Interim Consolidated Financial Statements

for the period ended September 30, 2023

COLBÚN S.A. AND SUBSIDIARIES

Thousand of U.S. dollars

This report contains the following:

- Interim Consolidated Financial Statements
- Notes to the Interim Consolidated Financial Statement

Colbún S.A. and Subsidiaries

Interim Consolidated Classified Statements of Financial Position
as of September 30, 2023 (unaudited) and December 31, 2022
(In thousands of U.S. dollars)
(Translation of the report originally issued in Spanish – See note 2)

ASSETS	Note N°	September 30, 2023 ThUS$	December 31, 2022 ThUS$
Current assets			
Cash and cash equivalents	8	228,976	198,063
Other financial assets, current	9	944,129	937,777
Other non-financial assets, current	21	19,691	36,129
Trade and other receivables, current	10	274,384	267,746
Receivables due from related parties, current	12.b	47,082	61,372
Inventories, current	13	126,380	95,028
Current tax assets	20.a	13,054	92,192
Total current assets		**1,653,696**	**1,688,307**
Non-current assets			
Other financial assets, non-current	9	7	19,971
Other non-financial assets, non-current	21	42,157	42,962
Trade and other receivables, non-current	10	-	62,000
Equity-accounted investees	16.a	14,148	16,385
Intangible assets other than goodwill	17	62,173	65,198
Goodwill	6	5,573	5,573
Property, plant and equipment	18	4,767,458	4,517,284
Right-of-use assets	19	118,117	120,559
Deferred tax assets	22.b	64,792	67,735
Total non-current assets		**5,074,425**	**4,917,667**
TOTAL ASSETS		**6,728,121**	**6,605,974**

The accompanying notes are integral part of these interim consolidated financial statements

Colbún S.A. and Subsidiaries

Interim Consolidated Classified Statements of Financial Position
as of September 30, 2023 (unaudited) and December 31, 2022
(In thousands of U.S. dollars)
(Translation of the report originally issued in Spanish – See note 2)

LIABILITIES AND EQUITY	Note N°	September 30, 2023 ThUS$	December 31, 2022 ThUS$
Current liabilities			
Other financial liabilities, current	23.a	74,501	95,557
Short-term lease liabilities	24	11,947	11,074
Trade and other payables	25	204,288	295,033
Payables due to related parties, current	12.b	-	31,843
Other current provisions	26	33,067	46,717
Current tax liabilities	20.b	52,383	3,321
Current provisions for employee benefits	27	25,998	27,983
Other non-financial liabilities, current	28	13,586	31,136
Total current liabilities		**415,770**	**542,664**
Non-current liabilities			
Other financial liabilities, non-current	23.a	1,908,444	1,925,613
Long-term lease liabilities	24	121,808	125,026
Trade and other payables, non-current	25	224	441
Other provisions, non-current	26	60,787	58,624
Deferred tax liabilities	22.b	949,995	961,543
Provisions for employee benefits, non-current	27	31,778	33,078
Other non-financial liabilities, non-current	28	6,026	6,108
Total non-current liabilities		**3,079,062**	**3,110,433**
Total liabilities		**3,494,832**	**3,653,097**
Equity			
Share capital	29.a	1,335,388	1,282,793
Retained earnings	29.f	1,263,582	959,285
Share premium	29.c	-	52,595
Other reserves	29.e	512,604	522,907
Equity attributable to the shareholders of the Parent		3,111,574	2,817,580
Non-controlling interests	-	121,715	135,297
Total equity		**3,233,289**	**2,952,877**
TOTAL LIABILITIES AND EQUITY		**6,728,121**	**6,605,974**

The accompanying notes are integral part of these interim consolidated financial statements

Colbún S.A. and Subsidiaries

Interim Consolidated Statements of Income for the Period and Interim Other Comprehensive Income for the periods ended September 30, 2023 and 2022 (unaudited)
(In thousands of U.S. dollars)
(Translation of the report originally issued in Spanish – See note 2)

STATEMENTS OF COMPREHENSIVE INCOME BY NATURE	Note N°	January - September 2023 ThUS$	January - September 2022 ThUS$	July - September 2023 ThUS$	July - September 2022 ThUS$
Revenue	7 and 30	1,594,375	1,418,966	493,779	488,179
Raw materials and consumables	31	(922,110)	(812,757)	(228,504)	(248,626)
Employee benefit expenses	32	(69,388)	(62,160)	(23,811)	(20,735)
Depreciation and amortization expenses	33	(150,793)	(162,122)	(49,882)	(54,019)
Other expenses, by nature	-	(49,761)	(40,445)	(15,311)	(13,673)
Other gains (losses)	37	81,607	(50,778)	4,082	(18,482)
Income from operations	-	**483,930**	**290,704**	**180,353**	**132,644**
Finance income	34	49,444	14,143	17,627	7,389
Finance costs	34	(66,187)	(64,332)	(21,005)	(22,787)
Share of profit of equity-accounted investees and joint ventures	16 and 36	10,222	8,417	2,822	3,194
Foreign currency translation differences	35	(6,143)	(12,948)	(3,991)	(3,466)
Profit before income taxes	-	**471,266**	**235,984**	**175,806**	**116,974**
Tax expense (benefit) from continuing operations	22.a	(123,675)	(61,731)	(51,413)	(36,315)
Profit (loss) from continuing operations		**347,591**	**174,253**	**124,393**	**80,659**
PROFIT (LOSS)		**347,591**	**174,253**	**124,393**	**80,659**
Net profit attributable to					
Shareholders of the Parent	29.h	339,557	167,035	117,720	80,566
Non-controlling interests	-	8,034	7,218	6,673	93
PROFIT (LOSS)		**347,591**	**174,253**	**124,393**	**80,659**
Earnings per share					
Basic earnings per share - Continuing operations US$/share	29.h	0.01936	0.00953	0.00671	0.00460
Basic earnings per share		**0.01936**	**0.00953**	**0.00671**	**0.00460**
Diluted earnings per share - Continuing operations US$/ share	29.h	0.01936	0.00953	0.00671	0.00459
Diluted earnings per share		**0.01936**	**0.00953**	**0.00671**	**0.00459**

The accompanying notes are integral part of these interim consolidated financial statements

Colbún S.A. and Subsidiaries

Interim Consolidated Statements of Income for the Period and Interim Other Comprehensive Income (continued)
for the periods ended September 30, 2023 and 2022 (unaudited)
(In thousands of U.S. dollars)
(Translation of the report originally issued in Spanish – See note 2)

STATEMENTS OF OTHER COMPREHENSIVE INCOME	Note N°	January - September 2023 ThUS$	January - September 2022 ThUS$	July - September 2023 ThUS$	July - September 2022 ThUS$
Net profit		**347,591**	**174,253**	**124,393**	**80,659**
Components of other comprehensive income that will not be reclassified to profit or loss for the period, before taxes					
Profit (loss) for new measurements of defined benefit plans	-	2,580	2,069	3,039	2,434
Total other comprehensive (loss) income that will not be reclassified to profit or loss for the period, before taxes	-	**2,580**	**2,069**	**3,039**	**2,434**
Components of other comprehensive income (loss) that will be reclassified to profit or loss for the period, before taxes					
Gain (loss) for foreign currency translation differences	-	82	(36)	30	(17)
Gain (loss) from cash flow hedges	-	15,397	(28,183)	(711)	(10,160)
Total other comprehensive income (loss) that will be reclassified to profit or loss for the period, before taxes		**15,479**	**(28,219)**	**(681)**	**(10,177)**
Other components of other comprehensive income (loss), before taxes		**18,059**	**(26,150)**	**2,358**	**(7,743)**
Income taxes related to components of other comprehensive income that will not be reclassified to income for the period					
Income tax related to new measurements of defined benefit plans	22.c	(697)	(559)	(821)	(658)
Income taxes related to components of other comprehensive income that will be reclassified to the result of the period					
Income tax related to cash flow hedges	22.c	(4,157)	7,609	192	2,742
Income tax related to components of other comprehensive income (loss)		**(4,854)**	**7,050**	**(629)**	**2,084**
Total other comprehensive income (loss)		**13,205**	**(19,100)**	**1,729**	**(5,659)**
Total comprehensive income (loss)		**360,796**	**155,153**	**126,122**	**75,000**
Comprehensive income (loss) attributable to:					
Shareholders of the Parent		352,762	147,935	119,449	74,907
Non-controlling interests		8,034	7,218	6,673	93
TOTAL COMPREHENSIVE INCOME		**360,796**	**155,153**	**126,122**	**75,000**

The accompanying notes are integral part of these interim consolidated financial statements

Colbún S.A. and Subsidiaries

Consolidated Statements of Cash Flows - Direct Method
for the periods ended September 30, 2023 and 2022 (unaudited)
(In thousands of U.S. dollars)
(Translation of the report originally issued in Spanish – See note 2)

STATEMENT OF CASH FLOW - DIRECT METHOD	Note N°	September 30, 2023 ThUS$	September 30, 2022 ThUS$
Cash flows from (used in) operating activities			
Cash receipts from operating activities			
Cash receipts from sale of goods and rendering of services	-	1,999,145	1,670,825
Cash receipts for premiums and services, annuities and other benefits of subscribed policies	-	6,800	18
Other cash receipts from operating activities	-	27,453	69,500
Cash payments for operating activities			
Cash payments to suppliers for goods and services	-	(1,353,712)	(1,091,028)
Cash payments to and on behalf of employees	-	(60,825)	(56,536)
Cash payments for premiums and services, annuities and other benefits of subscribed policies	-	(25,695)	(21,169)
Other cash payments for operating activities	-	(110,518)	(103,037)
Cash generated from operating activities	-	**482,648**	**468,573**
Dividends received	-	12,459	3,930
Interest received	-	63,035	14,988
Income taxes refunded (payments)	-	(17,269)	(188,601)
Other cash receipts (payments)	-	(2,809)	14,776
Net cash flows from operating activities		**538,064**	**313,666**
Cash flows from (used in) investing activities			
Cash flows used in the purchase of non-controlling interests	-	(6,155)	-
Resources from sales of other long-term assets, classified as investing activities	-	118,686	5,237
Acquisition of property, plant and equipment	-	(375,877)	(170,728)
Other cash receipts (payments)	-	14,582	(36,051)
Net cash flows from (used in) investing activities		**(248,764)**	**(201,542)**
Cash flows from (used in) financing activities			
Cash receipt from loans	-	**5,000**	**-**
Cash receipt from short-term loans	-	5,000	-
Payment of lease liabilities	-	(9,001)	(8,442)
Payment of loans	-	(32,952)	(208,096)
Dividends paid	-	(141,825)	(71,572)
Interest paid	-	(70,932)	(67,719)
Other cash (payments) receipts	-	142	(18,466)
Net cash used in financing activities	**8.c**	**(249,568)**	**(374,295)**
Net increase (decrease) in cash and cash equivalents before the effect of movements in exchange rates on cash held		**39,732**	**(262,171)**
Effects of movements in exchange rates on cash and cash equivalents			
Effects of movements in exchange rates on cash and cash equivalents		(8,819)	(14,555)
Net increase (decrease) in cash and cash equivalents		**30,913**	**(276,726)**
Cash and cash equivalents as of January 1		198,063	392,418
Cash and cash equivalents as of September 30	8	**228,976**	**115,692**

The accompanying notes are integral part of these interim consolidated financial statements

Colbún S.A. and Subsidiaries

Statements of Changes in Equity
for the periods ended September 30, 2023 and 2022 (unaudited)
(In thousands of U.S. dollars)
(Translation of the report originally issued in Spanish – See note 2)

Statement of Changes in Equity	Note	Equity attributable to shareholders of the Parent										Non-controlling interests	Equity
				Changes in other reserves									
		Share capital	Share premium	Translation difference reserve	Hedging reserve	Actuarial profit or loss reserve of defined benefit plans	Accumulated other comprehensive income	Other reserves	Total other reserves	Retained earnings (accumulated deficit)	Equity attributable to shareholders of the Parent		
		ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Balance as of January 1, 2023		1,282,793	52,595	(253,120)	(13,690)	-	(266,810)	789,717	522,907	959,285	2,817,580	135,297	2,952,877
Increase (decrease) of equity due an error		-	-	-	-	-	-	-	-	-	-	-	-
Balance as of January 1, 2023, adjusted		1,282,793	52,595	(253,120)	(13,690)	-	(266,810)	789,717	522,907	959,285	2,817,580	135,297	2,952,877
Changes in equity													
Comprehensive income													
Profit (loss) for the period										339,557	339,557	8,034	347,591
Other comprehensive income				82	11,240	1,883	13,205	-	13,205	-	13,205	-	13,205
Dividends							-			(58,768)	(58,768)	-	(58,768)
Increase (decrease) from other changes		52,595	(52,595)	-	-	(1,883)	(1,883)	(21,625)	(23,508)	23,508	-	(21,616)	(21,616)
Total changes in equity		**52,595**	**(52,595)**	**82**	**11,240**	**-**	**11,322**	**(21,625)**	**(10,303)**	**304,297**	**293,994**	**(13,582)**	**280,412**
Equity as of September 30, 2023	**29**	**1,335,388**	**-**	**(253,038)**	**(2,450)**	**-**	**(255,488)**	**768,092**	**512,604**	**1,263,582**	**3,111,574**	**121,715**	**3,233,289**

Statement of Changes in Equity	Note	Equity attributable to shareholders of the Parent										Non-controlling interests	Equity
				Changes in other reserves									
		Share capital	Share premium	Translation difference reserve	Hedging reserve	Actuarial profit or loss reserve of defined benefit plans	Accumulated other comprehensive income	Other reserves	Total other reserves	Retained earnings (accumulated deficit)	Equity attributable to shareholders of the Parent		
		ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Balance as of January 1, 2022		1,282,793	52,595	(253,174)	(14,524)	-	(267,698)	819,757	552,059	833,180	2,720,627	120,799	2,841,426
Increase (decrease) of equity due an error		-	-	-	-	-	-	-	-	-	-	-	-
Balance as of January 1, 2022, adjusted		1,282,793	52,595	(253,174)	(14,524)	-	(267,698)	819,757	552,059	833,180	2,720,627	120,799	2,841,426
Changes in equity													
Comprehensive income													
Profit (loss) for the period										167,035	167,035	7,218	174,253
Other comprehensive income				(36)	(20,574)	1,510	(19,100)	-	(19,100)		(19,100)	-	(19,100)
Dividends										(49,999)	(49,999)	-	(49,999)
Increase (decrease) from other changes		-	-	-	-	(1,510)	(1,510)	(21,953)	(23,463)	23,463	-		-
Total changes in equity		**-**	**-**	**(36)**	**(20,574)**	**-**	**(20,610)**	**(21,953)**	**(42,563)**	**140,499**	**97,936**	**7,218**	**105,154**
Equity as of September 30, 2022	**29**	**1,282,793**	**52,595**	**(253,210)**	**(35,098)**	**-**	**(288,308)**	**797,804**	**509,496**	**973,679**	**2,818,563**	**128,017**	**2,946,580**

The accompanying notes are integral part of these interim consolidated financial statements

Contents

1. General information

Colbún S.A. was incorporated via public deed on April 30, 1986, witnessed by the Public Notary Mr. Mario Baros G. and registered at sheet 86 with the Trade Register of the Real Estate Registry of Talca on May 30, 1986. The Company's Tax Identification Number is 96.505.760-9.

The Company is registered as a publicly held shareholders' corporation in the Securities Registry under number 0295 on September 1, 1986, and subject to the inspection by the Financial Market Commission. The Company's shares are traded on the Santiago Stock Exchange and Santiago Electronic Stock Exchange.

As of September 30, 2023, Colbún is a power generation company and the Parent of the Group (hereinafter, the Company, the Entity or Colbún), which is composed of eight entities: Colbún S.A. and seven Subsidiaries.

The Company's registered address is located at Avenida Apoquindo 4775, 11th floor, Las Condes, Santiago.

The Company's line of business is the generation, transportation and distribution of energy, as explained in Note 2.

The control of the Company is performed in accordance with a control and joint venture agreement entered into by Forestal O'Higgins S.A. and other companies. It is hereby expressly established that the aforementioned joined control and operation agreement considers limitations to the free disposal of shares. The Parent is controlled by the members of the Larraín Matte, Matte Capdevila and Matte Izquierdo families, in the form and proportional interests indicated below.

- Patricia Matte Larraín, Taxpayer ID 4.333.299-6 (6.49%) and his children María Patricia Larraín Matte, Taxpayer ID 9.000.338-0 (2.56%); María Magdalena Larraín Matte, Taxpayer ID 6.376.977-0 (2.56%); Jorge Bernardo Larraín Matte, Taxpayer ID 7.025.583-9 (2.56%), and Jorge Gabriel Larraín Matte, Taxpayer ID 10.031.620-K (2.56%).

- Eliodoro Matte Larraín, Taxpayer ID 4.336.502-2 (7.22%) and his children Eliodoro Matte Capdevila, Taxpayer ID 13.921.597-4 (3.26%); Jorge Matte Capdevila, Taxpayer ID 14.169.037-K (3.26%), and María del Pilar Matte Capdevila, Taxpayer ID 15.959.356-8 (3.26%).

- Bernardo Matte Larraín, Taxpayer ID 6.598.728-7 (8.05%) and his children Bernardo Matte Izquierdo, Taxpayer ID 15.637.711-2 (3.35%); Sofía Matte Izquierdo, Taxpayer ID 16.095.796-4 (3.35%), and Francisco Matte Izquierdo, Taxpayer ID 16.612.252-K (3.35%).

Natural persons indicated above are part of the same corporate group due to family relationship.

As of September 30, 2023, in accordance with Title XV of Law No. 18,045, shareholders representing 49.92% of the voting right shares are detailed as follows:

Controlling Group	No of shares	Ownership %
Minera Valparaíso S.A.	6,166,879,733	35.17
Forestal Cominco S.A.	2,454,688,263	14.00
Forestal Bureo S.A.	57,710,155	0.33
Forestal Constructora y Comercial del Pacífico Sur S.A.	34,126,083	0.19
Forestal Cañada S.A.	22,308,320	0.13
Inversiones Orinoco S.A.	17,846,000	0.10
Inversiones Coillanca Ltda.	16,473,762	0.09
Inmobiliaria Bureo S.A.	38,224	0.00
Total ownership	8,770,070,540	50.01

2. Business description

Corporate purpose of the Company

The Company's line of business is the production, transportation, distribution, and supply of energy and capacity, for which it may acquire and exploit concessions and grants or use rights obtained. Likewise, it is empowered to transport, distribute, supply, and market natural gas for sale to industrial or generation processes, as well as to produce, store, transport, and market hydrogen, ammonia, methanol, and other fuels, as well as the development and construction of projects for these purposes, as well as the provision of all kinds of services related to the collection, treatment, desalination, conduction, supply and commercialization of water in any of its states or whatever its origin or form of collection. Additionally, it can provide advice in the field of engineering, both in the country and abroad.

For the convenience of the reader, the consolidated financial statements and their accompanying notes have been translated from Spanish to English.

Description of business in Chile

Main assets

The power generation matrix is composed of hydroelectric power plants (reservoir and run-of-the-river) and coal-fired, diesel and gas power plants (combined and conventional cycles), and renewable energies from variable sources, which in total provide an installed capacity of 3,443 MW to the National Power System ("SEN" for its Spanish acronym).

Hydroelectric power plants have an installed capacity of 1,627 MW distributed among 17 plants: Colbún, Machicura, San Ignacio, Chiburgo, San Clemente and La Mina, located in the Maule Region; Rucúe, Quilleco and Angostura, located in the Biobío Region; Carena, in the Metropolitan Region; Los Quilos, Blanco, Juncal, Juncalito, Chacabuquito and Hornitos, in the Valparaíso Region; and Canutillar, in Los Lagos Region. Colbún, Machicura, Canutillar and Angostura power plants have their own reservoirs, whereas the remaining hydroelectric power plants are run-of-the-river.

Thermal power plants have an installed capacity of 1,586 MW and are distributed in the Nehuenco located in the Valparaíso Region; Candelaria power plant in the O'Higgins Region; and Los Pinos and Santa María power plants, located in the Biobío Region.

Regarding our solar power plants, during the month of January 2023, the Machicura Solar photovoltaic park (9 MW) came into commercial operation, located in the Colbún commune in the Maule Region. Previously, in 2022, the Diego de Almagro Sur photovoltaic park (212 MW) was incorporated, located in the Diego de Almagro commune in the Atacama Region, and in 2018, the Ovejería photovoltaic park (9 MW) located in the commune of Tiltil, Metropolitan Region.

Additionally, progress is being made on the Horizonte wind project in north of Chile, where it is expected to build the largest wind farm in the country and in Latin America with an installed capacity of close to 800 MW.

Business policy

The Company's commercial policy is to achieve a proper balance between commitments to sell power and its own efficient generation capacity with the objective of increasing and stabilizing operation margins, maintaining an acceptable level of risks in drought conditions. As a result of this policy, the Company ensures that sales or purchases in the spot market, difference market, are limited, due to the price variations experienced by this secondary market.

Main customers

The client portfolio is composed of regulated and unregulated customers.

The regulated customers supplied during 2023 are: CGE Distribución S.A. and Enel Distribución Chile S.A.

Additionally, Colbún will supply energy and power to a set of 323 unregulated customers, of which the main customers by energy consumption (greater than 100 GWh-annual) are: Codelco para its Salvador, Andina, Ventanas and El Teniente divisions, BHP for the Minera Escondida Ltda.y Minera Spence S.A. sites, CMPC Group (CMPC Pulp S.A., Cartulinas CMPC.S.A., CMPC Maderas S.A., Forestal Mininco S.A. and Forsac S.A.), Compañía Minera Zaldivar SpA, Cementos Bío Bío Group(Bio Bío Cementos S.A., Inacal S.A., Cementos Bío Bío del Sur S.A., Arenex S.A. and Minera El Way S.A.), Walmart Group (Abarrotes Económicos S.A., Administradora de Supermercados Express Ltda., Administradora de Supermercados Hiper Ltda., Logística, Transporte and Servicios LTS Ltda., Sermob Ltda, Walmart Chile Alimentos and Servicios Ltda., Walmart Chile Mayorista Ltda. and Walmart Chile S.A.), Cementos Polpaico Group (Cementos Polpaico S.A., Cementos Bicentenario S.A., Áridos Aconcagua S.A., Sociedad Pétreos S.A.), CCU Group (Aguas CCU Nestlé Chile S.A., Cervecera CCU Chile Ltda., Cervecería Kunstmann S.A., Compañía Pisquera de Chile S.A., Embotelladoras Chilenas Unidas S.A., Fábrica de Envases Plásticos S.A., Transportes CCU Ltda. and Viña San Pedro Tarapacá S.A.), and Minera Meridian Ltda.

The Power Market

The Chilean power sector has a regulatory framework of almost four decades of operations. Such framework allowed developing a highly dynamic industry with significant private equity interest and has been able to comply with the increasing power demand.

Chile has three interconnected systems and Colbún operates in the largest, the National Power System (SEN), which comprises Arica in the north and Isla Grande de Chiloé in the south. The consumption in this zone represents 99% of total power demand in Chile. Colbún has a market share of approximately 16% in power generation.

The pricing system identifies different mechanisms for the short and long-term. For short-term pricing, the sector is based on a marginal cost scheme, including security and efficiency criteria in distributing resources. Power marginal costs result from the actual operation of the electric system in accordance with the financial merit programming conducted by the National Electrical Coordinator (CEN, for its Spanish acronym) and relate to the variable cost of production of the most expensive unit under operation in every hour. Capacity payments are calculated based on the sufficiency power of plants, i.e., the reliable level of capacity that could be provided to supply the system at the point of high demand, considering the uncertainty associated with the availability of supplies, forced and programmed unavailabilities, and unavailability of the facility which connects the unit to the Transmission and Distribution System. The Power capacity price is determined as an economic indicator, which represents the investment in most efficient units to address power demand during the system`s high demand hours.

For long-term pricing, power generation companies may have two types of customers: regulated and unregulated.

As a result of Law No. 20,018 passed on January 1, 2010, in the market of regulated customers, composed of distribution companies, generation companies' sale power at the price resulting from competitive and public tenders.

Unregulated customers comprise those with a connection power exceeding 5,000 kW, and they freely negotiate their prices with suppliers.

Note that the regulation allows users with connection power between 500 kW and 5,000 kW to select between systems of regulated or unregulated prices, with a minimum of four years in each system.

Spot market is where power generation companies trade at marginal cost energy and capacity (on an hourly basis) surplus or deficit resulting from their commercial position, net of production capacity, since dispatch orders relate to financial merit and are exogenous to each power generation company.

To inject energy into the system and supply energy and capacity to its customers, Colbún uses transmission facilities as per the rights granted by the power legislation.

In this context, it is worth mentioning that on July 20, 2016, the Law that establishes a new Electric Transmission System and creates an Independent Coordinating Body of the National Electric System was published in the Official Gazette. The main changes included in this Law is that the remuneration of the transmission will be fully charged to the Electricity Demand. Likewise, a new Coordinator with its own legal personality is established to operate the National Electric System, which began to exercise its functions as of January 1, 2017.

Since the end of 2019, the regulated customer supply tender market has been impacted by legal modifications that stabilized customer prices to avoid expected increases in the following years. With the publication of Law No. 21,185 (PEC) and subsequently Law No. 21,472 (MPC), the prices that low consumption and residential customers will observe until 2032 will have variations restricted by law.

In February 2021, Law No. 21,305 was published, which aims to promote energy efficiency in large industrial consumers, expand the scope of application of minimum energy efficiency standards, and expand the current labeling system for its application to buildings. residential. With this, Chile has a tool that evaluates and establishes goals around the efficiency of electricity consumption of clients and generators.

Likewise, and in line with the global trend, in June 2022, Law No. 21,455 of the Ministry of the Environment, or "Climate Change Framework Law," was published. The law establishes carbon neutrality no later than 2050, in conjunction with a legal framework that allows assigning responsibilities for reducing emissions or require implementation and reporting of emissions mitigation measures and adaptation to the impacts of change climate.

