January 31, 2024

ENGIE ENERGÍA CHILE REPORTED EBITDA OF US$403 MILLION AND A NET LOSS OF US$411 MILLION IN 2023.

EBITDA REACHED US$90.9 MILLION IN THE FOURTH QUARTER OF 2023, A 28% INCREASE COMPARED TO THE SAME PERIOD OF 2022. THIS QUARTER HAS BEEN MARKED BY AN IMPROVEMENT IN HIDROLOGY AND THE PRESENCE OF ARGENTINIAN NATURAL GAS IN THE SYSTEM WHICH, TOGETHER WITH LOWER FUEL PRICES IN THE INTERNATIONAL MARKET, HAVE TRANSLATED INTO LOWER GENERATION AND MARGINAL COSTS.

- **Operating revenues a**mounted to US$2,192.7 million in 2023, a 14% increase compared to 2022, mainly due to an increase in physical sales to regulated clients, and the increase in average realized energy prices explained by the increase in fuel-price indices.

- **EBITDA** amounted to US$403 million in the 2023, a US$214 million increase compared to the same period of 2022, due to the increase in operating revenues, which offset the increase in generation costs and energy purchase costs.

- **Net results** were a US$411 million loss, compared to a US$ 389 million loss in 2022, mainly impacted by significant non-recurring asset impairment registered during the fourth quarter, explained by the decarbonization process being carried out by the company. Excluding the non-recurring effect of impairments, 2023 net income would've been US$80.1 million

Financial Highlights (in US$ millions)

	4Q22	4Q23	Var %	12M22	12M23	Var%
Total operating revenues	**521.3**	**476.8**	***-9%***	**1,920.3**	**2,192.7**	***14%***
Operating income	20.3	45.5	*n.a*	(0.3)	221.1	*n.a*
EBITDA	**71.3**	**90.9**	***28%***	**189.0**	**402.9**	***113%***
EBITDA margin	13.7%	19.1%	*(15.6pp)*	9.8%	18.4%	*(9.8pp)*
Total non-operating results	(474.7)	(626.3)	*n.a*	(521.1)	(720.2)	*n.a*
Net income after tax	(330.6)	(480.6)	*n.a*	(388.8)	(411.1)	*n.a*
Net income attributed to controlling shareholders	**(330.6)**	**(480.6)**	*n.a*	**(388.8)**	**(411.1)**	*n.a*
Earnings per share (US$/share)	(0.314)	(0.456)		(0.369)	(0.390)	
Total energy sales (GWh)	2,940	3,050	*4%*	12,047	12,072	*0%*
Total net generation (GWh)	1,275	1,000	*-22%*	5,593	5,493	*-2%*
Energy purchases on the spot market (GWh)	1,081	1,299	*20%*	4,501	3,626	*-19%*
Energy purchases - back up (GWh)	646	966	*49%*	2,134	3,289	*54%*

ENGIE ENERGÍA CHILE S.A. ("ECL") is engaged in the generation, transmission and supply of electricity and the transportation of natural gas in Chile. ECL is the fourth largest electricity generation company in Chile and one of the largest electricity generation companies in the northern segment of the SEN national grid (formerly known as SING). As of December 31, 2023, ECL accounted for 8% of the SEN's installed capacity. ECL primarily supplies electricity to large mining and industrial customers, and it also supplies electricity to distribution companies throughout Chile. ECL is currently 59.99% indirectly owned by the French company, ENGIE LATAM. The remaining 40.01% of ECL's shares are publicly traded on the Santiago stock exchange. For more information, please refer to www.engie-energia.cl.

Contents

HIGHLIGHTS:

FOURTH QUARTER 2023

- **In line with its purpose of accelerating the energy transition,** ENGIE Chile informed the *Comisión Nacional de Energía* ("CNE") the conversion into natural gas of its plant *Infraestructura Energética Mejillones* ("IEM") as well as the disconnection of units 1 and 2 of its *Complejo Térmico de Mejillones* ("CTM"). The retirement and disconnection of units CTM1 and CTM2 -which together account for a total installed capacity of 334 MW- was announced for December 31st, 2025. As for IEM (377 MW), whose conversion project already has an approved and valid *Resolución de Calificación Ambiental* ("RCA"), such transformation is expected for July 2026. These activities are in line with ENGIE Group's ambition of exiting coal in all countries where it operates.

- **The *Proyecto de Ley de Transición Energética*, was approved by the Senate in general on December 19th.** The project proposes several measures expected to reform the current *Ley General de Servicios Eléctricos* ("LGSE"), which are oriented toward achieving the zero carbon goals for the country by 2050, which were established in the *Política Energética Nacional* of 2015 (which was updated in 2022). This law, originally, considers certain aspects that attempt to improve the regulatory framework for the electricity sector, such as; allowing transmission companies to participate in different segments of the business in order to promote the storage of electricity; reformulate the long-term energy planification process performed by the Energy Ministry; introduce certain changes to the execution of the transmission planning process so as to perform such process every two years; assign the responsibility of issuing tenders for expansion works to the owners; add an alternative mechanism to the existing *Artículo* 102° of the LGSE with the objective of allowing the execution of works and activities that are necessary and urgent for the network; and, add a revision mechanism for the investment value assigned, in cases where a contract for the execution of transmission works is terminated in advance.

- ***Hecho esencial*:** In the November 28th Board Session, the Chairman of the Board, Frank Demaille announced his retirement as board member and Chairman of the Board, for personal reasons, as of December 20, 2023. Along with thanking Mr. Dmaille for his time working in the Board and wishing him success in his new professional challenges, the Board agreed to appoint Mr. Aníbal Prieto Larraín, as Chairman of the Board as of the same date.

- **Environmental approval of PV Libélula project:** On October 23, 2023, the environmental committee (*Comisión de Evaluación Ambiental* (Coeva)) approved the "*Estudio de Impacto Ambiental*" (EIA) of the PV Libélula ("*Parque Fotovoltáico Libélula*") project from ENGIE Energía Chile, thus completing its environmental permit phase, which started in May 2021 and included two community participation instances. The project has a 265 hectare extension and will be located in the communes of Colina and Til-Til, in the Metropolitan Region. The life of the Project is expected to be 34 years, with a 199 MW installed capacity and an annual generation capacity of 423 GWh. The CAPEX for the project is expected to reach approximately US$140 million. Engie Chile expects to install and operate approximately 233,430 bi-facial solar panels, with a 620 Wp minimum nominal capacity of direct current. The project will also include a BESS (Battery Energy Storage System), which will allow the storage of electricity generated during the day to later be injected to the Electrical System ("*Sistema Eléctrico Nacional"* (SEN)) during the night hours. A lifting substation will also be built within the area of the project; and a 1x220 kV, 16-km long high voltage transmission line will be built to inject the power into the SEN grid at the "*El* Manzano" Substation.

- **Imports of Argentinian natural gas.** On October 1, 2023 Argentina re-started its firm exports of natural gas to the North of Chile. This is an important milestone for both countries considering that the last time it occurred was 13 years ago. The above is the result of commercial agreements among ENGIE Chile and two natural gas producers from that country with whom ENGIE signed supply agreements in July 2023. The agreement consists of two separate contracts which in total amount to 400,000 m3 per day. The gas will be sourced from the *Cuenca* Austral, using the infrastructure owned by Transportadora de Gas del Sur S.A. and Transportadora de Gas del Norte S.A.

- **Second and third sale of Documents of Payment under the MPC law (“PEC-2”):** On Ocober 30 and December 28, 2023, respectively, the company performed the second and third sale of Documents of Payment, and received cash resources for a total amount of US$21,4 million. A fourth sale for an amount of US$9,6 million took place on January 17th, 2024.

- **Financing with IFC and DEG and other financing activities:** On December 19th, 2023, the company drew a total amount of US$200 million under its financing with the International Financial Corporation (IFC) and the German bank DEG, for the financing of CAPEX in renewable projects.. Additionally, the company renewed a US$50 million loan provided by Banco de Chile, extending its maturity until November 16th, 2026.

- **Rating review by Feller Rate:** In December 2023, Feller Rate confirmed ENGIE Energía Chile’s AA- local currency rating, with a Stable Outlook.

THIRD QUARTER 2023

- **First sale of Documents of Payment under MPC law (“PEC-2”):** On August 14, 2023, the company signed an agreement with Inter-American Investment Corporation (“IDB Invest”), under which the company will sell to IDB Invest, subject to certain conditions, Documents of Payment (“DDPs”) stemming from the application of the Price Stabilization Mechanism pursuant to (i) Law #21,472, which created a price stabilization fund and established a new transitional electricity price stabilization mechanism for clients subject to regulated prices (the “PEC-2” law), and (ii) the Exempt Resolutions #86 and #334 both issued by the National Energy Commission (“CNE”). The amount of the DDPs will correspond to the difference between the invoiced amount, which would have resulted if contracted energy tariffs had been applied, and the amount actually invoiced to regulated clients in accordance with the PEC-2 law. On August 30, 2023, the company completed the first sale of DDPs to IDB Invest and received cash resources in an amount of US$ 200.000.000, plus accrued interest between August 2, 2022 and August 30, 2023. The proceeds of this first DDP sale contributed to improve the company’s liquidity and reduce its indebtedness. Going forward, the company expects to sell the DDPs, which it is entitled to receive, every two months starting October 30, 2023.

- **IFC and DEG financing and other financial activity:** On July 28, 2023, the company received US$200 million in cash proceeds under the financing agreements for a total committed amount of US$400 million, signed with the International Finance Corporation (“IFC”), a member of the World Bank Group, and the German development bank, DEG, a member of the KfW group. The remaining US$200 million are available for the company to finance renewable projects. During the third quarter, the company repaid (i) a US$50 million short-term loan provided by Banco de Crédito del Perú and (ii) a US$75 million short-term loan extended by its controlling shareholder, Engie Austral. This allowed the company to reduce its short-term debt.

- **Environmental approval for La Ligua Substation:** The (“*Servicio de Evaluación Ambiental*” (SEA)) approved the Environmental Impact Declaration (“*Declaración de Impacto Ambiental*” (DIA)) for the La Ligua Substation project, located in the La Ligua commune, in the Valparaíso Region. The project, which considers an investment amount of US$24 million, includes the construction of a new Substation which will allow for the sectioning of the 2x220 kV Nogales - Los Vilos transmission line and the 1x110 kV Quínquimo – Cabildo transmission line. As provided in the electric energy zonal transmission system expansion plan, sponsored by the Ministry of Energy through Decree N° 185, the main role of the La Ligua Substation will be to improve the safety, continuity and flexibility of the SEN grid.

- **Approval of BESS Tamaya project:** During the first week of August, 2023, the construction of a Battery Energy Storage System (BESS) named BESS Tamaya started in the North of Chile. The Project will receive energy from the renewable Photovoltaic solar Project Tamaya (114 MWac), will have a daily storage capacity of 418 MWh of energy, and will have an installed capacity of 68 MW per year, which considers more than 5 hours of storage at the beginning of its useful life. The BESS facility consists of 152 containers which, thanks to a lithium battery based solution integrated by Sungrow Power Supply, will receive the energy generated by the photovoltaic solar plant. This will allow for a more efficient system and will provide a supply of renewable energy during the hours of higher demand. BESS Tamaya will mean a 42,187 tons of CO2 per year emissions reduction, which is equivalent to retiring approximately 14,500 conventional combustion vehicles from circulation. When both BESS Tamaya and BESS Coya projects begin their operation, Engie Chile will reach a 1GWh storage capacity.

- **Approval of the Pampa Fidelia Project environmental impact declaration (DIA)**: The Environmental Evaluation Service (Servicio de Evaluación Ambiental (SEA)) approved the DIA of Engie's Pampa Fidelia Wind Project. The Project will include 51 wind turbines located 98 kilometers from the city of Taltal, with a combined capacity of 336.6 MW, and will require a US$645 million investment. The plant will include a 30 kilometer transmission line which will evacuate the energy generated to the future Parinas Electric Substation, where it will be connected to the National Electric System (Sistema Eléctrico Nacional (SEN)). The wind turbines to be installed, will have a nominal capacity of 6,6 MWp, a hub height of 115 meters, and will have three 83,5 meter blades, each, reaching a rotor diameter of 170 meters. The project site is located 180 kilometers south of the city of Antofagasta, on a 289-hectare plot. This land was assigned to the Company through an onerous use concession (*Concesión de Uso Oneroso* (CUO)) provided by the "*Ministerio de Bienes Nacionales*" to be used for electric generation purposes. This zone has a high wind generation potential, due to the intensity, frequency and regularity of the local wind and solar radiation. There are no protected resources or areas, conservation priority sites, protected wetlands, or glaciers or territories of high environmental value in the area comprised by the Project.

- **Standard & Poor's revised the Outlook of its rating and Fitch Ratings reviewed its rating for ENGIE Chile:** On September 11, 2023, S&P Global Ratings reaffirmed ENGIE Energía Chile's 'BBB' international rating, and returned its outlook to Stable, highlighting the improvement in the Company's liquidity. Fitch Ratings also ratified the BBB international rating for ENGIE Energía Chile as well as the AA-(cl) local rating, both with a Stable Outlook, on July 28th, 2023.

SECOND QUARTER 2023

- **IFC and DEG financing for US$400 million**: The International Finance Corporation (IFC) announced the execution of a "Super Green" loan – green and sustainability linked - for ENGIE Energía Chile S.A. (ENGIE Chile). This loan, together with the parallel financing supplied by the German Bank DEG is for a total amount of US$400 million with a 10-year tenor. The purpose of this loan is to provide financing for CAPEX in renewable projects, which is aligned with the Company's energy transformation plan, aiming at transiting from a fossil fuel energy generation matrix to one based in renewable generation assets, as well as the installation of Battery Energy Storage Systems – BESS. This financing includes US$200 million provided by IFC, US$114.5 million by investors in the Managed Co-financing Program – MCPP by IFC, US$35.5 million by an investor who's concentrated in the ODS - ILX Fund, within the B Loan framework by IFC, as well as the DEG Loan for US$50 million.

