, while Minera Centinela would pay its share by contributing cash for US$24 million. Both contributions were made on December 22, 2021 and allocated toward reducing the debt owed by Inversiones Hornitos to EECL. As a result, the debt owed to EECL totaled US$46.1 million as of December 31, 2021.

NOTE 31 – REVENUES

Revenues

Definition (See Note 3.13)

	2021 kUSD	2020 kUSD
Power sales	1,308,501	1,165,161
Gas sale and transportation	37,776	37,851
Fuel sales	418	646
Toll sales (1)	95,299	98,098
Lease of facilities	1,105	901
Port services (2)	9,389	8,974
Recovery of Mejillones Unit 7 Loss	5,316	0
Recovery of Mejillones CTA Unit Loss	2,075	0
Other sales - income	18,735	40,027
Total	**1,478,614**	**1,351,658**

(1) Income to which the owner of power lines and substations is entitled according to Article 114 of the General Electricity Law (Statutory Decree 4/Law 20,108).

(2) Services provided to the ship while it is docked at our pier during unloading, comprised of mooring/unmooring, wharfage, pier use and security, and a security fee. The latter two items are very linked to the ISPS Code.

Revenue from Main Customers

Main Customers	2021		2020	
	kUSD	%	kUSD	%
CODELCO Group	282,839	19.13%	276,130	20.43%
EMEL regulated customers	174,649	11.81%	153,420	11.35%
Regulated customers (Central-South Segment of National Grid)	449,087	30.37%	398,911	29.51%
AMSA Group (1)	222,527	15.05%	216,040	15.98%
El Abra	70,594	4.77%	64,597	4.78%
GLENCORE Group	75,019	5.07%	74,361	5.50%
Other customers	203,899	13.80%	168,199	12.45%
Total Sales	**1,478,614**	**100.00%**	**1,351,658**	**100.00%**

(1) The numbers for the AMSA Group include commercial transactions with the companies operated by this Group: Minera Zaldívar SpA, Minera Michilla SpA, Minera Centinela and Minera Antucoya. The reported figures include the sale of energy, capacity and other services to these companies and the impacts of the transaction reported as a Material Disclosure on March 31, 2020. Among other matters, this transaction involved the renegotiation of power purchase agreements between Inversiones Hornitos SpA, a subsidiary, and Minera Centinela and an amendment to the bylaws of Inversiones Hornitos, as well as transactions whereby EECL came to control 100% of this subsidiary according to IFRS accounting standards. The renegotiated power purchase agreement contains a rate discount in the agreed commercial terms, but the discount is higher the first year that it will be applied as it includes a payment in monthly installments by Engie Energia Chile for the purchase of 40% of Inversiones Hornitos SpA. The agreed discounts were fully settled as of December 2021.

Under the March 2020 agreements, the power purchase agreement between Minera Centinela and Inversiones Hornito expired December 31, 2021. The new power purchase agreement for the same capacity of 186 MW between Minera Centinela and EECL entered into force on January 1, 2022 and is set to expire December 31, 2033.

According to applicable accounting standards (IFRS), EECL took over 100% control of Inversiones Hornitos upon signature of the agreement reported in the Material Disclosure. In that agreement, the discount during 2020 and part of 2021 will be allocated toward payment of the additional interest acquired (40%). Thereafter, the rate discount under the power purchase agreement will be recognized entirely in fiscal year income. Ultimately, the impact on fiscal year income of the rate discount applicable in the first year of the agreement will be neutral because it is offset by the financial income from the acquisition of 40% of Inversiones Hornitos. Therefore, until the 40% share in Inversiones Hornitos that AMSA held through its subsidiary, Minera Centinela, is fully accounted for, the discount will have no material impact on fiscal year income but rather will be used to make the monthly payment for that equity interest.

Revenue

	2021 kUSD	2020 kUSD
Power sales	1,308,501	1,165,161
Other income	170,113	186,497
Total Sales	**1,478,614**	**1,351,658**

NOTE 32 – COST OF SALES

Costs of sales

Costs of sales	2021 kUSD	2020 kUSD
Fuel, lubricants and other materials	469,184	273,241
Energy and capacity	404,884	324,814
Wages and salaries	28,168	27,572
Annual benefits	5,438	5,857
Other employee benefits	7,665	10,726
Post-employment obligations	11	11
Fuel cost of sale	51,608	47,210
Gas transportation	272	713
Wharfage	12,630	10,188
Maintenance and repairs	15,533	10,214
Outsourcing	24,894	26,705
Consulting and fees	1,146	1,347
Gas pipeline operation and maintenance	4	3,729
Tolls	74,962	87,859
Depreciation of property, plant and equipment	162,369	155,257
Right-of-use asset amortization	1,933	2,069
Depreciation of spare parts	1,347	1,938
Amortization of intangibles	16,293	17,203
Property taxes and business licenses	4,081	4,531
Insurance	21,368	13,560
Other disbursements	7,781	18,928
Total	**1,311,571**	**1,043,672**

NOTE 33 – OTHER OPERATING INCOME AND EXPENSES

Other Operating Income and Expenses

Other Operating Income and Expenses	2021 kUSD	2020 kUSD
Leases	0	322
Sale of water	2,861	2,096
Recovery of uncollectibles	1,569	2,038
Uncollectible receivables	(4,458)	(5,114)
Sale of property, plant and equipment (*)	4,776	1
Sale of spare parts	15	2
Final recovery of Mejillones Unit 7 loss	0	1,971
Final recovery of Tocopilla Unit 16 loss	0	1,293
Partial recovery of Mejillones CTA Unit Loss	3,925	0
Other income	1,640	771
Total	**10,328**	**3,380**

(*) The property of the company at Apoquindo 3721, 8th floor, and parking stalls.

NOTE 34 – ADMINISTRATIVE EXPENSES

Administrative Expenses

Administrative Expenses	2021 kUSD	2020 kUSD
Wages and salaries	14,979	13,959
Annual benefits	563	3,034
Other employee benefits	2,723	5,574
Post-employment obligations	14	14
Outsourcing and consulting	12,909	9,039
Fees	0	6
Depreciation of property, plant and equipment	2,754	3,026
Right-of-use asset amortization	1,106	1,407
Property taxes and business licenses	321	80
Insurance	20	17
Other	2,566	903
Total	**37,955**	**37,059**

NOTE 35 – PERSONNEL EXPENSES

Employee Expenses	2021 kUSD	2020 kUSD
Wages and salaries	43,147	41,531
Annual benefits	6,001	8,891
Other employee benefits	10,388	16,300
Post-employment obligations	25	25
Total	**59,561**	**66,747**

NOTE 36 – OTHER EXPENSES (INCOME)

Other Expenses (Income)	2021 kUSD	2020 kUSD
Derecognition due to sale of property, plant and equipment (*)	1,138	0
Derecognition of property, plant and equipment	10,128	160
Cost of sale of spare parts	811	264
Economic impiarment (See Notes 11 and 17)	0	10,329
Total	**12,077**	**10,753**

(*) The property of the company at Apoquindo 3721, 8th floor, and parking stalls.