Description of business in Peru

Combined cycle gas-fired thermoelectric power plant of 573 MW located in Las Salinas, Chilca district, 64 kilometers south of Lima, owned by the subsidiary Fenix Power Peru. Its location is considered strategic, since it is near the Camisea gas pipeline and Chilca power substation, allowing power generation at an efficient cost.

The power plant begun its commercial operation in December 2014 and is composed of two General Electric dual (gas or diesel) turbines generating 60% of its power, and a General Electric steam turbine generating the remaining 40%. This plant is considered a strategic asset in the Peruvian power market since it is one of the most efficient in the country and the third largest at domestic level.

Fenix has capacity of 573 MW, which results in a market share of approximately 5.7% in the SEIN in energy production into the third quarter of 2023

Main customers

Regulated customers with long-term contracts: Distriluz Group formed by Electronorte, Electronoroeste and Hidrandina, COELVISAC, Enel Distribución, Electricidad del Oriente, Electro Dunas and Luz del Sur.

Generation customers: CELEPSA.

Unregulated customers: Pamolsa, Minera Luren, B. Braun, Garment, Del Ande, Grupo Patio, UTP, Chavimochic, Logística AQP, Laboratorios Portugal, Modipsa, Idat, Fibraforte, Oceano Seafood, Oceano Fishing Services, Pesquera Altair, Tejidos San Jacinto, Koplast, Minera Huinac, PROCOMSAC, SEAL Distribución S.A., Medic Ser, Oncocenter, Promotora Asistencial, AIPSAA, Unión de negocios corporativos, EMEMSA, NOVAPERU, CENCOSUD, METICO, Grupo Patio Oficinas, Fabricaciones Rema, CALSA, SAMI, ETNA, Molinor, Hermanos Córdova, Guillermo Li, Minera Argentum, Minera Contonga, Minera Cobriza, Country Club, Frio Frias and Refrigerados Fisholg & Hijos.

The Power Market

Peru restructured the power market in 1992 by the Electricity Act No. 25,844: Energy Concessions Act). Also, during the last 4 years significant reforms have been made to the sector's regulatory framework.

The Peruvian power market has at national level as of September 2023, a installed capacity of 15.6 GW, of which 13.6 GW corresponds to the capacity installed in the National Interconnected Power System (SEIN), Of this last figure, about 55% is thermal capacity, 38% hydraulic, and the remaining 7% based on renewable energies. Accordingly, natural gas is critical at the domestic thermal power generation level, because of its significant reserves and exploration wells, being Camisea the main deposit with approximately 10.3 quintillion cubic feet.

The pricing system identifies two types of customers: regulated users that consume less than 200 kW and unregulated customers (large private users that consume more than 2,500 kW). Customers with a demand between 200 kW and 2,500 kW have the option to be considered as regulated or unregulated.

The National Interconnected Power System (SEIN for its Spanish acronym) is managed by a System Economic Operation Committee (COES for its Spanish acronym), incorporated as a nonprofit private entity and as a legal personality under public law. The COES is composed of other SEIN agents (power generation companies, transmitters, distribution companies and unregulated customers) and their decisions are mandatory for all agents. Its objective is to coordinate SEIN's short, medium, and long-term operations, ensuring system security, use of power resources, as well as planning the development of SEIN transmission and managing the Short-Term Market, the latter based on marginal costs.

In terms of energy consumption, the energy demand to the third quarter of 2023 was approximately 14.6 TWh, concentrated in the mining and residential sectors. In the same third quarter of 2022, the system´s demand was 14.1 TWh.

3. Significant Accounting policies

3.1 Accounting policies

These Interim Consolidated Financial Statements of Colbún S.A. and subsidiaries as of September 30, 2023, have been prepared in accordance with International Financial Standards (IFRS) as issued by International Accounting Standards Board (IASB).

These Interim Consolidated Financial Statements have been prepared assuming that the company will continue as a going concern and were approved by the Board of Directors for issue at their Meeting held on October 31, 2023.

The accounting policies set out below have been used in the preparation of these Interim Consolidated Financial

Statements.

a. Basis of preparation and period – These Consolidated Financial Statements of Colbún S.A. and subsidiaries comprise the following:

- Statements of Financial Position as of September 30, 2023 and December 31, 2022.
- Statement of Comprehensive Income for the nine-month periods ending as of September 30, 2023 and 2022.
- Statement of Cash Flows for the nine-month periods ending as of September 30, 2023 and 2022.
- Statements of Changes in Equity for the nine-month periods ending as of September 30, 2023 and 2022.
- Notes to the Financial Statements.

The information contained in these Interim Consolidated Financial Statements is the responsibility of the Company.

These Interim Consolidated Financial Statements have been prepared under the historical cost basis, except for those assets and liabilities recognized at fair value (note 3 h. and 3 i).

a.1 Functional currency - The Company's functional currency is the United States dollar, which is the currency that mainly impacts sale prices of goods and services in the markets in which the Company operates. All financial information in these Interim Consolidated Financial Statements has been rounded in Thousands of United States dollar (ThUS$) to the nearest number, except otherwise indicated.

b. Consolidation basis - The Interim Consolidated Financial Statements include the financial statements of the Parent and controlled companies.

Control is established as the base for determining which entities are consolidated in the Interim Consolidated Financial Statements.

Subsidiaries are those in which Colbún S.A. is exposed to, or has rights to, variable returns from its interests in those entities and has the ability to affect those returns through its power over the entities. In general, the Company's power over its subsidiary arises from holding the majority of the voting rights provided by the subsidiary's equity instruments.

The detail of subsidiaries is as follows:

Consolidated company	Country	Funcional currency	Tax ID No.	Ownership % as of				
				09.30.2023			09.30.2022	12.31.2022
				Direct	Indirect	Total	Total	Total
Colbún Desarrollo SpA	Chile	US$	76.442.095-0	100	-	100	100	100
Santa Sofía SpA	Chile	US$	76.487.616-4	100	-	100	100	100
Colbún Perú S.A.	Peru	US$	0-E	100	-	100	100	100
Inversiones de Las Canteras S.A. (1)	Peru	US$	0-E	-	58.6	58.6	51	51
Fenix Power Perú S.A.	Peru	US$	0-E	-	58.6	58.6	51	51
Desaladora del Sur S.A.	Peru	PEN	0-E	-	58.6	58.6	51	51
Efizity Ingeniería SpA. (2)	Chile	Ch$	76.362.527-3	-	-	-	100	100
Efizity SpA	Chile	Ch$	76.236.821-8	100	-	100	100	100
Efizity S.A.C. (3)	Peru	PEN	0-E	-	-	-	100	100

Variations in the consolidation perimeter

During the 2023 period, the following variation occurred in the consolidation perimeter:

(1) On April 26, 2023, the company increased its interest in the subsidiary Fenix Power Perú S.A. to 58.6% acquiring part of the shareholding of the shareholder Sigma FI.
(2) On June 1, 2023, the dissolution and liquidation of the company Efizity Ingeniería SpA. materialized, previously its assets and liabilities were transferred to the parent company.
(3) On January 25, 2023, the sale of all the shares of the company Efizity S.A.C. was made.

All intercompany transactions and balances have been eliminated in consolidation, as well as non-controlling interest have been recognized which relates to the ownership interest percentage of third parties in subsidiaries, which is included separately in Colbún's consolidated equity.

b.1 Business combinations and goodwill – Business combinations are recognized using the acquisition method. The acquisition cost is the sum of the consideration transferred, measured at fair value at the acquisition date, and the amount of the acquire non-controlling interest, if any. For each business combination, the Company determines whether the non-controlling interest of the acquire is measured at fair value or proportional to the net identifiable assets of the acquire. Related acquisition costs are accounted for as incurred in other expenses.

When the Company acquires a business, it assesses the financial assets and financial liabilities acquired for their appropriate classification based on contractual terms, economic conditions and other related conditions at the acquisition date. This includes separating the embedded derivatives of the acquired business´ main contracts.

If the business combination is conducted by stages, ownership interests previously maintained in the acquired equity are measured at fair value at the acquisition date, and gains or losses are recognized in the income statement.

Any contingent consideration transferable by the acquired is recognized at fair value at the acquisition date. Contingent considerations which are classified as financial assets or financial liabilities in accordance with IFRS 9 Financial Instruments are measured at fair value, accounting for changes in fair value as gain or loss or through comprehensive income. In the events contingent considerations are not within the scope of IFRS 9, these are measured in accordance with the related IFRS. If the contingent consideration classified as equity, this is not revalued, and any subsequent settlement is recorded in net equity.

Goodwill is the excess of the sum of the consideration transferred recognized on the net value of assets acquired and liabilities assumed. If the fair value of net assets acquired exceeds the amount of the transferred consideration, the Company conducts a new assessment to ensure that all assets acquired and liabilities assumed have been appropriately identified, and reviews all procedures applied to conduct the measurement of the amount recognized at the acquisition date. If the new assessment results in an excess of fair value of net assets acquired on the aggregate amount of the consideration transferred, the difference is recognized as profit in the income statement.

Subsequent to initial recognition, goodwill is recognized at cost less any accumulated impairment losses. For impairment testing, goodwill acquired in a business combination is allocated, at the acquisition date, to each Company's cash-generating unit which is expected to receive benefits, regardless if there are other assets or liabilities of the acquire allocated to those units. Once the business combination is completed (concludes the measurement process) goodwill is not amortized and the Company reviews on a regular basis it´s carrying amounts to recognize any impairment losses.

When goodwill is part of the cash-generating unit and a portion of such unit is derecognized, goodwill related to such disposed operations is included in the carrying amount of the operations when determining gains or losses obtained at disposal. Goodwill derecognized is measured based on the relative value of the disposed operation and the portion of the cash-generating unit maintained.

b.2 Non-controlling interest - The value of non-controlling interest in subsidiaries' equity and comprehensive income is presented under captions "Total Equity: Non-controlling interest" of the consolidated statement of financial position and "Net profit attributable to non-controlling interests" and "Comprehensive income attributable to non-controlling interest" in the statement of comprehensive income.

b.3 Interest in unconsolidated structured entities - On May 17, 2010, as per the D.E. N°.3,024, the Ministry of Justice grants legal personality and approves the Colbún Foundation's bylaws (hereinafter the "Foundation"). Main objectives of the Foundation address the following:

The promotion, encouragement and support of all type of projects and activities that aim to improve living conditions in the neediest sectors.

Research, development and dissemination of culture and arts. The Foundation will be able to participate in the formation, organization, management and support of all entities, institutions, associations, groups and organizations, either public or private, which have the same goals.

The Foundation will support all entities mainly involved in the dissemination, research, encouragement and development of culture and arts.

The Foundation may finance the acquisition of real estate, equipment, furniture, laboratories, classrooms, museums and libraries, and finance the collection of infrastructures to support professional enhancement.

Additionally, the Foundation may finance research and development, prepare and implement training programs, provide training for development and finance the publishing and distribution of books, brochures and any types of publications.

This legal entity is not considered in the consolidation process, as being a non-profit entity, the Company expects no economic benefit from it.

c. Equity-accounted investees – Correspond to interests in entities where Colbún has joint control with other company or in which it exercises significant influence.

The equity method comprises recognizing initially at acquisition cost and subsequently adjusted for the changes in net assets of the acquire.

If the amount is negative the interest is zero unless there is a commitment by the Company to restore the entity's equity, which then records the related provision for risks and expenses.

Dividends received by these companies are recognized by reducing the interest value, and profit or loss obtained by these entities, which corresponds to Colbún as per its interest, are included net of tax effects in the profit or loss account "Interest in gains (losses) of associates and joint ventures accounted for using the equity method."

The detail of companies accounted for using the equity method is as follows:

Relationship	Company	Country	Funcional currency	Tax ID N°	Ownership % as of		
					09.30.2023	09.30.2022	12.31.2022
					Direct	Direct	Direct
Associate	Electrogas S.A.	Chile	US$	96.806.130-5	42.5	42.5	42.5

c.1 Investment in associates - Associates are those entities in which the Company has significant influence, but not control or joint control, over their financial and operating policies. Overall, significant influence exists when the Company has between 20% and 50% of voting rights of other company.

c.2 Investments in joint ventures - Relate to entities in which the Company has joint control over its activities, as established by contractual terms and which requires unanimous consent to make relevant decisions by all venturers.

d. Effect of foreign exchange rate fluctuations - Transactions in foreign and domestic currency, other than functional currency, are translated to the functional currency using the exchange rates prevailing at the transaction dates.

Profits and losses in foreign currency that result from the settlement of these transactions and from conversion at the closing exchange rates for monetary assets and liabilities denominated in currencies other than the functional currency, are recognized in the statement of comprehensive income, unless they have to be recognized in other retained earnings, as in the case of cash flow hedges and net investment hedges. In addition, the translation of balances receivable and payable at each reporting date in currency other than functional currency of the financial statements which are part of the consolidation perimeter, is conducted at closing exchange rates. Differences in measurement are recognized as finance income and finance costs under foreign currency translation differences.

e. Translation Basis - Assets and liabilities denominated in Chilean pesos, Euros, Peruvian soles and inflation adjusted units have been translated into United States dollars at the exchange rates at the reporting date, as per the following:

Exchange rate	09.30.2023	09.30.2022	12.31.2022
Chilean pesos	895.60	960.24	855.86
Euros	0.9461	1.0217	0.9344
Peruvian soles	3.7970	3.9840	3.8200
Inflation adjusted units	0.0247	0.0280	0.0244

f. Property, plant and equipment - Property, plant and equipment held for the generation of power services or administrative purposes, are presented at cost less subsequent depreciation and impairment losses, if applicable. This cost value includes, separate from the acquisition price of assets, the following concepts as permitted by IFRS:

- Finance cost of loans intended to finance assets under construction is capitalized during the construction period.

- Personnel expenses directly related to assets under construction.

- Costs of extensions, modernization or improvements representing an increase in the productivity, capacity or efficiency or lengthening of the useful lives of assets, are capitalized as higher cost of the related assets.

- Substitutions or renovations of assets that increase their useful lives, or their economic capacity, are recorded as the higher value of the respective assets, with the consequent accounting derecognition of the substituted or renovated assets.

- Dismantling, removal and restoration costs of property, plant and equipment are recognized based on the legal obligation of each project (note 3.n.2).

Assets under construction will be transferred to property, plant and equipment in operation after the end of the test period, from which date their depreciation commences.

Periodic maintenance, conservation and repair expenses are recorded directly in profit or loss as costs for the period in which they are incurred.

Items of property, plant and equipment, net of their residual value is depreciated by allocating, on a straight-line basis, the cost of different items comprising over their estimated useful life (note 5 a. (i)).

The residual values and useful lives of items of property, plant and equipment are reviewed at each reporting date and adjusted if required.

g. Intangible assets other than goodwill – Intangible assets acquired individually are measured initially at cost. The cost of intangible assets acquired in business combinations is their fair value at the date of acquisition. Subsequent to initial recognition, are measured at cost less accumulated amortization and impairment losses.

The Company assesses at initial recognition if the useful life of intangible assets is definite or indefinite.

Assets with finite useful life are amortized throughout their remaining economic useful life and assessed for impairment when such indicators exist. The amortization period and amortization of intangible assets with definite useful life are reviewed at least at each reporting date. The criteria used for the recognition of impairment losses of these assets and their recoveries are recorded in note 5 b.

Changes in expected useful life or consumption pattern of future economic benefits materialized in the asset are considered to change the period or amortization method, if applicable, and treated as a change in the accounting estimate. Amortization expenses of intangible assets with definite useful life are recognized in the statement of comprehensive income.

h. Financial instruments

h.1 Financial assets - Financial assets are classified at initial recognition in three measurement categories:

a) Amortized cost
b) Fair value through other comprehensive income (equity)
c) Fair value through profit or loss

h.1.1 Amortized cost - It is intended to maintain a financial asset until obtaining contractual cash flows on an established date. Expected cash flows relate mainly to payments of principal and interest on the principal amount outstanding.

h.1.2 Fair value through other comprehensive income (equity) - To classify an asset at fair value through other comprehensive income as principle it has to comply with the requirement of the sale of financial assets for which the principal owed amount is expected to be recovered in a given term in addition to interests, if applicable.

h.1.3 Fair value through profit or loss - The last classification provided as an option by IFRS 9 is financial assets at fair value through profit or loss for the year.

Based on its business model, the Company holds financial assets at amortized costs as the main financial asset as it aims to recover its future cash flows on a given date seeking the collection of principals owed plus interests on the principal, if applicable. Loans and receivables are the main financial assets non-derivative from the Group, with fixed or determinable payments that are not quoted in an active market. Loans and receivables are included in the caption Trade and other receivables in the Statement of Financial Position. They must initially be recognized at fair value and subsequently at amortized cost in accordance with the effective interest method less the allowance account for impairment losses.

h.1.4 Derecognition of financial assets - The Company derecognizes financial assets only when the rights to receive the cash flows have been canceled, voided, expired or have been transferred.

h.1.5 Impairment of non-derivative financial assets – The Company applies a simplified approach and records expected credit losses in all its debt securities, loans and trade receivables, whether for a 12-month period or for lifetime, as established by IFRS 9.

Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or arrears in the payment, are considered indicators that the trade receivable is impaired. Impairment is the difference between the carrying amount of the asset and the real value of estimated future cash flows discounted at the effective interest rate. Losses are recognized in the statement of comprehensive income and reflected in a provision account.

When a receivable is classified as a doubtful account, after all reasonable mechanisms of collection, either judicial or pre-judicial, have been exhausted as per the related legal report; and its related write-off applies, this is recorded against the impaired trade receivables account.

When the fair value of an asset is lower than the acquisition cost, if objective evidence exists that the asset is impaired and such impairment is not temporal, the difference is recorded directly in losses for the year.

Financial assets at fair value through profit or loss are not subject to impairment tests.

h.2. Financial liabilities

h.2.1 Classification as debt or equity - Debt instruments and equity instruments are classified as either financial liabilities or equity, as per their contractual terms.

h.2.2 Equity instruments - Correspond to any agreement representing a residual interest in the net assets of an entity after all its liabilities are deduced. Equity instruments issued by Colbún S.A. are recognized at the amount of the consideration received, net of direct costs of issuance. Currently, the Company only issues single series shares.

h.2.3 Financial liabilities - Financial liabilities are classified as financial liability at "fair value through profit or loss" or "other financial liabilities".

h.2.4 Financial liabilities at fair value through profit or loss - Financial liabilities are classified at fair value through profit or loss when the financial liability is either held for trading or it is designated at fair value through profit or loss. These are measured at fair value and changes therein, including any interest expenses, are recognized in profit or loss.

h.2.5 Other financial liabilities - Other financial liabilities, including bank borrowings and bonds payable and promissory notes, are measured initially at the amount of cash received, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method for calculating the amortized cost of a financial liability and allocating interest expense throughout the relevant period. The effective interest rate corresponds to the rate that discounts estimated future cash flows payable throughout the expected life of the financial liability or, if appropriate, a shorter period when the associated liability has a prepayment option to be applied.

h.2.6 Derecognition of financial liabilities - The Company derecognizes financial liabilities only when obligations are canceled, voided or expired.

i. Derivatives - The Company entered into derivative instruments to mitigate its exposure to interest rate fluctuation related to exchange rates and fuel prices.

Changes in fair value of these instruments at the reporting date are recognized in the consolidated statement of comprehensive income unless these are designated as hedge accounting and meet the conditions established in IAS 39 to apply such criterion. For hedge accounting purposes, the Company continues to apply the criteria established in IAS 39.

Hedges are classified as follows:

- <u>Fair value hedges:</u> correspond to a hedge of the exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment attributable to a particular risk. For this hedge, both the hedge instrument value and the hedged item are recognized in the statement of comprehensive income, offsetting both effects in the same caption.

- Cash flow hedges: correspond to a hedge of the exposure to the fluctuation in cash flows attributable to a particular risk associated with a recognized asset or liability, or a highly probable forecasted transaction. Changes in the fair value of derivatives are recognized, with respect to the effective portion of the hedges, in equity reserve under "Cash flow hedges." Retained earnings or an accumulated deficit in such caption are transferred to the statement of comprehensive income to the extent that the underlying portion has an impact on the statement of comprehensive income for the hedged risk, netting such effect in the same heading in the statement of comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the statement of comprehensive income.

A hedge is considered to be highly effective when changes in fair value or in cash flows of the underlying asset directly attributable to the hedged risk are offset by the changes in the fair value or cash flows of the hedged instrument with an effectiveness within a range between 80% and 125%. For the period covered by these Consolidated Financial Statements, the Company designated certain derivatives as hedging instruments of highly probable forecasted transactions or hedging instruments related to foreign currency risks of a firm commitment (cash flow hedging instruments).

The Company has designated all its derivatives as hedge accounting instruments.

j. Inventory - This caption includes gas, oil and coal stock, and warehouse inventory (spare parts and materials), which are valued at cost, net of possible obsolescence determined in each period. Cost is determined using their weighted average purchase price.

j.1 Impairment of spare parts (obsolescence) basis - The impairment of spare parts estimate (obsolescence) is established based on an individual and general assessment performed by specialists of the Company, who assess turnover and technological obsolescence criteria on the stock held in warehouses of each Power plant.

k. Statement of cash flows - For the preparation of the statement of cash flows, the Company uses the following definitions:

Cash and cash equivalents comprise cash on hand, term deposits in credit institutions and other highly liquid short-term investment with original maturities up to three months and subject to an insignificant risk of changes in their valuation. Bank overdrafts are classified as current liabilities in the statement of financial position.

Operating activities: are the principal revenue-producing activities usually conducted by the Company and other activities that are not investing or financing activities.

Investing activities: Correspond to acquisition, disposal or sale activities by other means of long-term assets and other investments not included in cash and cash equivalents.

Financing activities: Activities that generate changes in the size and composition of net equity and financial liabilities.

l. Income tax - The Company and its subsidiaries determine the taxable base and calculate their income tax in accordance with legal provision in force during each period.

Deferred taxes arising from temporary differences and other events generating differences between the accounting and tax basis of assets and liabilities are recorded in accordance with IAS 12 "Income Taxes."

Current income tax is recognized in the statement of income or in the statement of other comprehensive income based on where the profit or loss from which they arose are recorded. Differences between the carrying amount of the assets and liabilities and their tax base generate the basis on which deferred taxes are calculated using the tax rates that are expected to be in force when the assets are realized, and liabilities are settled.

Changes in deferred tax assets or liabilities generated are recorded in profit or loss in the consolidated statement of comprehensive income or in total equity captions under the statement of financial position, based on where the profit or loss from which they arose are recorded.

A deferred tax asset is recognized only to the extent that is probable that future taxable profits will be available against which the temporary difference can be utilized to recover temporary difference deductions and use the tax losses.

At each reporting date, the Company reviews the deferred tax assets and liabilities recorded to verify that they remain effective and adjusted on a timely basis based on the results of such analysis.

For the interim consolidated financial statement balances, the Company and its subsidiaries offset deferred tax assets and liabilities if, and only if, they relate to the income tax, which corresponds to that same tax administration, only to the extent that the Company is legally entitled to offset current tax assets with current tax liabilities.

m. Severance indemnity payments - Obligations recognized as severance indemnity payments arise as a result of collective and individual agreements subscribed by employees of the Company, in which the Company's commitment is established, and are classified as "Defined post-employment benefits." The Company recognizes employee benefit costs based on an actuarial calculation in accordance with IAS 19 "Employee benefits", which includes variables such as life expectancy, salary increases and turnover, among others.

At the reporting date, the amount of net actuarial liabilities accrued is presented in the item Provisions for employee benefits, current and Provisions for employee benefits, non-current in the consolidated statement of financial position.

The Company recognizes all actuarial gains and losses arising from the valuation of defined benefit plans in other comprehensive income. Accordingly, all costs related to benefit plans are recorded as personnel expenses in the statement of comprehensive income.

n. Provisions - Obligations maintained at the reporting date in the statement of financial position, arising as a result of past events which may generate highly-probable equity losses to the Company, which amount and timing can be reliably estimated, are recorded as provisions at the amount which it is estimated that the Company would have to disburse to settle the obligation.

Provisions are reviewed on a regular basis and are quantified considering the best information available at the reporting date of these consolidated financial statements.

n.1 Restructuring - A provision for restructuring expenses is recognized when the Company approves a detailed and formal restructuring plan, and such restructuring has commenced or is publicly announced. The Company accrues no future operating costs.

n.2 Dismantling - Future disbursements by the Company related to the closure of its facilities are included at the asset amount at fair value, recognizing the related provision for dismantling or remediation at the commencement of the plant's operations. The Company assesses on an annual basis its estimate on future disbursements indicated above, increasing or decreasing the asset value based on the results of such estimate (see Note 26 c).

o. Accrued vacations - Vacation expenses are recorded in the year the right is accrued, in conformity with IAS 19.

p. Revenue from contracts with customers - Revenue from the sale of power in Chile and Peru is recognized at the fair value of the amount received or receivable and represents the amount for services rendered during the normal course of business, less any related discount or tax, in accordance with IFRS 15.

Revenue is classified in the following categories:

Sale of goods - For contracts with customers in which the sale of equipment is the unique obligation, the adoption of IFRS 15 has no impact on the Company's revenue or profit or loss because revenue is recognized at a point in time when the control of the asset is transferred to the customer upon delivering the goods. The Company has impact associated with the individual sale of goods, because it is not currently engaged in the sale of goods as a single contract for the sale of goods.

Rendering of services - Colbún provides power supply and capacity to both unregulated and regulated customers. The Company recognizes revenue for services based on the physical delivery of energy and capacity. Services are satisfied over time because the customer simultaneously receives and consumes the benefits provided by the Company. Consequently, the Company recognizes revenue from such service contracts over time instead of at a point in time.

A description of the Company's main revenue recognition policies for each type of customer is presented below.

- Regulated customers - distribution companies: Revenue from the sale of power is recorded based on physical delivery of energy and capacity in conformity with long-term agreements at a bid price.