- **Puerto Andino.** To give continuity and to enhance the profitability of our Puerto Andino port operations in Mejillones, in 2019 the company signed a strategic alliance with PASA, an experienced port operator controlled by the Sigdo Koppers group. On April 3 this alliance signed its first unloading contract through Puerto Andino with SQM. This contract will allow to receive, load, unload, transfer and store third-party cargoes. In this way, the port will be able to continue operating responsibly together with the communities, giving new uses to the company's assets, extending their life, and becoming a development opportunity for the Bay of Mejillones. Puerto Andino, in operation since 2017, has the capacity to receive more than 6 million tons of solid and liquid bulk. The terminal has a maximum allowable draft of 17.9 meters, a maximum displacement of 198,500 tons, and a design that allows the operation of capesize carriers.

- **Financing activity:** On April 10, 2023, the company took a US$75 million short-term loan from its parent company, Engie Austral, to finance investments in fixed assets and LNG purchases. The amount may be increased to US$150 million. On April 20, in an effort to extend the average tenor of its debt, the Company renewed two loans with Scotiabank for a total of US$100 million, with original maturity in April and May 2023, and extended their maturity date to October 21, 2024, and on May 22, the Company renewed a US$50 million loan with BCI, extending its maturity until November 12, 2024.

- **Publication of Node Price Decree, a fundamental condition for the implementation of the PEC and MPC laws:** On April 12, 2023, the July 2022 Average Node Price Decree issued by the National Energy Commission was published in the Official Gazette. With the publication of this decree, together with the publication of the Exempt Resolution of the CNE that established the guidelines for the application of Law No. 21,472 (MPC or Consumer Protection Mechanism), the requirements for the monetization of Documents of Payment ("DDPs") to be issued by the Chilean Treasury on account of the receivables to be collected from distribution companies were met. This program has been structured by IDB Invest with the collaboration of Goldman Sachs and JP Morgan and Itaú, who will support the process of selling these DDPs in the international financial market. This program will allow the company to sell part of the accounts receivable originated by the energy price stabilization mechanisms, which as of June 30, 2023 reached a total of US$451 million. The monetization of this amount should be realized through the sale of DDPs as well as the re-liquidation in installments included in the bills of regulated customers as soon as all the regulatory conditions needed for this mechanism are in place.

- **Last sale of "PEC-1" accounts receivable**: On May 12, 2023, the Company was able to sell a nominal amount of US$51 million corresponding to accounts receivable under the program known as PEC-1, recovering US$38 million after a financial discount of US$12.6 million. This sale marked the end of the sales of accounts receivable from regulated customers to Chile Electricity PEC framed within the PEC-1 program. This way a total nominal amount of US$272.9 million was sold with a total of US$193.8 million of net resources received between February 2021 and May 2023. The total financial cost attributed to this transaction during this period amounted to US$79.1 million.

- **Annual Ordinary Shareholders' Meeting**: On April 25, 2023, the Company's shareholders agreed the following:

  - **Dividend Policy:** No final dividends will be paid on account of 2022's net results given the losses reported in the period.

  - **Auditors:** To appoint EY Servicios Profesionales de Auditoría y Asesorías SpA as the Company's external auditors.

FIRST QUARTER 2023

- **Tamaya solar PV plant**: This 114MWac plant located in the Antofagasta region achieved its commercial operation date on January 14, 2022, as confirmed by the national grid coordinator ("CEN"). This new asset forms part of our ambitious transformation plan, which considers the addition of 2GW of renewable generation and is in line with our zero carbon goals. The Tamaya plant has been injecting power to the system since November 2021.

- **Coya solar plant COD**: This 181.25 MWac solar PV plant achieved its commercial operation date (COD) on March 24, 2023, as confirmed by the National Electric Coordinator. The PV plant -located in the commune of María Elena, Antofagasta region- became the company's largest renewable operation currently connected to the SEN power grid. With its 369,432 photovoltaic panels, it allows to supply renewable energy to the equivalent of 73 thousand homes, which means a reduction of 311,293 tons of CO2 per year. The solar energy generated by the PV plant will be stored thanks to a Battery Energy Storage System (BESS), which will have a capacity of 638 MWh. The initiative called "BESS Coya", which is currently under construction, will deliver greater efficiency and flexibility to the SEN.

- **LNG supply**: During the first quarter of 2023, the company was able to secure the purchase of liquefied natural gas for a total volume of 14 TBtu to replace the 4 cargoes for a total volume of 13.2 TBtu that its liquefied natural gas ("LNG") supplier, Total Energies Gas & Power Limited ("Total"), did not confirm, as reported by the company in the Material Fact notice issued on December 23, 2022. Through this supply of LNG, acquired at current market prices, the company has been able to reduce its exposure to the spot market and to ensure the continuous supply of energy to its customers.

- **IEM plant outage**: On January 24, the Infraestructura Energética Mejillones (IEM) power plant presented a failure in one of its auxiliary transformers, which caused malfunctioning of its electrical system. In accordance with ENGIE’s protocols, the unit’s operation was immediately halted. The initial scheduled return date was early July 2023; however, the company took all the necessary measures to anticipate the operational return of the plant to mid-May 2023. The unit’s scheduled annual maintenance was anticipated to shorten the total operation stoppage period in 2023.

- **Financing activity**: During the first quarter, the company renewed US$80 million of debt maturing in February 2023, obtained a new US$50 million one-year loan and drew US$93 million from the 5-year loan granted by Banco Santander at the end of 2022 for the purchase of renewable assets in Chiloé. The company used the proceeds from the last disbursement of the Banco Santander loan to prepay the existing project financing of one of these assets a total of US$80 million.

- **S&P rating outlook**: On March 31, 2023, S&P Global Ratings placed the company’s 'BBB' rating on CreditWatch negative. In S&P's opinion, the liquidity position of Engie Energia Chile S.A. (Engie Chile) has worsened due to higher working capital requirements in 2022, and S&P believes that this situation will persist until the company is able to refinance or pay off part of its short-term debt, which reached US$360 million in December 2022. A downgrade could occur if the company fails to remedy current liquidity pressures through a refinancing strategy over the next three months. Engie Chile's debt maturity profile could improve either through the monetization of its accounts receivable originated by the tariff stabilization laws for regulated customers, a liability management program, or explicit support from its parent, Engie S.A. S&P also revised downwards the independent credit profile (SACP) of Engie Chile to 'BB' from 'BB+'. However, S&P continues to view the company as a strategically important subsidiary of Engie S.A. (Engie; BBB+/Stable/A-2), and this group support provides an up to three-notch increase to Engie Chile’s SACP rating.

- **Albemarle project**: On March 24 and 25, the transmission business unit project team reached an important milestone, performing all scheduled tasks for the energization of the new Albemarle Project facility. The project scope included the expansion of the existing Tap–Off 220/23kV Substation (owned by AES Andes), the construction of the Salar Substation within the Albemarle plant and the construction of a 35-kilometer 23 kV line to connect both substations to transmit energy to the plant for 20 years. This project involved a total of 600,000 human hours without accidents, with a peak of 180 workers in the field during the construction process.

INDUSTRY OVERVIEW

The SING and SIC power grids operated independently until November 24, 2017, when the interconnection of both grids was perfected through EECL’s 50%-owned TEN project, giving birth to the SEN (*“Sistema Eléctrico Nacional”*). Currently, the company’s generation assets are predominantly located in the northern segment of the SEN, in the area that used to be covered by the so-called SING Grid (*“Sistema Interconectado del Norte Grande”*), which serves a major portion of the country’s mining industry. Given local conditions, the northern segment of the SEN is predominantly a thermoelectric system, with generation based on coal and LNG, with growing penetration of renewable sources, including wind, solar, geothermal, and storage systems, which allow to cope with the renewable energy generation intermittence, decoupling and curtailment. In 2018, EECL began its geographical diversification with the acquisition of renewable generation assets in other regions of the country and with the start of supply under PPAs awarded with distribution companies in the center-south region. The interconnection of the grids and the entry into operations of the Cardones-Polpaico Interconnection Project of InterChile, on May 30, 2019, allowed for the coupling of transmission bars in the different substations of the system, reducing the curtailment of renewable energy supply due to the insufficiency of the transmission infrastructure. However, the accelerated installation of renewable energy projects in recent years has exceeded the capacity of the transmission infrastructure, making it necessary to expand it to prevent renewable energy losses.

Marginal Costs

2022	Real (Monthly Average per Node)				
Month	Crucero 220	Polpaico 220	Charrúa 220	Pto. Montt 220	Temuco 220
Ene	69	69	75	213	77
Feb	68	68	69	290	72
Mar	95	102	114	210	117
Abr	108	118	126	230	127
May	96	102	100	187	101
Jun	190	200	196	224	192
Jul	116	154	148	241	144
Ago	101	112	100	199	90
Sep	84	87	82	198	70
Oct	83	69	61	77	54
Nov	112	95	86	100	72
Dec	96	91	89	83	61
YTD	101	105	104	188	98

2023	Real (Monthly Average per Node)				
Mes	Crucero 22	Polpaico 220	Charrúa 220	Pto. Montt 2:	Temuco 220
Ene	96	94	91	197	89
Feb	114	114	110	215	107
Mar	106	133	132	207	128
Abr	109	133	132	160	130
May	106	123	123	138	118
Jun	93	104	102	90	88
Jul	60	59	56	48	47
Ago	54	52	48	36	36
Sep	53	50	46	32	33
Oct	44	41	33	35	27
Nov	41	33	25	20	20
Dec	47	41	34	49	28
YTD	77	81	78	102	71

Source: Coordinador Eléctrico Nacional

In January 2023, marginal costs averaged US$96/MWh in the north and US$92/MWh in the center, while in the south they stood at US$197/MWh due to high temperature, transmission restrictions and higher demand.

In the first half of February 2023, there was a significant increase in marginal costs in the system (+30 US$/MWh in the north and center), due to transmission works, failures of own and third-party units, and lower hydroelectric contribution given the end of the thaw period.

During March, marginal costs reached US$106/MWh on average in the north and US$130/MWh in the center as a result of LNG purchases at market prices, while in the south they climbed to US$206/MWh due to the delay in the start of transmission works in the Araucanía region.

In April, both in the north and center zones of Chile, marginal costs maintained their high levels of the previous month reaching an average of 109 USD/MWh in Crucero and around 130 USD/MWh in the Center, whilst in the Puerto Montt Node, the average marginal cost dropped to 160 USD/MWh, mainly due to the rain registered in the South.

In May the marginal cost decreased somewhat to 106 USD/MWh in the north, while in the center zone it averaged around 123 USD/MWh and in the Puerto Montt node it decreased the most, reaching 138 USD/MWh. The main reason for these declines were the lower costs of fuels and the increase in rain during this month in the South.

In June the marginal costs reached 93 USD/MWh in the north, 102 USD/MWh in the center and 90 USD/MWh in the south. The lower marginal costs reflect lower fuel costs and the higher precipitation level in the south and in the center of Chile towards the end of the month.

During the third quarter, rain provided a considerable improvement in water accumulation in the different reservoirs, making some of the hydroelectric power plants reach maximum capacity and even having to dump water, so as to not reach the maximum elevation. This had the effect of reducing the marginal costs, which should remain low until the beginning of 2024, considering the thaw forecast of September 2023. During this third quarter, the average marginal cost reached 56 USD/MWh in the north, 50 USD/MWh in the center and 39 USD/MWh in the south.

During the fourth quarter the average marginal cost of the system was 35 USD/MWh. In the North it reached 44 USD/MWh, 35 USD/MWh in the Center and 30 USD/MWh in the South.

In general, the rains during the Winter of 2023 provided a relevant increase in the levels of reservoirs and the volume of accumulated snow, which is reflected in the thaw forecast issued by the CEN in November 2023.

Additionally, fuel prices have shown a downward trend during recent months, which coupled with the addition of generation due to the start in operation of new power plants, should mean a reduction in marginal costs during 2024, as compared with 2023.

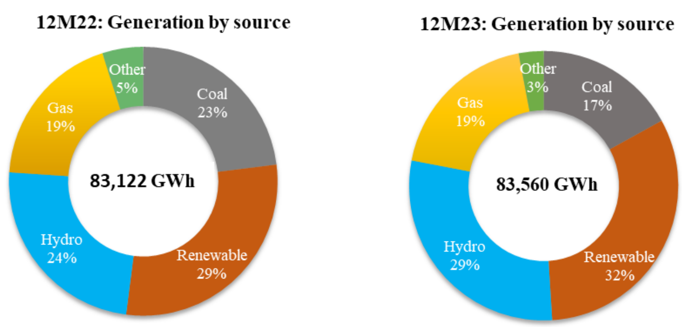
Fuel prices

	WTI (US$/Barrel)			Brent (US$/Barrel)			Henry Hub (US$/MMBtu)			European coal (API 2) (US$/Ton)		
	2022	2023	% Variation YoY	2022	2023	% Variation YoY	2022	2023	% Variation YoY	2022	2023	% Variation YoY
Jan	84.3	78.1	*-7%*	86.2	82.2	*-5%*	4.32	3.18	*-27%*	167.2	167.5	*0%*
Feb	95.8	77.3	*-19%*	96.6	83.2	*-14%*	4.75	2.39	*-50%*	194.5	138.3	*-29%*
March	107.9	72.5	*-33%*	116.2	77.5	*-33%*	4.99	2.26	*-55%*	325.3	138.3	*-57%*
April	101.9	79.6	*-22%*	104.5	83.9	*-20%*	6.50	2.16	*-67%*	319.3	140.3	*-56%*
May	111.5	71.7	*-36%*	114.3	79.7	*-30%*	8.24	2.15	*-74%*	328.1	119.0	*-64%*
June	114.3	70.4	*-38%*	122.4	79.5	*-35%*	7.46	2.12	*-72%*	352.9	115.6	*-67%*
July	101.2	75.8	*-25%*	111.6	79.9	*-28%*	7.37	2.55	*-65%*	389.0	110.5	*-72%*
August	93.7	81.6	*-13%*	100.7	86.3	*-14%*	8.76	2.61	*-70%*	364.9	117.7	*-68%*
September	85.4	89.6	*5%*	89.5	93.9	*5%*	7.73	2.63	*-66%*	328.5	123.3	*-62%*
October	87.6	86.0	*-2%*	93.3	90.8	*-3%*	5.69	2.95	*-48%*	267.9	136.1	*-49%*
November	82.8	77.9	*-6%*	89.9	83.2	*-7%*	5.45	2.75	*-50%*	213.6	123.6	*-42%*
December	76.0	71.8	*-6%*	80.3	77.6	*-3%*	5.52	2.52	*-54%*	227.9	117.6	*-48%*

As shown in the table above, when comparing 2023 to 2022, we can see a significant reduction in international fuel prices. During the fourth quarter of 2023, prices remained at similar levels as those of the first nine months of the year, remaining significantly below the record high prices observed in 2022.