NOTE 37 – FINANCIAL INCOME

Financial Income	2021 kUSD	2020 kUSD
Financial interest	1,607	2,545
Total	**1,607**	**2,545**

NOTE 38 – FINANCIAL EXPENSES

Financial Expenses	2021 kUSD	2020 kUSD
Financial interest	82,782	53,412
Lease financial interest	6,025	6,064
Total	**88,807**	**59,476**

Financial interest includes unusual items in both periods. In 2021, kUSD 48,671 was included for the discount at which the distribution company receivables were sold, originating in Regulated Customer Electricity Price Stabilization Law 21,185. In 2021, the Company sold these types of accounts receivable to Chile Electricity PEC SpA for a nominal price totaling kUSD 167,298 under the agreements with Goldman Sachs and IDB Invest, reported as material disclosures on January 20 and 27, 2021. The figure for 2020 includes kUSD 13,618 for the premiums paid to bondholders for the early redemption of the kUSD 400,000 Rule 144-A/Reg S Bond that was set to expire January 15, 2021.

NOTE 39 – EXCHANGE DIFFERENTIALS

Assets and liabilities that gave rise to exchange differentials and the profit or loss on indexation units were as follows as of December 31, 2021 and 2020:

Exchange Differentials	Currency	2021 kUSD	2020 kUSD
Assets			
Cash and Cash Equivalents	CLP	(6,683)	16
Cash and Cash Equivalents	EUR	5,891	958
Cash and Cash Equivalents	Argentine Peso	31	149
Trade receivables and other accounts receivable, current	CLP	(8,345)	(2,366)
Trade receivables and other accounts receivable, current	EUR	(23)	27
Current tax assets	Argentine Peso	(48)	(423)
Intercompany receivables, current	CLP	(140)	124
Other non-financial assets	CLP	(9,618)	1,959
Other non-financial assets	EUR	16	49
Other non-financial assets	Argentine Peso	(30)	0
Other non-financial assets	GBP	0	2
Other non-financial assets	UF	(17)	0
Other current assets	Argentine Peso	35	(39)
Total Assets		**(18,931)**	**456**
Liabilities			
Lease liabilities, current	CLP	1,405	(5,505)
Trade payables and other accounts payable, current	CLP	5,187	(334)
Trade payables and other accounts payable, current	EUR	20	(578)
Trade payables and other accounts payable, current	GBP	(177)	(37)
Trade payables and other accounts payable, current	YEN	68	(98)
Trade payables and other accounts payable, current	UF	224	(214)
Trade payables and other accounts payable, current	Swiss Franc	2	6
Current tax liabilities	Argentine Peso	(39)	39
Intercompany payables, current	CLP	89	0
Intercompany payables, current	EUR	1	0
Other non-financial liabilities	CLP	6,014	(40)
Deferred tax liabilities	Argentine Peso	(195)	(265)
Non-current lease liabilities	CLP	26,351	0
Employee benefit provisions	CLP	1,653	(915)
Other Provisions	Argentine Peso	920	216
Total Liabilities		**41,523**	**(7,725)**
Total Exchange Differentials		**22,592**	**(7,269)**

NOTE 40 – EARNINGS PER SHARE

Disclosures on Basic Earnings per Share	31/12/2021 kUSD	31/12/2020 kUSD
Earnings (loss) attributable to holders of equity instruments of the Controller	47,374	163,531
Basic earnings available to common shareholders	47,374	163,531
Basic weighted average number of shares	1,053,309,776	1,053,309,776
Basic Earnings per Share	**USD 0.045**	**USD 0.155**

Shareholders in the Company

Majority Shareholders as of December 31, 2021	Number of Shares	Percentage Interest
ENGIE Austral S.A.	631,924,219	59.99%
Banco Santander for account of foreign investors	36,367,952	3.45%
Banco de Chile for account of State Street	30,459,194	2.89%
Santiago Stock Exchange	18,522,221	1.76%
AFP Provida S.A. C Fund	18,370,387	1.74%
BCI Corredores de Bolsa S.A.	17,054,788	1.62%
Larrain Vial S.A.Corredora de Bolsa	16,946,064	1.61%
AFP Habitat S.A. A Fund	15,014,763	1.43%
BTG Pactual Chile S.A. Corredores de Bolsa	14,540,088	1.38%
AFP Provida S.A. B Fund	13,711,965	1.30%
AFP Provida S.A. A Fund	12,883,096	1.22%
BANCHILE Corredores de Bolsa S.A.	12,724,631	1.21%
Other shareholders	214,790,408	20.39%
Total	**1,053,309,776**	**100.00%**

NOTE 41 – GUARANTEES PROVIDED TO THIRD PARTIES, OTHER CONTINGENT ASSETS AND LIABILITIES AND OTHER ITEMS

41.1 Direct guarantees

Name of Recipient	Type of Collateral	Balances Pending Payment on the Financial Statement Closing Date	
		12/31/2021 kUSD	12/31/2020 kUSD
National Electric Coordinator	Bank Guarantee	54,795	2,413
Regional Office of the Ministry of Public Property	Bank Guarantee	32,754	22,621
Ministry of Energy	Bank Guarantee	14,983	8,986
Enel Distribución Chile S.A.	Bank Guarantee	9,824	0
Albemarle Limitada	Bank Guarantee	3,092	0
Director General of the Maritime Territory and Merchant Marine	Insurance Policy	2,374	1,984
Planta Solar San Pedro III SpA	Bank Guarantee	2,000	564
Sierra Gorda Sociedad Contractual	Bank Guarantee	1,500	0
CGE Transmisión S.A.	Bank Guarantee	1,100	0
Enaex S.A.	Bank Guarantee	840	408
Antofagasta Region Roadworks Office	Bank Guarantee	437	764
Transelec Holdings Rentas Limitada	Bank Guarantee	231	0
Transelec S.A.	Bank Guarantee	231	0
Sistema de Transmisión del Sur S.A.	Bank Guarantee	154	0
Cia. Exploradora y Explotadora Minera Chileno Rumana S.A.	Bank Guarantee	150	0
Eolica La Estrella SpA	Bank Guarantee	94	0
Don Goyo Transmisión S.A.	Bank Guarantee	77	0
Compañía General de Electricidad S.A.	Bank Guarantee	77	0
Empresa de Transmisión Eléctrica Transemel S.A.	Bank Guarantee	77	0
Colbún Transmisión S.A.	Bank Guarantee	77	4
Dr. Ernesto Torres Galdames Hospital	Bank Guarantee	59	72
San Jose del Carmen Hospital	Bank Guarantee	56	66
Dr. Juan Noé Crevanni Hospital	Bank Guarantee	48	60
San Pablo Hospital	Bank Guarantee	46	54
Soc. Contractual Minera Carola	Bank Guarantee	45	0
National Copper Corporation (CODELCO)	Bank Guarantee	43	0
Complejo Metalúrgico Altonorte S.A.	Bank Guarantee	32	0
Huasco Provincial Hospital	Bank Guarantee	23	30
Arriendo de Máquinas Industriales Veliz	Bank Guarantee	21	0
Dr. Marcos Macuada Hospital	Bank Guarantee	11	12
Fundación Nuevos Tiempos	Bank Guarantee	6	7
Dr. Héctor Reyno Gutiérrez Family Health Care Center	Bank Guarantee	5	6
Interchile S.A.	Bank Guarantee	0	68
Coemin S.A.	Bank Guarantee	0	0
Compañía Siderúrgica Huachipato S.A.	Bank Guarantee	0	8,587
Municipality of Las Condes	Bank Guarantee	0	14
Aguas Nuevas S.A.	Bank Guarantee	0	4
Total		**125,262**	**46,724**