- Unregulated customers - Connection capacity exceeding 5,000 KW in Chile and between 200 KW and 2,500 KW in Peru: Revenue from the sale of power for these customers is recorded based on the physical delivery of energy and capacity, at fees established in the related contracts.

- Spot market customers: Revenue from the sale of power is recorded based on the physical delivery of energy and capacity to other power-generation companies at the marginal cost of energy and capacity. The spot market is legally organized through Delivery Centers (CEN in Chile and COES in Peru) where energy and capacity surplus and deficit is traded. Energy and capacity surpluses are recognized as revenue, and deficits are recorded as costs in the consolidated statement of comprehensive income.

The Company only receives short-term prepayments from its customers related to operations and maintenance services. These are recognized as other financial liabilities. However, the Company may receive long-term prepayments from customers from time to time. In accordance with the current accounting policies, the Company recognizes such prepayments as deferred revenue by virtue of non-current liabilities classified in the statement of financial position. No interests were accrued on long-term prepayments received by virtue of the accounting policy currently in force.

The Company should determine whether a significant finance component exists in its contracts. However, the Company decided to use the practical expedient provided by IFRS 15, and will not adjust the amount committed in the consideration for the effects of a significant financing component in the contracts, when the Company expects, at the onset of the contract, that the period between the time in which the entity transfers an asset or service committed with the customer and the time in which the customer pays for such good or service is one year or less. Consequently, at short-term the Company shall not account for a financing component, even if this is a significant component.

Based on the nature of the services offered and the objective of the payment terms, the Company has concluded that there is no significant financing component in these contracts.

The Company does not record under revenue the gross income from economic benefits received when it acts as agent or commission agent on behalf of third parties, and it only records the payment or commission it expects to receive.

Any tax received by customers and forwarded to government authorities (e.g. VAT, taxes on sales and tributes, etc.) is recorded on a net basis, and therefore excluded from revenue in the consolidated statement of comprehensive income.

Finance income is composed of interest income in funds invested, gains from the sale of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss and gains from hedge instruments that are recognized in comprehensive income. Interest income is recognized as it accrues in profit or loss at the amortized cost using the effective interest method.

q. Dividends - Article No. 79 of the Chilean Public Company Act establishes that, except otherwise unanimously agreed in at the Annual Shareholder's Meeting, by unanimity of the issued shares, publicly traded companies must annually distribute as cash dividend to their shareholders, at pro rata of their interests or in the proportional amount established by the Company's by-laws, in the event preference shares exist, at least 30% of net profit for each year, except if the Company has to absorb accumulated losses from prior years.

At each reporting date, the Company estimates the amount of the obligation with its shareholders, net of provisional dividends that have been approved during the year, and recognizes them as "Trade and other payables, current" and as "Trade payables due to related parties", as appropriate, with a charge to equity.

Provisional and definitive dividends are recorded as decreases in equity at their approval by the relevant individuals which, in the first case, generally corresponds to the Company's Board of Directors, and in the second case the responsibility relates to the Shareholders' Ordinary Meeting.

r. Environment - In the event of environmental liabilities, these are recognized on based on the current interpretation of environmental laws and regulations, when is probable that a current obligation will be produced and the amount of such liability can be estimated reliably.

Investments in infrastructure projects intended to comply with environmental requirements are performed in conformity with the general accounting criteria related to property, plant and equipment.

s. Classification of balances as current or non-current - Balances in the accompanying consolidated statement of financial position are classified on the basis of their maturities – i.e., balances maturing within twelve months or less are classified as current; whereas balances maturing in periods exceeding twelve months are classified as non-current.

t. Leases - The implementation of IFRS 16 implies that, for lessees, most of the leases are recognized in the balance sheet, which significantly changes the companies' financial statements and related ratios. Colbún maintains lease agreements for its offices, parking lots, warehouses, pickup trucks and printers.

t.1 Lessee - From the lessee's standpoint, in the commencement date of a lease, the Company recognizes an asset representing the right to use the underlying asset during the lease term (right-of-use asset) and a liability representing its obligation to make lease payments (lease liability), except leases which term is less than 12 months (with no renewal), and leases where the underlying asset amounts to less than US$5,000. The lessee shall recognize interest expense on the lease liability separately from the amortization expense for the right-of-use asset.

t.1.1 Initial recognition - At the commencement date, a lessee shall measure the right-of-use asset at cost; whereas a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

t.1.2 Classification - All leases are classified as finance lease, as the lessee records a right-of-use asset and a lease liability at the commencement date.

t.1.3 Remeasurement - In addition, lessees will be required to remeasure the lease liability if certain events occur (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or a rate used to determine those payments). A lessee shall recognize the amount of the lease liability as an adjustment to the right-of-use asset.

t.1.4 Depreciation charge - A lessee shall apply the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right-of-use asset.

t.1.5 Impairment - A lessee shall apply IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

t.2 Lessor - Lessor accounting in accordance with IFRS 16 is substantially similar to the accounting under IAS 17. Lessors will continue to classify leases as finance or operating leases at the commencement date, based on the substance of the transaction. Leases in which substantially all the risks and rewards inherent to the ownership of the underlying asset are transferred are classified as finance leases. The remaining leases are classified as operating leases.

Operating lease payments are expended on a straight-line basis over the term of the lease, unless another systematic basis of distribution is more representative.

u. Transactions with related parties - The transactions between the Company and its dependent subsidiaries, which are related parties, are part of the Company's usual transactions with respect to its objective and conditions, and these are eliminated in the consolidation process. The identification of the relationship between the Parent, Subsidiaries, Joint Ventures and Related Parties are detailed in Note 3.1 and section b and c.
All transactions are performed under the market terms and conditions.

v. Government grants - Government grants are measured at the fair value of the asset received or receivable. A grant with no specific future performance conditions is recognized in income when the amount obtained for the grant is received. A grant establishing specific future performance conditions is recognized in income when such conditions are met.

Government grants are presented separated from the asset to which they relate. Government grants recognized in income are presented separately in the notes. Government grants received before the compliance with the revenue recognition criteria are presented as a separate liability in the statement of financial position.

The Company recognizes no amount for types of government aid to which no fair value can be allocated. However, if these exist, the Company discloses the information of such aid.

w. Interest costs - Interest costs directly attributable to the acquisition, construction or development of an asset which implementation or sale requires an extended period, are capitalized as part of the cost of such asset. The Company has established as a policy the capitalization of interests based on the construction phase. The remaining interest costs are recognized as expenses in the period they are incurred. Financial expenses include interests and other costs incurred by the Company with respect to the financing obtained.

x. Contingent assets and liabilities - A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly under the Company's control, or a present obligation arising from past events which has not been recognized because:

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

- The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. These will not be recognized in the financial statements but will have to be disclosed in the notes to the consolidated financial statements.

y. Reclassifications - For comparative purposes, accounts receivable from related companies were reclassified from “Commercial accounts receivable and other current accounts receivable” to “Accounts receivable from related entities, current” for ThUS$61,453, the items related to accounts payable were reclassified from “Accounts payable to related entities, current” to “Trade accounts payable and other accounts payable” for ThUS$666 for the December 2022 period.

3.2 New accounting pronouncements

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2023. Those that may be relevant for the Group are indicated below:

3.2.1. Amendments effective from January 1, 2023

Standards issued by the IASB yet to be adopted		Mandatory application date
IFRS 17	Insurance Contracts	January 1, 2023

IFRS 17 Insurance Contracts: In May 2017, the IASB issued IFRS 17 Insurance Contracts, a new accounting standard specific to insurance contracts that covers recognition, measurement, presentation and disclosure. Once it enters into force, it will replace IFRS 4 Insurance Contracts issued in 2005. The new standard applies to all types of insurance contracts, regardless of the type of entity that issues them, as well as to certain guarantees and financial instruments with certain characteristics of discretionary participation. Some exceptions within the scope may apply.

In December 2021, the IASB amended IFRS 17 to add a transition option for a "classification overlay" to address potential accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of IFRS 17.

If an entity chooses to apply the classification overlay, it can only do so for comparative periods to which IFRS 17 applies (that is from the date of transition to the date of initial application of IFRS 17).

IFRS 17 will be effective for periods beginning on or after January 1, 2023, requiring comparative figures. Early application is permitted, provided that the entity applies IFRS 9 Financial Instruments on or before the date on which IFRS 17 is applied for the first time.

Amendments		Mandatory application date
IAS 1	Material accounting policies	January 1, 2023
IAS 8	Definition of an accounting estimate	January 1, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
IAS 12	International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12)	January 1, 2023

Disclosure of Accounting Policies (Amendment to IAS 1 Presentation of Financial Statements): In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement No. 2 Making Materiality Judgments, providing guidance and examples to help entities apply materiality judgments to accounting policy disclosures.

The amendments are intended to help entities provide accounting policy disclosures that are more useful by:

- Replace the requirement that entities disclose their "significant" accounting policies with the requirement to disclose their "material" accounting policies.

- Include guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

In assessing the materiality of accounting policy information, entities should consider both the size of the transactions and the nature of other events or conditions.

Changes in Accounting Estimates and Errors - Definition of Accounting Estimates (Amendment to IAS 8 Accounting Policies): In February 2021, the IASB issued amendments to IAS 8, introducing a new definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. In addition, they clarify how entities use measurement techniques and inputs to develop the accounting for estimates.

The modified standard clarifies that the effects on an accounting estimate, product of a change in an input or a change in a measurement technique are changes in accounting estimates, provided that these are not the result of the correction of errors of previous periods. This definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not bug fixes.

Deferred tax related to assets and liabilities arising from a single transaction (IAS 12 Income Tax Amendment): In May 2021, the IASB issued amendments to IAS 12, which reduce the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments clarify that when payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense). or to the related asset component (and interest expense). This judgment is important to determine if there are temporary differences in the initial recognition of assets and liabilities.

Likewise, according to the amendments issued, the exception in the initial recognition does not apply to transactions that, in the initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and a lease liability (or a decommissioning liability and a component of the decommissioning asset) give rise to taxable and deductible temporary differences that are not the same. However, the resulting deferred tax assets and liabilities may not be the same (for example, if the entity is not eligible for tax deductions or if different tax rates apply to taxable and deductible temporary differences). In such cases, an entity would need to account for the difference between the deferred tax asset and liability in profit or loss.

International Tax Reform: Pillar Two Model Rules (Amendment to IAS 12 Income Taxes): In May 2023, the Board issued amendments to IAS 12, which introduce a mandatory exception regarding the recognition and disclosure of deferred tax assets and liabilities related to income taxes of the Second Pillar Model Rules. The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantially enacted to implement the Second Pillar Model Rules published by the Organization for Economic Co-operation and Development (OECD), including the tax law implementing qualified national minimum supplemental taxes. Such tax law, and the income taxes derived from it, are called "Second Pillar legislation" and "Second Pillar income taxes", respectively.

The amendments require an entity to disclose that it has applied the exemption to recognize and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. In this sense, an entity is required to separately disclose its current tax expense (benefit) related to Second Pillar income taxes, in the periods in which the legislation is in force.

Furthermore, the amendments require, for periods in which Second Pillar legislation is (substantially) enacted but not yet effective, the disclosure of known or reasonably estimable information that helps users of the financial statements understand the exposure of the financial statements. entity that arises from Second Pillar income taxes. To comply with these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period.

The temporary exemption from the recognition and disclosure of deferred tax information and the requirement to disclose the application of the exemption apply immediately and retrospectively to the issuance of the amendments.

Disclosure of current tax expense related to Second Pillar income taxes and disclosures in relation to periods before the legislation came into force are required for annual periods beginning on or after January 1, 2023. , but are not required for any interim period ending on or before December 31, 2023

3.2.2. Accounting pronouncements and amendments with effective application as of January 1, 2024 and following

Amendments issued by the IASB yet to be adopted		Mandatory application date
IAS 1	Classification of non-current liabilities with restrictions	January 1, 2024
IAS 7 - IFRS 7	Disclosures: supplier finance arrangements	January 1, 2024
IFRS 16	Lease Liability in a sale and leaseback	January 1, 2024
IAS 21	Lack of exchangeability	January 1, 2025
IFRS 10 - IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Mandatory date deferred indefinitely

Classification of liabilities as current or non-current (Amendment to IAS 1 Presentation of Financial Statements): In 2020 and 2022, the IASB issued amendments to IAS 1 to specify the requirements for the classification of liabilities as current or non-current. The amendments clarify about:

1. What is understood by the right to postpone the liquidation.
2. That there must be a right to defer to the end of the reporting period.
3. That classification is not affected by the probability that an entity will exercise its right of deferral.
4. That only if a derivative embedded in a convertible liability is itself an equity instrument, the terms of a liability would not affect its classification.

The amendments are effective for periods beginning on or after January 1, 2024. The amendments must be applied prospectively. Early application is permitted, which must be disclosed. However, an entity that applies the 2020 amendments early is also required to apply the 2022 amendments, and vice versa.

IAS 7 and IFRS 7 – Disclosures about supplier financing arrangements: In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments specify disclosure requirements to enhance current requirements, which are intended to help users of financial statements understand the effects of supplier financing arrangements on liabilities, cash flows and risk exposure. liquidity of an entity.

The amendments clarify the characteristics of supplier financing agreements. In these arrangements, one or more financial service providers pay amounts that an entity owes to its providers. The entity agrees to settle those amounts with the financial service providers in accordance with the terms and conditions of the agreements, either on the same date or a later date as the financial service providers pay the entity's suppliers.

The amendments require an entity to provide information on the impact of supplier financing arrangements on liabilities and cash flows, including the terms and conditions of such arrangements, quantitative information on liabilities related to such arrangements at the beginning and end of the reporting period and the type and effect of non-monetary changes on the carrying amounts of those arrangements. Information about those agreements is required to be presented in aggregate form unless the individual agreements have terms that are not similar to each other or are unique. In the context of the quantitative liquidity risk disclosures required by IFRS 7, supplier financing arrangements are included as an example of other factors that could be relevant to disclose.

The amendments will be effective for annual periods beginning on or after January 1, 2024. Early adoption is permitted but must be disclosed. The amendments provide some transitional exemptions with respect to comparative and quantitative information at the beginning of the annual reporting period and disclosures in interim financial information.

IFRS 16 Lease Liabilities Related to Sales-Leaseback: The amendment addresses the requirements that a seller-lessee uses to measure the lease liability that arises in a sale-leaseback transaction.

The amendment provides that after the inception date of a sale-leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36–46 of IFRS 16, the seller-lessee determines the “lease payments” or “revised lease payments” in such a way that the seller-lessee would not recognize any amount of gain or loss related to the right. of use that it conserves. The application of these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss related to the partial or total termination of a lease, as required by paragraph 46(a) of IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities that arise from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in the seller-lessee determining “lease payments” that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller- The lessee shall develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.

A seller-lessee applies the amendment to annual reporting periods beginning on or after January 1, 2024. Early application is permitted and that fact must be disclosed. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale-leaseback transactions made after the date of initial application (ie the amendment does not apply to sale-leaseback transactions made before from the date of initial application). The initial application date is the beginning of the annual reporting period in which an entity first applied IFRS 16.

This modification does not have significant effects for the Company.

IAS 21 – Lack of Interchangeability: The amendments to IAS 21 establish the following:

1. Specify when a currency is interchangeable with another currency and when it is not: a currency is interchangeable when an entity can exchange that currency for another currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay in the measurement date. and for a specific purpose; A currency is not interchangeable with another currency if an entity can only obtain a negligible amount of the other currency.

2. Specify how an entity determines the exchange rate to be applied when a currency is not exchangeable: When a currency is not exchangeable on the measurement date, an entity estimates the spot exchange rate as the rate that would have been applied to an orderly transaction between market participants on the measurement date and that accurately reflects prevailing economic conditions.

3. Require disclosure of additional information when a currency is not interchangeable: When a currency is not interchangeable, an entity discloses information that would allow users of the financial statements to evaluate how the lack of interchangeability of a currency affects, or is expected to affect its financial performance, financial situation and cash flows.

The amendments will be effective for annual periods beginning on or after January 1, 2025. Early adoption is permitted.

An entity does not apply modifications retroactively. Instead, an entity recognizes any effect of initially applying the modifications as an adjustment to the opening balance of retained earnings when the entity reports foreign currency transactions. When an entity uses a presentation currency other than its functional currency, it recognizes the accumulated amount of translation differences in equity.

Sale or Contributions of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): The amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) address a recognized inconsistency between the requirements of IFRS 10 and those of IAS 28 (2011) in the treatment of the sale or contribution of assets between an investor and its associate or joint venture.

The amendments, issued in September 2014, establish that when the transaction involves a business (whether it is in a subsidiary or not) all the profit or loss generated is recognized. A partial gain or loss is recognized when the transaction involves assets that do not constitute a business, even when the assets are in a subsidiary.

The mandatory application date of these amendments is to be determined as the IASB awaits the results of its research project on accounting under the equity method. These amendments must be applied retrospectively and early adoption is permitted, which must be disclosed.

This modification does not have significant effects for the Company.

3.3 Responsibility for the information and estimates made

The information contained in the accompanying Interim Consolidated Financial Statements is responsibility of the Company's Board of Directors which expressly indicates that it has fully implemented the principles and criteria contained in IFRS, as issued by the IASB.

The preparation of the interim consolidated financial statements requires the use of judgments, estimates and assumptions that affect assets and liabilities at the reporting date, and income and expense amounts during the reporting period. These estimates are based on the best knowledge of Management on the reported amounts, events or actions.

In the preparation of these Interim Consolidated Financial Statements, the following estimates have been used:

- Useful lives and residual values of property, plant and equipment, and intangible assets (see Note 3.1.f and 5.a).
- Valuation of assets to determine the existence of impairment losses (see Note 5.b)
- Assumptions used to calculate the fair value of financial instruments (see Note 3.1.h)
- Assumptions used in the actuarial calculation of liabilities and employee obligations (see Note 3.1.m)
- Probability of occurrence and the amount of undetermined or contingent liabilities (see Note 3.1.n)
- The tax returns of the Company and its subsidiaries, which will be submitted to relevant tax authorities in the future and which have been used as a basis for recording different income tax-related amounts in the accompanying consolidated financial statements (see Note 3.1.l).
- Financial assumptions and estimated economic life for calculating the provision for dismantling (see note 3.n.2)
- Measurement of the allowance for expected credit losses for trade receivables and contract assets (3.h.1.5).

Although such estimates have been made considering the best information available at the reporting date, it is possible that future events require changes (increases or decreases) in such estimates for subsequent periods; this would be applied prospectively at the date in which such change is acknowledged, recognizing the effects of changes in estimates in the subsequent consolidated financial statements, in conformity with IAS 8.

4. Risk management

4.1 Risk management policy

The risk management policy is oriented to safeguard the Company's stability and sustainability principles, identifying and managing sources of uncertainty that affect or may affect the Company.

A comprehensive risk management policy involves identifying, measuring, analyzing, mitigating, and controlling different risks of the Company's different management departments, as well as estimating the impact on the Company's consolidated position, and its follow-up and control over time. This process involves both the Company's Senior Management and the areas that take such risks.

The acceptable risk limits, risk measurement metrics, and risk analysis periodicity are policies regulated by the Company's Board of Directors.

The risk management function is the CEO´s responsibility as well as o each department of the Company and has the support of the Risk and Process Management and the supervision, monitoring and coordination of the Risk Committee that meets monthly.

4.2 Risk factors

The Company's activities are exposed to different risks, which have been classified as electric business risks and financial risks.

4.2.1 Electric business risks

a. Hydrological risk

To comply with its commitments in dry hydrologic conditions, Colbún must operate its combined thermal cycle plants or by default operate its back-up thermal plants or even buy energy on the spot market. This situation could raise Colbún's costs, increasing earnings variability depending on the hydrological conditions.

The Company's exposure to hydrological risk is reasonably mitigated by a commercial policy aimed at maintaining a balance between competitive power generation (hydraulic in an average-to-dry year, or cost-efficient coal-based or natural gas-based thermal power generation, other cost-efficient renewable energy properly supported by other power generation sources given their intermittence and volatility) and commercial commitments. Under extreme conditions and continuous droughts, a possible lack of water for cooling could affect the power-generating capacity of the combined cycles.

In Peru, Colbún owns combined cycle power plant and has a commercial policy oriented towards committing such energy base on short and long-term contracts. Exposure to dry hydrology is limited, as it would have an impact only in case of eventual operational failures which would force the Company to resort to the spot market. In addition, the Peruvian power business has an efficient thermal power offering and availability of natural gas sufficient to cover such risk.

b. Fuel price risk

In Chile, in situatuons of low water availability in its hydraulic plants, Colbún mainly uses its thermal plants and purchases energy in the spot market at marginal cost. The aforementioned generates a risk due to possible fluctuations in the international fuel prices. Part of this risk is mitigated through contracts with sale prices indexed to fuel price fluctuations. In addition, the Company performs hedging programs with different derivative instruments, such as options that set the price of fuel at an agreed value. On the contrary, in case of water surplus, the Company may be in a selling position in the spot market, whose price would be, in part, determined by fuel prices, but the company would be in a selling position, with less exposure to fuel prices.

In Peru, the cost of natural gas has a lower dependence to international prices, given the significant domestic natural gas production, which allows it to limit exposure to this risk. As in Chile, the remaining portion exposed to international price fluctuations is mitigated through indexation formulas in its energy sales contracts.

Accordingly, exposure to risk related to fuel prices fluctuations is partly mitigated.

c. Fuel supply risk

The Company entered into a contract with Enap Refinerías S.A. ("ERSA"), which includes a reserved regassification capacity and supply for 13 years which became effective on January 1, 2018. This agreement allows the Company to have natural gas to operate two combined cycle units during a large part of the first semester which is the period of the year in which the availability of water resources is lower. In addition, there is the possibility of accessing additional natural gas via spot purchases. Additionally, contracts will be signed in firm and interruptible modalities for the supply of Argentine natural gas with producers directly, to complement the supply of LNG for the period Oct23 to Apr24.

On its part, in Peru, Fenix has long-term contracts with the ECL88 Consortium (Pluspetrol, Pluspetrol Camisea, Hunt, SK, Sonatrach, Tecpetrol and Repsol) and gas transportation agreements with TGP.

With respect to purchases of coal for Santa María thermal power plant, the Company conducts tender processes (the most recent conducted in august 2023), inviting significant international suppliers and awarding the supply to established suppliers who have both physical and financial support. This is performed in accordance with an early purchases policy and an inventory management policy to substantially mitigate the risk of fuel unavailability.

d. Equipment malfunction and maintenance risk

The availability and reliability of the Company's power-generating units are critical to the business. Accordingly, Colbún holds a policy of conducting regular maintenance, preventive and predictive maintenance to its equipment, based on its suppliers' recommendations, and has a hedge policy for this type of risk through insurances for its physical assets, including coverage for physical damages and damages due to stoppages.

e. Project construction risk

The development of new generation and transmission projects may be affected by factors such as: delays in obtaining permits, regulatory framework changes, litigation, increase in equipment and labor prices, opposition from local and international stakeholders, adverse geographical conditions, natural disasters, accidents and other unforeseen events.

The Company's exposure to these risks is managed through a commercial policy that considers the effects of possible delays in projects. In addition, the Company includes certain flexibility to term estimates and construction costs. Additionally, the Company's exposure to these risks is partially mitigated through subscribing "All Construction Risk" insurance policies which cover both physical damages and profit losses due to a delay in service resulting from a casualty, both with standard deductibles for this type of insurance.

The companies in the industry face a very challenging power market, with considerable involvement from different interest groups, mainly neighboring communities and NGOs, which legitimately demand more participation and spotlight. As part of this complex scenario, environmental processing deadlines have become uncertain, which are usually followed by extensive judicial processes. The above has resulted in a decrease in construction of projects of relevant sizes.

Colbún has a policy which calls for integrating social and environmental considerations to the development of its projects. In addition, the Company has developed a social bonding model which allows it to work jointly with neighboring communities and society in general, starting with a transparent citizen participation and trust-building process in the early stages of projects, and during their life cycle.

f. Regulatory risks

Regulatory stability is essential for the energy sector where investment projects require significant terms to obtain permits, investment development, performance and return. Colbún believes regulatory changes must be made considering the complexities of the energy system and maintaining adequate incentives for investments. It is important that the regulations provide clear and transparent rules, which consolidate the trust of the sector's agents.

Chile

On December 12, 2022, the "Agreement for Chile" was signed, a new draft constituent process that was dispatched by the National Congress for the signature of the President of the Republic on January 11, 2023. This process It has three incumbent bodies, the Constitutional Council, the Expert Commission, and the Technical Admissibility Committee. These bodies will be in charge of drafting a new draft constitution, which must be ratified or rejected by the public through a plebiscite with a mandatory vote. The process will end on December 17, 2023 with the ratifying plebiscite, and its result will be fundamental as it could result in changes to the institutional framework applicable to business activity in the country. Currently the Expert Commission is reviewing the draft issued by the Constitutional Council.

Enacted Laws

On Tuesday, August 2, 2022, Law 21,472 was enacted, which created a transitory mechanism for stabilizing energy prices for customers subject to price fixing, which will be differentiated by consumption segment. This mechanism is complementary to the one enacted by Law 21,185 of 2019 and lasts until December 31, 2032. The main characteristics of the mechanism are:

Rate Stabilization Fund. It creates a US$500 million fund, to which all customers -regulated and free- will contribute through an additional public service charge that will depend on monthly consumption. This fund will be administered by the General Treasury of the Republic.

Client Protection Mechanism (MPC). It commits resources with a limit of US$1,800 million for the payment to the generators of the differences that occur between the stabilized tariff of the clients and the price that corresponds to pay by contract. Said differences may be collected by the suppliers through a transferable credit title, issued by the Ministry of Finance, which considers the financial costs and has a state guarantee.

Legislative Agreement

During October, the Ministry of Energy, together with the Senate Mining and Energy Commission, signed a legislative work agreement to address the tariff increase published by the National Energy Commission. This situation is a product of the proximity in which the debt would be to reaching the limit of 1,800 MMUSD established in the MPC mechanism. The agreement broadly contemplates:

- A new rate stabilization mechanism, which will be presented as a bill during the month of October, and which aims to apply the real prices of contracts starting in 2025.
- The introduction of indications to the current energy transition bill that allows for its prompt dispatch.
- The creation of a subsidy for vulnerable clients.