Generation

The following graphs provide a breakdown of generation in the SEN by fuel type and by company for the first nine months of 2022 and 2023:



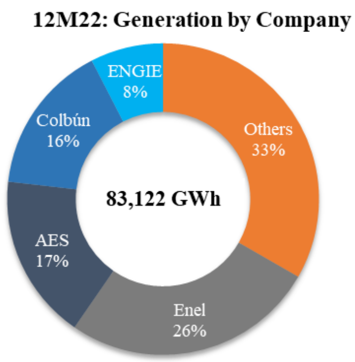
Source: Coordinador Eléctrico Nacional

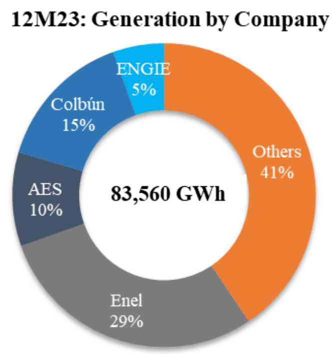
During 2023, demand reached a maximum of 11,549.1 MWh/h in December, 0.4% below peak demand of the same period in 2022. Accumulated sales reached 77,314.8 GWh, with a 1.4% increase in unregulated customer sales and a 1.3% decrease in the regulated client segment as compared to the same period in 2022.

Regarding renewable energy, solar generation increased by 13%, while wind generation rose by 12.2% as compared to 2022. As of December 2023, the National Electricity System (SEN) reported total gross installed capacity of 34,320.7 MW, including 15,470.7 MW qualifying as non-conventional renewable energy capacity, as defined by Law #20,257.

In terms of hydraulic generation, as of September, the estimated probability of exceedance for the April 2023-March 2024 hydrological year was 57.8% (medium-dry year).

Electricity production in the SEN grid, broken down by company, was as follows:





Source: Coordinador Eléctrico Nacional

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

The following discussion is based on our unaudited consolidated financial statements for periods ended December 31, 2023, and December 31, 2022. These financial statements have been prepared in U.S. dollars in accordance with IFRS and should be read in conjunction with the financial statements and the notes thereto published by the Comisión para el Mercado Financiero (www.cmfchile.cl).

4Q 2023 compared to 3Q 2023 and 4Q 2022

Operating Revenues

Quarterly Information (In US$ millions)

	4Q22		3Q23		4Q23		% Variation	
Operating Revenues	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**QoQ**	**YoY**
Unregulated customers sales…………………..	239.6	*49%*	223.2	*48%*	209.2	*48%*	*-6%*	*-13%*
Regulated customers sales…………………….	219.3	*45%*	183.9	*39%*	171.5	*40%*	*-7%*	*-22%*
Spot market sales………………………………..	27.0	*6%*	62.4	*13%*	51.6	*12%*	*-17%*	*91%*
Total revenues from energy and capacity sales	**485.8**	*93%*	**469.5**	*92%*	**432.4**	*91%*	***-8%***	***-11%***
Gas sales…………………………..	7.6	*1%*	12.7	*2%*	13.2	*3%*	*4%*	*75%*
Other operating revenue……………………….	27.9	*5%*	29.7	*6%*	31.2	*7%*	*5%*	*12%*
Total operating revenues………………….	**521.3**	*100%*	**512.0**	*100%*	**476.8**	*100%*	***-7%***	***-9%***
Physical Data (in GWh)								
Sales of energy to unregulated customers (1)……	1,773	*60%*	1,725	*56%*	1,783	*58%*	*3%*	*1%*
Sales of energy regulated customers……	1,149	*39%*	1,289	*42%*	1,220	*40%*	*-5%*	*6%*
Sales of energy to the spot market……………	18	*1%*	65	*2%*	47	*2%*	*-28%*	*160%*
Total energy sales………………………….	**2,940**	*100%*	**3,079**	*100%*	**3,050**	*100%*	***-1%***	***4%***
Average monomic price unregulated customers(U.S.$/MWh)(2)	**135.1**		**129.4**		**117.4**		***-9%***	***-13%***
Average monomic price regulated customers (U.S.$/MWh)(3)	**190.8**		**142.6**		**140.6**		***-1%***	***-26%***

Energy and capacity sales reached US$432.4 million in the fourth quarter of 2023, representing a US$7.7 million, or 11%, decrease compared to the fourth quarter of 2022. This decrease is explained by lower sales both to regulated and unregulated customers, as well as lower prices.

The drop in tariffs to regulated customers corresponds to decreases in inflation rates and fuel prices used in the indexation formulas of the contracts that are reflected in the fourth quarter of 2023.

When compared to the previous quarter, energy and capacity sales decreased by 8% (US$37.1 million), explained by lower volume sales to regulated customers and drops in the average monomial prices of both unregulated and regulated customers.

Sales of energy to the spot market include energy generation produced at the Kelar Plant, owned by BHP, which is operating under a tolling agreement with fuel supplied by EECL. This is the main reason of the increase in that line. However, in the physical statistics, the MWh generated by Kelar are registered under gas sales and not under spot sales. In the fourth quarter of 2023, sales by volume in the spot market, excluding Kelar sales (168 GWh), totaled 47 GWh. In the third quarter of 2023, sales by volume in the spot market, excluding Kelar sales (397 GWh), totaled 65 GWh.

Gas sales in the fourth quarter of 2023 reached similar levels than those of the previous quarter, since there were no specific gas sales in this quarter. Also, other operational revenues are comprised of transmission tolls, which as of 2018 consider "*cargo único*", other services (port, maintenance, etc.) and fuel sales to third parties.

The most relevant items in the 'Other operating revenue' account are sub-transmission tolls and regulatory transmission revenues, which starting 2018 include a single charge called *"cargo único"*, as well as port and maintenance services.

Operating Costs

Quarterly Information (In US$ millions)

	4Q22		3Q23		4Q23		% Variation	
Operating Costs	Amount	% of total	Amount	% of total	Amount	% of total	QoQ	YoY
Fuel and lubricants………………………………	(154.9)	31%	(120.7)	33%	(99.1)	23%	-18%	-36%
Energy and capacity purchases on the spot market……………………………	(210.2)	42%	(189.2)	41%	(182.7)	42%	-3%	-13%
Depreciation and amortization attributable to cost of goods sold…………………………….	(49.9)	10%	(44.2)	8%	(44.3)	10%	0%	-11%
Other costs of goods sold…………………….	(85.1)	17%	(74.4)	16%	(95.7)	22%	29%	12%
Total cost of goods sold………………..	**(500.2)**	100%	**(428.5)**	99%	**(421.8)**	98%	**-2%**	**-16%**
Selling, general and administrative expenses…	(6.3)	1%	(9.6)	2%	(13.8)	3%	43%	118%
Depreciation and amortization in selling, general and administrative expenses………..	(1.1)	0%	(1.2)	0%	(1.0)	0%	-9%	-3%
Other operating revenue/costs……………………….	6.5	-1%	5.0	-1%	5.4	-1%		
Total operating costs…………………..	**(501.1)**	100%	**(434.3)**	100%	**(431.3)**	100%	**-1%**	**-14%**
Physical Data (in GWh)								
Gross electricity generation								
Coal………………………………………….	687	50%	128	22%	433	41%	239%	-37%
Gas…………………………………………..	289	21%	757	53%	205	19%	-73%	-29%
Diesel Oil and Fuel Oil…………………….	1	0%	3	0%	0	0%	-97%	-92%
Hydro/Solar/Wind……………………………….	390	29%	436	25%	415	39%	-5%	6%
Total gross generation…………………	**1,368**	100%	**1,324**	100%	**1,054**	100%	**-20%**	**-23%**
Minus Own consumption……………..	(92)	-7%	(28)	-4%	(53)	-5%	92%	-42%
Total net generation……………………	**1,275**	**42%**	**1,297**	**53%**	**1,000**	**31%**	**-23%**	**-22%**
Energy purchases on the spot market………..	1,081	**36%**	1,078	**19%**	1,299	**40%**	21%	20%
Energy purchases- bridge……….	646	**22%**	800	**28%**	966	**30%**	21%	49%
Total energy available for sale before transmission losses………………………	**3,002**	**100%**	**3,175**	**100%**	**3,265**	**100%**	**3%**	**9%**

Gross electricity generation decreased by 23%, compared to the same quarter of 2022, and by 20% compared to the previous quarter. The increase in coal-based generation is explained primarily by higher dispatch priority of coal units. The decrease in gas generation during the quarter compared to previous periods is explained by higher hydraulic and solar generation in the system. Gas generation in the fourth quarter of 2023 includes 168 GWh generated by the Kelar unit under a tolling agreement, to compensate for lower coal generation and to use natural gas during off-peak renewable generation hours.

Renewable generation increased significantly compared to the fourth quarter of 2022 (6%), as a result of the start of commercial operations of the Calama wind farm (151.2 MW) at the end of 2021 and the Tamaya solar PV plant (114 MWac) in January 2022, the first injections of the Capricornio solar PV plant (88 MWac) starting April 2022, Coya (180 MWac) beginning August 2022 and the incorporation of the San Pedro wind farms in mid-December 2022. The Coya PV plant obtained its COD as of March 24, 2023. Renewable generation decreased by 5% as compared to the third quarter of 2023.

In the fourth quarter of 2023, the fuel cost item showed a 18% decrease compared to the previous quarter as a result of lower fuel prices and lower own generation. Compared to the fourth quarter of 2022, the fuel cost decreased by 36%, due to the reduction in fuel prices during 2023.

The 'Cost of energy and capacity purchases in the spot market' decreased compared to previous periods, mainly due to lower average spot prices, despite increased volumes of energy purchased in the spot market as well as through back-up contracts with other generators. Purchases under back-up supply contracts reached 966 GWh in the quarter compared to 646 GWh in the same quarter of the previous year. The lower marginal costs of the fourth quarter of 2023 are explained by higher hydraulic and solar generation and the supply of Argentinean gas in the system. This cost reduction also reflected a lower cost of coal generation in the system due to falling prices and the gradual consumption of inventories purchased at high prices in the second half of 2022.

Other direct operating costs included, among others, transmission tolls, plant personnel salaries, operating and maintenance costs, insurance premiums and cost of fuels sold. These costs increased from the previous quarter mainly due to higher bonds, severance and maintenance costs.

SG&A expenses increased as compared to those in previous periods, mainly due to higher advisory and third party services.

The Other operating revenue/cost item includes water sales as well as recoveries, single charges and provisions and other miscellaneous income. EECL's share in TEN's net income, which amounted to US$0.4 million in the third quarter, is also included in this item.

Electricity Margin

Quarterly Information (In US$ millions)

	2022					2023				
	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023
Electricity Margin										
Total revenues from energy and capacity sales………	**365.8**	**441.3**	**461.8**	**485.8**	**1,754.7**	**531.8**	**552.3**	**469.5**	**432.4**	**1,986.0**
Fuel and lubricants…………………..	(128.4)	(203.2)	(161.7)	(154.9)	(648.2)	(177.3)	(194.2)	(120.7)	(99.1)	(591.3)
Energy and capacity purchases on the spot market……	(163.0)	(212.0)	(213.1)	(210.2)	(798.3)	(219.4)	(224.3)	(189.2)	(182.7)	(815.6)
Gross Electricity Profit	**74.4**	**26.1**	**87.0**	**120.7**	**308.2**	**135.1**	**133.8**	**159.6**	**150.6**	**579.1**
Electricity Margin	*20%*	*6%*	*19%*	*25%*	*18%*	*25%*	*24%*	*34%*	*35%*	*29%*

In the fourth quarter of 2023, the electricity margin, or gross profit from the electricity generation business, recovered significantly, with a US$29.9 million increase, when compared to the same quarter of the previous year, increasing from 18% to 35% of energy and capacity revenues. This was due to lower fuel costs and lower electricity purchase costs, which together represented a 23% decrease, while there was an increase in revenues from energy and capacity sales which represented an 11% increase. Meanwhile, compared to the previous quarter, there was a decrease of US$9 million in the gross profit of the business, which nevertheless, went from 34% to 35% margin. However, there were lower revenues from energy and capacity sales (US$37.1 million) due to the fall in average prices of energy sold, due to the decrease in the main tariff indexers (CPI and gas and coal prices). The lower energy and capacity sales were offset by lower fuel costs (US$21.6 million) due to the fall in prices and lower own generation in the period, as well as lower energy and capacity purchases in the spot market (US$6.5 million), mainly due to lower marginal costs in the system.

Operating Results

Quarterly Information (in US$ millions)

EBITDA	4Q22		3Q23		4Q23		% Variation	
	Amount	% of total	Amount	% of total	Amount	% of total	QoQ	YoY
Total operating revenues………………………	521.3	*100%*	512.0	*100%*	476.8	*100%*	*-7%*	*-9%*
Total cost of goods sold……………………	(500.2)	*-96%*	(428.5)	*-89%*	(421.8)	*-88%*	*-2%*	*-16%*
Gross income…………………………	**21.2**	*4%*	**83.4**	*11%*	**55.0**	*12%*	***-34%***	***160%***
Total selling, general and administrative expenses and other operating income/(costs).	(0.9)	*0%*	(5.8)	*-1%*	(9.4)	*-2%*	*63%*	*955%*
Operating income…………………..	**20.3**	*4%*	**77.6**	*10%*	**45.5**	*10%*	***-41%***	***124%***
Depreciation and amortization……...…………	51.0	*10%*	45.3	*8%*	45.4	*10%*	*0%*	*-11%*
EBITDA……………….………………	**71.3**	*13.7%*	**123.0**	*17.3%*	**90.9**	*19.1%*	***-26%***	***28%***

EBITDA for the fourth quarter of 2023 reached US$90.9 million, a 26% decrease compared to the previous quarter and a 28% increase compared to the fourth quarter of 2022, mainly due to the recovery in the electricity margin explained in the previous paragraph.