No assets have been given in guarantee.

41.2 Indirect guarantees

At the close of the financial statements, the Company had provided indirect guarantees for its subsidiary, Transmisora Eléctrica del Norte S.A. (TEN).

Name of Recipient	Type of Collateral	Balance Pending Payment on the Financial Statement Closing Date	
		12/31/2021 kUSD	12/31/2020 kUSD
Banco de Crédito e Inversiones	Corporate guarantee	6,000	6,000
MUFG Union Bank, N.A.	Corporate guarantee	10,000	10,000
Alstom Grid Chile S.A.	Corporate guarantee	282,656	305,381
Ing. y Contruc.Sigdo Koppers S.A.	Corporate guarantee	308,510	326,984
Total		**607,166**	**648,365**

41.3 Cauciones Obtenidas de Terceros

Name		12/31/2021 kUSD	12/31/2020 kUSD
In favor of ENGIE ENERGIA CHILE S.A.			
SK Engineering & Const.Co. Ltd.	Contract performance guarantee	0	76,170
Siemens Gesa Renewable Energy S.A.	Contract performance guarantee	32,440	21,375
Global Energy Services Photovoltaic Project	Contract performance guarantee	3,682	10,936
Global Energy Services Siemsa S.A.	Contract performance guarantee	4,278	0
Tozzi Latam SpA	Contract performance guarantee	0	4,676
Copec	Contract performance guarantee	367	1,636
Sergio Cortes Alucema e Hijo Ltda.	Contract performance guarantee	1,592	1,500
ABB Power Grid Chile S.A.	Contract performance guarantee	0	904
Mantenimiento Técnico Industrial Ltda.	Contract performance guarantee	260	309
Siemens S.A.	Contract performance guarantee	627	237
Siemens Energy SpA	Contract performance guarantee	2,566	0
Soc.Mantención y Reparación S.A.	Contract performance guarantee	0	144
OHL Industrial Chile S.A.	Contract performance guarantee	6,471	0
Flesan Minería S.A.	Contract performance guarantee	1,539	0
Soltec Energías Renovables S.L.U.	Contract performance guarantee	1,923	0
Engineering Construction Co., Ltd.	Contract performance guarantee	20,021	0
Import. y Servicios Advanced Computing Tech. S.A.	Contract performance guarantee	94	0
Inneria Chile SpA	Contract performance guarantee	1,823	0
Miscellaneous	General performance guarantees	5,441	3,789
Subtotal		**83,124**	**121,676**

Name		12/31/2021 kUSD	12/31/2020 kUSD
In favor of Electroandina SpA			
Soc.Maritima y Com. Somarco Ltda.	Contract performance guarantee	190	190
Copec	Contract performance guarantee	0	400
Miscellaneous	General performance guarantees	75	132
Subtotal		**265**	**722**
In favor of Central Termoeléctrica Andina SpA			
IMA industrial Ltda.	Contract performance guarantee	0	99
Servicios Industriales Ltda.	Contract performance guarantee	125	125
Copec	Contract performance guarantee	0	164
Soc.Maritima y Com. Somarco Ltda.	Contract performance guarantee	300	300
Miscellaneous	General performance guarantees	124	234
Subtotal		**549**	**922**
In favor of Inversiones Hornitos S.A.			
Minera Centinela	Contract performance guarantee	200,000	200,000
Copec	Contract performance guarantee	0	164
Soc.Mantención y Reparación S.A.	Contract performance guarantee	0	21
ABB S.A.	Contract performance guarantee	66	66
Servicios Industriales Ltda.	Contract performance guarantee	125	125
Miscellaneous	Contract performance guarantee	120	110
Subtotal		**200,311**	**200,486**
In favor of Edelnor Transmisión S.A.			
Abengoa Chile S.A.	Contract performance guarantee	0	2,182
ABB Power Grids Chile S.A.	Contract performance guarantee	616	0
ABG Abengoa Chile S.A.	Contract performance guarantee	0	140
El Sol de Vallenar SpA	Contract performance guarantee	819	0
Grid Solutions Chile SpA	Contract performance guarantee	511	0
Siemens S.A.	Contract performance guarantee	62	0
Pozo Almonte Solar 3 S.A.	Contract performance guarantee	50	55
Pozo Almonte Solar 2 S.A.	Contract performance guarantee	44	49
Arteche North America SA de CV	Contract performance guarantee	0	48
Subtotal		**2,102**	**2,474**

Name		12/31/2021 kUSD	12/31/2020 kUSD
In favor of Gasoducto Nor Andino SpA			
Arrendadora de Vehículos S.A.	Contract performance guarantee	14	
Compañía de Leasing Tattersall S.A.	Contract performance guarantee	0	41
Miscellaneous	Contract performance guarantee	1	1
Subtotal		**15**	**42**
In favor of Eolica Monte Redondo SpA			
Asesoria Forestal Integral Ltda.	Contract performance guarantee	59	23
Compañía de Leasing Tattersall S.A.	Contract performance guarantee	0	41
Securitas S.A.	Contract performance guarantee	0	26
Soc. de Servicios de Seguridad Villablanca Ltda.	Contract performance guarantee	0	25
Transportes Jose Carrasco Retamal E.I.R.L.	Contract performance guarantee	2	27
GGP Servicios Industriales SpA	Contract performance guarantee	25	0
Miscellaneous	Contract performance guarantee	41	17
Subtotal		**127**	**159**
Total		**286,493**	**326,481**

41.4 Restrictions

As of December 31, 2021, the Company owed a short-term loan for USD 50 million to Scotiabank. This loan is accruing interest at a fixed rate, expires April 26, 2022, and is documented by a simple promissory note recording the obligation to make payment on the agreed date. There are no financial or operating restrictions and prepayment is possible at no cost to the company.