Main Developments in Bills in Processing

1. On July 11, 2023, the Executive presented the Energy Transition Bill in the Senate, whose main objective is to achieve an enabling electricity sector to be a carbon neutral country by 2050 and to boost the country's local economies. The project presented addresses different topics in the sector: transmission, storage, operating principles, but the main risks are focused on three measures.

- **New generation principle:** The project states that the Coordinator must operate the electrical system in order to promote low-emission operation, adding a new criterion to the existing ones. It is a risk to put this principle at the same level of relevance as operational safety, also giving additional power to the Coordinator at the expense of the fact that there are already institutions dedicated to this work.
- **Tariff Income Redistribution:** The extension of article 114°bis of the Law is proposed to address cases of transmission congestion, this in order to mitigate the risk of insolvency that has been seen in companies in the sector, due to the high costs that they have assumed due to the disconnections of the system. Colbún does not agree with this measure because it goes against the fundamental principle: the risks must be managed by those who own the tools, which in this case are the supplying companies through their offers in the supply contracts, and not the clients. finals.
- **Storage Tender:** The executive proposes the tender for 2,000 MW of storage in the system, with infrastructure remuneration financed entirely by the end client. The risk of bidding for storage in a manner equivalent to transmission is that its operation becomes centralized, and thus incentives for optimal operation are lost.

Currently, the project is in the first legislative process in the Senate's mining and energy committee. At this stage, the executive will enter indications in accordance with the legislative agreement signed with the commission, and which would aim to focus the project on 4 points:

1. A subsidy creation for vulnerable clients and their financing sources
2. Tariff revenues reallocation.
3. Urgent works development to expand the transmission system
4. The tender for energy storage systems

It was decided to establish a technical table that addresses the matters that allow the prompt dispatch of the energy transition bill.

2. The Bill on ERNC quotas is in the second constitutional process with urgency classified as simple and is being analyzed by the mining and energy commission, and the senate finance commission. The project is currently in discussion considers the following changes to the General Law of Electric Services:

- Increase the large-scale goals renewable generation, forcing the generation companies to commercialize at least 60% of NCRE by 2030 and, in addition, to commercialize at least 40% of NCRE by 2030 in each temporary block within the day, promoting the management of energy from variable sources through storage systems.
- Establish a renewable nature traceability system of the energy that is marketed, for which it obliges the National Electricity Coordinator to have information systems for the follow-up and record of traceability of the energy trade. The methodology will be determined by regulation.
- Promote distributed generation, through the definition of terms and costs of connection to the distribution network. It also considers an increase in the injection limit capacity of residential customers, from 300 to 500 kW, and the possibility that municipalities act as coordinators of residential generation facilities.

One of the main risks of this project is that the energy generated by reservoirs will not be counted for ERNC quotas. The Senate's mining and energy commission stopped discussion of this project to prioritize other initiatives presented by the executive.

3. On October 4, 2023, the Senate's Commission on Water Resources, Desertification and Drought resumed the project that regulates the seawater use for desalination, with the news that a Technical Working Group of advisors from the Ministry and parliamentarians are preparing indications that perfect the text. The project entered the commission in 2018 where the first report was made and was voted in general by the Chamber. In 2019 the commission presented a second report and in 2021 the vote was tabled, but it was pending since the commission was requested to issue a complementary report which has not yet been delivered. In March 2022, the government of Sebastián Piñera presented a substitute indication

that changed the full text of the project. The main provisions that were incorporated in the substitute indication of the Piñera administration are:

- Concession creation for seawater extraction and use of the coastline for desalination granted by the DGA.
- Concession does not grant ownership over BNUP included in the concession: it only enables the use and enjoyment of them, and in activities specific to the concession.
- National Desalination Strategy creation, with different objectives.
- Human consumption prioritization, sanitation and the preservation of ecosystems and sustainable productive use.

Currently the commission is analyzing the indications of the expert commission, which takes as a basis the substitute indication of the project.

4. On October 5, 2022, a motion was submitted to the Chamber of Deputies that modifies Law No. 19,300 and regulates the installation, and coexistence with neighboring communities, of wind generation complexes and photovoltaic plants. This project was added to a June 2021 initiative that regulates the construction, installation and operation, its environmental impact and the supervision of electric energy wind turbine complexes. On July 31, 2023, the Chamber of Deputies approved the consolidation of both projects, a document which has not yet been released. This project is of special interest due to the risks it would generate for the renewable industry and the energy transition, since it covers design and construction aspects; such as minimum distance between towers, permitted soil type, and location restrictions for neighboring projects. Colbún and the trade associations are monitoring in detail what may arise from the consolidated document.

Agenda for a Second Time of the Energetic Transition

On April 17, the Ministry of Energy launched the "Initial Agenda for a Second Period of the Energy Transition" that includes initiatives that aim to establish concrete actions that deliver clear signals and certainty to the electricity sector for the short, medium, and long term.

The initiatives are summarized in 4 topics:

- Storage promotion.
- Risk suppliers mitigation.
- Operational flexibility.
- General measures (political and regulatory actions and urgent works).

To date, some measures included in the agenda have already materialized, which are detailed below:

- **Green Tax Compensation Adjustment:** Removed the “Type B Compensation” through an administrative act of the National Energy Commission. This measure will be implemented for the calculation that will be carried out in the year 2024, but which considers the taxes for the year 2023.
- **Modernization of the supply tender:** During the month of July, the definitive bases corresponding to the year 2023 were issued. Among the novelties of the document, a segmentation into 3 zonal blocks is incorporated, an increase in the duration of the supply contract to 20 years, possibility of transferring the systemic costs of the short-term market, and a direct incentive to storage or generation projects with non-variable renewable energies.
- **Review and adjustment of technical minimums:** The Coordinator launched a campaign to detect spaces for flexibility in thermal power plants, consistent with the update of the emissions standard. Colbún will participate collaboratively in this process.
- **Open Call for Urgent Works:** During the month of May the National Energy Commission launched a call to present works in the context of Art. 102. July 10 was the deadline for the Coordinators to send proposals to the Commission.

Storage and Electromobility Law

On November 21, 2022, Law 21,505 was published, which promotes the storage of electrical energy and electromobility. For the implementation of the law, the modification of some regulations is pending, which the Ministry estimates will be carried out as of the second quarter of 2023.

For the competitive development of storage in the electricity sector, the closure of fundamental regulatory definitions is pending, such as:

- **Power Regulation:** Establish the power recognition regime of storage systems.
- **Coordination and Operation Regulations:** Define the dispatch criteria and modes of operation.
- **Small Generation Means Regulation:** Define the participation and pricing of storage systems in this type of power plants.

Green Hydrogen Action Plan

The Ministry of Energy launched the "Green Hydrogen Action Plan", which corresponds to a collaborative work that will develop the roadmap for the deployment of this industry in Chile. The ministry chose to continue the National H2V Strategy presented by the previous government (published on July 12, in the Official Gazette) and is developing the Action Plan for the period 2023-2030, in order to establish a roadmap to promote this industry, reconciling economic development with respect for the environment, regions and communities. communities. It is in Colbún's interest to actively participate in this process.

Decarbonization Plan

The Ministry of Energy and Environment launched a new decarbonization plan. Through joint work with key actors in the sector, the objective is to build a roadmap for decarbonization with a focus on 2030. To this end, working groups will be held focused on three topics:

1. Modernization of the network and the electricity market and infrastructure
2. Thermoelectric conversion and transition fuels
3. Just Energy Transition and Communities

The workdays will take place between September 28 and January 25, and the Ministry hopes to close this roadmap in April 2024.

Short Term Market

In October 2022, the insolvency situation of two generation companies in the electricity sector was known, which were subsequently withdrawn from the short-term market and their respective guarantees were executed. This event has raised various alarms in the sector that range from the operation of the system, the supply tenders for regulated clients, the short-term guarantees, and the high levels of dumping at the national level.

On February 6, 2023, nine generating companies, by letter to the Minister of Energy, requested changes to the energy market pricing through modifications to the Coordination and Operation regulations. Specifically, they requested that those plants that are operating at a Technical Minimum and outside the economic order, set the marginal cost of the system. Both the National Energy Commission and the Competition Monitoring Unit have expressed their opposition to a measure like this for generating a distortion in the price signal and eliminating the storage incentive, among other reasons.

Subsequently, on June 1, 2023, the company Copihue Energía SpA, a subsidiary of Mainstream Renewable Power, was withdrawn from the short-term market, for reporting that it was unable to comply with its obligations derived from the regulated supply contract awarded in the tender for the year 2015.
On July 12, 2023, the Coordinator informed by letter of the reincorporation of Ibereólica Cabo Leones II S.A. to the Short-Term market (withdrawn in October 2022), since it meets the requirements established in the regulation.

Finally, during September it was announced that Acciona Energía Chile Holdings requested the National Energy Commission to activate the price review mechanism for bidding contracts, established in Art. 134 of the General Law of Electrical Services. The conditions that may trigger your request to be accepted are that causes not attributable to the company are detected, that generate economic imbalances, and that are associated with substantial and non-transitory changes in sector regulations. The Commission has already scheduled a hearing for November 10, 2023, where consumer associations will also participate. The main risk of this request being accepted is that it triggers discriminatory treatment in the awarding of tenders, considering that the contingencies of the sector could have been foreseen by other bidders in 2015 and therefore their prices were effectively competitive, in contrast with those companies that did not foresee certain risks and today could use this mechanism to adjust their offered price.

Rationing Decree News

On September 30, the validity of the preventive rationing decree ended, and with this, the measures contemplated to prevent electrical rationing.

Peru

Enacted Laws

On October 28, 2022, Law 31,598 was published, which brought forward to November 2022 the validity of Law 31,429, which introduced modifications to Law 27,510, the Law that creates the Electricity Social Compensation Fund ("FOSE Law"). The main features of the mechanism are:

- The increase in the range of beneficiaries by the FOSE to those users with a monthly consumption equal to or less than 140 kW/h per month (before, it was a consumption equal to or less than 100 kWh per month) and;
- The incorporation of free users to the universe of affected users with a surcharge for FOSE financing (before, only regulated users paid).

On December 19, 2022, the draft New Procedure for the application of the FOSE approved by Resolution No. 233-2022-OS-CD was published. The purpose of the Project is to regulate a new procedure for the application of the FOSE, increasing the range of beneficiaries of the FOSE and incorporating Free Users as contributors to said fund, among others. Subsequently, in March 2023 through Law 31713, the application of article 3-A of the law that creates the FOSE (Law 27510), modified, is suspended until December 31, 2023 by the aforementioned Law 31429. This article refers to the criteria for the exclusion of users, pending the issuance of a new technical report on socioeconomic stratification at the national level.

On April 16, 2023, by Resolution of the OSINERGMIN Board of Directors N°063-2023-OS/CD, the Standard "Application Procedure of the Electric Social Compensation Fund (FOSE)" was approved, this procedure is in accordance with the provisions in the aforementioned Law No. 314929.

On July 27, 2023, Law 31849 was published, which includes as new FISE beneficiaries the public educational institutions that are part of the Qali Warma National School Feeding Program, the canteens that are part of the Food Complementation Program; and to common pots and similar citizen support initiatives, established and registered in the Single National Registry of Common Pots created by Law 31458.

Main Developments in Bills in Processing

1. The **Bill that seeks to modify Law** 28832 (PdL 139/2021, PdL 3662/2022, PdL 4565/2022 and PdL 4748/2022), which has been the result of previous initiatives, was approved on June 9, 2023 in the Opinion 30 of the Energy and Mines Commission. This unified project raises the following issues:

- **Complementary Services:** Complementary service providers are included as market agents. Likewise, the operation and administration of this market will be regulated by the MINEM. The entry of the complementary services market will be on January 1, 2026 and the responsibility for payment is given to those who generate the instability. This complementary services market does not exclude any agent.
- **Regulated Market Tenders:** The purchase of energy blocks or power and energy separately or jointly is contemplated, under the conditions established by the regulations. The bidding terms are established, categorized as short, medium and long term, with the maximum term to be contracted 15 years. In addition, bilateral contracts will have a maximum term of 2 years.
- **Bar Rate Prices:** The bar price set by Osinergmin may not differ by more than 10% from the weighted average of free and regulated prices, taking March 31 of each year as the cut-off date.
- **Tenders in Isolated Systems:** Renewable generation is prioritized in MINEM tenders.
- **Contracts coexistence:** Distribution of the energy and/or power consumed that respects the terms and conditions of the current contracts.

This project is awaiting debate in the plenary session of Congress.

2. **The Bill that establishes measures to promote the massification of natural ga**s (PdL 679/2021, PdL 1453/, PdL 523/2021, PdL 817/2021 and PdL 1939/2021) is the result of multiple Bills that They were presented during 2021 and 2022 in the Energy and Mines Commission, which were unified under Opinion 15. Subsequently, on June 23, 2023, it obtained approval in the plenary session of Congress. The main proposals are detailed below:

- **Natural gas distribution projects promotion: The** increase in natural gas distribution infrastructure through pipelines is sought through projects promoted by MINEM in those departments or provinces that do not have such infrastructure. Financing for these projects will be provided by the Social Energy Inclusion Fund (FISE), or the Hydrocarbons Energy Security System (SISE).
- **Creation of the Compensation Mechanism for Decentralized Access to Natural Gas:** It seeks to create a compensation mechanism to level the prices of Natural Gas for users of distribution concessions. The reference prices are the final prices of the tariff categories where the greatest concentration of demand is found in natural gas distribution concessions connected to the pipeline transportation system. The compensation mechanism is applied through a rate discount in the monthly billing of beneficiary users. For NGV users, the mechanism is applied regardless of whether consumption is through pipelines or another modality. This mechanism is financed by the FISE in the first instance, or by the surcharge on the natural gas transportation service through pipelines for customers who make use of it if the FISE funds do not cover the compensation amounts. In the case of generators, a surcharge is made to the connection toll to the main transmission system.
- **Fuel Inventories Agency Creation:** Its main function is to manage, provide and dispose of hydrocarbon storage facilities considered strategic by the Peruvian State, in order to guarantee the continuous supply of fuels, LPG and other hydrocarbons.

On October 4, 2023, the president of the Energy and Mines Commission requested clarification in relation to the draft law that addresses the designation of functions for the Steering Committee in charge of the administration of the FISE fund.

3. **The Bill related to the Wind Canon** (PdL 2454/2021 and PdL 2939/2022), is an initiative by the Local Government of Ocucaje and Congress. On February 28, 2023, at the session of the Energy and Mines Commission, a favorable opinion was obtained, Opinion 18, where Title X (Wind Power Canon) was incorporated into the Law 27506 - Canon Law. The mechanism of this project proposes the creation of a canon for the exploitation of wind resources, made up of 50% of the Income Tax paid by the concessionary companies for the generation of electricity that use the wind resource.

Additionally, on June 27, 2023, a new Bill "PdL 5491/2022 - Law that incorporates the Wind Canon" was published, which raises as relevant points the distribution of the canon under the following mechanism:

- 25% for district municipalities.

- 25% for provincial municipalities.
- 50% for populated centers or peasant or native communities.

This project has been assigned to the Economy, Banking, Finance and Financial Intelligence commission and to the Energy and Mines commission, so it is still under review within the respective commissions.

4. **The Bill that promotes the Hydrogen use** (PdL 3267/2022, PdL 3272/2022 and PdL 4374/2022), under Opinion 34, was approved on June 20, 2023 in the Energy and Mines Commission. The proposal considers the following relevant points:

- **Policy and Planning:** The MINEM formulates sectoral energy policies and plans for the development of the green hydrogen value chain. Likewise, mention is made of the granting of economic and tax benefits and the establishment of short, medium and long-term goals.
- **Green Origin Certification:** The MINEM establishes in the regulation the necessary requirements to obtain the certification of green origin of green hydrogen, for which it coordinates with the sectors involved.
- **National Interest Declaration:** the declaration of national interest in research, development, production, transformation, storage, conditioning, transportation, distribution, marketing, export, and use of green hydrogen as fuel is promulgated. and as an energy vector.

On October 4, 2023, the proposal entered the Agenda of the Plenary Session of Congress.

5. **The Bill that Promotes Electromobility** (PdL 3397/2022, and PdL 3741/2022). On June 14, 2023, it was approved under opinion 28 in the Energy and Mines Commission. The following topics are proposed:

- **National Interest:** The promotion of the use of electric and hybrid vehicles and the implementation of the necessary charging infrastructure are declared of national interest, with the objective of reducing greenhouse gas (GHG) emissions and reducing imports. of liquid fuels.
- **Policy and Planning:** The Minem formulates sectoral energy policies and plans for the promotion of electromobility, which must be aligned with the policies of the Ministry of Transportation and Communications (MTC) and the Ministry of Economy and Finance (MEF), which include: Economic incentives for the acquisition of electric and hybrid vehicles for fleet renewal purposes vehicular by electric and hybrid vehicles, and implementation of charging infrastructure for its energy supply granting of economic and tax benefits for the manufacture, assembly or import of electric and hybrid vehicles.
- **Charging Infrastructure:** The service provided at charging stations qualifies as a commercial activity, is carried out under competitive conditions and is publicly accessible. The owners of the charging stations report the service rates to Osinergmin, so that said rates are published.

As of May 2023, a series of Bills that promote Electromobility were additionally presented (PdL 4903/2022, PdL 4902/2022, PdL 5369/2022, PdL 5306/2022, PdL 5188/2022), which are still They are under review within the respective commissions.

6. **The Bill that promotes Lithium** (PdL 4775/2022, PdL 5288/2022 and PdL 4184/2022). On May 18, 2023, PdL 4775/2022 was approved under opinion 26 of the Energy and Mines Commission. Among the main initiatives is the declaration of national interest of the creation, construction and implementation of the National Lithium Plant for the production of cells, batteries and other products, to serve and supply the national and international market. Likewise, on June 23, 2023, PdL 5288/2022 and PdL 4184/2022 were added, by an accumulation agreement, to the approved opinion.

   Additionally, on October 1, 2023, a new Bill 5799/2023 was published, which proposes to promote the exploration, exploitation, industrialization and commercialization of lithium and its derivatives in the national territory, with the purpose of guaranteeing their sustainable development and declaring them strategic resources.

7. **The Tariff Balance and Stabilization Bill**, which is promoted by the Capital Peru Multiparty Special Commission. On March 27, 2023, he debated the legislative initiative on the formalization of temporary measures in electricity matters for the benefit of the set of Users of the National Electricity Market. The main measures of this bill are the following:

    - A surcharge will be applied that will be applicable to the charges for energy and power of Free Users in the period of validity of the Tariff Balance Program. The purpose of the unit surcharge for is to ensure that, up to the end of 2030, the Price at the Generation Level at the Generation Busbar level differs by a maximum of 10% from the Average Price of the Free Market published by OSINERGMIN.
    - To set the Tariff Balance Surcharge, OSINERGMIN considers the maximum values of 3.5 USD/MWh until 2023, an increase of 10% from 2024 and a maximum excess of 7 USD/MWh from 2029 to 2030.
    - The Rate Balance Surcharge is set quarterly by OSINERGMIN based on the projection of the number of Users who are beneficiaries of the Rate Balance Program.

At the end of the third quarter, this project is still under discussion in commission, showing no progress.

g. Variation risk in demand/supply and sales price of electricity

The projection of future power demand is very relevant information for determining the market price.

In Chile, a low demand growth, as well as a decrease in fuel prices and an increase in solar and wind renewable energy projects, resulted in a decrease in the short-term price of power (marginal cost) during the last years.

Regarding long-term prices, the bidding processes for the supply of regulated customers finished in August 2016, October 2017 and August 2021 resulted in an important decrease in prices offered and granted, which reflects the greater competitive dynamics present in this market, and the impact of the introduction of new technologies - mainly solar and wind power- with a significant decrease in costs as a result of their widespread growth. Although the Company expects that these factors triggering such competitive dynamics and price trends will remain in the future, it is difficult to determine their precise impact on the long-term power prices.

In addition, and because of the difference in power prices between regulated and unregulated customers, certain customers have adopted the unregulated customer regime. The above may occur given the option included in power laws which allow customers with power connections between 500 kW and 5,000 kW to be categorized as regulated or unregulated customers. Colbún has one of the most efficient power generation plants in Chile, and therefore it has the capacity of offering competitive conditions to these customers.

In Peru, there is also a temporary imbalance between supply and demand, mainly generated from the increase in efficient supply (hydroelectric and natural gas plants).

The growth in renewable energy from variable sources in the Chilean market (and potentially in Peru) such as solar and wind power generation, may generate integration costs, and therefore may affect the operating conditions of the remaining portion of the power system, particularly in the absence of a complementary services market which adequately remunerates the services required to manage the variability of such power generation sources.

Energy demand in Chile has increased by approximately 1.4% during 3Q23 compared to 3Q22, while Peru has also experienced an increase of approximately 3.1% compared to 3Q22.

It should be note that the complex world economic outlook, could carry to a contraction of the economies in Chile and Peru, which will surely have effects on future electricity demand.

4.2.2 Financial risks

Financial risks are related to the Company's inability to perform transactions or comply with obligations from its operations due to lack of funding, changes in interest rates, exchange rates, bankruptcy of related parties, or other financial variables of the market that may materially affect Colbún.

a. Exchange rate risk

Exchange rate risk relates mainly to fluctuations in currency coming from two sources. The first source of exposure is cash flows related to investment revenues, costs and expenses denominated in foreign currencies other than the functional currency (United States dollars).

The second source of exposure relates to the accounting mismatch between assets and liabilities in the Statement of Financial Position denominated in a currency other than the functional currency.

The exposure to cash flows in currencies other than the U.S. dollar is limited, as practically all the Company's sales are denominated directly or adjusted to the U.S. dollar.

Likewise, its main costs relate to purchases of natural gas and coal, which incorporate pricing formulas based on international prices denominated in U.S. dollars.

With respect to disbursements related to investment projects, the Company incorporates inflation-adjusted rates in its contracts with suppliers, and resorts to the use of derivatives to determine cash outflows in currencies other than the U.S. dollar.

The accounting mismatch exposure is mitigated by applying a policy of maximum mismatch between assets and liabilities for structural items denominated in currencies other than U.S. dollar. Accordingly, Colbún maintains a relevant share of its cash surpluses in U.S. dollars and occasionally resorts to the use of derivatives, mainly currency swaps and forwards.

b. Interest rate risk

Is related to changes in interest rates affecting the value of future cash flows based on variable interest rates, and variances in the fair value of assets and liabilities based on fixed interest rates that are accounted for at fair value.

As of September 30, 2023, the Company's financial debt is 92% denominated at a fixed rate and 8% at a floating rate.

c. Credit risk

The Company's exposure to this risk is derived from the possibility that a counterparty fails to comply with its contractual obligations and generates financial or economic losses. Historically, all counterparties Colbún has engaged with to render energy services have complied with their payments.

Colbún has recently expanded its presence in the medium and small unregulated customer segment, for which it has implemented new procedures and controls related to the risk assessment of these type of customers and a follow-up of their collection. Allowance for doubtful accounts calculations are performed on a quarterly basis based on the risk analysis of each customer considering, among other factors, its credit rating, payment behavior and industry.

With respect to placements in cash and derivatives, Colbún performs transactions with high credit rated entities. In addition, the Company has established interest limits by counterparty, which are regularly approved by the Board of Directors and periodically reviewed.

As of September 30, 2023, the Company invests its cash surpluses in interest-bearing current account, short-term mutual funds (of bank subsidiaries) and in time deposits in local and international banks. The latter correspond to short-term mutual funds, with duration of less than 90 days, known as "money market".

Information on customer's credit ratings is disclosed in note 11 to these Consolidated Financial Statements.

d. Liquidity risk

Such risk is derived from several fund needs to address investment commitments and business expenses, debt maturities, among others. The required funds to meet such outflows are obtained from Colbún's own revenue and by engaging credit revolving facilities to ensure sufficient funds will be available to support expected needs for a period.

As of September 30, 2023, Colbún has cash surpluses of approximately US$1,171 million, invested in remunerated checking accounts, time deposits and Mutual funds with an average duration of 66 days (deposits with a duration of less than and greater than 90 days are included, the latter are recorded as “Other Current Financial Assets” in the Consolidated Financial Statements) and fixed income investments with less than 1 year that are estimated to be held until maturity.

Likewise, the Company has the following additional sources of liquidity available: (i) three line of bonds registered with the local market, two for UF 7 million as a whole and one for UF 7 million, and (ii) uncommitted credit revolving facilities for approximately US$150 million. For its part, Fenix Power has uncommitted lines for a total of US$67 million.

Within the next twelve months, the Company will have to disburse approximately US$99 million associated with interests on financial debt and debt repayments. The payment of interests and repayments are expected to be covered by the Company's internally generated cash flows.

As of September 30, 2023, Colbún has the following local risk ratings: AA by Fitch Ratings and Feller Rate, with stable outlook. At international level, the Company's ratings are Baa2 by Moody’s, BBB by S&P and BBB+ by Fitch Ratings, all with stable outlooks.

As of September 30, 2023, Fenix Power risk ratings are BBB- by S&P and by Fitch Ratings, both with stable outlooks.

Considering the foregoing, it is assessed that the Company’s liquidity risk is currently limited. Information on contractual maturities of the main financial liabilities is disclosed in Note 23 of the Financial Statements.

4.3 Risk measurement

The Company regularly analyzes and measures its exposure to several risk variables. Risk management is performed by a Risk Committee, supported by the Corporate Risk Management and coordinated with the other divisions of the Company.

With respect to business risks, specifically those related to variances in commodity prices, Colbún has implemented mitigating actions consisting of index-adjustments in energy sales contracts and hedges through derivative instruments to hedge any possible remaining exposure. Because of this reason, the Company performs no sensitivity analysis.