Financial Results

Quarterly Information (In US$ millions)

	4Q22		3Q23		4Q23		% Variation	
Non-operating results	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**QoQ**	**YoY**
Financial income……….………………………	1.5	*0%*	14.0	*2%*	3.2	*1%*	*-77%*	*108%*
Financial expense…………….…………………	(19.3)	*-4%*	(31.2)	*-5%*	(26.2)	*-4%*	*-16%*	*35%*
Foreign exchange translation, net……………	(9.2)	*-2%*	(3.2)	*-1%*	1.6	*0%*	*n.a.*	*n.a.*
Other non-operating income/(expense) net…	(447.6)	*-93%*	0.4	*0%*	(604.9)	*-98%*	*n.a.*	*n.a.*
Total non-operating results…………….	**(474.7)**	*-99%*	**(19.9)**	*-3%*	**(626.3)**	*-102%*		
Income before tax……………………. ………	(454.4)	*-94%*	57.7	*10%*	(580.8)	*-94%*	***n.a.***	***28%***
Income tax………………………………………	123.8	*26%*	(15.1)	*-3%*	100.2	*16%*	*n.a.*	*-19%*
Net income from continuing operations after taxes …	(330.6)	*-69%*	42.7	*7%*	(480.6)	*-78%*	*n.a.*	*n.a.*
Net income to EECL's shareholders	**(330.6)**	*-69%*	**42.7**	*7%*	**(480.6)**	*-78%*	***n.a.***	***n.a.***
Earnings per share……………………..	**(0.314)**		**0.040**		**(0.456)**			

In the fourth quarter of 2023, interest expense decreased by US$5 million compared to the third quarter of 2023 due to greater capitalization of interest expense in project costs. The US$6.9 million increase in financial expenses, as compared to the fourth quarter of 2022, is explained by (1) the increase in the company's financial debt during 2022 to finance the increase in fuel costs, the investment in renewable projects, and the build-up of accounts receivable from distribution companies related to the tariff stabilization law, and (2) the successive increase in interest rates. This also explains the increase in financial income. However, the decrease in financial income as compared to the third quarter of 2023 is primarily explained by US$10.7 million of interest income received on the first sale of DDPs under the PEC-2 law in the third quarter.

Exchange rate differences resulted in a US$1.6 million profit in the fourth quarter of 2023, which compares favorably with a US$3.2 million loss in the third quarter of 2023 and a US$9.2 million loss in the fourth quarter of 2022. These fluctuations were explained by the exchange rate volatility. Fluctuations in exchange rates affect the value of certain assets and liabilities denominated in currencies other than the US dollar, the company's functional currency. These include some accounts receivable and payable, advances to suppliers, value-added tax credit and, more importantly, liabilities for onerous concessions on land and other assets recorded on the balance sheet under the IFRS16 norm.

The US$604.9 million non-operating loss reported in the fourth quarter includes non-recurring impacts primarily explained by an impairment in the book value of certain generation assets, particularly CTA and CTH, whose operation will stop being based on coal starting 2026, in line with the company's decarbonization strategy. Non-operating results also include an US$18.1 million increase in the plant dismantling provision. The after-tax effect of the impairment on the fourth quarter net result was US$491.1 million, which compares with the US$325 million net negative impact of the impairment carried out in the fourth quarter of 2022. These impairments have no effects on cash flow other than potential changes on future dividend payments.

Net Earnings

In the fourth quarter of 2023, the company reported a US$480.6 million net loss. Fourth quarter results were affected by non-recurring impacts explained by the impairment of the book value of certain coal-based generation assets. Had this non-recurring impairment not been applied, the fourth quarter net income would have been US$10.6 million, which compares favorably with a US$5.6 million recurring loss in the fourth quarter of 2022. As compared to the third quarter of 2023, net profits before non-recurring impacts reported a US$32.1 million decrease given the strong operating results and US$10.7 million interest income on the sale of PEC-2 documents of payment in the third quarter of 2023.

Just as reported in the last quarter of 2022, fourth-quarter 2023 income taxes registered a positive value due to deferred taxes and impairment of deferred taxes.

2023 compared to 2022

Operating Revenues

For the 12-month period ended December 31 (US$ millions)

	12M22		12M23		Variation	
Operating Revenues	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**%**
Unregulated customers sales…………………..	877.7	*50%*	884.2	*45%*	*6.6*	*1%*
Regulated customers sales…………………….	772.8	*44%*	827.7	*42%*	*54.9*	*7%*
Spot market sales………………………………..	104.2	*6%*	274.0	*14%*	*169.8*	*163%*
Total revenues from energy and capacity sales……	**1,754.7**	*91%*	**1,986.0**	*91%*	***231.3***	*13%*
Gas sales…………………………..	48.9	*3%*	81.2	*4%*	*32.3*	*66%*
Other operating revenue……………………….	116.7	*6%*	125.6	*6%*	*8.9*	*8%*
Total operating revenues………………….	**1,920.3**	*100%*	**2,192.7**	*100%*	***272.4***	*14%*
Physical Data (in GWh)						
Sales of energy to unregulated customers (1)……	7,074	*59%*	6,902	*57%*	*-173*	*-2%*
Sales of energy regulated customers……	4,735	*39%*	5,011	*42%*	*276*	*6%*
Sales of energy to the spot market…………….	238	*2%*	160	*1%*	*-78*	*-33%*
Total energy sales………………………….	**12,047**	*100%*	**12,072**	*100%*	***25***	*0%*
Average monomic price unregulated customers(U.S.$/MWh)(2)	**124.1**		**128.1**		***4.1***	*3%*
Average monomic price regulated customers (U.S.$/MWh)(3)	**163.2**		**165.2**		***2.0***	*1%*

In 2023, total revenues from energy and capacity sales reached US$1,986 million, a 13% (US$231.3 million) increase as compared to 2022, mainly due to the recovery in demand from regulated customers and higher average monomial prices for both unregulated and regulated customers. The average prices of energy sold were higher due to increases in the main tariff indexers (CPI and gas and coal prices).

As for the volume of energy sold, there was a 2% decline in sales by volume to unregulated customers while there was a 6% increase of volumes sold to regulated customers.

The sales by volume to the spot market decreased due to sales of the generation from CTH and *Los Loros* during the first two months of 2022, which were partially offset by spot sales of *Eólica Monte Redondo* explained by the maturity of one of its PPAs with CGE at the end of 2021. Injections of energy to the system by the Kelar power plant, which has been operating under a tolling agreement with EECL, are not being included in our spot sales volume. This generation amounted to 1,281 GWh in 2023 and was registered under gas generation. However, in monetary terms, Kelar's sales were recorded as sales to the spot market, which explains the substantial increase in this item, which also includes payments for capacity and energy reliquidations made under the CEN.

The gas sales item showed a higher contribution than the previous period. As of February 2022, EECL reached an agreement with its liquified natural gas supplier that allowed it to optimize the annual gas purchase volumes, as well as resolving the commercial dispute related to an LNG cargo which had not been delivered in the first half of 2021. As a result of the agreement, the Company registered a positive impact of US$17 million in operating results in the first half of 2022. In 2023, the Company bought natural gas that allowed it to generate both in its own plants as well as through a tolling agreement in Kelar. These volumes also meant an increase in gas sales to the market. The other operating revenue account includes sub-transmission tolls and as well as port and maintenance services. Among other reasons, the increase in this account is due to regulatory transmission revenues, *"cargo único"* which have not yet been passed on to the end customers. In January 2023, the CNE "unfroze" the fixing of the "*cargo único*" paid by end customers for the use of public service transmission installations, which had been frozen since December 2019. At the same time, in February 2023, the Decree which includes the new tariffs for transmission installations for the 2020-2023 period, was implemented retroactively by the *Coordinador Eléctrico* (as established by the Electricity Law). Both events together meant that EECL obtained higher than expected revenues related to the expected remuneration or tolling value, which will be discounted from future "*cargo único*" charges.

Operating Costs

For the 12-month period ended December 31 (in US$ millions)

	12M22		12M23		Variation	
Operating Costs	Amount	% of total	Amount	% of total	Amount	%
Fuel and lubricants………………………………	(648.2)	34%	(591.3)	30%	-56.9	-9%
Energy and capacity purchases on the spot market…	(798.3)	42%	(815.6)	41%	17.2	2%
Depreciation and amortization attributable to cost of goods sold…	(185.3)	10%	(176.9)	9%	-8.4	-5%
Other costs of goods sold…………………….	(269.1)	14%	(358.0)	18%	88.9	33%
Total cost of goods sold……………….	**(1,901.0)**	99%	**(1,941.9)**	98%	**40.9**	**2%**
Selling, general and administrative expenses…	(33.8)	2%	(43.9)	2%	10.1	30%
Depreciation and amortization in selling, general and administrative expenses…	(4.1)	0%	(4.9)	0%	0.8	20%
Other operating revenue/costs……………………….	18.3	-1%	19.0	n.a.	0.7	4%
Total operating costs………………….	**(1,920.6)**	100%	**(1,971.7)**	100%	**51.0**	**3%**
Physical Data (in GWh)						
Gross electricity generation						
Coal…………………………………………	3,503	57%	1,291	23%	-2,211	-63%
Gas…………………………………………..	1,439	24%	2,723	48%	1,284	89%
Diesel Oil and Fuel Oil…………………….	19	0%	14	0%	-5	-29%
Hydro/Solar……………………………………….	1,139	19%	1,670	29%	531	47%
Total gross generation…………………	**6,100**	100%	**5,698**	100%	**-402**	**-7%**
Minus Own consumption………………..	(507)	-8%	(205)	-4%	301	-59%
Total net generation……………………	**5,593**	**46%**	**5,493**	**44%**	**-101**	**-2%**
Energy purchases on the spot market………..	4,501	**37%**	3,626	**29%**	-875	-19%
Energy purchases- bridge………..	2,134	**17%**	3,289	**27%**	1,156	54%
Total energy available for sale before transmission losses………………………	**12,228**	**100%**	**12,408**	**100%**	**180**	**1%**

Total gross generation decreased by 7% compared to the previous year, due to the decrease in coal generation, explained by a disruption of the IEM plant between February and May 2023, as well as by lower dispatch by merit order of coal plants from August onwards due to higher hydraulic and Argentinean gas generation. Gas generation increased by 89%, which compensated for the mentioned decrease in coal generation, and made generation available at peak hours during the first half of 2023, when the extreme drought affecting the country continued with little contribution from hydraulic generation. Renewable generation increased by 531 GWh (47%) due to the commercial operation start of the PV Coya plant in the first quarter of 2023 and the purchase of the San Pedro I and II wind farms in December 2022.

In 2023, fuel costs decreased 9% compared to the previous year. Fuel prices started to decline significantly during the second quarter, partially offsetting the increased volume of gas purchases made at higher prices than the supply contract, which was not honored by our main gas supplier for a volume equivalent to 13.2 TBtu.

The item 'Energy and capacity purchases on the spot market ' increased by US$17.2 million (2%) compared to the previous year, mainly due to higher volumes of energy purchased through back-up PPAs with other generation companies which increased from 2.1 TWh in 2022 to 3.2 TWh in 2023 which offset the lower volumes of energy bought on the spot market at lower realized prices when buying such energy.

In 2023, depreciation cost decreased slightly compared to 2022, due to the offsetting effects between impairments and higher fixed assets explained by new projects.

Other direct operating costs include, among others, transmission tolls, plant personnel salaries, operating and maintenance costs (third party services), insurance premiums and cost of fuels sold. The US$88.9 million increase in this item compared to 2022 is mainly due to increases in the cost of fuels sold related to higher gas sales (US$43.3 million), costs of personnel benefits (US$16.8 million), maintenance costs (US$13.8 million), transmission tolls (US$11.5 million), third-party services (US$10.9 million) and insurance premiums (US$5 million).

SG&A expenses (excluding depreciation), increased by 30% compared to the first nine months 2022 due to higher third party services and consultants costs.

The other operating revenue/cost item includes water sales, recoveries, "*cargo único*", other provisions, as well as EECL's share in TEN's net income, which amounted to US$3.4 million in 2023.

Operating results

For the 12-month period ended December 31 (in US$ millions)

EBITDA	**12M22**		**12M23**		**Variation**	
	Amount	**% of total**	**Amount**	**% of total**	**Amount**	**%**
Total operating revenues..........................	1,920.3	*100%*	2,192.7	*100%*	*272.4*	*14%*
Total cost of goods sold.......................	(1,901.0)	*99%*	(1,941.9)	*89%*	*40.9*	*2%*
Gross income.............................	**19.3**	*1%*	**250.8**	*11%*	***231.5***	***n.a.***
Total selling, general and administrative expenses and other operating income/(costs).	(19.7)	*1%*	(29.8)	*1%*	*10.1*	*52%*
Operating income......................	**(0.3)**	*0%*	**221.1**	*10%*	***221.4***	***n.a.***
Depreciation and amortization........................	189.4	*10%*	181.8	*8%*	*-7.6*	*-4%*
EBITDA....................................	**189.0**	*9.8%*	**402.9**	*18.4%*	***213.8***	***113%***

EBITDA for 2023 reached US$403 million, a 113% or US$213.8 million increase compared to 2022, mainly due to the higher operating revenues, which outpaced the increase in cost of goods sold.