As of December 31, 2021, EECL had two bonds outstanding: one for US$500,000,000.00, issued in January 2020, and another for US$350,000,000 issued in October 2014, both under Rule 144-A and Regulation S. The purpose of the bond issue in January 2020 was to fund (i) the early redemption of the US$400M 144-A bond issued in December 2010 that was originally set to expire on January 15, 2020; (ii) the cost of the premium paid to the bondholders because of the early redemption; and (iii) general purposes of the company. There are no financial covenants in the bond issues, but there are restrictions on the Company and its subsidiaries granting collateral and security, excluding the following types of guarantees permitted under the indenture agreements: (i) Guarantees on (a) assets built or acquired after the date of the bond issue or (b) shares, ownership interests or debt securities backed by assets related to the Company's main business, provided such pledges or guarantees are established simultaneously or in no more than 360 days after the acquisition of the assets or the completion of the construction of the relevant project or asset; (ii) collateral or security on assets of any entity that is being acquired by the Company that exist at the time of such acquisition; (iii) guarantees securing obligations owed by any subsidiary to the Company or to another Company subsidiary; (iv) any type of collateral or security existing on the date of the bond issue; and (v) any extension, renewal or total or partial replacement of the above guarantees, provided the amount of the debt secured by such guarantees is less than or equal to the value of the guarantees at the time of the extension, renewal or replacement. The indenture agreement also restricts leaseback transactions.

Rule 144-A allows securities issued by foreign issuers to be placed in the United States of America without having to register the issue with the Securities and Exchange Commission (SEC), provided the purchasers are qualified investors. Regulation S allows those securities to be placed simultaneously or to later be resold outside of the United States.

On December 23, 2020, EECL signed a loan agreement for USD 125,000,000 with IDB Invest, comprised of a senior loan from IDB Invest and the China Fund for co-financing in Latin America and the Caribbean, limited to USD 110,000,000, and a loan for USD 15,000,000 from the Clean Technology Fund (CTF). The Company drew down the entire loan on August 27, 2021, which imposed certain restrictions usual to this type of financing. Those restrictions include the grant of guarantees by the company or its subsidiaries, except for the following types allowed under the indenture agreement: (i) guarantees on (a) assets built or acquired after the date of signature of the loan agreement; (b) shares or equity or debt securities backed by assets related to the company's main business, provided such pledges or collateral are established at the same time as, or no later than 360 days after, the acquisition of the assets or completion of the construction of the relevant asset or project; (ii) security or collateral on the assets of any entity being acquired by the company or existing at the time it was acquired by the company; (iii) collateral securing the obligations of any subsidiary owed to the company or to another company subsidiary; (iv) any type of security or collateral existing on the date of signature of the loan agreement; and (v) any extension, renewal or replacement of the above guarantees in whole or in part, provided the amount of the debt secured thereby is less than or equal to the value of the guarantees at the time of the extension, renewal or replacement. The loan agreement also places restrictions on leasebacks and limitations on an effective change in control of the company.

41.5 Other Contingencies

a) Various easements are currently being processed with the authorities, which have not yet been granted, for the Chapiquiña-Putre, Capricornio-Alto Norte, Capricornio–Antofagasta and El Negro-Soquimich transmission lines; and for the tap-off at the El Negro Substation.

b) **Damage Indemnity Claim against GasAtacama Chile S.A.** EECL and its subsidiaries Central Termoelectrica Andina SpA, Inversiones Hornitos SpA and Electroandina SpA filed a claim against GasAtacama Chile S.A. before the 22nd Civil Court of Santiago seeking an indemnity for the damages caused to the plaintiffs by GasAtacama because it provided incorrect information to the Economic Load Dispatch Center from January 2011 to October 2015 that raised the costs of the members of the electric system. On May 15, 2018, the 24th Civil Court of Santiago ordered that this case be joined to the claim filed by AES Gener. On April 18, 2019, a reconciliation hearing was held, but no reconciliation was reached. At the defendant's request, the Court ordered the plaintiffs to act through a common legal counsel or lawyer. EECL filed a subsidiary motion for reconsideration that the Court sustained. After the argument period ended, an order was issued in February 2020 to present evidence. The parties filed a motion for reconsideration of that order and, alternatively, an appeal. The motion for reconsideration was partially sustained and the appeal was deemed filed. The docket was sent to the Santiago Court of Appeals on June 22, 2020 to decide on the appeal against the order on evidence to be presented. Both parties presented their arguments on November 10, 2020 and the case was settled by an agreement. The Court rendered a ruling on July 30, 2021 dismissing the appeal by EECL, CTH, CTA and Electroandina. The plaintiffs petitioned that the case be reactivated on December 15, 2021.

   The claims are for the peso equivalent to US$120,370,000 (EECL), US$13,640,000 (Central Termoelectrica Andina S.A.), US$18,910,000 (Inversiones Hornitos SpA) and US$7,360,000 (Electroandina S.A.). The plaintiffs reserved the right to argue the type and amount of the loss of profit during the enforcement of the ruling or in a separate lawsuit.

c) Other Contingencies of Gasoducto Nor Andino Argentina S.A.

1) Income tax contingency

As of the year ending December 31, 2002, the Company accounted for and paid income taxes considering that the price-level restatement standards in the Income Tax Law were applicable. On June 18, 2003, it filed an action seeking a declaration of constitutional right by the courts declaring that the inflation-adjustment regime in the Income Tax Law was in effect or otherwise, that any rule preventing such an adjustment was unconstitutional. On October 27, 2008, the first-instance court dismissed the claim, which was appealed by the Company on November 18, 2008 before the Federal Administrative Appellate Court, which admitted the appeal for hearing on August 11, 2009, revoked the first-instance decision and ordered costs to be paid. The Federal Administrative Appellate Court thus validated the application of the inflation adjustment for the 2002 fiscal year.

The decision is not yet firm because the National Tax Authority filed an ordinary appeal before the National Supreme Court.

On October 27, 2006, the Federal Revenue Administration (AFIP)-General Tax Bureau (DGI) issued Resolution 99/2006 that contested the income tax declaration for the 2002 fiscal year filed by the Company, and as a result, officially calculated an income tax adjustment of US$3,728,682, billed interest of US$3,180,565 through that date, and applied a default fine of US$1,864,341. On November 23, 2006, the Company filed an appeal before the Federal Tax Court. The case is currently in the evidence stage.