The Company has insurance policies in force to cover damages to its physical assets, disruptions and loss of profits due to delays in the commencement of a project to mitigate the risk of equipment failure or project development. Such risk is currently considered to be reasonably controlled.

For measuring the financial risk exposure, Colbún performs a sensitivity analysis and value at risk analysis to monitor possible losses assumed by the Company in the event such exposure exists. Foreign currency exchange risk is considered low because the Company's main cash flows (project revenue, costs and expenditures) are directly denominated in, or adjusted to, U.S. dollars.

The accounting mismatch exposure is mitigated by applying a policy of maximum mismatch between assets and liabilities for structural items in the Balance Sheet denominated in currencies other than U.S. dollar. As of September 30, 2023, the Company's exposure to this risk relates to a potential impact of approximately US$6.4 million for quarterly foreign currency exchange differences, based on a sensitivity analysis with a 95% reliance.

The exposure associated with the variation in interest rates is measured as the sensitivity of the monthly financial expense before a change of 25 basis points in the reference variable rate, this being the DOFR rate. In this way, an increase of 25 basis points in the SOFR rate would mean an increase in the accrual monthly financial expense of US$33,000, while a drop in the reference rate would result in a reduction of US$33,000 in financial expense. accrual monthly. The Company considers the interest rates variation risk limited. This effect is partially mitigated through cash investments made at the SOFR rate.

The credit risk is low because Colbún operates solely with domestic and foreign bank counterparties with high credit rating and has established the maximum exposure policies for each counterparty, which limit the specific concentration with such institutions. For banks, the local institutions have risk ratings equal to or of more than BBB and foreign entities have investment grade international risk ratings.

At the closing date, the financial institution which accounts for the highest share of cash surpluses has 22%. For existing derivatives, the Company's foreign counterparties have risk ratings equivalent to BBB+ or higher and domestic counterparties have local ratings of BBB+ or higher. It should be noted that in derivatives, none of the counterparty concentrates more than 46% in notional terms.

Liquidity risk is low by virtue of the Company's significant cash position, the amount of financial obligations for the following twelve months and access to additional sources of financing.

5. Critical Accounting policies

Management necessarily makes judgments and estimates that have a significant effect on the amounts recorded in the Interim Consolidated Financial Statements. Changes in the assumptions and estimates could have a significant impact on the financial statements. The key estimations and judgments used by Management for the preparation of these interim consolidated financial statements are detailed below:

a. Calculation of depreciation and amortization, and estimation of the related useful lives

Property, plant and equipment, and intangible assets other than goodwill with finite useful lives, are depreciated and amortized on a straight-line basis over the estimated useful lives of the assets. Useful lives have been estimated and determined considering technical aspects, their nature and status.

Estimated useful lives as of September 30, 2023 are as follows:

(i) Useful lives of property, plant and equipment:

The detail of the useful lives of the main items of Property, plant and equipment is as follows:

Classes of property, plant and equipment	Useful life (years)	Average remaining useful life (years)
Buildings	10 - 65	30
Machinery	4 - 20	9
Transport equipment	5 - 15	5
Office equipment	5 - 12	6
IT equipment	3 - 10	5
Power-generating asset	2 - 100	41
Financial leasing	20	11
Right-of-use assets	2 - 31	12
Other property, plant and equipment	10 - 80	29

Additional detail per class of plants is presented below

Classes of plants	Useful life (years)	Average remaining useful life (years)
Power-generating facilities		
Hydroelectric power plants		
Civil works	10 - 100	69
Electromechanical equipment	2 - 100	20
Thermal power plants		
Civil works	10 - 60	18
Electromechanical equipment	2 - 60	15
Solar power plant		
Electromechanical equipment	5 - 25	24
Civil works	25	25

(ii) Useful lives of intangible assets other than goodwill (with finite useful lives):

Intangible assets from contracts with customers are mainly acquired contracts for energy supply.

Other material intangible assets refer to software, rights, concessions and other easements with finite useful lives. These assets are amortized in accordance with their expected useful lives.

Intangible assets	Useful life (years)	Average remaining useful life (years)
Customer contractual relationships	2 - 15	9
Software	1 - 15	5

At the closing date of each period, the Company assesses whether there is any indicator of impairment of assets. If any such indication exists, then the asset's recoverable amount is estimated to determine the impairment amount.

(iii) Intangible assets with indefinite useful lives:

The Company analyzed the useful lives of intangible assets, with indefinite useful lives (e.g., certain right-of-way easements or water rights, among others), and concluded there is no foreseeable time limit in which the asset would generate net cash inflows. For these intangible assets, the Company determined that their useful lives are indefinite.

b. Impairment of non-financial assets (tangible and intangible assets other than goodwill, excluding goodwill)

At the closing date of each year, or at any date as deemed necessary, the value of assets is assessed to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated to determine the amount of any impairment. For identifiable assets that do not generate cash flows independently, the recovery of the cash-generating unit (CGU) of the asset is estimated. Accordingly, it has been determined that assets located in Chile represent one CGUs, the Generation business, whereas all assets located in Peru represent another CGU.

For CGUs that have required possible impairment losses analysis, future cash flows are based on the updated Strategic Plan approved by Colbún, as applicable, for most recent long-term budgets or estimates approved, considering the regulation and expectations for market development per the available sector forecasts and the historical experience on price evolution and volumes produced.

Likewise, to estimate future cash flows in the calculation of residual values, the Company uses and compares different valuation techniques, including all maintenance investments, and, if applicable, renewal investments required to maintain the CGU production capacity.

Parameters considered by the Company to determine growth rates, which represent each business long-term growth, are adjusted per the long-term growth in Chile.

Additionally, parameters considered for the calculation of discount rates before taxes are determined based on historical and updated market information and considering indebtedness level and capital structure assumptions consistent with the market context and the Company's financing policy.

For CGUs assigned to intangible assets with an indefinite useful life, the recoverability analysis is conducted systematically at each reporting date, or at any date deemed necessary, except if considered that the most recent calculations of a CGU's recoverable amount from the prior period may be used for verifying the amount of the impairment of such unit in the current period, as it complies with the following criteria:

a) Assets and liabilities comprising such unit have not significantly changed since the latest recoverable amount calculation.

b) The latest recoverable amount calculation resulted in an amount that significantly exceeded the unit's carrying amount; and

c) Based on an analysis performed on the events and circumstances that had changed since the latest recoverable amount was calculated, it is unlikely that the current recoverable amount determination will be less than the unit's current carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use, which comprises the current value of future estimated cash flows generated by the asset or a CGU. For calculating the tangible or intangible asset recoverable amount, the Company uses the value in use criterion.

To estimate the value in use, the Company prepares its estimate of future pre-tax cash flows based on the most recent budgets approved by Management. These budgets include the best estimates available on the income and costs of the cash-generating units, using the best available information, such as experience and future expectations.

Such cash flows are discounted to calculate their current amount at a pre-tax rate which considers the capital cost of the business in which it operates. Their calculation considers the current cost of money and risk premiums generally used for business purposes.

In the event the recoverable amount is less than the asset's carrying amount, the related allowance for impairment losses is recognized as "Other Gains (losses)" in the Statement of Comprehensive Income.

Impairment losses recognized in an asset in prior years will be reversed if there has been a change in the estimations on their recoverable amount increasing the value of the asset with a credit to profit or loss with the limit of the carrying amount that the asset would have had no unwinding been conducted.

c. Fair value of derivatives and other financial instruments

As described in Note 3.1, Management uses its criteria to select an appropriate valuation technique for financial instruments that are not quoted in an active market. The Company applies valuation techniques commonly used by market professionals. For derivative financial instruments, Management makes assumptions based on rates quoted in the market and adjusted according to the instrument specific characteristics. Other financial instruments are valued using a cash flow update analysis based on supported assumptions, and on market prices or rates, if possible.

6. Goodwill

On September 3, 2020, Colbún S.A. acquired 100% of the voting shares of Efizity Ingeniería SpA ("Efizity"), a company organized under Chilean law.

Efizity is a company whose business is the provision of value-added services complementary to the energy supply in any form, including the design and implementation of energy efficiency solutions, carrying out installations and land works for monitoring and control of electrical installations.

In accordance with IFRS 3, the measurement period is the period after the acquisition date during which the acquirer can adjust the provisional amounts recognized in a business combination. This period shall not exceed one year from the date of acquisition.

The fair values of Efizity's identifiable assets acquired and assumed liabilities, at the acquisition date, were ThUS$243, generating a goodwill of ThUS$ 5,573.

7. Segment reporting

Colbún's main line of business is the power generation and sale. Accordingly, the Company has assets that generate such power, which is sold to several customers under power purchase agreements and others without contracts in accordance with the regulations in force.

Colbún's management control system analyzes generation business from the perspective of a mix of hydraulic/thermal assets that produce power to serve a customer portfolio. Consequently, resource allocation and performance measures are analyzed separately per each business.

Certain classification criteria are, for example, the type of asset: generation; production technology: hydroelectric power plants (which can be run-of-the-river or dam-based) and thermal power plants (which can be coal-based, combined cycle, open-cycle, etc.). Customers are classified in accordance with the concepts included in the Chilean electric regulation for unregulated and regulated customers and spot market; and in accordance with electric regulations currently in force in Peru for regulated and unregulated customers (see note 2).

In general, there is no direct relation between each power generation company and the supply agreements, but these are established according to Colbún's total capacity, fully supplying them at any moment with the most efficient generation on its own or on behalf of third parties purchasing energy in the spot market from other power generation companies. An exception is Codelco in Chile, which has entered into two power purchase agreements with the Company. One of these agreements is covered by the full power generation fleet and the other has its preferential supply from the generation of Santa María power plant, which in accordance with the modification of this contract dated October 27, 2022, will be gradually replaced by renewable energy and future projects that are developed and built.

Colbún is part of the SEN dispatch system in Chile and SEIN dispatch system in Peru. The generation of each of power plants within the systems are defined by its dispatch order, in accordance with the definition of economic optimum for both systems.

The electricity regulation for the power generation business for both systems in which Colbún is involved, contemplates a conceptual division of power and capacity, not for being two different physical elements, but for economically efficient pricing. This is the reason for distinguishing energy priced in monetary units for energy unit (KWh, MWh, etc.) and capacity priced in monetary units for capacity unit – time unit (KW-month).

As Colbún operates in the generation business, in which it is also involved in two electric systems, the National Electric System in Chile and the National Interconnected Electric System in Peru, for the purpose of applying IFRS 8, information by segments has been organized in accordance with the generation segment, differentiated by geographical distribution by country.

Operating segments: Power generation and sales (Chile and Peru) are reviewed on a regular basis and differentiated by the highest authority responsible for making decisions at the Company (Board of Directors and Senior Management).

The table below presents information by operating segment:

Segment operating results as of 09.30.2023	January - September					July - September				
	Chile Generation	**Peru Generation**	Operating segments	Intersegment revenue elimination	Total operating segments	**Chile Generation**	**Peru Generation**	Operating segments	Intersegment revenue elimination	Total operating segments
Revenue										
Revenue	1,344,597	249,778	1,594,375	-	1,594,375	367,227	126,552	493,779	-	493,779
Revenue from transactions with other operating segments	-	-	-	-	-	-	-	-	-	-
Total revenue from third parties and transactions with other operating segments	**1,344,597**	**249,778**	**1,594,375**	**-**	**1,594,375**	367,227	126,552	**493,779**	-	**493,779**
Raw materials and consumables	(760,183)	(161,927)	(922,110)	-	(922,110)	(155,855)	(72,649)	(228,504)	-	(228,504)
Employee benefit expenses	(61,922)	(7,466)	(69,388)	-	(69,388)	(21,092)	(2,719)	(23,811)	-	(23,811)
Interest expenses	(48,657)	(17,530)	(66,187)	-	(66,187)	(15,010)	(5,995)	(21,005)	-	(21,005)
Interest income	47,925	1,519	49,444	-	49,444	17,140	487	17,627	-	17,627
Depreciation and amortization expenses	(125,067)	(25,726)	(150,793)	-	(150,793)	(41,647)	(8,235)	(49,882)	-	(49,882)
Share of profit or loss of equity-accounted associates and joint ventures	19,421	-	19,421	(9,199)	10,222	11,072	-	11,072	(8,250)	2,822
Income tax expense from continuing operations	(115,878)	(7,797)	(123,675)	-	(123,675)	(36,887)	(14,526)	(51,413)	-	(51,413)
Profit (loss) before taxes	454,631	25,834	480,465	(9,199)	471,266	153,354	30,702	184,056	(8,250)	175,806
Profit (loss) from continuing operations	338,753	18,037	356,790	(9,199)	347,591	116,467	16,176	132,643	(8,250)	124,393
Profit (loss)	**338,753**	**18,037**	**356,790**	**(9,199)**	**347,591**	116,467	16,176	**132,643**	**(8,250)**	**124,393**
Assets	6,164,959	712,696	6,877,655	(149,534)	6,728,121	-	-	-	-	-
Equity-accounted investees	163,682	-	163,682	(149,534)	14,148	-	-	-	-	-
Incorporation of non-current assets other than financial instruments, deferred tax assets, assets related to defined benefit plans and rights arising from insurance contracts	373,955	28,939	402,894	-	402,894	-	-	-	-	-
Liabilities	3,075,340	419,492	3,494,832	-	3,494,832	-	-	-	-	-
Equity					3,233,289					-
Liabilities and equity					**6,728,121**					**-**
Cash flows from (used in) operating activities	483,550	54,514	538,064	-	538,064	342,737	38,789	381,526	-	381,526
Cash flows from (used in) investing activities	(237,316)	(11,448)	(248,764)	-	(248,764)	(377,200)	(4,224)	(381,424)	-	(381,424)
Cash flows from (used in) financing activities	(196,579)	(52,989)	(249,568)	-	(249,568)	(21,020)	(23,648)	(44,668)	-	(44,668)

Continued

Segment operating results as of 09.30.2022	January - September					July - September				
	Chile Generation	**Peru Generation**	Operating segments	Intersegment revenue elimination	Total operating segments	**Chile Generation**	**Peru Generation**	Operating segments	Intersegment revenue elimination	Total operating segments
Revenue										
Revenue	1,251,696	167,270	1,418,966	-	1,418,966	429,019	59,160	488,179	-	488,179
Revenue from transactions with other operating segments	-	-	-	-	-	-	-	-	-	-
Total revenue from third parties and transactions with other operating segments	**1,251,696**	**167,270**	**1,418,966**	**-**	**1,418,966**	**429,019**	**59,160**	**488,179**	**-**	**488,179**
Raw materials and consumables	(728,791)	(83,966)	(812,757)	-	(812,757)	(218,082)	(30,544)	(248,626)	-	(248,626)
Employee benefit expenses	(56,100)	(6,060)	(62,160)	-	(62,160)	(18,937)	(1,798)	(20,735)	-	(20,735)
Interest expenses	(45,950)	(18,382)	(64,332)	-	(64,332)	(16,511)	(6,276)	(22,787)	-	(22,787)
Interest income	14,099	44	14,143	-	14,143	7,523	(134)	7,389	-	7,389
Depreciation and amortization expenses	(135,540)	(26,582)	(162,122)	-	(162,122)	(45,142)	(8,877)	(54,019)	-	(54,019)
Share of profit or loss of equity-accounted associates and joint ventures	16,007	-	16,007	(7,590)	8,417	3,316	-	3,316	(122)	3,194
Income tax expense from continuing operations	(55,943)	(5,788)	(61,731)	-	(61,731)	(28,655)	(7,660)	(36,315)	-	(36,315)
Profit (loss) before taxes	222,903	20,671	243,574	(7,590)	235,984	109,197	7,899	117,096	(122)	116,974
Profit (loss) from continuing operations	166,960	14,883	181,843	(7,590)	174,253	80,542	239	80,781	(122)	80,659
Profit (loss)	**166,960**	**14,883**	**181,843**	**(7,590)**	**174,253**	**80,542**	**239**	**80,781**	(122)	**80,659**
Assets	5,851,366	687,296	6,538,662	(132,719)	6,405,943	-	-	-	-	-
Equity-accounted investees	151,412	-	151,412	(132,719)	18,693	-	-	-		-
Incorporation of non-current assets other than financial instruments, deferred tax assets, assets related to defined benefit plans and rights arising from insurance contracts	306,116	10,887	317,003	-	317,003	-	-	-	-	-
Liabilities	3,032,301	427,062	3,459,363	-	3,459,363	-	-	-	-	-
Equity					2,946,580					
Liabilities and equity					**6,405,943**					
Cash flows from (used in) operating activities	248,269	65,397	313,666	-	313,666	299,845	22,492	322,337	-	322,337
Cash flows from (used in) investing activities	(186,276)	(15,266)	(201,542)	-	(201,542)	(310,671)	(11,410)	(322,081)	-	(322,081)
Cash flows from (used in) financing activities	(321,598)	(52,697)	(374,295)	-	(374,295)	(26,471)	(23,699)	(50,170)	-	(50,170)

Continued

Segment operating results as of 12.31.2022	**Chile Generation**	**Peru Generation**	Operating segments	Intersegment revenue elimination	Total operating segments
Revenue					
Revenue	1,721,502	252,521	1,974,023	-	1,974,023
Revenue from transactions with other operating segments	-	-	-	-	-
Total revenue from third parties and transactions with other operating segments	**1,721,502**	**252,521**	**1,974,023**	**-**	**1,974,023**
Raw materials and consumables	(939,146)	(130,285)	(1,069,431)	-	(1,069,431)
Employee benefit expenses	(75,190)	(8,837)	(84,027)	-	(84,027)
Interest expenses	(64,653)	(24,070)	(88,723)	-	(88,723)
Interest income	28,664	388	29,052	-	29,052
Depreciation and amortization expenses	(183,786)	(35,728)	(219,514)	-	(219,514)
Share of profit or loss of equity-accounted associates and joint ventures	25,311	-	25,311	(13,146)	12,165
Income tax expense from continuing operations	(96,818)	(8,715)	(105,533)	-	(105,533)
Profit (loss) before taxes	390,627	38,519	429,146	(13,146)	416,000
Profit (loss) from continuing operations	293,809	29,804	323,613	(13,146)	310,467
Profit (loss)	**293,809**	**29,804**	**323,613**	**(13,146)**	**310,467**
Assets	6,026,833	719,479	6,746,312	(140,338)	6,605,974
Equity-accounted investees	156,723	-	156,723	(140,338)	16,385
Incorporation of non-current assets other than financial instruments, deferred tax assets, assets related to defined benefit plans and rights arising from insurance contracts	320,122	13,662	333,784	-	333,784
Liabilities	3,208,791	444,306	3,653,097	-	3,653,097
Equity			-		2,952,877
Liabilities and equity			**-**		**6,605,974**
Impairment losses recognized in profit or loss for the year	-	-	-	-	-
			-		
Cash flows from (used in) operating activities	395,792	96,176	491,968	-	491,968
Cash flows from (used in) investing activities	(180,606)	(17,608)	(198,214)	-	(198,214)
Cash flows from (used in) financing activities	(415,283)	(57,353)	(472,636)	-	(472,636)

Information about products and services

Sales in the main geographical markets	January - September		July - September	
	2023 ThUS$	2022 ThUS$	2023 ThUS$	2022 ThUS$
Chile Generation				
Energy sales	1,047,991	1,028,536	262,967	344,806
Power sales	168,647	125,835	64,330	52,512
Other income	127,959	97,325	39,930	31,701
Subtotal	**1,344,597**	**1,251,696**	**367,227**	**429,019**
Peru Generation				
Energy sales	207,130	128,849	113,478	47,569
Power sales	35,169	31,257	11,195	10,315
Other income	7,479	7,164	1,879	1,276
Subtotal	**249,778**	**167,270**	**126,552**	**59,160**
Total reportable segments	**1,594,375**	**1,418,966**	**493,779**	**488,179**
Intersegment revenue elimination	**-**	**-**	**-**	**-**
Total sales	**1,594,375**	**1,418,966**	**493,779**	**488,179**

Information on sales to main customers

Main customers	January - September				July - September			
	2023		2022		2023		2022	
	ThUS$	%	ThUS$	%	ThUS$	%	ThUS$	%
Chile Generation								
Corporación Nacional del Cobre Chile	386,788	24%	377,629	27%	87,878	18%	129,954	27%
Minera Escondida Ltda.	161,813	10%	140,561	10%	49,807	10%	50,007	10%
CGE Distribución S.A.	107,007	7%	125,265	9%	(2,225)	0%	41,633	9%
Enel Generación Chile S.A.	86,684	5%	93,807	7%	(9,500)	-2%	14,144	3%
ENGIE Energía Chile S.A.	42,009	3%	57,992	4%	(12,477)	-3%	10,435	2%
Enel Distribución Chile S.A.	71,597	4%	76,736	5%	(6,678)	-1%	36,472	7%
Minera Spence S.A.	39,367	2%	25,322	2%	(9,616)	-2%	10,965	2%
Others	449,332	30%	354,384	26%	270,038	56%	135,410	31%
Subtotal	**1,344,597**	**85%**	**1,251,696**	**90%**	**367,227**	**76%**	**429,019**	**91%**
Peru Generation								
Luz del Sur	105,312	7%	74,949	5%	55,736	11%	24,993	5%
Inland Energy S.A.C.	40,771	3%	-	1%	26,216	5%	-	0%
Enel Distribución Perú S.A.A.	31,777	2%	20,587	1%	18,195	4%	6,924	1%
ENEL Generación Perú S.A.A.	2,947	0%	5,621	0%	207	0%	2,843	0%
Electro Oriente S.A.	4,958	0%	4,367	0%	2,062	0%	1,514	0%
Compañía Eléctrica El Platanal	5,183	0%	4,803	0%	1,777	0%	2,787	0%
Electricidad Del Peru Electroperu	7,052	0%	5,724	0%	155	0%	2,062	0%
Empresa De Generación Huallaga S.A.	4,358	0%	2,526	0%	2,066	0%	2,280	0%
Others	47,420	3%	48,693	3%	20,138	4%	15,757	3%
Subtotal	**249,778**	**15%**	**167,270**	**10%**	**126,552**	**24%**	**59,160**	**9%**
Total sales	**1,594,375**	**100%**	**1,418,966**	**100%**	**493,779**	**100%**	**488,179**	**100%**

8. Cash and cash equivalents

a. Detail

As of September 30, 2023, and December 31, 2022, this caption is composed of the following:

Cash and cash equivalents	09.30.2023 ThUS$	12.31.2022 ThUS$
Cash on hand	48	55
Cash in banks	65,033	83,112
Time deposits	95,911	109,993
Other cash equivalents	67,984	4,903
Total cash and cash equivalents	**228,976**	**198,063**

Term deposits have maturities of less than three months from the acquisition date and accrue market interest applicable to these types of short-term investments.

Other liquid instruments relate to fixed income mutual fund deposits in Chilean pesos, Euros and U.S. dollars, of low risk, which are recognized at deposit value at the reporting date of these interim consolidated financial statements.

As of September 30, 2023, and December 31, 2022, in addition to these instruments, the Company has other term deposits with a maturity of more than three months from the acquisition date, which are presented in Note 9.

b. Detail by currency

The detail of cash and cash equivalents by currency, considering the effects of derivatives, is as follows:

Currency	09.30.2023	12.31.2022
	Currency ThUS$	Currency ThUS$
EUR	14,979	964
CLP	111,636	103,479
PEN	12,919	8,844
USD	89,442	84,776
Total	**228,976**	**198,063**

c. Reconciliation of liabilities arising from financial activities

Liabilities arising from financing activities	Balance as of 01.01.2023	Cash flow	Changes that do not represent cash flows				Balance as of 09.30.2023
			Dividends	Interests	Valuation	Other	
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Finance lease liabilities (1)	136,100	(15,910)	-	7,655	1,287	4,623	133,755
Banks payable	184,849	(8,113)	-	9,220	-	283	186,239
Bonds Payable (2)	1,816,977	(83,720)	-	49,220	-	6,549	1,789,026
Dividends payable	6,111	(141,825)	139,467	-	-	-	3,753
Total	**2,144,037**	**(249,568)**	**139,467**	**66,095**	**1,287**	**11,455**	**2,112,773**

Liabilities arising from financing activities	Balance as of 01.01.2022	Cash flow	Changes that do not represent cash flows				Balance as of 12.31.2022
			Dividends	Interests	Valuation	Other	
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Finance lease liabilities (1)	126,318	(21,701)	-	10,140	354	20,989	136,100
Banks payable	25,046	157,456	-	2,347	-	-	184,849
Bonds Payable (2)	2,159,155	(456,523)	-	75,725	10,682	27,938	1,816,977
Dividends payable	1,907	(151,868)	156,072	-	-	-	6,111
Total	**2,312,426**	**(472,636)**	**156,072**	**88,212**	**11,036**	**48,927**	**2,144,037**

(1) See note 24
(2) See note 23.a

9. Other financial assets

As of September 30, 2023, and December 31, 2022, this caption is composed of the following:

	Current		Non-current	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
	ThUS$	ThUS$	ThUS$	ThUS$
Time deposits (1)	896,340	857,244	-	-
Hedge derivative instruments (2) (see note 14.1)	2,380	1,368	-	-
Investment for share offering	-	-	7	6
Bonds fixed-income investments	45,408	79,165	-	19,965
Total	**944,129**	**937,777**	**7**	**19,971**

(1) As of September 30, 2023, investments in term deposits that were classified in this caption have an original average investment term less than six months and the remaining average maturity term was 80 days. Cash flows related to these investments are presented in the statements of cash flows as cash flows from investing activities in other cash receipts (payments).

(2) Relates to the current positive mark-to-market adjustments of hedging derivatives in place at each reporting date.

10. Trade and other receivables

As of September 30, 2023, and December 31, 2022, this caption is composed of the following:

Caption	Current		Non-current	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
	ThUS$	ThUS$	ThUS$	ThUS$
Trade receivables by contract	256,032	255,840	-	62,000
Other receivables (1)	18,352	11,906	-	-
Total	**274,384**	**267,746**	**-**	**62,000**

(1) As of September 30, 2023, the current balance comprises recoverable taxes for ThUS$ 756 and other minor items for ThUS$ 17,596. (ThUS$ 749 and ThUS$ 11,157 as of December 31, 2022, respectively). Company believes these assets are recoverable within 12 months.