Financial Results

For the 12-month period ended December 31 (in US$ millions)

	12M22		12M23		Variation	
Non-operating results	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**%**
Financial income………..………………………	16.8	*2%*	23.4	*2%*	*6.6*	*40%*
Financial expense………….…………………	(75.5)	*-8%*	(127.8)	*-11%*	*-52.3*	*69%*
Foreign exchange translation, net…………..	(14.7)	*-2%*	(2.3)	*0%*	*12.4*	*-84%*
Other non-operating income/(expense) net…	(447.7)	*-50%*	(613.5)	*-51%*	*-165.8*	*n.a.*
Total non-operating results……………	**(521.1)**	*-58%*	**(720.2)**	*-60%*		
Income before tax……………………. ………	(521.4)	*-58%*	(499.1)	*-41%*	***22.3***	***n.a.***
Income tax………………………………………	132.7	*15%*	88.1	*7%*	*-44.6*	*-34%*
Net income from continuing operations after taxes	(388.8)	*-43%*	(411.1)	*-34%*	*-22.3*	*n.a.*
Net income to EECL's shareholders	**(388.8)**		**(411.1)**		***-22.3***	***n.a.***
Earnings per share……………………..	**(0.369)**		**(0.390)**			

The US$52.3 million increase in financial expense in 2023, as compared to the previous year, mainly reflects the increase in debt during 2022 to finance CAPEX in renewable projects, higher operating costs and the accounts receivable build-up resulting from the price stabilization law. The average coupon rate of the company's debt increased from 4.2% in 2022 to 5.4% in 2023 due to successive increases in interest rates in global markets. Interest expense variations also included financial expenses stemming from the transitory price stabilization mechanism applied to regulated customers tariffs (Law N°21.185 of November 2019 – "PEC-1"). The differential between the nominal amount of receivables sold and the purchase price, which includes a discount and expenses related to the transaction, was registered as financial expense. In 2023, this expense amounted to US$12.6 million, a lower amount compared to the US$15.4 million reported in 2022.

Financial income reported a US$6.6 million increase, reaching a total of US$23.4 million in 2023, partly due to US$10.7 million in interest income related to the sale of PEC-2 DDPs in August 2023.

The exchange rate difference reached a US$2.3 million loss in 2023, which compares favorably to a US$14.7 million loss in 2022, as a result of the exchange rate volatility, with a local currency appreciation tendency through most of 2023 as opposed to the depreciation of the Chilean peso through most of 2022. Fluctuations in exchange rates affect the value of certain assets and liabilities denominated in currencies other than the US dollar (accounts receivable, advances to suppliers, value-added tax credit, accounts payable and provisions), and mainly, liabilities for onerous concessions on land recorded on the balance sheet under the IFRS16 norm.

Net Earnings

Despite the impressive recovery in operating results, with EBITDA increasing by 113% to US$402.9 million from US$189 million in 2022, net after-tax losses reached US$411.1 million in 2023, compared to the US$388.8 million net loss in 2022, as both periods were affected by non-recurring impairments in the book value of non-renewable generation assets. The net after-tax effect of the impairments was US$491.1 million on 2023 net results and US$325 million in 2022.

Liquidity and Capital Resources

As of December 31, 2023, EECL reported consolidated cash balances of US$301.3 million, while its nominal financial debt[1] amounted to US$2,110 million, including US$286.1 million of debt maturing within one year. To finance capital expenditures in renewable projects and refinance debt, the company signed a 10-year loan for a total amount of US$400 million with the IFC and DEG development banks. The company drew down the first US$200 million under this financing in July and the remaining US$200 million in December to finance CAPEX in renewable projects. At the same time, the company monetized documents of payment (DDPs) issued by the Chilean Treasury on account of distribution company receivables related to the second price stabilization law for regulated customers (PEC-2 or MPC law), through mechanisms agreed upon with the Interamerican Development Bank (IDB). The proceeds of the first three monetization transactions amounted to US$232.1 million including interest. The company expects to receive around US$40 million during 2024 on account of the PEC-2 program and more than US$250 million as long as the third monetization program for stabilized price documents of payment is approved and implemented during 2024. These resources are allowing the company to restore the liquidity affected by price stabilization laws, which will in turn allow it to finance investments in renewable assets and extend its debt maturity profile.

For the 12-month period ended December (in US$ millions)

Cash Flow	**2022**	**2023**
Net cash flows provided by operating activities…	(428.7)	346.0
Net cash flows used in investing activities………	(318.1)	(512.7)
Net cash flows provided by financing activities..	662.8	331.1
Change in cash……………….………….	**(84.0)**	**164.4**

Cash Flow from Operating Activities

The cash from operating activities registered a notable recovery in 2023, with net cash inflows of US$346 million. Cash flows from regular operations would have represented a net cash inflow of US$507.4 million, mainly due to a more balanced commercial position, higher energy prices and lower fuel purchases explained by the inventory build-up in late 2022 and the drop in coal prices. However, these cash inflows could not be fully materialized due to the lower cash collection from sales to regulated customers as a result of the price stabilization law, which resulted in a US$241.5 million build-up in accounts receivable. Thus, net cash flows provided by operating activities amounted to US$265.9 million. A total amount of US$38.2 million received in cash as a result of the final sale of accounts receivable from PEC-1, plus US$228.7 million received on the sale of DDPs under the PEC-2 law, should be added to the prior amount. The following amounts should then be deducted to reach the US$346 million recorded in the cash flow statement: (i) interest payments for US$99.2 million (US$109.3 million effectively paid minus US$10.1 million included in CAPEX), (ii) income tax and green tax payments for US$50.1 million, and (iii) insurance premiums for US$38 million.

In 2022, the cash flow from operating activities represented a net cash outflow of US$428.7 million, while the company received proceeds from the sale of accounts receivable from distribution companies for US$39.3 million.

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(1) Nominal amounts differ from the debt amounts recorded in the Financial Statements, which also include deferred financial expenses and mark-to-market valuations on derivative transactions. The above amount excludes the financial leases related to the long-term tolling agreement with TEN and transactions qualified as financial leases under IFRS 16.

Cash Flow Used in Investing Activities

In 2023, cash flows related to investment activities resulted in a net cash outflow of US$512.7 million, mainly due to capital expenditures of US$534.6 million, including the BESS Coya energy storage project, the Lomas de Taltal wind farm and investments in transmission and major maintenance of generation and transmission, as detailed in the chart below. The investment in capital expenditures was partially offset by US$21.9 million positive results in financial derivatives and interest income. Cash outflows for investment activities in 2023 exceeded those reported in 2022, which amounted to US$318.1 million, including investment in the solar PV projects, Tamaya, Capricornio and Coya, the final payments for the Calama wind farm and other assets as well as the acquisition of the San Pedro wind farms in Chiloé. This acquisition was made through the purchase of shares of the holding companies, which owned the wind farms, as well as payments of debt. It represented a net cash payment of US$116.3 million in 2022.

Capital Expenditures

Our capital expenditures in 2022 and 2023 amounted to US$197.4 million and US$534.6 million, respectively, as shown in the following table.

For the 12-month period ended December 31 (in US$ millions)

CAPEX	**2022**	**2023**
Substation…………………	20.7	62.2
Overhaul power plants & equipment maintenance and refurbishing…………………	22.1	37.9
Overhaul equipment & transmission lines	4.0	2.9
PV Power Plant…………..	109.5	215.0
Wind farm……………..	19.5	207.4
Others……………………………………………	21.6	9.2
Total capital expenditures……………………….	**197.4**	**534.6**

The capital expenditure amounts included in the table above include VAT payments as well as capitalized interest. In 2023 the latter amounted to US$10.1 million, whereas in 2022 capitalized interest was US$8.4 million.

Cash Flow from Financing Activities

In 2023, cash flows related to financing activities were (i) the renewal of short-term loans with BCP and Banco Santander for a total amount of US$80 million, (ii) a new US$50 million one-year loan from Banco Estado, (iii) a US$93 million disbursement under the US$170 million 5-year loan granted by Banco Santander on December 15, 2022, to finance the acquisition of the San Pedro wind farms in Chiloé, (iv) two disbursements for a total amount of US$400 million under the IFC and DEG 10-year financing, (v) the prepayment of the long-term debt of Energías de Abtao (owner of the San Pedro II wind farm) with Banco Itaú, Banco Consorcio and Consorcio Seguros de Vida for a total amount of US$79.4 million, which EECL had assumed at the time of the acquisition of these assets in December 2022, (vi) the repayment of other loans (Banco Santander - US$25 million, Itaú - US$30 million, and BCP – US$70 million), and (vii) the renewal of a US$50 million loan with Banco de Chile with a 3-year maturity. Other payments included interest on the outstanding 144-A bonds, the Scotiabank, Santander and IDB Invest term loans as well as interest on short-term loans, which were included in the cash from operations section.

In April 2023, the company drew down US$75 million under a US$150 million liquidity facility granted by its majority shareholder, ENGIE Austral S.A., to finance CAPEX and LNG purchases. This loan was fully repaid on August 4, 2023.

In 2022, financial cash flows included (i) short-term loans, which represented a net debt increase of US$305 million, (ii) a US$35 million 18-month loan with BCI, (iii) a US$250 million 5-year loan taken with Scotiabank and (iv) US$77 million disbursed under a US$170 million 5-year loan extended by Banco Santander for the acquisition of the San Pedro wind farms in Chiloé. The company's financial debt balances at the end of 2022 also included a balance of approximately US$80 million under the project financing of Energías de Abtao, the owner of the San Pedro 2 wind farm, which did not affect cash flow until 2023, when this debt was fully prepaid. Other cash flows included payments of interest and installments under financial lease contracts.

Contractual Obligations

The following table sets forth the maturity profile of our debt obligations as of December 31, 2023.

Contractual Obligations as of 12/31/23
Payments Due by Period (in US$ millions)

	Total	**< 1 year**	**1 - 3 years**	**3 - 5 years**	**More than 5 years**
Bank debt…………………………………………	**1,260.0**	286.1	141.9	529.5	302.5
Intercompany debt………………………………	**-**	-	-	-	-
Bonds (144 A/Reg S Notes)……………………..	**850.0**	-	350.0	-	500.0
Financial lease - Tolling Agreement TEN………	**51.7**	1.8	4.3	5.2	40.4
Financial lease - IFRS 16………………………	**106.6**	5.4	10.3	7.0	84.0
Deferred financing cost…………………………..	**(18.9)**	-	(7.2)	(6.4)	(5.2)
Accrued interest…………………………………..	**39.2**	39.2	-	-	-
Mark-to-market swaps……………………………	**14.9**	6.5	8.4	-	-
Total	**2,303.6**	**338.9**	**507.6**	**535.2**	**921.8**

Notes:

a. The tolling contract signed with TEN for the use of dedicated transmission assets is considered a financial leasing operation and is accounted for under accounts payable to related companies.
b. According to the IFRS16 Leasing rules, leasing obligations for land and vehicle rentals were accounted for as financial debt.

As of December 31, 2023, the company's consolidated debt totaled US$2,110 million (US$2,303.6 million including IFRS 16 financial leases, accrued interest and deferred financing costs).

Short-term debt maturities amounted to US$338.9 million, including accrued interest and the current portion of financial leases. Short-term bank debt amounted to US$265 million, including (i) a US$50 million loan with Banco Estado maturing in January 2024, which was subsequently renewed and extended out to two years, (ii) a US$30 million loan with Banco Santander maturing on February 6, 2024, which was prepaid on January 23, 2024, (iii) a US$35 million loan with BCI maturing May 16, 2024, (iv) a US$100 million loan with Scotiabank maturing in October 2024, and (v) a US$50 million loan with BCI maturing in November 2024. The short-term portion of long-term debt consisted of the first principal installment of the IFC and DEG loans for US$21.1 million due on July 15, 2024. All loans are denominated in US dollars. With the exception of the IFC/DEG financing, these loans accrue a fixed interest rate and are documented by a simple promissory note reflecting the repayment obligation on the agreed date, with no other operating or financial covenants, and a prepayment option. To mitigate the company's exposure to interest-rate fluctuations, the company took and interest-rate swap with Banco de Chile to swap the base rate for 60% of the IFC/DEG loan from daily compounded SOFR into a fixed rate.

Medium and long-term bank debt reached US$973.9 million as of December 31, 2023 (US$50 million with Banco de Chile, US$250 million with Scotiabank, US$170 million with a group of banks led by Banco Santander, US$125 million with BID Invest, and US$378.9 with IFC and DEG). The US$79.4 million loan with Itaú, Banco Consorcio and Consorcio Seguros de Vida, related to the taking over of the project financing of the San Pedro II wind farm, was fully prepaid in February 2023. The outstanding loans are described in the following paragraphs.

On December 23, 2020, the Company and IDB Invest signed a financing agreement under which IDB Invest committed to extend a US$125 million loan to ENGIE Energía Chile within an initiative seeking to accelerate the decarbonization of the energy matrix in Chile. The financing includes a US$74 million senior loan from IDB Invest, a US$15 million mixed financing provided by the Clean Technology Fund (CTF), and a US$36 million loan from the China Fund for Co-financing in Latin America and the Caribbean (China Fund). The transaction, with a tenor of up to 12 years, was used to finance the construction, operation, and maintenance of the Calama wind farm. This innovative financing solution is designed to promote the acceleration of decarbonization activities by monetizing the actual displacement of CO_2 emissions achieved through the anticipated decommissioning of coal-based plants whose generation will be replaced with the renewable power output of the Calama wind farm. In the absence of a carbon market, the financial structure provides for a minimum price for the avoided emissions to be paid through the reduction in the financial cost of the CTF loan. In case a carbon market is developed during the life of the loan, CTF and Engie will share any positive difference between the market price and the minimum price set at the beginning of the financing. On August 27, 2021, the company drew the full amount available under these facilities. As of December 31, 2023, the loan reported a remaining average life of 6 years. The financing tranches at variable interest rates amount to US$110 million, and its base-rate was switched from 6-month LIBOR to daily compounded SOFR beginning December 15, 2023. The company signed an interest-rate swap with Banco de Chile to fix the base rate of 50% of the loan balance, through which the base rate was fixed at 4.15% p.a.

On July 26, 2022, the company signed a US$250 million, 5-year bullet green financing facility with Scotiabank. The first loan under this facility, for an amount of US$150 million, was booked on July 28, 2022, and the remaining US$100 million was disbursed on September 7, 2022. The loan accrues variable interest, using the SOFR benchmark rate. To hedge against interest-rate risk, the company took interest-rate swaps with Banco de Chile for a notional amount equivalent to 70% of the facility, fixing the SOFR rate at 2.872% p.a.