As is well known, inflation adjustment is an issue that has led to a number of court cases, and there have been various favorable rulings on solid grounds in different trial courts and federal courts.

In this context, on July 3, 2009, the National Supreme Court of Justice decided a case on inflation adjustment in the 2002 fiscal year (the Candy case) in favor of the taxpayer.

The court held the following in that decision:

- It ratified that the prohibition to adjust for inflation is constitutionally valid unless it results in confiscation.
- It considered that confiscation existed in the specific case, and it therefore allowed the taxpayer to adjust for inflation in the 2002 fiscal year.
- It considered that the income tax was equivalent to confiscation because the difference between the tax calculated, both with and without the inflation adjustment, was so disproportional that it could be reasonably concluded that the net profit calculated according to governing law, without any adjustment, did not adequately represent the income to be taxed by the income tax law.
- In this specific case, it considered that the actual aliquot of the tax, which accounted for 62% of the adjusted taxable income or 55% of adjusted book profits, used up a substantial portion of income that went beyond a reasonable tax limit and caused an alleged confiscation.
- It expressly clarified that it took into consideration that the 2002 fiscal year was marked by one of the most serious economic, social and political crises in modern history, which was seen in the wholesale price index variation of 117.96% and the consumer price index variation of 40.90%. Also notable were the economic changes, the ban on currency conversion and the variation in the buying power of the currency.

The Company and its legal counsel consider that what was decided by the Supreme Court of Justice in the Candy case applies to the cases of Gasoducto Nor Andino Argentina S.A. since the effective tax aliquots calculated without any inflation adjustment of either adjusted taxable income or book profits generated figures that amply exceeded the 55% and 62% that the Supreme Court considered equivalent to confiscation (as inferred from the expert accounting opinion provided in the declarative action and the opinions of the experts presented by each party in the case before the National Tax Court). This was also the decision by the Federal Administrative Appellate Court when it applied the doctrine set down in the Candy case in the decision rendered August 11, 2009 in the declarative action filed by Gasoducto Nor Andino Argentina S.A. The Argentine Supreme Court finally ruled in favor of Gasoducto Nor Andino Argentina S.A. in November 2012.

In October 2006, while the declarative action was in process, the AFIP rendered an official decision contesting the 2002 fiscal year income tax filing by Gasoducto Nor Andino Argentina S.A. The objection was based solely on the fact that the inflation adjustment was not in effect. The decision was appealed to the National Tax Court ("TFN") and a suspension requested. Two new expert accounting opinions were presented, one by an expert proposed by AFIP and another proposed by the Company. The Company's expert said that if no inflation adjustment would have been applied, the 2002 fiscal year income tax would have been 142.59% of the adjusted taxable profits for that fiscal year and 460.15% of the adjusted book profit. The AFIP's expert said that those same percentages were 85.68% and 93.64%, respectively. The decision rendered by the Supreme Court (in November 2012) was also informed opportunely to the TFN in the aforesaid declarative action.

In November 2013, the TFN rendered a decision granting the Company's appeal and revoking the official decision. The Court held that both the Supreme Court's ruling rendered in the declarative action and the expert accounting opinion presented in the case—including if the percentages cited by AFIP's expert were used—clearly showed that an event of confiscation would have occurred if the inflation adjustment had not been applied.

The AFIP appealed to the Federal Administrative Appellate Court. Room V of that court decided to void the TFN's ruling (notified February 1, 2016) in the understanding that it was not a res judicata (meaning that the decision rendered in the declarative action did not end this lawsuit) and that the Tax Court had to decide on the way in which the Company made the inflation adjustment and the measure of its actual impact on the resulting tax.

Consequently, without deciding on the substance of the matter, it ordered that the case file be returned to the TFN for a new ruling. In view of the Room V Court's decision, Gasoducto Nor Andino Argentina S.A. filed an Extraordinary Federal Appeal with the Supreme Court based on the following grounds:

1. The favorable decision by the Supreme Court in the declarative action.
2. The expert opinions provided in both cases.
3. The fact that the expert proof consisted of requesting that experts themselves calculate the tax, including an inflation adjustment (meaning that the company's tax filing not be used).
4. The official decision by the tax authority.
5. Procedural matters relating to preclusion (meaning the moment when the tax authority made certain arguments and questioned the inflation adjustment used).
6. The fact that TFN's decision adequately took the expert opinions into account.

For these reasons, the company believes that there is a high probability that the Supreme Court will revoke the Room V Court's decision, leave the TFN ruling binding, and thereby definitively resolve the issue. Should the Supreme Court dismiss the appeal, the case file will be returned to the TFN for a new ruling and the Company would return to the actual state of things in this case.

The Company has considered it prudent to establish a total provision of USD 350,871.60 as of December 31, 2021 and of USD 490,152.44 as of December 31, 2020.

NOTE 42 – NUMBER OF EMPLOYEES

As of December 31, 2021 and 2020, the Company had the following number of employees under a continuing employment contract:

Number of Employees by Profession and Area	Engineers	Technicians	Other Professionals	Total 2021	Total 2020
Generation	178	363	2	543	543
Transmission	38	63	0	100	98
Administration and Support	155	68	0	223	205
Total	**371**	**493**	**2**	**866**	**846**

NOTE 43 – PENALTIES

Neither the Company nor its executives were penalized by the Financial Market Commission in the 2021 or 2020 fiscal years.

NOTE 44 – THE ENVIRONMENT

The Company and its subsidiaries have an extensive environmental monitoring program that includes air emissions, air quality and discharges into water, marine monitoring, biological monitoring and other controls that ensure a total control of their operations in compliance with governing laws and strict internal regulations adopted to attain objectives in harmony with the environment.

In June 2006, the EECL Group received certification under ISO 9001, ISO 14001 and OHSAS 18001 from AENOR, a certification agency. Since then, the management system has been audited annually by AENOR to confirm that the system is working and is in compliance with the certified standard models. EECL has also verified that it has incorporated all the recent changes in the standards, such as the definitions of life cycle. AENOR conducted a new annual audit of the Management System in June 2021. Some minor nonconformities were found and a corrective action plan was presented and approved by the certification agency.

The Company participates in several research and development initiatives in UCRE projects, some of which are undergoing an environmental assessment, some of which have received environmental approval or are under construction. In September 2019, the environmental authority was informed that the construction of the Calama Wind Farm and Capricornio Solar Power Plant had begun. It was disclosed in June 2020 that construction of the Tamaya Solar Power Plant Project had begun. We reported the retrofitting of units CTA and CTH in the second quarter of 2021, which will operate using only biomass, and of the IEM unit, which will be operated with natural gas only. The Environmental Impact Statements have been presented to the Antofagasta Region Environmental Assessment Service for both projects and they are currently undergoing an environmental assessment. The Calama Wind Farm began commercial operation in December 2021. The scheduled disconnection of the Tocopilla Power Plant's Units 14 and 15 in December 2021 was postponed to the end of June 2022 at the request of the National Energy Commission.