The average collection period is 30 days.

The Balances of trade receivables classified in Non-Current, correspond mainly to accounts receivable, whose accounting treatment is derived by the application of Law No. 21,185 of 2019 that creates a temporary price stabilization mechanism (PEC) and the Law N° 21,472 of the year 2022 that establishes a temporary mechanism for customer protection (MPC).

Considering debtors' solvency, current regulations, and in accordance with the doubtful accounts policy stated in our accounting policies (see Note 3.1.h.1.5), the Company records the expected credit losses in all its trade receivables, either for 12 months or during the term of the asset by applying the simplified approach as established in IFRS 9. Accordingly, it has established an allowance for doubtful accounts, which in Management's opinion, properly hedges the amount of risk of default for such receivables.

The detail of changes in the provision for impairment of trade and other receivables is as follows:

Impairment	Current		Non-current	
	09.30.2023 ThUS$	12.31.2022 ThUS$	09.30.2023 ThUS$	12.31.2022 ThUS$
Opening balance	5,061	2,344	-	-
Increase (decrease) in the allowance	(676)	2,712	-	3,092
Impairment losses	22	5	-	-
Closing balance	**4,407**	**5,061**	**-**	**3,092**

The fair value of trade and other receivables is not significantly different from their carrying amount.

As of September 30, 2023, and December 31, 2022, the analysis of trade receivables is as follows:

a) Trade receivables portfolio aging:

Invoiced	Balance as of 09.30.2023					
	Current ThUS$	1-30 days ThUS$	31-60 ThUS$	61-90 ThUS$	Over 91 days ThUS$	Total ThUS$
Trade receivables, regulated	16	3,644	17	-	74	3,751
Trade receivables, unregulated	15,602	36,973	3,542	122	6,285	62,524
Other receivables	3,823	2,606	211	661	1,584	8,884
Allowance for impairment losses	(4,160)	(210)	(2)	(4)	(31)	(4,407)
Subtotal	**15,281**	**43,013**	**3,767**	**779**	**7,912**	**70,752**
Invoices to be issued	**Balance as of 09.30.2023**					
	Current ThUS$	1-30 days ThUS$	31-60 ThUS$	61-90 ThUS$	Over 91 days ThUS$	Total ThUS$
Trade receivables, regulated	106,791	-	-	-	-	106,791
Trade receivables, unregulated	75,718	-	-	-	-	75,718
Other receivables	2,771	-	-	-	-	2,771
Subtotal	**185,280**	**-**	**-**	**-**	**-**	**185,280**
Total Trade Receivables	**200,561**	**43,013**	**3,767**	**779**	**7,912**	**256,032**
No. of customers (unaudited)	**531**	**237**	**50**	**27**	**153**	

Invoiced	Balance as of 12.31.2022					
	Current ThUS$	1-30 days ThUS$	31-60 ThUS$	61-90 ThUS$	Over 91 days ThUS$	Total ThUS$
Trade receivables, regulated	345	216	-	-	1	562
Trade receivables, unregulated	20,792	2,859	770	65	1,386	25,872
Other receivables	28,122	677	66	218	556	29,639
Allowance for impairment losses	(4,805)	(205)	-	-	(51)	(5,061)
Subtotal	**44,454**	**3,547**	**836**	**283**	**1,892**	**51,012**

Invoices to be issued	Balance as of 12.31.2022					
	Current ThUS$	1-30 days ThUS$	31-60 ThUS$	61-90 ThUS$	Over 91 days ThUS$	Total ThUS$
Trade receivables, regulated	81,015	-	-	-	-	81,015
Trade receivables, unregulated	118,949	-	-	-	-	118,949
Other receivables	4,864	-	-	-	-	4,864
Subtotal	**204,828**	**-**	**-**	**-**	**-**	**204,828**
Total Trade Receivables	**249,282**	**3,547**	**836**	**283**	**1,892**	**255,840**
No. of customers (unaudited)	**390**	**65**	**30**	**22**	**136**	

b) Customers in legal collection

As of September 30, 2023, the Company has a customer in judicial collection for a total of Ch$588,706, equivalent to ThUS$657.

11. Financial Instruments

a. Financial instruments by category

Accounting policies related to financial instruments have been applied to the following categories:

a.1 Assets

September 30, 2023	Amortized cost ThUS$	Fair value ThUS$	Total ThUS$
Cash on hand and cash in banks (see Note 8)	-	65,081	65,081
Time deposits and other cash equivalents (see Note 8)	95,911	67,984	163,895
Trade and other receivables [1] (see Note 10)	273,628	-	273,628
Trade receivables due from related parties (see Note 12.b.1)	47,082	-	47,082
Derivative financial instruments (see Note 14.1)	-	2,380	2,380
Other financial assets (see Note 9)	941,748	-	941,748
Total	**1,358,369**	**135,445**	**1,493,814**

December 31, 2022	Amortized cost ThUS$	Fair value ThUS$	Total ThUS$
Cash on hand and cash in banks (see Note 8)	-	83,167	83,167
Time deposits and other cash equivalents (see Note 8)	109,993	4,903	114,896
Trade and other receivables [1] (see Note 10)	273,635	-	273,635
Trade receivables due from related parties (see Note 12.b.1)	61,372	-	61,372
Derivative financial instruments (see Note 14.1)	-	1,368	1,368
Other financial assets (see Note 9)	956,374	-	956,374
Total	**1,401,374**	**89,438**	**1,490,812**

[1] As of September 30, 2023, recoverable taxes for ThUS$ 756 are not considered. As of December 31, 2022, the balance related to current recoverable taxes amounted to ThUS$ 749.

a.2 Liabilites

September 30, 2023	Amortized cost ThUS$	Fair value ThUS$	Total ThUS$
Interest-bearing borrowings (see Note 23.c.1 and c.2)	1,975,265	-	1,975,265
Lease liabilities (see Note 24)	133,755	-	133,755
Derivative financial instruments (see Note 14.1)	-	7,680	7,680
Trade and other payables (see Note 25)	204,512	-	204,512
Payables due to related parties (see Note 12.b.2)	-	-	-
Total	**2,313,532**	**7,680**	**2,321,212**

December 31, 2022	Amortized cost ThUS$	Fair value ThUS$	Total ThUS$
Interest-bearing borrowings (see Note 23.c.1 and c.2)	2,001,826	-	2,001,826
Lease liabilities (see Note 24)	136,100	-	136,100
Derivative financial instruments (see Note 14.1)	-	19,344	19,344
Trade and other payables (see Note 25)	295,033	-	295,033
Payables due to related parties (see Note 12.b.2)	31,843	-	31,843
Total	**2,464,802**	**19,344**	**2,484,146**

b. Credit quality of financial assets

Credit quality of financial assets that have not expired or have no impairment losses can be assessed by credit classification ("rating") provided to the Company's counterparties by renowned domestic and foreign risk rating.

Credit quality of financial assets	09.30.2023 ThUS$	12.31.2022 ThUS$
Customers with local risk rating		
AAA	94,971	110,733
AA+	31,420	28,853
AA	43,470	54,336
AA-	41,415	28,909
A+	6,552	9,790
Total	**217,828**	**232,621**
Customers with no local risk rating		
Total	**38,204**	**84,573**
Cash in banks and bank short-term deposits, local market		
AAA	469,278	847,547
AA+	50,315	42,416
AA	-	31
Total	**519,593**	**889,994**
Cash in banks and bank short-term deposits, international market (*)		
AA-	227,804	2,380
A+or less	377,919	162,933
Total	**605,723**	**165,313**
Cash in international fixed-income investments (*)		
AA-	6,864	-
A	-	19,162
BBB+	18,621	36,307
BBB or less	19,923	43,661
Total	**45,408**	**99,130**
Counterparty derivative financial assets, national market		
A+or less	-	12
Total	**-**	**12**
Counterparty derivative financial assets, international market (*)		
AA-	-	452
A+or less	2,380	904
Total	**2,380**	**1,356**

(*) Foreign Risk classification

12. Related parties disclosures

Operations between the Company and its subsidiaries, which are related parties, are part of the Company's customary transactions associated with its line of business and conditions, which have been eliminated on the consolidation process. Relationships between the Controller, subsidiaries, associates, joint ventures, and special purpose entities, are detailed in Note 3.1, section b. and c.

a. Controlling interests

As of September 30, 2023, the distribution of ownership interest is as follows:

Shareholders	Ownership %
Minera Valparaíso S.A. (*)	35.17
Forestal Cominco S.A. (*)	14.00
Antarchile S.A.	9.58
AFP Habitat S.A. (**)	5.96
AFP Cuprum S.A. (**)	3.86
AFP Capital S.A. (**)	3.67
Banco de Chile por cuenta de State Street	3.66
Banco Santander - JP Morgan	2.98
AFP Provida S.A. (**)	2.64
Larraín Vial S.A. Corredora de Bolsa	1.80
Banchile Corredores de Bolsa S.A	1.72
AFP Modelo (**)	1.54
Banco de Chile por cuenta de Citi N.A. New York	1.41
Otros accionistas	12.01
Total	**100.00**

(*) Entities owned by Parent Group (Matte Group).
(**) It relates to the consolidated interest for each Pension Fund Administrator.

b. Balances and transactions with related parties

Receivables from, payables due to and transactions with related parties were conducted under market terms and conditions and are adjusted in accordance with Article No. 44 of Law No. 18,046 (the "Public Company Act").

b. 1. Trade receivables due from related parties

Tax ID N°	Company	Country	Relationship	Currency	Current 09.30.2023 ThUS$	Current 12.31.2022 ThUS$
65.027.584-5	Fundación Colbún	Chile	Special purpose entity	Ch$	39	18
79.587.210-8	Minera Escondida Ltda.	Chile	Common Director	US$	39,500	49,437
76.485.762-3	Compañía Minera Zaldivar SpA	Chile	Common Director	US$	1,965	7,547
86.542.100-1	Minera Spence S.A.	Chile	Common Director	US$	5,578	4,370
				Total	**47,082**	**61,372**

b. 2. Trade payables due from related parties

Tax ID N°	Company	Country	Relationship	Currency	Current 09.30.2023 ThUS$	Current 12.31.2022 ThUS$
90.412.000-6	Minera Valparaíso S.A.	Chile	Controlling shareholder	US$	-	22,776
79.621.850-9	Forestal Cominco S.A.	Chile	Controlling shareholder	US$	-	9,067
				Total	**-**	**31,843**

There are no guarantees granted to or received from related parties for transactions with related parties.

b. 3. Disclosures of transactions with related parties

TAX ID N°	Company	Country	Relationship	Currency	Transaction	January - September				July - September			
						2023		2022		2023		2022	
						Amount ThUS$	Effect on profit or loss (debit) credit ThUS$	Amount ThUS$	Effect on profit or loss (debit) credit ThUS$	Amount ThUS$	Effect on profit or loss (debit) credit ThUS$	Amount ThUS$	Effect on profit or loss (debit) credit ThUS$
96.806.130-5	Electrogas S.A.	Chile	Associate	US$	Gas transport service	8,249	(6,932)	5,628	(4,729)	2,056	(1,728)	1,757	(1,476)
					Diesel transport service	401	(337)	680	(571)	99	(83)	637	(535)
				US$	Dividend received [1]	12,459	-	3,930	-	5,950	-	-	-
97.080.000-K	Banco Bice	Chile	Common group	Ch$	Expenses for services received	72	(61)	69	(58)	9	(8)	15	(13)
96.731.890-6	Cartulinas CMPC S.A.	Chile	Parent common director	Ch$	Sale of energy and capacity	9,144	7,684	8,559	7,192	2,683	2,255	3,095	2,600
96.532.330-9	CMPC Pulp SpA.	Chile	Common group	Ch$	Sale of energy and capacity and energy transport	26,795	22,517	23,000	19,328	8,440	7,093	7,377	6,200
79.621.850-9	Forestal Cominco S.A.	Chile	Controlling shareholder	US$	Dividends [2]	19,539	-	10,162	-	-	-	-	-
90.412.000-6	Minera Valparaíso S.A.	Chile	Controlling shareholder	US$	Dividends [2]	49,088	-	25,531	-	-	-	-	-
96.806.980-2	Entel PCS Telecomunicaciones S.A.	Chile	Common group	Ch$	Telephone services	253	(213)	121	(102)	144	(121)	55	(47)
76.351.385-8	Orion Power S.A.	Chile	Common group	Ch$	Operation and maintenance service	-	-	72	(61)	-	-	25	(22)
93.628.000-5	Molibdenos y Metales S.A.	Chile	Common group	Ch$	Sale of energy and capacity	167	140	2,749	2,310	-	-	885	743
79.943.600-0	Forsac SpA.	Chile	Common group	Ch$	Sale of energy and capacity	329	276	305	256	81	68	104	87
95.304.000-K	CMPC Maderas SpA	Chile	Common group	Ch$	Sale of energy and capacity	10,950	9,202	10,179	8,554	3,361	2,825	3,668	3,082
91.440.000-7	Forestal Mininco SpA	Chile	Common group	Ch$	Sale of energy and capacity	188	158	154	129	60	50	55	46
76.853.085-8	E-MOV	Chile	Common executive	Ch$	E-Mobility services	1	(1)	-	-	-	-	-	-
76.336.915-3	Capta Hydro	Chile	Common executive	Ch$	Flow telemetry serices	5	(4)	60	(50)	-	-	60	(50)
76.485.762-3	Compañía Minera Zaldivar SpA	Chile	Common director	US$	Sale of energy and capacity	29,812	25,052	27,480	23,092	7,690	6,462	9,319	7,831
79.587.210-8	Minera Escondida Ltda.	Chile	Common director	US$	Sale of energy and capacity	189,469	313,924	162,587	257,419	(68,583)	240,571	(14,314)	136,397
86.542.100-1	Minera Spence S.A.	Chile	Common director	US$	Sale of energy and capacity	45,478	73,071	40,660	50,644	(27,430)	47,399	(1,324)	27,428

[1] Dividends paid by Electrogas S.A

- In May 2023, a dividend payment of ThUS$6,509 is received.
- In August 2023, a dividend payment of ThUS$5,950 is received.

[2] Dividends declared and paid to Minera Valparaíso S.A. and Forestal Cominco S.A.

- Corresponds to the final dividend agreed at the Shareholders' Meeting on April 26, 2023 and paid on May 12, 2023.
- Corresponds to the final dividend agreed at the Shareholders' Meeting on April 28, 2022 and paid on May 12, 2022.

c. Management personnel and senior management

Members of senior management and other individuals that are considered members of the Company's Management, as well as the shareholders or natural persons or legal entities they represent have entered into no unusual and/or significant transactions as of September 30, 2023, and December 31, 2022.

The Company is managed by the Board of Directors which is composed of 9 members, who remain in their position for a 3-year period and may be re-elected.

At the Ordinary Shareholders' Meeting held on April 26, 2023, the Company's board of directors was renewed, resulting in the election of Vivianne Blanlot Soza, María Emilia Correa Pérez and Marcela Angulo González and Rodrigo Donoso Munita, Juan Carlos Altmann Martín, Bernardo Larraín Matte, Jaime Maluk Valencia, Francisco Matte Izquierdo and Hernán Rodríguez Wilson.

On April 26, 2023, in an Extraordinary Board Meeting, Hernán Rodríguez Wilson was appointed as Chairman of the Board and Bernardo Larraín Matte as Vice Chairman.

d. Board of Directors' Committee

As per Article 50 bis of Law No. 18.046 the "Public Company Act," Colbún and its subsidiaries have a Directors' Committee composed of 3 members, who are invested with the powers provided by such article.

On April 26, 2023, in an Extraordinary Board Meeting, María Emilia Correa Perez, Marcela Angulo González and Rodrigo Donoso Munita were appointed as members of the Directors' Committee.

e. Compensation and other benefits

As per Article 33 of Law No. 18.046 (the "Public Company Act"), the Board will be compensated for the performance of their duties and the amount of such compensation is established annually by the shareholders at the Company's General Ordinary Shareholders' Meeting.

As of September 30, 2023, and December 31, 2022, the amounts paid, including amounts paid to the members of the Directors' Committee, are detailed as follows:

e.1 Board of Directors' remuneration

Name	Position	January - September						July - September					
		2023			2022			2023			2022		
		Colbún Board ThUS$	Variable remuneration ThUS$	Directors Comittee ThUS$	Colbún Board ThUS$	Variable remuneration ThUS$	Directors Comittee ThUS$	Colbún Board ThUS$	Variable remuneration ThUS$	Directors Comittee ThUS$	Colbún Board ThUS$	Variable remuneration ThUS$	Directors Comittee ThUS$
Hernán Rodríguez Wilson [1]	Chairman	118	380	-	103	680	-	38	-	-	29	-	-
Bernardo Larraín Matte [1]	Deputy-chairman	59	190	-	47	340	-	19	-	-	13	-	-
Vivianne Blanlot Soza [1]	Director	59	190	-	47	340	-	19	-	-	13	-	-
María Emilia Correa [1]	Director	59	190	19	47	340	14	19	-	6	13	-	5
Rodrigo José Donoso Munita [1]	Director	59	190	19	47	340	14	19	-	6	13	-	5
Marcela Alejandra Angulo González [1]	Director	59	190	19	47	226	14	19	-	6	13	-	5
Juan Carlos Altmann Martin [1]	Director	59	190	-	47	226	-	19	-	-	13	-	-
Jaime Maluk Valencia [1]	Director	59	90	-	16	-	-	19	-	-	16	-	-
Francisco Matte Izquierdo [1]	Director	59	20	-	-	-	-	19	-	-	-	-	-
Bernardo Matte Larraín	Director	-	180	-	47	340	-	-	-	-	13	-	-
Andrés Lehuedé Bromley	Director	-	90	-	34	340	-	-	-	-	-	-	-
Luz Granier Bulnes	Director	-	-	-	-	114	-	-	-	-	-	-	-
Juan Eduardo Correa García	Director	-	-	-	-	114	-	-	-	-	-	-	-
TOTAL		**590**	**1,900**	**57**	**482**	**3,400**	**42**	**190**	**-**	**18**	**136**	**-**	**15**

[1] Current Directors as September 30, 2023.

e.2 Board Counseling Expenses

For the periods ended September 30, 2023, and 2022, the Board of Directors did not incur in advisory expenses.

e.3 Compensation of Senior Management members who are not Directors

Name	Position
José Ignacio Escobar Troncoso	Chief Executive Officer
Juan Eduardo Vásquez Moya	Business and Energy Officer
Miguel Fernando Alarcón Villegas	Finance and Administration Officer
Eduardo Lauer Rodríguez	Engineering and Project Officer
Sebastian Andres Moraga Zúñiga	Business Development Officer
Rodrigo Pérez Stiepovic	Legal Affair Officer
Paula Martínez Osorio	Organization and People Officer
Heraldo Alvarez Arenas	Internal Audit Officer
Heinz Müller Court	Innovation and Development Officer
Daniel Gordon Adam	Environmental Officer
Pedro Felipe Vial Lyon	Public Affair Officer
Juan Elías Salinas Ulloa	Commercial Officer

The remuneration earned by key management personnel amounts to:

Concept	January - September		July - September	
	2023 ThUS$	2022 ThUS$	2023 ThUS$	2022 ThUS$
Short-term employee benefits	3,467	2,833	868	853
Other long-term benefits	818	569	(113)	178
Termination benefits	(99)	2	(239)	506
Total	**4,186**	**3,404**	**516**	**1,537**

e.4 Receivables and payables and other transactions

As of September 30, 2023, and 2022, there are no receivables and payables between the Company and its Directors and Managers.

e.5 Other transactions

There are no other transactions conducted between the Group's Directors and Managers.

e.6 Guarantees pledged by the Company in favor of its Directors

As of September 30, 2023, and 2022, the Company records no such operations.

e.7 Incentive plans for Senior Executives and Managers

The Company has benefits for all the executive area, in accordance with the individual performance and goal achievement assessments at the manager and corporate level.

e.8 Indemnities paid to Senior Executives and Managers

During the period ended September 30, 2023, and 2022, there were no payments for such concept.

e.9 Guarantee clauses: Company's Board of Directors and Management

The Company has no guarantee clauses agreed with Directors and Managements.

e.10 Consideration plans associated with shares' quote.

The Company has no such operations.

13. Inventories

As of September 30, 2023, and December 31, 2022, this caption is composed of the following:

Inventory	09.30.2023 ThUS$	12.31.2022 ThUS$
Spare parts for maintenance	26,393	21,267
Coal	93,886	65,581
Oil	8,085	9,827
Gas Line Pack	1,173	1,509
Allowance for obsolescence [1]	(3,156)	(3,156)
Total	**126,380**	**95,028**

[1] Relates to the impairment estimate on the spare part stock, which is applied in accordance with the Policy.

There is no inventory pledged as collateral to secure compliance with debt obligations.

Inventory costs recognized as expense

As of September 30, 2023, and 2022, the use of inventory recognized as expenses is detailed as follows:

Inventory Cost	January - September		July - September	
	2023 ThUS$	2022 ThUS$	2023 ThUS$	2022 ThUS$
Warehouse consumption	12,462	6,939	2,320	2,317
Oil (see note 31)	20,355	65,066	4,279	7,213
Gas (see note 31)	419,773	384,870	77,225	115,328
Coal (see note 31)	123,651	104,578	22,305	41,568
Total	**576,241**	**561,453**	**106,129**	**166,426**

14. Derivative instruments

Following the financial risk management policy described in Note 4, the Company enters into contracts with financial derivatives to currency (exchange rate) and fuel prices.

Currency derivatives are used to establish the U.S. dollar exchange for Chilean peso (Ch$), inflation-adjusted units (UF), Euro (EUR) and Peruvian sol (PEN), as a result of its existing obligations denominated in currencies other than U.S. dollar. Such instruments is mainly Forwards.

Derivatives on fuel prices are used to mitigate the Company's fluctuations in sales revenue and energy production cost risk derived from a change in fuel prices used for such purposes. Instruments used are mainly options and forwards.

As of September 30, 2023, the Company classified all its hedges as "Cash flow hedges".

14.1 Hedging instruments

As of September 30, 2023, and December 31, 2022, this caption includes the valuation of financial instruments for such periods, detailed as follows:

Hedging assets		Current		Non-current	
		09.30.2023 ThUS$	12.31.2022 ThUS$	09.30.2023 ThUS$	12.31.2022 ThUS$
Currency hedging instrument	Cash flow hedges	-	12	-	-
Fuel price hedge	Cash flow hedges	2,380	1,356	-	-
	Total (see note 9)	**2,380**	**1,368**	**-**	**-**

Hedging liabilities		Current		Non-current	
		09.30.2023 ThUS$	12.31.2022 ThUS$	09.30.2023 ThUS$	12.31.2022 ThUS$
Currency hedging instrument	Cash flow hedges	7,680	19,344	-	-
	Total (see note 23.a)	**7,680**	**19,344**	-	-
Hedging instruments, net		**(5,300)**	**(17,976)**	-	-

The portfolio of hedging instruments at Colbún S.A. and subsidiaries is as follows:

Hedging instrument	Fair value Hedginig instrument		Underlying asset hedged	Hedged risk	Type of hedge
	09.30.2023 ThUS$	12.31.2022 ThUS$			
Currency forwards	(6,590)	(15,649)	Future Project Disbursements	Exchange rate	Cash flow
Currency forwards	127	(1,204)	Customers	Exchange rate	Cash flow
Currency forwards	(1,350)	(2,479)	Financial Investments	Exchange rate	Cash flow
Currency forwards	133	-	Remunerations	Exchange rate	Cash flow
Coal options	2,380	1,356	Oil and gas purchases	Coal price	Cash flow
Total	**(5,300)**	**(17,976)**			

As of September 30, 2023, the Company determined no gains or losses associated with ineffective cash flow hedges that should be recognized in profit or loss.

14.2 Fair value hierarchy

The fair value of financial instruments recognized in the Statements of Financial Position has been determined based on the following hierarchy, in accordance with inputs used to conduct such measurement:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of September 30, 2023, the calculation of fair value of all financial instruments subject to measurement, has been determined based on Level 2 of the hierarchy.

15. Investment in subsidiaries

The consolidated financial statements include the financial statements of the Parent and subsidiaries. Information on subsidiaries as of September 30, 2023, and December 31, 2022, is detailed below.

Subsidiary	09.30.2023						
	Current assets ThUS$	Non-current assets ThUS$	Current liabilities ThUS$	Non-current liabilities ThUS$	Equity ThUS$	Revenue ThUS$	Net profit (loss) ThUS$
Colbún Desarrollo SpA.	160	-	2	-	158	-	(1)
Santa Sofía SpA.	-	13,269	230	-	13,039	-	93
Colbún Perú S.A.	15,344	172,279	270	-	187,353	-	10,042
Inversiones de Las Canteras S.A.	1,722	294,378	1,661	447	293,992	-	17,884
Fenix Power Perú S.A.	111,910	600,787	118,670	300,823	293,204	249,778	18,037
Desaladora Del Sur S.A.	233	3	9	-	227	-	-
Efizity SpA.	3,621	938	6,266	-	(1,707)	3,703	(1,473)

Subsidiary	12.31.2022						
	Current assets ThUS$	Non-current assets ThUS$	Current liabilities ThUS$	Non-current liabilities ThUS$	Equity ThUS$	Revenue ThUS$	Net profit (loss) ThUS$
Colbún Desarrollo SpA	160	-	1	-	159	-	-
Santa Sofía SpA	-	13,126	180	-	12,946	-	(1,862)
Colbún Perú S.A.	22,141	140,819	1,107	-	161,853	-	15,899
Inversiones de Las Canteras S.A.	1,193	276,555	1,126	507	276,115	-	29,593
Fenix Power Perú S.A.	102,828	616,650	113,001	331,304	275,173	252,521	29,804
Desaladora Del Sur S.A.	233	2	9	-	226	-	(4)
Efizity Ingeniería SpA	1,210	(305)	294	-	611	1,137	(890)
Efizity SpA	978	472	1,636	79	(265)	3,110	(159)
Efizity S.A.C.	48	24	126	-	(54)	140	4

16. Equity-accounted investees

a. Equity-accounted investees

The detail of equity-accounted investees and its movements as of September 30, 2023, and December 31, 2022, is described below.