The Company renewed two loans with Scotiabank for a total of US$100 million with a new maturity date on October 21, 2024. Another US$50 million loan with BCI was renewed, extending its maturity date to November 12, 2024. These loans have similar contractual characteristics than all the other short-term loans of the Company. In November 2023, the company renewed the US$50 million loan it had with Banco de Chile, and extended its maturity date to November 16, 2026.

On December 15, 2022, the company signed a 5-year loan agreement for a total committed amount of US$170 million with Banco Santander. On that date, the first US$77 million of this financing were disbursed to pay for the purchase of shares of the San Pedro wind farms in Chiloé. The remaining US$93 million portion was disbursed on February 15, 2023. The loan accrues interest at a variable rate based on 6-month Term SOFR plus a margin. To hedge interest rate risk, the company took interest rate swap derivatives with Banco Santander for a notional amount equivalent to 70% of the loan principal. Through this swap, the SOFR rate was fixed at an average rate of 3.493% p.a. for such portion of the loan. This loan was syndicated, which meant that Santander transferred tranches, each amounting to US$34 million, to Société Générale, Rabobank, Banco Estado and Intesa San Paolo.

On December 15, 2022, the Company took over the project financing held by Energías de Abtao S.A. (owner of the San Pedro II Wind Farm) with Itaú, Consorcio Seguros de Vida and Banco Consorcio for a total of US$79.4 million, of which US$4.3 million was due in 2023. The Company prepaid this loan in February 2023 with the proceeds of the second disbursement of the above-described Banco Santander loan.

As of the end of June, the International Finance Corporation (IFC), member of the World Bank Group, announced the closing of a green and sustainability-linked loan for ENGIE Energía Chile S.A. This financing, together with a parallel loan extended by the German bank DEG, member of the KfW development bank group, reached a total committed amount of US$400 million out to 10 years. The purpose of the loan is to finance and releverage investments in renewable projects and installation of energy storage systems (Battery Energy Storage System - BESS). The financing includes US$200 million provided directly by the IFC; US$114.5 million by investors under a co-financing portfolio managed by IFC; US$35.5 million by the ILX Fund, an investor focused on the ODS within IFC's B-Loan framework; and the US$50 million parallel loan granted by DEG. This financing is to be repaid in 19 virtually equal semiannual installments beginning on July 15, 2024 and ending on July 15, 2033. On July 28, 2023, the company made the first US$200 million disbursement under this financing, and the remaining US$200 million was disbursed on December 19, 2023. The company took and interest-rate swap with Banco de Chile covering 60% of the notional amount of the debt at all times. Therefore, the annual base interest rate, over an initial notional amount of US$240 million, was fixed at 3.815%.

EECL holds two bonds under the 144A/RegS format. The first one is a US$350 million issue with a single principal payment in January 2025 and a 4.5% p.a. coupon rate. On January 28, 2020, the company closed a new 144A/RegS issue to fully refinance the US$400 million notes originally due in January 2021. The new issue amounts to US$500 million, has a 3.4% coupon rate and is due on January 28, 2030.

Leasing obligations refer to a long-term tolling agreement signed with TEN for the use of dedicated transmission assets connecting EECL's plants in Mejillones with the national grid at the Los Changos substation.

The tolling agreement is out to 20 years at which time EECL will take ownership of the asset. The agreement has a present value of US$51.7 million and is payable in monthly instalments totaling approximately US$7 million per year until 2037.

As of December 31, 2023, the company reported leasing obligations related to land use concessions, vehicles, and other assets for a total amount of US$106.6 million, which qualified as financial debt under the IFRS 16 accounting norm. During the second and third quarters, the Company gave up two land concessions in Taltal and Calama, which help explain the decline in the lease obligations item.

Dividend Policy

Our dividend policy, last approved at the Annual Ordinary Shareholders' Meeting dated April 25, 2023, consists of paying the minimum legal required amounts (30% of net income), although higher amounts may be approved if the company's conditions so allow. Our dividend payment for each year is proposed by our Board of Directors based on the year's financial performance, our available cash balance and anticipated financing requirements for capital expenditures and investments. As possible, and subject to Board approval, the company will pay provisional dividends based on the net results of the first three quarters plus the definitive dividend to be paid in May of each year.

On July 27, 2021, the company's Board approved the payment of a US$41.5 million (US$0.0393996153 per share) provisional dividend on account of 2021's net earnings. This dividend was paid on August 26, 2021. This dividend represented a distribution equivalent to 87.6% of the net income of the year 2021, so in April 2022 the board chose to propose to the Shareholders' Meeting that a definitive dividend not be distributed against the 2021 net profit in May 2022.

Considering the net loss recorded in 2022, the Ordinary Shareholders' Meeting held on April 25, 2023, approved not to distribute dividends against 2022 results.

The dividend policy proposed by our Board is subsequently approved at a Shareholders' Meeting as established by law.

The record of dividends paid since 2010 is shown in the following table:

Cash Dividends paid by Engie Energía Chile S.A.

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

Risk management policy

The energy sector is subject to diverse and changing economic, political, regulatory, social and competitive conditions. In the normal course of business, EECL is exposed to several risk factors that may impact its operating and financial performance. Risk factors are monitored closely and periodically by each risk owner of the different business processes and are coordinated by the Planning and Business Control Areas of the company. The company's financial risk management strategy seeks to safeguard EECL's operating stability and sustainability in a context of risk and uncertainty.

EECL has established risk management procedures, which include a description of the risk assessment methodology and risk analysis, including the construction of a risk matrix called Enterprise Risk Management ("ERM"), which is updated and reviewed once a year. The progress of each action plan and the update of the risks are carried out permanently within the ERM framework, aimed at preserving and continuously improving the value, reputation and internal motivation, promoting a reasonable risk-taking in social, human, and legal terms, acceptable to stakeholders and economically sustainable.

Risk management is presented to the Board annually. The company's financial risk management strategy is aimed at safeguarding the stability and sustainability of ENGIE Energía Chile in relation to all those components of financial uncertainty or relevant risk events.

Hedging Policy

Our hedging policy intends to protect the company against our exposure to certain risks, as follows:

Business Risk and Commodity Hedging

We import a significant portion of our fuel supply through short, medium and long-term contracts, making us vulnerable to potential supply shortfalls or defaults by our suppliers. We source a significant portion of coal, natural gas and other fuels from a limited number of suppliers. If any of our relevant suppliers were to experience disruption in their production chain or were unable to meet their obligations under supply contracts, we may be forced to purchase at higher prices, either the same fuel or a substitute, and we may be unable to adjust the price of electricity sold according to the tariff adjustment mechanisms included in our contracts with customers, with the consequent reduction in our operating margins. This risk materialized in 2023 since our the main supplier of liquefied natural gas did not confirm the supply for 2023 under one of the long-term contracts for a total volume close to 13.2 TBtu, exposing the company to seek alternative sources of LNG supply and to initiate legal actions.

We are exposed to commodity price volatility since electricity generation activities require continued supply of fossil fuels, mainly coal, gas and diesel oil, with international prices that fluctuate according to market and political variables beyond the company's control. Coal purchases are mostly made through annual contracts, the prices of which are linked to traditional indices such as API 2, API 10 or Newcastle. Purchases of diesel oil and certain purchases of liquefied natural gas are made at prices based on international oil values (ULSD or Brent). The company has long-term liquefied natural gas purchase contracts with prices tied to Henry Hub and has also made LNG purchases on the spot market.

Fuel prices are a key factor for the dispatch of thermoelectric generation plants, the company's average generation cost and the marginal costs of the electricity system in which it operates. Therefore, our business is subject to the risk of variations in the availability of fuels and their prices. Historically, our policy has been to hedge as much as possible against these risks through the indexation of the energy tariffs incorporated in our PPAs, and the fuel mix taken into consideration in the tariffs. However, given (i) the volume fluctuations that our PPAs may have; (ii) the variability that our plant dispatch profile may experience; (iii) our inability to perfectly match at all times our fuel cost mix with the tariff indexation in our PPAs; and (iv) the growing trend to dissociate PPA price indexation from fossil fuel price fluctuations, we maintain residual exposure to certain international commodity prices. For example, as a result of our decarbonization strategy, the tariff indexation of several of our PPAs has been switched from coal prices to US CPI beginning 2021 or 2022, as the case may be. This assumes power supply based on renewable sources or energy purchases at prices linked to inflation rather than fuel prices. Until we have a sufficient level of renewable energy generation to minimize the mismatch in the indexation of our power sources and our PPA tariffs, we will have exposure to commodity price fluctuations. In the past, the company has periodically defined and executed financial hedging strategies to cover its residual exposure to international commodity price risks and has implemented a hedging strategy to cover its 2024 long exposure to Henry Hub. During 2021, and with greater intensity in the course of 2022 and the first six months of 2023, this risk has materialized. In our country, the hydrological years 2021-22 and 2022-23 were extremely dry, extending this condition even up to June 2023, with the consequent decrease in hydraulic generation. This coincided with difficulties in the supply of coal and natural gas, as well as difficulties in freight, which resulted in price increases to very high levels even before the start of the war between Russia and Ukraine that raised prices to levels never seen before. Consequently, the average costs of own generation and the marginal costs of the system reached levels much higher than those of previous years, which were reflected in the reduction of the operating margins of the electricity business through mid-2023. Other variables have also affected marginal costs such as decoupling, transmission systems congestion, and unavailability of certain generating assets. The company partially mitigates its exposure to the risk of fluctuations in fuel prices through (i) the signing of supply contracts with other generators in the system that have allowed it to reduce its energy purchases from the spot market (3.2 TWh contracted for 2023, versus 2.1 TWh for 2022 and 0.7 TWh in 2021) and its exposure to marginal cost; (ii) its long-term LNG supply contracts plus purchases in the LNG spot market; (iii) the start of operations of new renewable energy generation projects that reduce dependence on fossil fuels, (iv) the acquisition of uncontracted renewable generation assets, and (v) the transfer of higher costs to final tariffs. Potential non-compliance of the contractual terms of our suppliers in the supply of natural gas or coal may also expose the company to having to substitute its electricity generation with alternative fuels or with higher energy purchases in the spot market, increasing its exposure to the variables which affect the marginal costs in the system.

Foreign Currency Hedging

The exchange rate risk is the risk of the value of an asset or liability (including the fair value of the future cash flows on a financial instrument) fluctuating as a result of variations or volatility in exchange rates.

Given that most of our revenues and costs are denominated in US dollars and that we seek to incur debt in US dollars, we face limited exposure to foreign exchange risk. In the specific case of regulated contracts, the price is calculated in US dollars and is then converted to Chilean pesos at the average monthly exchange rate observed in the invoiced month. In terms of the impact on the company's income statement, these contracts' exposure to foreign currency risk is limited as revenues are recognized at contract prices. However, delays in the publication of the Average Node Price decrees may impact the company's cash flow as monthly invoices are translated to Chilean pesos at exchange rates that remain fixed over the life of the tariff decree and differ from the monthly exchange rates considered in the contracts. Although these differences are adjusted after the Average Node Price decrees are published, the uncertainty as to the timing and amount of these adjustments does not allow for an effective hedge through derivative instruments. The delay in the collection of foreign-exchange adjustments has significantly increased after the approval of the Price Stabilization law in November 2019 and the MPC law published in August 2022. Per the Price Stabilization law and resolution #72, by which the National Energy Commission set the terms of its implementation, and subsequently by the MPC law, accounts receivable from distribution companies have accumulated at a rate that is highly sensitive, among other variables, to the CLP/USD exchange rate. To face this risk and mitigate its effect on the company's cash flow and liquidity, the company, and its subsidiary EMR, signed agreements with Goldman Sachs and IDB Invest to sell, without recourse, these accounts receivable from distribution companies to a special purpose company called Chile Electricity PEC SpA. On January 29, 2021, Chile Electricity PEC issued 144 A/Reg S bonds for US$489 million to buy the first two groups of accounts receivable from the four main generation groups in Chile, including ENGIE. On June 30, 2021, Chile Electricity PEC purchased the third group of accounts receivable from generation companies with funds provided by US$419 million 4a2 delayed draw notes with the participation of Allianz, IDB Invest and Goldman Sachs. Upon the publication of the respective node price decrees, similar transactions were perfected on March 4, 2022, for the fourth group of accounts receivable and July 14, 2022, for the fifth group. The final group of receivables was sold on May 12, 2023. Since the sale of receivables is made in US dollars, without recourse to the generation companies, EECL and EMR have been able to reduce the foreign-exchange and credit exposure associated to these long-term accounts receivable and have improved their liquidity in exchange for a discount, which has impacted the income statement in 2021, 2022, and 2023 results. In 2021, the related financial expense reached US$51.0 million, while in 2022, it amounted to US$15.4 million, and to US$12.6 million in 2023. With this, total financial expenses related to the PEC-1 program amounted to US$79.1 million. On August 30, October 30 and December 28, 2023, the company perfected the first three sales under the PEC-2 program, which were not subject to financial discounts and represented total cash inflows of US$232.1 million including interest.

Our main cost in Chilean pesos is personnel and certain operating and administrative costs, which account for approximately 10% of our operating costs. Given that most of our revenues are either in US dollars or in Chilean pesos adjusted for the exchange rate, our costs in Chilean pesos represent our main exposure to foreign-currency risks. Therefore, we have hedged a portion of our recurrent costs in Chilean pesos through forward contracts. As of December 31, 2023, the Company reported forward FX contracts for a total nominal amount of US$120 million, with monthly maturities of between US$8 and US$12 million between January and December 2024, to mitigate the impact of foreign exchange fluctuations on the company's financial results. In addition, the company has entered into cash flow hedging derivative contracts associated with payments under EPC contracts related to project construction, which typically consider periodic payment flows in currencies other than the dollar (CLF, EUR) until the end of the respective project construction periods. In this way, the company has avoided variations in the cost of investment in fixed assets as a result of fluctuations in exchange rates beyond its control. Currently, there are forward dollar sales contracts for a total notional amount of US$62.4 million to cover periodic payments in UF to contractors of the Lomas de Taltal project. These derivatives were taken with Banco de Chile and cover periodic payment flows through March 2025.