All generating units have complied with the emissions standard for thermoelectric power plants that regulates emissions of particulate matter, nitrogen oxide and sulfur dioxide since all the units have installed emission abatement systems that are regularly inspected and maintained. Those systems are:

- Sleeve filters/electrostatic precipitators for the control of particulate matter emissions;
- Desulfurizers for the control of sulfur dioxide emissions that use hydrated lime and/or sodium bicarbonate in the units that have pulverized coal-fired furnaces and that use limestone in the units with fluidized bed furnaces;
- Low NOx burners, installed in the existing units, and a catalytic system to inject ammonia in the new IEM unit, to control nitrogen oxide emissions.

All generating units are CEMS-certified by the Environmental Commission (abbreviated as SMA in Spanish). These systems include a quality assurance program under which daily, quarterly and annual verifications are performed. The annual tests are performed by certified laboratories and the results will validate the CEMS for another year. The new CTM7 (IEM) unit received CEMS certification in May 2019. The annual validations of the CEMS have been made for 2021, and the reports are pending at this time. The SMA has issued approbatory resolutions on all CEMS.

All of the generating units have received SMA approval of the emissions calculation methods for the payment of green taxes (Law 20,780), which are direct measurement (through CEMS) or indirect measurement (estimates) when there are no CEMS certified by the SMA. The emissions reported for 2020 have already been informed to the SMA. US$21,168,032 in green taxes were paid to the Chilean IRS.

EECL informed the electricity authority that Units 12 and 13 will be retired, and their disconnection was authorized for April 2019 provided the Polpaico-Cardones line was completed. The derecognition of these units actually took place on June 7, 2019 and they are presently being dismantled. The CEN has been given notice that the Tocopilla turbogas units (back-up units), which are used discontinuously, will not be operated more than 10% of the hours in the year (limited to 876 hours) so that they can be released from compliance with the NOx emission limit. However, hourly emissions are being estimated by alternative methods and reported to the environmental authorities. The SMA determined that all generating units in the Tocopilla Thermoelectric Complex and the CTA and CTH units were in compliance with the emission standard for 2020. The SMA has not yet reported on compliance of CTM1-2, CTM3 and IEM for 2020, which is expected in the next few months.

During 2020, the environmental authority conducted 11 on-site audits (6 by the SMA and 5 by the Health SEREMI) and 20 “Reporting Audits.” The SMA made only minor observations as a result of the audits, but 2 health inquests were begun as deviations were found in the operating control of waste (Tocopilla Plant – September 2020) and the handling of chemical waste (Mejillones Plant – December 2020). All deviations have been or are in the process of being corrected. Defensive arguments were presented in both inquests. In the first quarter of 2021, the health authority imposed a fine of 100 monthly tax units for the deviations found at the Tocopilla Power Plant, which has been paid. A fine of UTM 200 was initially imposed as a result of the Mejillones Power Plant investigation, which has been appealed for reconsideration. A fine of 150 UTM was finally paid. The authorities conducted 13 in-person inspections from January to December 2021 (8 by the SMA and 5 by the Regional Office of the Ministry of Health) and 10 “Information Reviews.” The authorities are conducting these processes.

The Company suffered a social and environmental incident on August 13, 2021, caused by a visible emission of ash from Unit 1 of the Mejillones Power Plant. The emissions were controlled and nearly all of the spilt ash was recovered. This occurrence was reported to the SMA, which requested further information. It is now being investigated by the SMA but the SMA has not requested any more information or measures because of this event as of this date.

On February 5, 2020, Eolica Monte Redondo SpA was served an environmental damage claim before the Third Environmental Court. The case number is D-33-2017 and it is entitled Jaime Antonio Llanos Agurto et al. v. Eolica Monte Redondo. The claim is against the algae bloom occurring in the summer months in the Laja River reservoir due to the decreased flow, the increase in temperature and the nutrient content in the water column. The court has not issued any further orders in this lawsuit. The company has conducted environmental monitoring to gain an understanding of the problem. The community has participated in the monitoring and new measures to prevent and mitigate the algae bloom are being investigated. Some of these measures have been tried on a pilot scale and new preventive measures will continue to be evaluated. The results of the monitoring and control measures are reported annually to the environmental authorities. 2 ultrasonic sound buoys were installed for the 2020-2021 summer season that helped reduce the algae bloom in the defined area of influence. 3 new ultrasonic sound buoys were installed in December 2021 for the 2021-2022 summer season, bringing the total to 5 for the Power Plant’s reservoir. They will be kept in place throughout the summer.

NOTE 45 – SUMMARY FINANCIAL INFORMATION ON SUBSIDIARIES

Summary financial information is provided below as of December 31, 2021 according to International Financial Reporting Standards:

Tax I.D.	Name of Company	Interest	Current Assets	Non-Current Assets	Total Assets	Current Liabilities	Non-Current Liabilities	Total Liabilities	Revenue	Net Profit (Loss)
		%	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
96.731.500-1	Electroandina SpA	1	33,201	27,446	60,647	4,867	0	4,867	10,312	401
78.974.730-K	Gasoducto Nor Andino SpA	1	36,084	76,799	112,883	15,588	20,683	36,271	33,075	9,814
Foreign	Gasoducto Nor Andino Argentina S.A.	1	9,506	44,754	54,260	1,539	10,408	11,947	4	(5,827)
76.708.710-1	Central Termoeléctrica Andina SpA	1	50,550	647,184	697,734	26,371	326,343	352,714	124,444	15,176
76.046.791-K	Edelnor Transmisión S.A.	1	13,122	39,265	52,387	27,706	17,081	44,787	6,522	1,841
76.009.698-9	Inversiones Hornitos SpA	1	39,520	305,649	345,169	26,731	160,717	187,448	117,782	2,757
76.247.976-1	Solar Los Loros SpA	1	9,952	34,410	44,362	769	5,327	6,096	3,854	1,538
76.379.265-K	Parque Eólico Los Trigales SpA	1	2	0	2	48	0	48	0	6
76.247.968-0	Solairedirect Generación VI SpA	1	0	164	164	145	0	145	0	20
76.267.537-4	Solairedirect Generación IX SpA	1	0	164	164	145	0	145	0	20
76.019.239-2	Eolica Monte Redondo SpA	1	21,406	89,873	111,279	1,401	37,068	38,469	20,605	2,802

The financial information on the companies included in the consolidation was as follows as of December 31, 2020:

Tax I.D.	Name of Company	Interest	Current Assets	Non-Current Assets	Total Assets	Current Liabilities	Non-Current Liabilities	Total Liabilities	Revenue	Net Profit (Loss)
		%	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
96.731.500-1	Electroandina S.A.	1	34,555	26,701	61,256	5,391	0	5,391	14,524	466
78.974.730-K	Gasoducto Nor Andino SpA	1	30,833	71,985	102,818	7,268	18,898	26,166	36,909	9,854
Foreign	Gasoducto Nor Andino Argentina S.A.	1	7,182	43,371	50,553	499	10,126	10,625	7	(8,212)
76.708.710-1	Central Termoeléctrica Andina S.A.	1	74,236	627,915	702,151	45,835	304,926	350,761	174,956	21,546
76.046.791-K	Edelnor Transmisión S.A.	1	7,468	41,360	48,828	27,708	15,585	43,293	4,845	(941)
76.009.698-9	Inversiones Hornitos S.A.	1	50,576	288,520	339,096	65,755	54,525	120,280	169,667	3,852
76.247.976-1	Solar Los Loros SpA	1	10,659	34,164	44,823	1,034	5,257	6,291	4,952	1,804
76.379.265-K	Parque Eólico Los Trigales SpA	1	2	0	2	46	0	46	0	8
76.247.968-0	Solairedirect Generación VI SpA	1	0	164	164	139	0	139	0	26
76.267.537-4	Solairedirect Generación IX SpA	1	0	164	164	139	0	139	0	26
76.019.239-2	Eólica Monte Redondo SpA	1	24,529	66,068	90,597	3,477	13,110	16,587	27,589	4,165
76.019.239-2	Eólica Monte Redondo SpA	100,00%	9.454	99.377	108.831	2.266	36.557	38.823	14.183	14.754

NOTE 46 – SUBSEQUENT EVENTS

No material events have occurred between January 1, 2022, and the date of issuance of the consolidated financial statements that might affect their presentation.

APPENDIX 1 – COMPANIES IN THE ENGIE ENERGIA CHILE S.A. GROUP

a) Los estados financieros consolidados incluyen las siguientes sociedades

Tax I.D.	Name of Company	Country of Origin	Functional Currency	Percentage Interest in 2021			Percentage Interest in 2020		
				Direct	Indirect	Total	Direct	Indirect	Total
76.708.710-1	Central Termoeléctrica Andina SpA	Chile	U.S. Dollar	99.9999	0.0001	100.0000	99.9999	0.0001	100.0000
76.046.791-K	Edelnor Transmisión S.A.	Chile	U.S. Dollar	99.9000	0.1000	100.0000	99.9000	0.1000	100.0000
96.731.500-1	Electroandina SpA	Chile	U.S. Dollar	99.9999	0.0001	100.0000	99.9999	0.0001	100.0000
76.019.239-2	Eolica Monte Redondo SpA	Chile	U.S. Dollar	100.0000	0.0000	100.0000	100.0000	0.0000	100.0000
Foreign	Gasoducto Nor Andino Argentina S.A.	Argentina	U.S. Dollar	78.9146	21.0854	100.0000	78.9146	21.0854	100.0000
78.974.730-K	Gasoducto Nor Andino SpA	Chile	U.S. Dollar	100.0000	0.0000	100.0000	100.0000	0.0000	100.0000
76.009.698-9	Inversiones Hornitos SpA (*)	Chile	U.S. Dollar	100.0000	0.0000	100.0000	100.0000	0.0000	100.0000
76.379.265-K	Parque Eolico Los Trigales SpA	Chile	U.S. Dollar	100.0000	0.0000	100.0000	100.0000	0.0000	100.0000
76.267.537-4	Solairedirect Generación IX SpA	Chile	U.S. Dollar	100.0000	0.0000	100.0000	100.0000	0.0000	100.0000
76.247.968-0	Solairedirect Generación VI SpA	Chile	U.S. Dollar	100.0000	0.0000	100.0000	100.0000	0.0000	100.0000
76.247.976-1	Solar Los Loros SpA	Chile	U.S. Dollar	100.0000	0.0000	100.0000	100.0000	0.0000	100.0000

(*) See Note 5.1 on the Acquisition of Subsidiaries

See Note 2.4 Subsidiaries.

b) Companies accounted for using the equity method:

Type of Relationship	Tax I.D.	Name of Company	Country of Origin	Functional Currency	Porcentaje de Participación al	
					12/31/2021 Directo	12/31/2020 Directo
Joint control	76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	U.S. dollar	50.000	50.000

See Note 2.5 Investments accounted for using the Equity Method

APPENDIX 2 – ITEMIZATION OF ASSETS AND LIABILITIES IN A FOREIGN CURRENCY

Assets denominated in a foreign currency were as follows:

Assets	Currency	12/31/2021 kUSD	12/31/2020 kUSD
Current Assets			
Cash and cash equivalents	USD	211,149	217,926
Cash and cash equivalents	Non-adjustable CLP$	4,045	17,250
Cash and cash equivalents	Euro	3	52
Cash and cash equivalents	Argentine peso	492	22
Other current financial assets	USD	0	54
Current tax assets	USD	23,630	29,927
Current tax assets	Non-adjustable CLP$	7	7
Current tax assets	Argentine peso	264	0
Current inventories	Non-adjustable CLP$	3,516	2,730
Current inventories	USD	154,803	73,950
Intercompany receivables	Non-adjustable CLP$	60	16
Intercompany receivables	UF	9	52
Intercompany receivables	USD	6,360	742
Intercompany receivables	Argentine peso	0	2
Other non-financial assets	Non-adjustable CLP$	34,311	7,055
Other non-financial assets	USD	12,212	7,345
Other non-financial assets	Argentine peso	283	63
Other non-financial assets	Euro	76	397
Other non-financial assets	Other currencies	0	34
Trade receivables and other accounts receivable, current	USD	154,979	96,595
Trade receivables and other accounts receivable, current	Non-adjustable CLP$	10,027	10,630
Trade receivables and other accounts receivable, current	Argentine peso	6	17
Non-Current Assets			
Trade receivables and other accounts receivable, non-current	USD	85,581	139,868
Trade receivables and other accounts receivable, non-current	UF	20	20
Intercompany receivables, non-current	USD	14,161	21,726
Other non-current non-financial assets	Non-adjustable CLP$	1	1
Other non-current non-financial assets	USD	25,600	15,900
Other non-current non-financial assets	UF	147	166
Deferred tax assets	USD	20,265	21,547
Investments accounted for using the equity method	USD	108,906	81,608
Intangible assets other than goodwill	USD	188,532	204,825
Goodwill	USD	25,099	25,099
Property, plant and equipment	USD	2,746,143	2,668,897
Right-of-use assets	USD	168,175	76,457
Subtotal	**USD**	**3,945,595**	**3,682,412**
	Non-adjustable CLP$	**51,967**	**37,689**
	Euro	**79**	**449**
	UF	**176**	**238**
	Argentine peso	**1,045**	**104**
	Other currencies	**0**	**34**
Total Assets		**3,998,862**	**3,720,926**