Relationship	Company	Number of shares	Ownership percentage 09.30.2023	Balance as of 01.01.2023	Accrued profit or loss	Dividends	Equity Reserve: Foreign currency transaction difference	Equity Reserve: Reserve in hedge derivatives	Settlement	Other increase (decrease)	Total 09.30.2023
			%	MUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Associate	Electrogas S.A.	175,076	42.5%	16,385	10,222	(12,459)	-	-	-	-	14,148
			Total	**16,385**	**10,222**	**(12,459)**	**-**	**-**	**-**	**-**	**14,148**

Relationship	Company	Number of shares	Ownership percentage 12.31.2022	Balance as of 01.01.2022	Accrued profit or loss	Dividends	Equity Reserve: Foreign currency transaction difference	Equity Reserve: Reserve in hedge derivatives	Settlement	Other increase (decrease)	Total 12.31.2022
			%	MUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Associate	Electrogas S.A.	175,076	42.5%	14,195	12,165	(9,880)	-	(95)	-	-	16,385
			Total	**14,195**	**12,165**	**(9,880)**	**-**	**(95)**	**-**	**-**	**16,385**

b. Financial information about investments in associates and joint ventures

The information in the financial statements of the Company's associates and joint ventures as of September 30, 2023, and December 31, 2022, is as follows:

Relationship	Company	09.30.2023							
		Current assets ThUS$	Non-current assets ThUS$	Current liabilities ThUS$	Non-current liabilities ThUS$	Equity ThUS$	Revenue ThUS$	Operating costs ThUS$	Retained earnings (accumulated deficit) ThUS$
Associate	Electrogas S.A.	13,193	30,199	3,973	6,130	33,289	40,047	(3,378)	24,051

Relationship	Company	12.31.2022							
		Current assets ThUS$	Non-current assets ThUS$	Current liabilities ThUS$	Non-current liabilities ThUS$	Equity ThUS$	Revenue ThUS$	Operating costs ThUS$	Retained earnings (accumulated deficit) ThUS$
Associate	Electrogas S.A.	17,981	33,306	5,597	7,138	38,552	48,739	(3,829)	28,622

i) Electrogas S.A.:

Electrogas S.A. is a company engaged in the transportation of natural gas and other fuels. It has a pipeline between "City Gate III" located in San Bernardo, Santiago, Chile and "Plant Gate" located in Quillota, Valparaíso, Chile, and a pipeline from "Plant Gate" to Colmo, Concón, Valparaíso, Chile. Its main customers are Enel Generación Chile S.A., Colbún S.A., Empresa de Gas Quinta Región (Gasvalpo), Energas S.A. and Enap Refinerías Concón.

Colbún has a direct ownership interest of 42.5% in such company.

17. Intangible assets other than goodwill

a. Detail by classes of intangible assets

The detail, as of September 30, 2023, and December 31, 2022, is as follows:

Intangible assets, net		09.30.2023 ThUS$	12.31.2022 ThUS$
Rights not internally generated	Emission rights for particulate matter	9,582	9,582
	Concessions	202	202
	Water rights	10,074	10,074
	Easements	15,597	15,763
	Intangible assets related to customers	25,100	27,482
Licenses	Software	1,618	2,095
	Total	**62,173**	**65,198**

Intangible assets, gross		09.30.2023 ThUS$	12.31.2022 ThUS$
Rights not internally generated	Emission rights for particulate matter	9,582	9,582
	Concessions	228	228
	Water rights	10,093	10,093
	Easements	16,779	16,945
	Intangible assets related to customers	46,814	46,815
Licenses	Software	17,915	17,901
	Total	**101,411**	**101,564**

Accumulated amortization		09.30.2023 ThUS$	12.31.2022 ThUS$
Rights not internally generated	Concessions	(26)	(26)
	Water rights	(19)	(19)
	Easements	(1,182)	(1,182)
	Intangible assets related to customers	(21,714)	(19,333)
Licenses	Software	(16,297)	(15,806)
	Total	**(39,238)**	**(36,366)**

b. Movements in intangible assets

As of September 30, 2023, and December 31, 2022, this caption comprises the following:

Movements for the period 2023	Rights not internally generated					Licenses	Intangibles assets, net
	Emission rights for particulate matter	Concessions	Water rights	Easements	Intangible assets related to customers	Software	
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance as of 01.01.2023	9,582	202	10,074	15,763	27,482	2,095	65,198
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	(313)	-	-	(313)
Transport from assets under construction	-	-	-	147	-	14	161
Amortization expenses (see Note 33)	-	-	-	-	(2,382)	(491)	(2,873)
Closing balance as of 09.30.2023	**9,582**	**202**	**10,074**	**15,597**	**25,100**	**1,618**	**62,173**

Movements for the period 2022	Rights not internally generated					Licenses	Intangibles assets, net
	Emission rights for particulate matter	Concessions	Water rights	Easements	Intangible assets related to customers	Software	
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance as of 01.01.2022	9,582	202	10,074	15,667	30,658	1,969	68,152
Additions	-	-	-	852	-	-	852
Disposals	-	-	-	(756)	-	-	(756)
Transfer between assets	-	-	-	-	-	791	791
Amortization expenses	-	-	-	-	(3,176)	(665)	(3,841)
Closing balance as of 12.31.2022	**9,582**	**202**	**10,074**	**15,763**	**27,482**	**2,095**	**65,198**

As detailed in Note 5.b, the Company's Management, in its assessment, determined that there is no impairment of intangible assets' carrying amount. The Company has no intangible assets pledged as collateral to secure compliance with its debt obligations.

18. Property, plant and equipment

a. Detail of property, plant and equipment

As of September 30, 2023, and December 31, 2022, the caption property, plant and equipment is detailed as follows:

Property, plant and equipment, net	09.30.2023 ThUS$	12.31.2022 ThUS$
Land	300,600	300,750
Building, construction and facilities	80,174	82,853
Machinery	-	-
Transport equipment	196	252
Office equipment	5,594	6,394
IT equipment	9,348	10,940
Power-generating assets	3,447,011	3,575,793
Assets under construction	542,618	269,802
Other property, plant and equipment	381,917	270,500
Total	**4,767,458**	**4,517,284**

Property, plant and equipment, gross	09.30.2023 ThUS$	12.31.2022 ThUS$
Land	300,600	300,750
Building, construction and facilities	147,789	147,864
Machinery	825	825
Transport equipment	1,367	1,379
Office equipment	9,330	9,311
IT equipment	16,369	15,853
Power-generating assets	6,065,393	6,112,492
Assets under construction	806,026	533,210
Other property, plant and equipment	518,033	405,005
Total	**7,865,732**	**7,526,689**

Accumulated depreciation and impairment of property, plant and equipment	09.30.2023 ThUS$	12.31.2022 ThUS$
Building, construction and facilities	(67,615)	(65,011)
Machinery	(825)	(825)
Transport equipment	(1,171)	(1,127)
Office equipment	(3,736)	(2,917)
IT equipment	(7,021)	(4,913)
Power-generating assets	(2,618,382)	(2,536,699)
Assets under construction	(263,408)	(263,408)
Other property, plant and equipment	(136,116)	(134,505)
Total	**(3,098,274)**	**(3,009,405)**

b. Movements in property, plant and equipment

As of September 30, 2023, and December 31, 2022, the caption property, plant and equipment, net is composed of the following:

Movements for the period 2023	Land ThUS$	Building, construction and facilities ThUS$	Machinery ThUS$	Transport equipment ThUS$	Office equipment ThUS$	IT equipment ThUS$	Power-generating assets ThUS$	Assets under construction ThUS$	Other property, plant and equipment ThUS$	Property, plant and equipment, net ThUS$
Opening balance as of 01.01.2023	300,750	82,853	-	252	6,394	10,940	3,575,793	269,802	270,500	4,517,284
Additions	-	-	-	-	-	6	117	282,484	112,498	395,105
Increase (decrease) resulting from other movements	(927)	-	-		-	-	19,056	-	-	18,129
Disposals	-	-	-	(12)	-	(77)	(52,839)	-	-	(52,928)
Accumulated depreciation of disposals	-	-	-	-	-	77	46,686	-	-	46,763
Impairment losses recognized in other comprehensive income	-	-	-	-	-	-	-	-	-	-
Transport from assets under construction	777	(75)	-	-	19	629	7,669	(9,668)	488	(161)
Transport between assets	-	-	-	-	-	(42)	(21,102)	-	42	(21,102)
Accumulated depreciation, transport between assets	-	-	-	-	-	10	2,060	-	(10)	2,060
Depreciation expenses (see Note 33)		(2,604)	-	(44)	(819)	(2,195)	(130,429)		(1,601)	(137,692)
Total movements	**(150)**	**(2,679)**	**-**	**(56)**	**(800)**	**(1,592)**	**(128,782)**	**272,816**	**111,417**	**250,174**
Closing balance as of 09.30.2023	**300,600**	**80,174**	**-**	**196**	**5,594**	**9,348**	**3,447,011**	**542,618**	**381,917**	**4,767,458**

Movements for the period 2022	Land ThUS$	Building, construction and facilities ThUS$	Machinery ThUS$	Transport equipment ThUS$	Office equipment ThUS$	IT equipment ThUS$	Power-generating assets ThUS$	Assets under construction ThUS$	Other property, plant and equipment ThUS$	Property, plant and equipment, net ThUS$
Opening balance as of 01.01.2022	303,766	81,896	-	332	762	11,281	3,554,259	212,633	256,637	4,421,566
Additions	244	-	-	-	2	7	973	246,535	67,699	315,460
Increase (decrease) resulting from other movements	-	(3)	-	(17)	(3)	(12)	-	104,819	(104,819)	(35)
Disposals	-	-	-	(96)	(4,314)	(6,546)	(33,587)	-	-	(44,543)
Accumulated depreciation of disposals	-	-	-	96	4,314	6,543	20,176	-	-	31,129
Impairment losses recognized in other comprehensive income	(3,260)	-	-	-	-	-	-	-	-	(3,260)
Transport from assets under construction	-	4,409	-	-	6,732	2,341	256,062	(294,185)	23,850	(791)
Transfer between assets	-	-	-	-	-	-	(28,687)	-	28,687	-
Depreciation expenses		(3,449)	-	(63)	(1,099)	(2,674)	(193,403)		(1,554)	(202,242)
Total movements	**(3,016)**	**957**	**-**	**(80)**	**5,632**	**(341)**	**21,534**	**57,169**	**13,863**	**95,718**
Closing balance as of 12.31.2022	**300,750**	**82,853**	**-**	**252**	**6,394**	**10,940**	**3,575,793**	**269,802**	**270,500**	**4,517,284**

c. Other disclosures

i) Colbún S.A. and its subsidiaries have entered into insurance policies to cover the possible risks to which the different items of property, plant and equipment may be exposed, as well as possible claims that might be presented because of the performance of their business activities. Such policies sufficiently cover the risks to which they are exposed.

Additionally, loss of profit that may result from a claim is covered by insurance policies engaged by the Company.

ii) As of September 30, 2023, and December 31, 2022, the Company had commitments associated with the acquisition of property, plant and equipment for construction agreements for ThUS$ 306,899 and ThUS$ 647,328, respectively. The companies with which it operates are Enercon Gmbh, Strabag SpA, Enercon Chile SpA, Ing.Y Construccion Sigdo Koppers S.A., among others.

iii) As of September, 2023, and 2022, the accrued capitalized interest costs (IAS 23), are as follows:

Concept	January - September		July - September	
	2023 ThUS$	2022 ThUS$	2023 ThUS$	2022 ThUS$
Interest costs				
Capitalized interest costs	9,648	8,909	4,885	1,551
Total interest costs incurred	**9,648**	**8,909**	**4,885**	**1,551**
Cost capitalization rate for loans eligible for capitalization	12.72%	12.16%	3.18%	-2.89%

iv) Additional information required for XBRL taxonomy

1. **Disbursements recognized during the construction**

Disbursements recognized during the construction, gross	09.30.2023 ThUS$	12.31.2022 ThUS$
Assets under construction	375,877	274,430
Total	**375,877**	**274,430**

2. Assets fully depreciated still in use

Assets fully depreciated still in use, gross	09.30.2023 ThUS$	12.31.2022 ThUS$
Building, construction and facilities	5,765	6,941
Transport equipment	625	358
Office equipment	1,109	1,005
IT equipment	1,646	925
Power-generating assets	347,424	370,844
Other property, plant and equipment	1,961	1,396
Total	**358,530**	**381,469**

Assets fully depreciated still in use, accumulated depreciation	09.30.2023 MUS$	12.31.2022 MUS$
Building, construction and facilities	(5,765)	(6,293)
Transport equipment	(623)	(355)
Office equipment	(1,109)	(1,000)
IT equipment	(1,646)	(922)
Power-generating assets	(313,164)	(333,580)
Other property, plant and equipment	(1,961)	(1,396)
Total	**(324,268)**	**(343,546)**

v) Detail of other property, plant and equipment:

As of September 30, 2023, and December 31, 2022, this caption comprises the following:

Other property, plant and equipment, net	09.30.2023 ThUS$	12.31.2022 ThUS$
Substations	24,555	25,245
Transmission lines	8,986	9,418
Spare parts classified as property, plant and equipment	341,660	229,201
Other property, plant and equipment	6,716	6,636
Other property, plant and equipment, net	**381,917**	**270,500**

Other property, plant and equipment, gross	09.30.2023 ThUS$	12.31.2022 ThUS$
Substations	59,997	59,997
Transmission lines	41,920	41,920
Spare parts classified as property, plant and equipment	341,660	229,201
Other property, plant and equipment	15,499	15,219
Other property, plant and equipment, gross	**459,076**	**346,337**

Accumulated depreciation and impairment of other property plant and equipment	09.30.2023 ThUS$	12.31.2022 ThUS$
Substations	(35,442)	(34,752)
Transmission lines	(32,934)	(32,502)
Other property, plant and equipment	(8,783)	(8,583)
Total depreciation and impairment	**(77,159)**	**(75,837)**

vi) Detail of power-generating assets

Power-generating assets, net		09.30.2023 ThUS$	12.31.2022 ThUS$
Power-generating civil works	Hydropower	1,564,317	1,589,882
	Coal-fired thermal power	217,696	233,437
	Oil and gas-fired thermal power	33,301	42,178
	Solar power	23,487	4,987
Power-generating equipment and machinery	Hydropower	461,427	488,104
	Coal-fired thermal power	358,560	376,900
	Oil and gas-fired thermal power	644,688	692,230
	Solar power	143,535	148,075
Balance of power-generating assets, net		**3,447,011**	**3,575,793**

Power-generating assets, gross		09.30.2023 ThUS$	12.31.2022 ThUS$
Power-generating civil works	Hydropower	2,236,807	2,242,241
	Coal-fired thermal power	355,188	361,414
	Oil and gas-fired thermal power	50,612	59,395
	Solar power	24,326	5,086
Power-generating equipment and machinery	Hydropower	968,758	970,430
	Coal-fired thermal power	641,513	639,793
	Oil and gas-fired thermal power	1,652,220	1,698,820
	Solar power	153,342	152,737
Balance of power-generating assets, gross		**6,082,766**	**6,129,916**

Accumulated depreciation and impairment of power-generating assets		09.30.2023 ThUS$	12.31.2022 ThUS$
Power-generating civil works	Hydropower	(672,490)	(652,359)
	Coal-fired thermal power	(137,492)	(127,977)
	Oil and gas-fired thermal power	(17,311)	(17,217)
	Solar power	(839)	(99)
Power-generating equipment and machinery	Hydropower	(507,331)	(482,326)
	Coal-fired thermal power	(282,953)	(262,893)
	Oil and gas-fired thermal power	(1,007,532)	(1,006,590)
	Solar power	(9,807)	(4,662)
Total depreciation and impairment		**(2,635,755)**	**(2,554,123)**

vii) Temporarily Out of Service Assets

As of September 30, 2023 and December 31, 2022, there are no Operating Assets that are temporarily out of service.

19. Right-of-use assets

a. Detail Right-of-Use assets

The right-of-use assets recognized as of September 30, 2023, and December 31, 2022, are as follows:

Right-of-use assets, Net	09.30.2023 ThUS$	12.31.2022 ThUS$
Transmission line operation and maintenance	7,968	8,603
Right-of-use office equipment	17	89
Right-of-use facilities	25,168	19,255
Right-of-use vehicles	513	1,100
Right-of-use Calidda gas pipeline	84,193	91,019
Right-of-use IT equipment	258	493
Total	**118,117**	**120,559**
Right-of-use assets, Gross	**09.30.2023** ThUS$	**12.31.2022** ThUS$
Transmission line operation and maintenance	18,081	18,081
Right-of-use office equipment	465	467
Right-of-use facilities	36,179	28,444
Right-of-use vehicles	5,639	5,586
Right-of-use Calidda gas pipeline	127,427	127,427
Right-of-use IT equipment	3,536	3,536
Total	**191,327**	**183,541**
Accumulated depreciation right-of-use assets	**09.30.2023** ThUS$	**12.31.2022** ThUS$
Transmission line operation and maintenance	(10,113)	(9,478)
Right-of-use office equipment	(448)	(378)
Right-of-use facilities	(11,011)	(9,189)
Right-of-use vehicles	(5,126)	(4,486)
Right-of-use Calidda gas pipeline	(43,234)	(36,408)
Right-of-use IT equipment	(3,278)	(3,043)
Total	**(73,210)**	**(62,982)**

As of September 30, 2023, and December 31, 2022, the company maintain in its records leases related to its offices, warehouse, parking lots, vehicles, computers and printers.

The subsidiary Fenix maintains contracts with:

1. Consorcio Transmantaro S.A. (hereinafter CTM), in which CTM is obliged to provide maintenance and operating services to the 8-km transmission line between the substation Chilca and the thermoelectric power plant Fenix. Such contract has a term of 20 years (with 10 years remaining) and accrues an annual interest of 12%. Additionally, CTM is obliged to build facilities for the rendering of transmission line services.

2. Contract entered into with Gas Natural de Lima y Callao (Calidda), by which Calidda agrees to provide the gas distribution service from the City Gate located in the city of Chilca, for which a regulation and control plant has been installed (ERC, for its acronym in Spanish), which is an iron pipeline. Such contract is effective for 20 years (with 10 years remaining), per a volume of 84.1 MMpcd. It includes a Take or Pay of 100% equivalent to 84.1MMpcd which should be paid in the month the service is rendered. The interest rate associated with the finance lease amounts to 7% per year.

b. Movements of right-of-use assets

The composition and movement of assets by right of use, net as of September 30, 2023, and December 31, 2022, has been as follows:

Movements for the period 2023	Transmission line operation and maintenance ThUS$	Right-of-use office equipment ThUS$	Right-of-use facilities ThUS$	Right-of-use vehicles ThUS$	Right-of-use Calidda gas pipeline ThUS$	Right-of-use IT equipment ThUS$	Right-of-use assets, Net ThUS$
Opening balance as of 01.01.2023	8,603	89	19,255	1,100	91,019	493	120,559
Additions	-	1	7,735	53	-	-	7,789
Contract modification	-	(3)	-	-	-	-	(3)
Finished contract	-	-	-	-	-	-	-
Depreciation expenses (see Note 33)	(635)	(70)	(1,822)	(640)	(6,826)	(235)	(10,228)
Total movements	**(635)**	**(72)**	**5,913**	**(587)**	**(6,826)**	**(235)**	**(2,442)**
Closing balance as of 09.30.2023	**7,968**	**17**	**25,168**	**513**	**84,193**	**258**	**118,117**

Movements for the period 2022	Transmission line operation and maintenance ThUS$	Right-of-use office equipment ThUS$	Right-of-use facilities ThUS$	Right-of-use vehicles ThUS$	Right-of-use Calidda gas pipeline ThUS$	Right-of-use IT equipment ThUS$	Right-of-use assets, Net ThUS$
Opening balance as of 01.01.2022	9,449	86	3,246	366	100,121	119	113,387
Additions	-	86	17,386	-	-	-	17,472
Contract modification	-	1	1,180	1,653	-	1,029	3,863
Finished contract	-	-	(732)	-	-	-	(732)
Depreciation expenses (see Note 33)	(846)	(84)	(1,825)	(919)	(9,102)	(655)	(13,431)
Total movements	**(846)**	**3**	**16,009**	**734**	**(9,102)**	**374**	**7,172**
Closing balance as of 12.31.2022	**8,603**	**89**	**19,255**	**1,100**	**91,019**	**493**	**120,559**

As of September 30, 2023, and December 31, 2022, the present value of future payments arising from contracts recognized as leases are detailed as follows:

September 30, 2023	0-1 year ThUS$	1-5 years ThUS$	Over 5 years ThUS$	Total ThUS$
Gross	21,018	80,479	89,402	**190,899**
Interests	(9,576)	(31,116)	(16,452)	**(57,144)**
Present value (see note 24)	11,442	49,363	72,950	**133,755**

December 31, 2022	0-1 year ThUS$	1-5 years ThUS$	Over 5 years ThUS$	Total ThUS$
Gross	21,497	73,991	102,415	**197,904**
Interests	(10,423)	(30,471)	(20,910)	**(61,804)**
Present value (see note 24)	11,074	43,520	81,506	**136,100**

20. Current taxes

The balance of current taxes receivable and payable presented in current assets and liabilities as of September 30 2023, and December 31, 2022, respectively, are detailed below:

a. Current tax assets

	Current	
	09.30.2023 ThUS$	12.31.2022 ThUS$
Recoverable taxes from previous years	239	2
Recoverable taxes for the year (See note 22.a.1)	730	88,986
Other taxes to be recovered	12,085	3,204
Total	**13,054**	**92,192**

b. Current tax liabilities

	Current	
	09.30.2023 ThUS$	12.31.2022 ThUS$
Payable taxes for the year (See note 22.a.1)	52,383	3,062
Payable taxes previous years	-	259
Total	**52,383**	**3,321**

21. Other non-financial assets

As of September 30, 2023, and December 31, 2022, this caption comprises the following:

	Current		Non-current	
	09.30.2023 ThUS$	12.31.2022 ThUS$	09.30.2023 ThUS$	12.31.2022 ThUS$
Insurance premium for facilities and civil responsibility	5,990	19,416	-	-
Prepayments [1]	13,555	16,555	41,380	41,902
Other miscellaneous assets	146	158	777	1,060
Total	**19,691**	**36,129**	**42,157**	**42,962**

[1] Corresponds to advance payments to domestic and foreign suppliers.

22. Income taxes

a. Income tax benefit (expense)

Income tax benefit (expense)	January - September		July - September	
	2023 ThUS$	2022 ThUS$	2023 ThUS$	2022 ThUS$
Current income tax (expense) benefit				
Current income taxes	(132,779)	(40,808)	(41,987)	(18,392)
Adjustments to prior-year current income tax expense	(242)	212	(208)	-
Total current income tax expense, net	**(133,021)**	**(40,596)**	**(42,195)**	**(18,392)**
Deferred income tax (expense) benefit				
Deferred income tax benefit arising from temporary differences	9,346	(21,135)	(9,218)	(17,923)
Total deferred income tax benefit, net	**9,346**	**(21,135)**	**(9,218)**	**(17,923)**
Income tax benefit (expense)	**(123,675)**	**(61,731)**	**(51,413)**	**(36,315)**

As of September 30, 2023, and 2022, income tax benefit (expense) and deferred taxes from foreign and domestic parties is detailed as follows:

Income tax benefit (expense)	January - September		July - September	
	2023 ThUS$	2022 ThUS$	2023 ThUS$	2022 ThUS$
Domestic current income tax (expense) benefit	(128,465)	(37,258)	(39,396)	(18,531)
Foreign current income tax (expense) benefit	(4,554)	(3,338)	(2,797)	139
Total current income tax (expense) benefit, net	**(133,019)**	**(40,596)**	**(42,193)**	**(18,392)**
Domestic deferred income tax benefit (expense)	12,877	(18,657)	2,761	(10,056)
Foreign deferred income tax benefit (expense)	(3,533)	(2,478)	(11,981)	(7,867)
Total deferred income tax benefit (expense)	**9,344**	**(21,135)**	**(9,220)**	**(17,923)**
Income tax expense charged to profit or loss	**(123,675)**	**(61,731)**	**(51,413)**	**(36,315)**

a.1 Reconciliation of current taxes

As of September 30, 2023, and December 31, 2022, the reconciliation of current taxes to income tax is as follows:

Current tax reconciliation	09.30.2023					
Company	Current taxes (profit or loss) ThUS$	Current taxes for equity adjustments ThUS$	Monthly provisional income tax payments ThUS$	Other credits ThUS$	Tax assets ThUS$	Tax liabilities ThUS$
Colbún S.A.	(128,456)	(4,159)	79,555	677	-	(52,383)
Colbún Perú S.A.	(155)	-	69	146	60	-
Inversiones Las Canteras S.A.	-	-	5	4	9	-
Fenix Power S.A.	(4,168)	-	4,829	-	661	-
Total	**(132,779)**	**(4,159)**	**84,458**	**827**	**730**	**(52,383)**

Current tax reconciliation	12.31.2022					
Company	Current taxes (profit or loss) ThUS$	Current taxes for equity adjustments ThUS$	Monthly provisional income tax payments ThUS$	Other credits ThUS$	Tax assets ThUS$	Tax liabilities ThUS$
Colbún S.A.	(59,528)	273	146,768	1,079	88,592	-
Efizity Ingeniería SpA.	-	-	4	-	4	-
Efizity SpA.	-	-	56	-	56	-
Efizity S.A.C.	-	-	1	-	1	-
Colbún Perú S.A.	-	-	243	80	323	-
Inversiones Las Canteras S.A.	-	-	7	3	10	-
Fenix Power S.A.	(8,405)	-	3,339	2,004	-	(3,062)
Total	**(67,933)**	**273**	**150,418**	**3,166**	**88,986**	**(3,062)**

As of September 30, 2023, Colbún S.A. together with its subsidiaries generated tax profits, registering a Tax payable, with respect to the Consolidated Income Tax Provision, net of monthly provisional payments (PPM) and credits, for ThUS$52,138.