Our cash investment policy states that at least 80% of cash balances must be invested in US dollars unless a different percentage is required to maintain a natural currency hedge between assets and liabilities. This policy allows for the necessary flexibility to achieve a natural hedge for obligations in currencies other than the company's functional currency, the US dollar. As of December 31, 2023, 99.1% of our available cash and short-term investments were denominated in US dollars. The Company's exposure to other currencies is not significant.

The Company presents an exposure to foreign exchange risk of a purely accounting nature related to contracts for onerous concessions or other types of contracts such as real estate or vehicle fleet leases that are considered as financial leases under the IFRS16 standard. These contracts comprise assets for rights of use that correspond to non-monetary assets, recorded at their initial cost, in dollars, the company's functional currency. Their counterparts correspond to monetary liabilities reflecting the present value of the installments to be paid under the financial contracts. Most of these liabilities are denominated in Chilean currency, adjusted for inflation (*Unidades de Fomento (UF) or Unidades Tributarias (UTM)*). As these are monetary liabilities, they are periodically readjusted and converted into dollars at the exchange rate observed at the end of each accounting period. In short, the liability denominated in CLP, UF or UTM is subject to periodic readjustments, being exposed to fluctuations in exchange rates, while the asset remains fixed in dollars. This mismatch may give rise to accounting profits or losses in our income statements. However, financially, the value of the asset for rights of use is closely related to the value of the liability since both should reflect the present value of the installments payable under the financial contracts. As of December 31, 2023, lease liabilities denominated in currencies other than the dollar amounted to US$106.6 million.

Interest Rate Hedging

The stability and predictability of our cash flows are also exposed to interest rate risk, principally with respect to the portion of our indebtedness that bears interest at floating rates. We seek to maintain a significant portion of our long-term debt at fixed rates to minimize interest-rate exposure. As of December 31, 2023, 83.8% of our financial debt was either at fixed rates or hedged through interest rate derivatives, while 16.2% (US$55 million of the IDB Invest financing, US$75 million of the Scotiabank loan, US$51 million of the Santander loan, and US$160 million of the IFC/DEG financing) was at floating rates. We have excluded the IFRS 16 financial leases from this calculation. These leases are mortgage-style liabilities payable in fixed equal annual installments.

As of December 31, 2023
Contractual maturity date (in US$ millions)

	Average interest rate	2024	2025	2026	2027	Thereafter	Grand Total
Variable Rate							
(US$)	7.7750% p.a.	-	1.4	2.5	4.4	46.8	55.0
(US$)	6.6646% p.a.	-	-	-	75.0	-	75.0
(US$)	7.8822% p.a.	-	-	-	51.0	-	51.0
(US$)	8.0668% p.a.	8.4	16.8	16.8	16.8	101.1	160.0
Total Variable Rate		**8.4**	**18.2**	**19.3**	**147.2**	**147.8**	**341.0**
Fixed Rate							
(US$)	6.6442% p.a.	265.0	-	-	-	-	265.0
(US$)	7.2500% p.a.	-	-	50.0	-	-	50.0
(US$)	4.1724% p.a.	-	-	-	175.0	-	175.0
(US$)	1.0000% p.a.	-	-	-	-	15.0	15.0
(US$)	6.0430% p.a.	-	-	-	119.0	-	119.0
(US$)	6.5786% p.a.	-	1.4	2.5	4.4	46.8	55.0
(US$)	6.5320% p.a.	12.6	25.3	25.3	25.3	151.6	240.0
(US$)	3.4000% p.a.	-	-	-	-	500.0	500.0
(US$)	4.5000% p.a.	-	350.0	-	-	-	350.0
Total Fixed Rate		**277.6**	**376.6**	**77.7**	**323.7**	**713.3**	**1,769.0**
TOTAL		**286.1**	**394.9**	**97.1**	**470.9**	**861.1**	**2,110.0**

Credit Risk

In the normal course of business, and when investing our cash, we are exposed to credit risk. In our regular electricity generation business, we deal mostly with financially strong mining companies, which report low levels of credit risk. These companies are exposed to variations in commodity prices, particularly copper, their mineral resources and other operational, climatic, labor, social, environmental, political and tax risks. Although our clients have demonstrated significant resilience to down-cycles, we closely monitor their exposure through our commercial counterparty risk policy.

We also sell electricity to regulated clients, which provide electricity supply to residential and commercial clients and report low levels of credit risk, although some level of delay in smaller clients' payments has been observed. Lower growth in energy demand from end consumers could adversely affect our financial condition, operating results and cash flows. While the Electricity Price Stabilization Law enacted in November 2019 has not significantly affected our revenues as recognized in the income statement, it has impacted our cash flow, increasing our working capital requirements and financing costs. To address this risk and mitigate the effects on cash flow, in early 2021, the company signed agreements with Goldman Sachs and IDB Invest to sell, without recourse to the company, these receivables to a special purpose company called Chile Electricity PEC SpA. Between February 8, 2021 and May 12, 2023, the Company sold, in six different transactions, the accounts receivable corresponding to the Average Note Price decrees of January 2020, July 2020, January 2021, July 2021, January 2022 and July 2022, respectively, for a total nominal value of US$272.9 million, receiving liquid resources of US$193.8 million and reporting a financial cost of US$79.1 million. With the enactment of the MPC Act, accounts receivable have continued to be generated for the differential between the stabilized price (PEC) and the PPA price. With the publication of the Average Node Price decree of July 2022 and the Exempt Resolution that laid the foundations for the effective application of the Law, the Treasury issues Documents of Payment that the company may sell under a mechanism similar to the one implemented for the PEC law, but this time without assuming costs for financial discounts. The deferral in the collection of accounts receivable resulting from the delay in the publication of decrees has significantly affected the company's liquidity and indebtedness. On August 30, October 30 and December 28, 2023, the company received approximately US$232.1 million, including interest, corresponding to the first three sales of Documents of Payment issued by the Chilean Treasury.

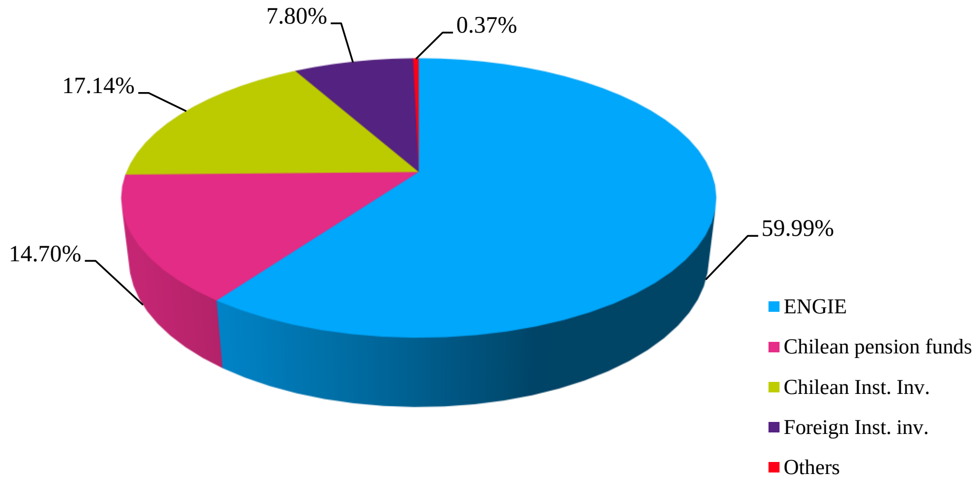
Over the last years, the electricity generation business and its customer base have evolved. Particularly, consumers with demand between 500 kW and 5 MW have been allowed to contract their power supply directly with generation companies rather than through distribution companies. This disintermediation trend led us to sign contracts with smaller commercial and industrial clients with potentially higher credit risk. To mitigate this risk, we have implemented a commercial counterparty risk policy, which among other considerations, requires the review of the credit risk of the client before entering into a power supply agreement. As of December 31, 2023, the contracts signed with smaller commercial and industrial clients represented a low percentage of our overall client portfolio, and the company stopped actively marketing this segment in order to balance its contract portfolio and reduce its short position in the energy spot market.

Due to its contractual position, the company is normally one of the main net payers within the payment chain of the Chilean electricity sector. Although it is exposed to delinquencies or defaults by operators in the electricity sector, these amounts represent a relatively smaller percentage of monthly collections. Non-compliance by other electricity system operators could expose the company to increasing sales volumes to regulated customers at the prices of its existing contracts. Insolvency situations of other operators in the electricity sector with whom the company maintains supply contracts (back-up PPAs) to reduce its exposure to the spot market may expose the company to increase its level of exposure to purchases in the spot market to prior levels.

Our cash management policy is to invest in investment-grade institutions only, and only within the short term. We also measure our counterparty risk when dealing with derivatives and guarantees, and we have individual counterparty limits to manage our exposure and ensure proper diversification of our credit risk.

OWNERSHIP STRUCTURE AS OF DECEMBER 31, 2023

NUMBER OF SHAREHOLDERS: 1,762



TOTAL NUMBER OF SHARES: 1,053,309,776

APPENDIX 1

PHYSICAL DATA AND SUMMARIZED QUARTERLY FINANCIAL STATEMENTS

Physical Sales

Physical Sales (in GWh)

	1Q22	2Q22	3Q22	4Q22	12M22	1Q23	2Q23	3Q23	4Q23	12M23
	2022					**2023**				
Physical Sales										
Sales of energy to unregulated customers.	1,689	1,816	1,796	1,773	7,074	1,655	1,739	1,725	1,783	6,902
Sales of energy to regulated customers	1,126	1,204	1,255	1,149	4,735	1,252	1,249	1,289	1,220	5,011
Sales of energy to the spot market………	149	23	48	18	238	31	17	65	47	160
Total energy sales………………………….	**2,964**	**3,043**	**3,100**	**2,940**	**12,047**	**2,938**	**3,005**	**3,079**	**3,050**	**12,072**
Gross electricity generation										
Coal………………………………………….	955	1,085	775	687	3,503	351	379	128	433	1,291
Gas…………………………………………..	345	423	382	289	1,439	850	910	757	205	2,723
Diesel Oil and Fuel Oil…………………….	1	17	1	1	19	7	3	3	0	14
Renewable……………………………………….	220	226	303	390	1,139	407	412	436	415	1,670
Total gross generation………………….	**1,520**	**1,751**	**1,461**	**1,368**	**6,100**	**1,615**	**1,705**	**1,324**	**1,054**	**5,698**
Minus Own consumption……………..	(128)	(136)	(152)	(92)	(507)	(61)	(64)	(28)	(53)	(205)
Total net generation…………………….	**1,393**	**1,615**	**1,310**	**1,275**	**5,593**	**1,555**	**1,641**	**1,297**	**1,000**	**5,493**
Energy purchases on the spot market………..	999	1,114	1,308	1,081	4,501	552	697	1,078	1,299	3,626
Energy purchases- bridge	561	430	497	646	2,134	800	724	800	966	3,289
Total energy available for sale before transmission losses………………………	**2,952**	**3,159**	**3,115**	**3,002**	**12,228**	**2,906**	**3,062**	**3,175**	**3,265**	**12,408**

Quarterly Income Statement

Quarterly Income Statement (in US$ millions)

IFRS										
Operating Revenues	**1Q22**	**2Q22**	**3Q22**	**4Q22**	**12M22**	**1Q23**	**2Q23**	**3Q23**	**4Q23**	**12M23**
Regulated customers sales………………………	169.7	178.5	205.3	219.3	772.8	249.6	222.7	183.9	171.5	827.7
Unregulated customers sales…………………..	177.8	230.7	229.5	239.6	877.7	228.6	223.2	223.2	209.2	884.2
Spot market sales………………………………..	18.3	32.0	26.9	27.0	104.2	53.5	106.5	62.4	51.6	274.0
Total revenues from energy and capacity sales…………………	**365.8**	**441.3**	**461.8**	**485.8**	**1,754.7**	**531.8**	**552.3**	**469.5**	**432.4**	**1,986.0**
Gas sales…………………………..	20.1	9.5	11.8	7.6	48.9	25.6	29.6	12.7	13.2	81.2
Other operating revenue………………………	32.0	30.7	26.2	27.9	116.7	30.4	34.3	29.7	31.2	125.6
Total operating revenues…………………	**417.9**	**481.4**	**499.7**	**521.3**	**1,920.3**	**587.8**	**616.2**	**512.0**	**476.8**	**2,192.7**
Operating Costs										
Fuel and lubricants………………………………	(128.4)	(203.2)	(161.7)	(154.9)	(648.2)	(177.3)	(194.2)	(120.7)	(99.1)	(591.3)
Energy and capacity purchases on the spot	(163.0)	(212.0)	(213.1)	(210.2)	(798.3)	(219.4)	(224.3)	(189.2)	(182.7)	(815.6)
Depreciation and amortization attributable to cost of goods sold..	(44.4)	(44.0)	(46.9)	(49.9)	(185.3)	(43.4)	(45.1)	(44.2)	(44.3)	(176.9)
Other costs of goods sold……………………	(50.5)	(65.9)	(67.6)	(85.1)	(269.1)	(83.5)	(104.5)	(74.4)	(95.7)	(358.0)
Total cost of goods sold………………..	**(386.4)**	**(525.2)**	**(489.3)**	**(500.2)**	**(1,901.0)**	**(523.5)**	**(568.0)**	**(428.5)**	**(421.8)**	**(1,941.9)**
Selling, general and administrative expenses…	(8.7)	(9.6)	(9.2)	(6.3)	(33.8)	(8.8)	(11.6)	(9.6)	(13.8)	(43.9)
Depreciation and amortization in selling, general and administrative expenses…	(0.9)	(0.9)	(1.1)	(1.1)	(4.1)	(1.3)	(1.4)	(1.2)	(1.0)	(4.9)
Other revenues………..………………………	1.3	1.3	9.2	6.5	18.3	3.1	5.5	5.0	5.4	19.0
Total operating costs.…………………	**(394.7)**	**(534.4)**	**(490.4)**	**(501.1)**	**(1,920.6)**	**(530.5)**	**(575.6)**	**(434.3)**	**(431.3)**	**(1,971.7)**
Operating income.…………………	**23.1**	**(53.0)**	**9.2**	**20.3**	**(0.3)**	**57.3**	**40.6**	**77.6**	**45.5**	**221.1**
EBITDA………………….………………	**68.5**	**(8.0)**	**57.3**	**71.3**	**189.0**	**102.0**	**87.1**	**123.0**	**90.9**	**402.9**
Financial income……….………………………	1.1	0.7	13.5	1.5	16.8	1.3	4.9	14.0	3.2	23.4
Financial expense…………….…………………	(15.7)	(13.0)	(27.4)	(19.3)	(75.5)	(27.9)	(42.5)	(31.2)	(26.2)	(127.8)
Foreign exchange translation, net……………	(5.6)	4.0	(3.9)	(9.2)	(14.7)	(0.3)	(0.4)	(3.2)	1.6	(2.3)
Other non-operating income/(expense) net………………………	0.5	0.1	(0.6)	(447.6)	(447.7)	(3.4)	(5.7)	0.4	(604.9)	(613.5)
Total non-operating results……………	**(19.7)**	**(8.3)**	**(18.4)**	**(474.7)**	**(521.1)**	**(30.3)**	**(43.7)**	**(19.9)**	**(626.3)**	**(720.2)**
Income before tax…………………..……….	3.4	(61.3)	(9.1)	(454.4)	(521.4)	27.1	(3.1)	57.7	(580.8)	(499.1)
Income tax………………………………………	0.4	17.1	(8.6)	123.8	132.7	(7.4)	10.3	(15.1)	100.2	88.1
Net income from continuing operations after taxes …….	3.8	(44.2)	(17.8)	(330.6)	(388.8)	19.7	7.1	42.7	(480.6)	(411.1)
Net income attributed to controlling shareholders………………	**3.8**	**(44.2)**	**(17.8)**	**(330.6)**	**(388.8)**	**19.7**	**7.1**	**42.7**	**(480.6)**	**(411.1)**
Net income to EECL's shareholders…….	**3.8**	**(44.2)**	**(17.8)**	**(330.6)**	**(388.8)**	**19.7**	**7.1**	**42.7**	**(480.6)**	**(411.1)**
Earnings per share…………………….. (US$/share)	**0.004**	**(0.042)**	**(0.017)**	**(0.314)**	**(0.369)**	**0.019**	**0.007**	**0.040**	**(0.456)**	**(0.390)**