Liabilities denominated in a foreign currency broke down as follows:

Current Liabilities		Out to 90 days		From 90 days to 1 year	
Current Liabilities currently in Operation	**Currency**	**12/31/2021 kUSD**	**12/31/2020 kUSD**	**12/31/2021 kUSD**	**12/31/2020 kUSD**
Intercompany payables	Non-adjustable CLP$	569	32	0	0
Intercompany payables	USD	5,710	7,569	1,146	1,402
Intercompany payables	UF	63	907	0	0
Intercompany payables	Euro	577	182	0	0
Current tax liabilities	Argentine peso	0	-293	0	0
Current tax liabilities	USD	0	0	3,672	10,454
Other non-financial liabilities	Non-adjustable CLP$	4,809	12,022	0	0
Other non-financial liabilities	Argentine peso	13	7	0	0
Other non-financial liabilities	USD	264	265	0	0
Trade payables and other accounts payable	Euro	2,223	7,676	0	0
Trade payables and other accounts payable	Non-adjustable CLP$	49,481	24,269	0	0
Trade payables and other accounts payable	Other currencies	126	1,369	0	0
Trade payables and other accounts payable	Argentine peso	292	116	0	0
Trade payables and other accounts payable	USD	206,553	165,707	0	0
Trade payables and other accounts payable	UF	4,088	6,145	0	0
Trade payables and other accounts payable	Yen	0	1,859	0	0
Employee benefit provision, current	Non-adjustable CLP$	11,753	15,524	0	0
Other financial liabilities	USD	44,660	13,784	55,085	50,496
Current lease liabilities	USD	84	84	164	158
Current lease liabilities	Non-adjustable CLP$	10	146	30	443
Current lease liabilities	UF	2,388	1,134	3,321	2,011
Current lease liabilities	Other currencies	176	204	132	147
Subtotal	**USD**	**257,271**	**187,409**	**60,067**	**62,150**
	Non-adjustable CLP$	**66,622**	**51,993**	**30**	**443**
	Euro	**2,800**	**7,858**	**0**	**0**
	UF	**6,539**	**8,186**	**3,321**	**2,011**
	Yen	**0**	**1,859**	**0**	**0**
	Argentine peso	**305**	**-170**	**0**	**0**
	Other currencies	**302**	**1,573**	**132**	**147**
Total Current Liabilities		**333,839**	**258,708**	**63,550**	**64,751**

Non-Current Liabilities	Currency	1 to 3 years 12/31/2021 kUSD	1 to 3 years 12/31/2020 kUSD	3 to 5 years 12/31/2021 kUSD	3 to 5 years 12/31/2020 kUSD	More than 5 years 12/31/2021 kUSD	More than 5 years 12/31/2020 kUSD
Deferred tax liabilities	USD	11,571	11,571	12,523	12,523	194,280	178,588
Intercompany payables	USD	3,530	3,210	4,272	3,884	45,618	47,854
Other non-current financial liabilities	USD	0	0	350,781	341,372	607,262	489,626
Lease liabilities	USD	704	677	518	498	1,660	1,924
Lease liabilities	Non-adjustable CLP$	58	116	0	0	0	0
Lease liabilities	UF	11,153	7,330	7,194	5,289	116,538	58,567
Lease liabilities	Other currencies	829	927	592	663	1,705	2,350
Employee benefit provisions, non-current	Non-adjustable CLP$	0	0	0	0	47	69
Other non-current provisions	USD	16,996	20,386	11,757	9,163	29,442	32,379
Other non-current provisions	Argentine peso	351	490	0	0	0	0
Other non-current, non-financial liabilities	USD	81	57	0	0	0	0
Subtotal	**USD**	**32,882**	**35,901**	**379,851**	**367,440**	**878,262**	**750,371**
	Non-adjustable CLP$	**58**	**116**	**0**	**0**	**47**	**69**
	UF	**11,153**	**7,330**	**7,194**	**5,289**	**116,538**	**58,567**
	Argentine peso	**351**	**490**	**0**	**0**	**0**	**0**
	Other currencies	**829**	**927**	**592**	**663**	**1,705**	**2,350**
Total Non-Current Liabilities		**45,273**	**44,764**	**387,637**	**373,392**	**996,552**	**811,357**

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Report of the Independent Auditor

(Translation of a report originally issued in Spanish)

Shareholders and Directors
Engie Energía Chile S.A.

We have audited the accompanying consolidated financial statements of Engie Energía Chile S.A., which comprise the consolidated statement of financial position as of December 31, 2021 and 2020, and the comprehensive income statements, statements of changes in equity and statement of cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with International Financial Reporting Standards; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Generally Accepted Auditing Standards in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Engie Energía Chile S.A. as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Marek Borowski
EY Audit SpA

Santiago, Chile
January 25, 2022

STATEMENT OF LIABILITY

TAXPAYER IDENTIFICATION NUMBER : 88.006.900-4

NAME : ENGIE ENERGÍA CHILE S.A.

Statements of Financial IFRS	X
Reasoned Analysis	X
Subsequent Events	X
Statement of liability	X

Name	Role	TAX ID	
Frank Demaille	Chairman	26.890.321-6	DocuSigned by: Frank Demaille D9A8E2F23FA4428...
Cristian Eyzaguirre	Director	4.773.765-6	DocuSigned by: 42B905A75F21450...
Mauro Valdes	Director	7.011.106-3	DocuSigned by: E9D3FAFAAC6D4C6...
Claudio Iglesis	Director	7.289.154-6	DocuSigned by: 27FC87A0AEBC428...
Anibal Prieto	Director	9.387.791-8	DocuSigned by: 049384F77DF94AE...
Marc Vestraete	Director	26.361.271-K	DocuSigned by: Marc Verstraete B90D89E13D784D3...
Hendrik De Buyserie	Director	EP986324	DocuSigned by: Rik De Buyserie C3FE72917A4042E...
Axel Levêque	Chief Executive Officer	14.710.940-7	DocuSigned by: Axel Levêque 33B861437C44446...

February 25, 2021

Coordination of this Report:
Sustainability Division, ENGIE Energia Chile
Finance Division, ENGIE Energia Chile

Editing, Assistance with GRI Guidelines, and Design:
Plus Comunica (www.pluscomunica.cl)