Quarterly Balance Sheet

Quarterly Balance Sheet (in U.S.$ millions)

	2022 December	2023 Dec
Current Assets		
Cash and cash equivalents	132.4	301.3
Accounts receivable	226.1	278.6
Recoverable taxes	35.2	16.8
Current inventories	264.1	139.6
Other non financial assets	178.1	250.1
Total current assets	**835.8**	**986.4**
Non-Current Assets		
Property, plant and equipment, net	2,555.0	2,385.0
Other non-current assets	950.9	887.5
TOTAL ASSETS	**4,341.8**	**4,258.9**
Current Liabilities		
Financial debt	389.5	337.1
Other current liabilities	270.7	371.5
Total current liabilities	**660.2**	**708.6**
Long-Term Liabilities		
Financial debt	1,579.5	1,964.6
Other long-term liabilities	299.8	199.7
Total long-term liabilities	**1,879.3**	**2,164.3**
Shareholders' equity	1,802.2	1,386.0
Equity	**1,802.2**	**1,386.0**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**4,341.8**	**4,258.9**

Main Balance Sheet Variations

The main balance-sheet variations between December 31, 2022, and December 31, 2023, were the following:

Cash and cash equivalent: The company's cash balances increased by US$169 million to a US$301.3 million balance as of December 31, 2023, mainly due to (i) net operating cash flows (US$266 million), (ii) US$ 270 million cash proceeds from the final sale of accounts receivable from the PEC-1 and the first three sales of documents of payments under PEC-2, (iii) interest payments (US$109 million), (iv) income tax and green tax payments (US$50 million), (v) capital expenditures (US$524 million), (vi) payment of insurance premiums (US$38 million), and (vii) a US$339 million net debt increase.

Accounts receivable: The US$52.5 million increase is explained by (i) an increase in accounts receivable from third parties (+US$50.6 million) due to higher tariffs and because certain relevant invoices were collected ahead of their maturity in December 2022, and (ii) an increase in accounts receivable from related companies, mainly GNLM and Engie Gas (+US$1.2 million).

Current inventories: The US$124.5 million decrease in this item is explained mainly by a US$86.7 million drop in coal and limestone inventory, following the notorious fall in prices and reduction in purchases after the stock increase observed in 2022. In the second half of 2022, the company decided to increase inventory stocks given the uncertain market context at the time. LNG inventories also decreased by US$5.9 million following a more intensive use of this fuel during 2023 related to the tolling agreement with the Kelar plant and the increase in spot LNG purchases to compensate for the failure of our main LNG supplier to comply with one of the long-term LNG supply contracts in 2023. A US$3.1 million increase in diesel oil inventories was registered. Finally, spare-part impairments and obsolescence provisions decreased by US$1.3 million, and reached a total of -US$64.5 million.

Recoverable taxes: This item showed a reduction of US$18.4 million from the recoverable tax balance of US$32.8 million at the end of December 2022, due to the drop in taxable income and the use of instant depreciation in the projects activated in recent years. The reduction is explained by the effective recovery of such taxes. On the contrary, the balance of monthly provisional tax payments increased by US$2.4 million.

Other non-financial assets – current: The US$72 million increase in this item is explained by a US$50 million increase in the VAT fiscal credit balance due to the increase in fuel purchases and capital expenditures in new projects, as well as by a US$25.7 million increase in advances to suppliers, and a US$2.6 million increase in deferred expenses. The positive mark-to-market of financial derivatives decreased by US$5.5 million.

Property, plant and equipment, net: The US$170 million decrease in PP&E was explained by the US$558.2 million impairment of certain coal-based generation assets that are expected to stop operating under their current conditions beginning 2026 given the company's decarbonization plan. This was partly offset by a US$553.7 million increase resulting from addition of new projects completed in 2023 and construction in progress related to the BESS Coya storage system, the Lomas de Taltal wind farm, and transmission projects. The depreciation of the period amounted to US$161.3 million. Additionally, a purchase price allocation ("PPA") adjustment related to the acquisition of wind assets was made affecting the balances reported at year-end 2022.

Other non-current assets: The US$63.4 million decrease in this item resulted from opposite effects. On the one hand, long-term accounts receivable associated to the enactment of the price stabilization law registered a US$30.1 million decrease in 2023 due to the net effect of the accumulation of accounts receivable (+US$241.5 million) and the sale of accounts receivable for a nominal amount of US$271.6 million. There was also a US$38.6 million decrease in the recognition of assets by right of use associated with the IFRS16 Norm, mainly due to the return of onerous concessions on land in Taltal and Calama. On the other hand, increases were reported in the following accounts: US$20 million in project development expenditures, US$29.8 million in deferred taxes, and US$1.1 million in the book value of the company's equity share in TEN mainly driven by the variation in the market valuation of risk-coverage derivatives. Finally, an adjustment was made to the purchase price allocation (PPA), which affected the balances at year-end 2022, primarily in the intangibles, goodwill and deferred tax accounts.

Financial debt – current: This item reported a US$52.4 million decrease due to the net effect of the following movements: (i) a new US$50 million loan with Banco Estado, (ii) the renewal and extension in tenor to more than 1 year of a US$50 million loan with Banco de Chile, (iii) the transfer from non-current to current debt of a US$35 million loan with BCI, (iv) repayment of loans for a total amount of US$125 million with Banco Santander, Itaú and BCP, (v) the prepayment of the project finance for the San Pedro 2 wind farm including a US$4.3 million short-term portion, and (vi) the first principal installment of the IFC/DEG loan for US$21.1 million. The above represented a US$73.2 million decrease in the aggregate principal debt amounts with up to one year maturity. Accrued interest increased by US$15.3 million due to higher debt balances and higher interest rates. Financial leases decreased by US$1 million, while liabilities for financial derivatives increased by US$6.5 million.

Other current liabilities: The US$100.8 million net increase in this group of items is explained by (i) a US$71.6 million increase in accounts payable to suppliers as a result of natural gas and coal purchases with extended payment terms, as well as accounts payable to suppliers and contractors for projects, (ii) a US$7.8 million increase in accounts payable to related companies, mainly Engie Gas Chile (US$5.8 million), (iii) a US$10.4 million increase in advances received for "*cargo único*", and (iv) a US$16.7 million increase in the provision for employee benefits. All this was offset in part by a US$12.6 million decrease in several provisions.

Long-term financial debt: The US$385.1 million increase in this account is mainly explained by the following movements: (i) the second disbursement under the 5-year loan with Banco Santander amounting to US$93 million, combined with the prepayment of the San Pedro 2 wind farm project financing, which represented a US$75.1 million decrease in the long-term portion of financial debt, (ii) the transfer of the US$50 million Banco de Chile loan from short-term to long-term debt as it was renewed for a 3-year period, (iii) the transfer of a US$35 million BCI loan from long-term to short-term debt, (iv) the two disbursements under the IFC/DEG loans totaling US$400 million minus the US$21.1 million short-term portion, (v) an US$8.4 million increase in the mark-to-market of derivatives, and (vi) a US$35.8 million decrease in liabilities registered under the IFRS16 Norm. This last decrease resulted from the net effect of increases for exchange differences together with reductions due to the return of rights of use over land in Taltal and Calama. Indeed, on June 19, 2023, the "*Ministerio de Bienes Nacionales*" issued Exempt Resolution N°150, declaring the onerous concession of the land named "*Pampa Yolanda*" extinct.

This extinction had been requested by the company in April 2023. Subsequently, the onerous concession on Lot C in the vicinity of the Calama Wind Farm was also declared extinct.

Other long-term liabilities: Other long-term liabilities, which amounted to US$200 million, reported a US$75 million decrease due to a US$95.6 million decrease in deferred tax liabilities and a US$20.8 million increase in the plant dismantling provision.

Shareholders' equity: The US$416.2 million decrease in shareholders' equity is primarily explained by the US$411.1 million net loss explained by the impairment of certain coal generation assets that are not expected to continue operations under their current conditions beginning 2026. In addition, a US$16.8 million decrease in other reserves for the merger of companies was reported.

APPENDIX 2

Financial information

	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
EBITDA*	71.3	68.5	-8.0	57.3	71.3	102.0	87.1	123.0	90.9
Net income attributed to the controller	8.7	3.8	-44.2	-17.8	-330.6	19.7	7.1	42.7	-480.6
Interest expense	10.9	15.7	13.0	27.4	19.3	27.9	42.5	31.2	26.2

* Operating income + Depreciation and Amortization for the period

	Dec-21	Dec-22	Dec-23
LTM EBITDA	314.5	189.0	402.9
LTM Net income attributed to the controller	47.4	(388.8)	(411.1)
LTM Interest expense	88.8	75.5	127.8
Financial debt	1,258.6	1,969.0	2,301.7
Current	106.2	389.5	337.1
Long-Term	1,152.4	1,579.5	1,964.6
Cash and cash equivalents	215.7	132.4	301.3
Net financial debt	1,042.9	1,836.6	2,000.4

Financial Ratios

	FINANCIAL RATIOS		Dec-22	Dec-23	Var.
LIQUIDITY	Current ratio (current assets / current liabilities)	(times)	1.27	1.39	***10%***
	Quick ratio ((current assets - inventory) / current liabilities)	(times)	0.87	1.19	***38%***
	Working capital (current assets – current liabilities)	MMUS$	175.6	277.8	***58%***
LEVERAGE	Leverage ((current liabilities + long-term liabilities) / networth)	(times)	1.41	2.07	***47%***
	Interest coverage * ((EBITDA / interest expense))	(times)	2.50	3.15	***26%***
	Financial debt –to- LTM EBITDA*	(times)	10.42	5.72	***-45%***
	Net financial debt – to - LTM EBITDA*	(times)	9.72	4.97	***-49%***
PROFITABILITY	Return on equity* (LTM net income attributed to the controller / net worth attributed to the controller)	%	-21.6%	-18.8%	***-13%***
	Return on assets* (LTM net income attributed to the controller / total assets)	%	-9.0%	-9.7%	***8%***

*LTM = Last twelve months

In 2023, the current ratio and the quick ratio were 1.39x and 1.19x, respectively, reflecting an increase in current assets and a decrease in current liabilities. Working capital increased, as measured by total current assets minus total current liabilities, showing a clear improvement in the company's liquidity levels.

The leverage ratio, as measured by total liabilities-to-equity, reached 2.07x, higher than the ratio registered in December 2022 mainly due to the decrease in net worth resulting from the impairment of certain thermal generation assets.

The interest coverage ratio was 3.15x, which represents an improvement compared to 2.50x reported at year-end 2022, mainly due to the EBITDA recovery, which offset the effect of higher interest expenses.

The leverage ratio, as measured by Gross financial debt-to-EBITDA, reached 5.72x, including IFRS 16 financial leases, while net financial debt-to-EBITDA reached 4.97x. Excluding IFRS 16 financial leases, these indicators would have been 5.3x and 4.5x, respectively. This represents a significant improvement compared to 2022 ratios.

Return on equity and return on assets reached -18.8% and -9.7%, respectively. These figures are still negative due to the losses reported in the last years due primarily to asset impairments related to the company’s decarbonization plan.

CONFERENCE CALL 4Q23

ENGIE Energía Chile is pleased to inform you that it will conduct a conference call to review its results as of and for the year-ending December 31, 2023, on Wednesday February 14, 2024 at 10:00 a.m. (EST) – 12:00 (Chile)

hosted by:
Eduardo Milligan, CFO ENGIE Energía Chile S.A.

To participate, please dial:
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To join the conference, please state the name of the conference (**ENGIE ENERGIA)**; no other Conference ID will be requested.
Please connect approximately 10 minutes prior to the scheduled starting time.

To access the phone replay, which will be available until February 26, 2024, please dial
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