In the case of the foreign subsidiary Fénix Power Perú S.A. records as of September 30, 2023 a tax to be recovered, net of Payments on Account, of ThUS$661. This company maintains a tax loss as of September 30, 2023 of ThUS$160,784.6, which is expected to be reversed in the future, therefore a deferred tax asset was recognized.

In accordance with IAS 12, a deferred tax asset for tax losses is recognized when Management has determined that is probable that future taxable income will be available against which they can be offset. This situation occurs in subsidiaries that recognize tax losses.

a.2 Reconciliation of consolidated tax expense and calculation of effective rate

Income tax benefit (expense)	January - September				July - September			
	2023		2022		2023		2022	
	Amount ThUS$	Rate %	Amount ThUS$	Rate %	Amount ThUS$	Rate %	Amount ThUS$	Rate %
Profit before income taxes	471,266		235,984		175,806		116,974	
Tax expense using the legal rate [1]	**(127,242)**	**27.0%**	**(63,716)**	**27.0%**	**(47,468)**	**27.0%**	**(31,583)**	**27.0%**
Differences between US dollars and tax financial accounting in local currency through deferred taxes [2]	700	-0.1%	312	-0.1%	(5,200)	3.0%	(4,698)	4.0%
Other differences [3]	2,867	-0.6%	1,673	-0.7%	1,255	-0.7%	(34)	0.0%
Income tax expense	**(123,675)**	**26.2%**	**(61,731)**	**26.2%**	**(51,413)**	**29.2%**	**(36,315)**	**31.0%**

[1] As of September 30, 2023, and 2022, the income tax expense was calculated using the tax rate of 27% (Law No. 20.780) that applies in Chile. Regarding the differences in tax rates with foreign subsidiaries (29.5%), they are presented in other differences.

[2] In accordance with the International Financial Reporting Standards (IFRS), the Company and its subsidiaries recognize their tax and financial operations at their functional currency which is the U.S. dollar, except for the subsidiaries of the Efizity Group. With respect to the foreign subsidiaries, the local currency is used for tax purposes.

[3] As of September. 2023, the concept "Other Differences" corresponds to permanent differences for the recognition of the accrued results of associated companies.

b. Deferred taxes

At each reporting period, deferred tax assets and liabilities are detailed as follows:

Deferred tax assets	09.30.2023 ThUS$	12.31.2022 ThUS$
Deferred taxes related to tax losses	47,869	51,625
Deferred taxes related to provisions	29,911	33,493
Deferred taxes related to obligations for post-employment benefits	8,582	9,016
Deferred taxes related to anticipated income	3,701	2,216
Deferred taxes related to rights-of-use	3,524	3,481
Deferred taxes related to contingencies	2,873	2,772
Deferred taxes related to unrealized gain or loss	292	292
Deferred tax assets	**96,752**	**102,895**
Deferred tax liabilities	**09.30.2023 ThUS$**	**12.31.2022 ThUS$**
Deferred taxes related to depreciation	(958,039)	(970,277)
Deferred taxes related to finance costs	(15,056)	(16,405)
Deferred taxes related to intangible assets	(8,079)	(8,853)
Deferred taxes related to inventory	(781)	(1,165)
Deferred taxes related to hedging instruments	-	(3)
Deferred tax liabilities	**(981,955)**	**(996,703)**
Total deferred tax assets and liabilities, net	**(885,203)**	**(893,808)**

Deferred taxes movements	09.30.2023 ThUS$	12.31.2022 ThUS$
Deferred Taxes as of January 1	**(893,808)**	**(855,957)**
Tax loss	(3,756)	(5,507)
Hedge instruments	3	(1,587)
Right-of-use	43	996
Intangibles	774	715
Contingencias	101	-
Post-employment benefit	(434)	956
Anticipated income	1,485	442
Inventory	384	471
Provisions	(3,582)	4,248
Financial cost	1,349	1,841
Property, plant and equipment	12,238	(40,426)
Closing balance	**(885,203)**	**(893,808)**

(1) See note 3.1.c

The net position of deferred taxes per company is as follows:

Net deferred tax position by company				
Company	Net position			
	Non-current asset		Non-current liability	
	09.30.2023 ThUS$	12.31.2022 ThUS$	09.30.2023 ThUS$	12.31.2022 ThUS$
Fenix Power Perú S.A.	62,291	65,882	-	-
Santa Sofía SpA.	1,714	1,571	-	-
Colbún Perú S.A.	-	-	-	-
Efizity SpA.	785	251	-	-
Efizity Ingeniería SpA.	-	7	-	-
Efizity S.A.C.	-	22	-	-
Desaladora del Sur S.A.	2	2	-	-
Inversiones de Las Canteras S.A.	-	-	(347)	(407)
Colbún S.A.	-	-	(949,648)	(961,136)
Total	**64,792**	**67,735**	**(949,995)**	**(961,543)**
Net deferred taxes			**(885,203)**	**(893,808)**

c. Income taxes in other comprehensive income

	January - September		July - September	
	2023 ThUS$	2022 ThUS$	2023 ThUS$	2022 ThUS$
Cash flow hedges	(4,157)	7,609	192	2,742
Defined benefit plans	(697)	(559)	(821)	(658)
Income tax related to components of other comprehensive income	**(4,854)**	**7,050**	**(629)**	**2,084**
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	-	-	-	-
Income tax related to components of other comprehensive income	**(4,854)**	**7,050**	**(629)**	**2,084**

23. Other financial liabilities

As of September 30, 2023, and December 31, 2022, this caption comprises the following:

a. Obligations with financial institutions

Other financial liabilities	Current		Non-current	
	09.30.2023 ThUS$	12.31.2022 ThUS$	09.30.2023 ThUS$	12.31.2022 ThUS$
Interest-Bearing Loans	28,501	27,393	157,738	157,456
Bond payables (Bonds, bills of exchange) [1]	38,320	48,820	1,750,706	1,768,157
Hedging derivatives [2]	7,680	19,344	-	-
Total	**74,501**	**95,557**	**1,908,444**	**1,925,613**

[1] Interest accrued for bonds payable have been determined using the effective rate.

[2] See note 14.1

b. Financial debt by currency

The financial debt value of Colbún (bank liabilities and bonds), considering only the effect of derivative instruments (liability position) is as follows:

Financial debt by currency	09.30.2023 ThUS$	12.31.2022 ThUS$
U.S. Dollar	1,975,265	2,001,826
Euros	7,680	19,008
Inflation-adjusted units	-	336
Total	**1,982,945**	**2,021,170**

c. Maturity and currency of the obligations with financial institutions

c.1 Bank borrowings

As of 09.30.2023				
Debtor's Tax ID No.	96505760-9	0-E	0-E	
Debtor's name	Colbún S.A.	Fenix Power Perú S.A.	Fenix Power Perú S.A.	
Debtor's country	Chile	Peru	Peru	
Creditor's ID number	0-E	0-E	0-E	
Creditor´s name	Sumitomo Mitsui Banking	Banco de Credito del Perú	Scotiabank	
Country of the creditor company	USA	Peru	Peru	
Currency or inflation-adjusted unit	US$	US$	US$	
Amortization frequency	Bullet	Annual	Annual	
Interest type	Variable	Fixed	Fixed	
Basis	Sofr 3M	-	-	
Effective rate	6.69%	6.90%	6.41%	
Nominal rate	6.45%	6.90%	6.41%	
Nominal amounts	**ThUS$**			**Total ThUS$**
Up to 90 days	2,752	-	423	**3,175**
90 days to 1 year	-	10,326	15,000	**25,326**
1-3 years	**-**	**-**	**-**	**-**
1-2 years	-	-	-	-
2-3 years	-	-	-	-
3-5 years	**-**	**-**	**-**	**-**
3-4 years	-	-	-	-
4-5 years	-	-	-	-
Over 5 years	**160,000**	**-**	**-**	**160,000**
Subtotal nominal amounts	**162,752**	**10,326**	**15,423**	**188,501**
Nominal amounts	**ThUS$**			**Total ThUS$**
Up to 90 days	2,752	-	423	**3,175**
90 days to 1 year	-	10,326	15,000	**25,326**
Current Interest-Bearing Loans	**2,752**	**10,326**	**15,423**	**28,501**
1-3 years	**-**	**-**	**-**	**-**
1-2 years	-	-	-	-
2-3 years	-	-	-	-
3-5 years	**-**	**-**	**-**	**-**
3-4 years	-	-	-	-
4-5 years	-	-	-	-
Over 5 years	**157,738**	**-**	**-**	**157,738**
Non-current Interest-Bearing Loans	**157,738**	**-**	**-**	**157,738**
Total Interest-Bearing Loans	**160,490**	**10,326**	**15,423**	**186,239**

Bank borrowings (continued)

As of 12.31.2022				
Debtor's Tax ID No.	96505760-9	0-E	0-E	
Debtor's name	Colbún S.A.	Fenix Power Perú S.A.	Fenix Power Perú S.A.	
Debtor's country	Chile	Peru	Peru	
Creditor's ID number	0-E	0-E	0-E	
Creditor´s name	Sumitomo Mitsui Banking	Banco de Credito del Perú	Scotiabank	
Country of the creditor company	USA	Peru	Peru	
Currency or inflation-adjusted unit	US$	US$	US$	
Amortization frequency	Bullet	Annual	Annual	
Interest type	Variable	Fixed	Fixed	
Basis	Sofr 3M	-	-	
Effective rate	5.68%	2.30%	3.00%	
Nominal rate	5.45%	2.30%	3.00%	
Nominal amounts		**ThUS$**		**Total ThUS$**
Up to 90 days	2,106	-	-	**2,106**
90 days to 1 year	-	10,205	15,082	**25,287**
1-3 years	**-**	**-**	**-**	**-**
1-2 years	-	-	-	**-**
2-3 years	-	-	-	**-**
3-5 years	-	-	-	**-**
3-4 years	-	-	-	**-**
4-5 years	-	-	-	**-**
Over 5 years	160,000	-	-	**160,000**
Subtotal nominal amounts	**162,106**	**10,205**	**15,082**	**187,393**
Carrying amounts		**ThUS$**		**Total ThUS$**
Up to 90 days	2,106	-	-	**2,106**
90 days to 1 year	-	10,205	15,082	**25,287**
Current Interest-Bearing Loans	**2,106**	**10,205**	**15,082**	**27,393**
1-3 years	**-**	**-**	**-**	**-**
1-2 years	-	-	-	**-**
2-3 years	-	-	-	**-**
3-5 years	-	-	-	**-**
3-4 years	-	-	-	**-**
4-5 years	-	-	-	**-**
Over 5 years	**157,456**	-	-	**157,456**
Non-current Interest-Bearing Loans	**157,456**	**-**	**-**	**157,456**
Total Interest-Bearing Loans	**159,562**	**10,205**	**15,082**	**184,849**

c.2 Bonds payable

As of 09.30.2023					
Debtor's Tax ID No.	96.505.760-9	96.505.760-9	96.505.760-9	0-E	
Debtor's name	Colbún S.A.	Colbún S.A.	Colbún S.A.	Fenix Power Peru S.A.	
Debtor's country	Chile	Chile	Chile	Peru	
Creditor's ID number	-	-	-	-	
Serie	144A/RegS	144A/RegS	144A/RegS	144A/RegS	
Maturity date	10-10-2027	03-06-2030	01-19-2032	09-20-2027	
Currency or inflation-adjusted unit	US$	US$	US$	US$	
Amortization frequency	Bullet	Bullet	Bullet	Biannual	
Interest type	Fixed	Fixed	Fixed	Fixed	
Basis	Fixed	Fixed	Fixed	Fixed	
Effective rate	5.11%	3.89%	3.33%	4.57%	
Nominal rate	3.95%	3.15%	3.15%	4.32%	
Nominal amounts	**ThUS$**				**Total ThUS$**
Up to 90 days	-	-	3,728	-	**3,728**
90 days to 1 year	9,271	1,050	-	24,000	**34,321**
1-3 years	**-**	**-**	**-**	**34,000**	**34,000**
1-2 years	-	-	-	16,000	16,000
2-3 years	-	-	-	18,000	18,000
3-5 years	**500,000**	**-**	**-**	**168,000**	**668,000**
3-4 years	-	-	-	168,000	168,000
4-5 years	500,000	-	-	-	500,000
Over 5 years	**-**	**500,000**	**600,000**	**-**	**1,100,000**
Subtotal nominal amounts	**509,271**	**501,050**	**603,728**	**226,000**	**1,840,049**
Carrying amounts	**ThUS$**				**Total ThUS$**
Up to 90 days	-	-	3,728	-	**3,728**
90 days to 1 year	9,271	1,050	-	24,271	**34,592**
Current performance bonds	**9,271**	**1,050**	**3,728**	**24,271**	**38,320**
1-3 years	**-**	**-**	**-**	**33,116**	**33,116**
1-2 years	-	-	-	15,547	15,547
2-3 years	-	-	-	17,569	17,569
3-5 years	**479,292**	**-**	**-**	**167,135**	**646,427**
3-4 years	-	-	-	17,794	17,794
4-5 years	479,292	-	-	149,341	628,633
Over 5 years	**-**	**478,958**	**592,205**	**-**	**1,071,163**
Non-current performance bonds	**479,292**	**478,958**	**592,205**	**200,251**	**1,750,706**
Total performance bonds	**488,563**	**480,008**	**595,933**	**224,522**	**1,789,026**

Bonds payable (continued)

As of 12.31.2022					
Debtor's Tax ID No.	96.505.760-9	96.505.760-9	96.505.760-9	0-E	
Debtor's name	Colbún S.A.	Colbún S.A.	Colbún S.A.	Fenix Power Peru S.A.	
Debtor's country	Chile	Chile	Chile	Peru	
Creditor's ID number	-	-	-	-	
Serie	144A/RegS	144A/RegS	144A/RegS	144A/RegS	
Maturity date	10-10-2027	03-06-2030	01-19-2032	09-20-2027	
Currency or inflation-adjusted unit	US$	US$	US$	US$	
Amortization frequency	Bullet	Bullet	Bullet	Biannual	
Interest type	Fixed	Fixed	Fixed	Fixed	
Basis	Fixed	Fixed	Fixed	Fixed	
Effective rate	5.11%	3.89%	3.33%	4.57%	
Nominal rate	3.95%	3.15%	3.15%	4.32%	
Nominal amounts	**ThUS$**				**Total ThUS$**
Up to 90 days	-	4,988	8,453	14,000	**27,441**
90 days to 1 year	4,334	-	-	14,000	**18,334**
1-3 years	**-**	**-**	**-**	**40,000**	**40,000**
1-2 years	-	-	-	24,000	24,000
2-3 years	-	-	-	16,000	16,000
3-5 years	**500,000**	**-**	**-**	**36,000**	**536,000**
3-4 years	-	-	-	18,000	18,000
4-5 years	500,000	-	-	18,000	518,000
Over 5 years	**-**	**500,000**	**600,000**	**150,000**	**1,250,000**
Subtotal nominal amounts	**504,334**	**504,988**	**608,453**	**254,000**	**1,871,775**
Carrying amounts	**ThUS$**				**Total ThUS$**
Up to 90 days	-	4,988	8,453	17,045	**30,486**
90 days to 1 year	4,334	-	-	14,000	**18,334**
Current performance bonds	**4,334**	**4,988**	**8,453**	**31,045**	**48,820**
1-3 years	**-**	**-**	**-**	**39,060**	**39,060**
1-2 years	-	-	-	23,513	23,513
2-3 years	-	-	-	15,547	15,547
3-5 years	**475,871**	**-**	**-**	**35,363**	**511,234**
3-4 years	-	-	-	17,569	17,569
4-5 years	475,871	-	-	17,794	493,665
Over 5 years	**-**	**476,827**	**591,600**	**149,436**	**1,217,863**
Non-current performance bonds	**475,871**	**476,827**	**591,600**	**223,859**	**1,768,157**
Total performance bonds	**480,205**	**481,815**	**600,053**	**254,904**	**1,816,977**

c.3 Expected interests by currency of the obligations with financial institutions:

Liability	Currency	Interests as of 09.30.2023		Capital	Maturity date	Maturity					Total interests	Total debt
		Accrued	Forecasted			Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years		
Bond 144A/RegS 2017 (Fenix Power Perú)	US$	271	32,473	226,000	09-20-2027	-	9,497	16,383	6,864	-	32,744	258,744
Bond 144A/RegS 2017	US$	9,272	79,603	500,000	10-11-2027	9,875	9,875	39,500	29,625	-	88,875	588,875
Bond 144A/RegS 2020	US$	1,050	101,325	500,000	03-06-2030	-	15,750	31,500	31,500	23,625	102,375	602,375
Bond 144A/RegS 2021	US$	3,728	156,922	600,000	01-19-2032	-	18,900	37,800	37,800	66,150	160,650	760,650
Loan SMBC	US$	2,753	69,507	160,000	10-05-2029	2,911	8,669	23,095	23,127	14,458	72,260	232,260

Liability	Currency	Interests as of 12.31.2022		Capital	Maturity date	Maturity					Total interests	Total debt
		Accrued	Forecasted			Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years		
Bond 144A/RegS 2017 (Fenix Power Perú)	US$	305	43,103	254,000	09-20-2027	5,483	5,180	18,045	14,700	-	43,408	297,408
Bond 144A/RegS 2017	US$	4,334	94,416	500,000	10-11-2027	-	19,750	39,500	39,500	-	98,750	598,750
Bond 144A/RegS 2020	US$	4,988	113,137	500,000	03-06-2030	7,875	7,875	31,500	31,500	39,375	118,125	618,125
Bond 144A/RegS 2021	US$	8,453	171,097	600,000	01-19-2032	9,450	9,450	37,800	37,800	85,050	179,550	779,550
Loan SMBC	US$	2,058	59,848	160,000	10-05-2029	2,227	6,609	17,698	17,674	17,698	61,906	221,906

d. Committed and uncommitted revolving credit facilities

The Company has uncommitted bank lines for an approximate amount of US$ 150 million.

Fenix Power has credit lines for a total of US$67 million with 5 banks, of which US$25 million are contracted with two local banks with a one-year term.

Other Lines:

The Company has three bond lines registered in the CMF, one for an amount of UF 7 million with a term of thirty years (since its approval in August 2009), and two for a joint amount of UF 7 million with a term of ten and thirty years (since its approval in February 2020), and against which no placements have been performed as of to date.

24. Lease Liabilities

As of September 30, 2023, and December 31, 2022, this caption comprises the following:

Lease liabilities	Current		Non-current	
	09.30.2023 ThUS$	12.31.2022 ThUS$	09.30.2023 ThUS$	12.31.2022 ThUS$
Lease liabilities	11,947	11,074	121,808	125,026
Total	**11,947**	**11,074**	**121,808**	**125,026**

Lease obligation

Debtor's Tax ID No.	Debtor's name	Debtor's country	Creditor's name	Currency or inflation-adjusted unit	Amortization frequency	Effective rate	Nominal rate	Up to 90 days	90 days to 1 year	Liabilities under lease agreements, current	1 to 3 years	3 to 5 years	Over 5 years	Liabilities under lease agreements, non-current	Total liabilities under lease agreements
96505760-9	Colbún S.A.	Chile	Bice Vida Compania De Seguros S.A.	UF	Monthly	6.35%	6.35%	211	554	**765**	1,667	1,676	**700**	**4,043**	**4,808**
96505760-9	Colbún S.A.	Chile	Inmobiliaria Las Cruces SpA	UF	Monthly	2.85%	2.85%	92	415	**507**	461	-	-	**461**	**968**
96505760-9	Colbún S.A.	Chile	Inmobiliaria Playa Blanca S.A.	UF	Monthly	2.85%	2.85%	34	152	**186**	374	-	-	**374**	**560**
96505760-9	Colbún S.A.	Chile	Cia. De Leasing Tattersall S.A.	UF	Monthly	5.57%	5.57%	166	429	**595**	497	-	-	**497**	**1,092**
96505760-9	Colbún S.A.	Chile	Renta Nueva Sta. Maria SpA	UF	Monthly	3.30%	3.30%	38	6	**44**	70	77	172	**319**	**363**
96505760-9	Colbún S.A.	Chile	Nuevo Capital Leasing SpA	UF	Monthly	6.07%	6.07%	105	97	**202**	25	-	-	**25**	**227**
96505760-9	Colbún S.A.	Chile	Ministerio de Bienes Nacionales	UF	Annual	3.45%	3.45%	49	60	**109**	122	122	1,582	**1,826**	**1,935**
96505760-9	Colbún S.A.	Chile	Ministerio de Bienes Nacionales	UF	Annual	3.45%	3.45%	50	63	**113**	125	126	1,625	**1,876**	**1,989**
96505760-9	Colbún S.A.	Chile	Ministerio de Bienes Nacionales	UF	Annual	3.45%	3.45%	344	262	**606**	1,064	1,064	10,112	**12,240**	**12,846**
76362527-3	Efizity Ingenieria SPA	Chile	Inmobiliaria Arturo Prat Ltda.	UF	Monthly	5.25%	5.25%	14	-	**14**	-	-	-	**-**	**14**
0-E	Fenix Power Peru S.A.	Peru	Laila Fatima Gaber B.	US$	Monthly	5.50%	5.50%	7	58	**65**	206	-	-	**206**	**271**
0-E	Fenix Power Peru S.A.	Peru	Renta Equipos SA	US$	Monthly	3.40%	3.40%	16	61	**77**	34	-	-	**34**	**111**
0-E	Fenix Power Peru S.A.	Peru	Renta Equipos SA	US$	Monthly	4.00%	4.00%	2	5	**7**	9	-	-	**9**	**16**
0-E	Fenix Power Peru S.A.	Peru	Renta Equipos SA	US$	Monthly	6.02%	6.02%	1	4	**5**	22	1	-	**23**	**28**
0-E	Fenix Power Peru S.A.	Peru	Ricoh del Perú SAC	US$	Monthly	3.40%	3.40%	5	-	**5**	-	-	-	**-**	**5**
0-E	Fenix Power Peru S.A.	Peru	Calidda (1)	US$	Monthly	7.00%	7.00%	1,852	5,944	**7,796**	17,266	19,769	51,952	**88,987**	**96,783**
0-E	Fenix Power Peru S.A.	Peru	Consorcio Transmantaro S.A.	US$	Quaterly	12.00%	12.00%	203	648	**851**	1,926	2,282	6,680	**10,888**	**11,739**
Lease Liabilities, Total										**11,947**				**121,808**	**133,755**

(1) See note 19.a.2

Debtor's Tax ID No.	Debtor's name	Debtor's country	Creditor's name	Currency or inflation-adjusted unit	Amortization frequency	Effective rate	Nominal rate	Up to 90 days	90 days to 1 year	Liabilities under lease agreements, current	1 to 3 years	3 to 5 years	Over 5 years	Liabilities under lease agreements, non-current	Total liabilities under lease agreements
96505760-9	Colbún S.A.	Chile	Bice Vida Compania De Seguros S.A.	UF	Monthly	6.35%	6.35%	238	234	**472**	-	-	-	**-**	**472**
96505760-9	Colbún S.A.	Chile	Inmobiliaria Las Cruces SpA	UF	Monthly	2.85%	2.85%	147	392	**539**	803	-	-	**803**	**1,342**
96505760-9	Colbún S.A.	Chile	Inmobiliaria Playa Blanca S.A.	UF	Monthly	2.85%	2.85%	54	54	**108**	-	-	-	**-**	**108**
96505760-9	Colbún S.A.	Chile	Cia. De Leasing Tattersall S.A.	UF	Monthly	5.57%	5.57%	294	266	**560**	317	-	-	**317**	**877**
96505760-9	Colbún S.A.	Chile	Nuevo Capital Leasing SpA	UF	Monthly	6.07%	6.07%	112	222	**334**	170	-	-	**170**	**504**
96505760-9	Colbún S.A.	Chile	Ministerio de Bienes Nacionales	UF	Annual	3.45%	3.45%	-	62	**62**	126	126	1,624	**1,876**	**1,938**
96505760-9	Colbún S.A.	Chile	Ministerio de Bienes Nacionales	UF	Annual	3.45%	3.45%	-	64	**64**	128	128	1,669	**1,925**	**1,989**
96505760-9	Colbún S.A.	Chile	Ministerio de Bienes Nacionales	UF	Annual	3.45%	3.45%	540	-	**540**	1,092	1,092	10,927	**13,111**	**13,651**
76362527-3	Efizity Ingenieria SPA	Chile	Inmobiliaria Arturo Prat Ltda.	UF	Monthly	5.25%	5.25%	21	58	**79**	-	-	-	**-**	**79**
0-E	Fenix Power Peru S.A.	Peru	Laila Fatima Gaber B.	US$	Monthly	5.50%	5.50%	5	45	**50**	128	109	-	**237**	**287**
0-E	Fenix Power Peru S.A.	Peru	Renta Equipos SA	US$	Monthly	3.40%	3.40%	12	45	**57**	95	-	-	**95**	**152**
0-E	Fenix Power Peru S.A.	Peru	Renta Equipos SA	US$	Monthly	4.00%	4.00%	1	4	**5**	15	-	-	**15**	**20**
0-E	Fenix Power Peru S.A.	Peru	Renta Equipos SA	US$	Monthly	6.02%	6.02%	1	1	**2**	9	-	-	**9**	**11**
0-E	Fenix Power Peru S.A.	Peru	Ricoh del Perú SAC	US$	Monthly	3.40%	3.40%	3	10	**13**	1	-	-	**1**	**14**
0-E	Fenix Power Peru S.A.	Peru	Inversiones Nuevo Capital Perú	US$	Monthly	4.00%	4.00%	5	-	**5**	-	-	-	**-**	**5**
0-E	Fenix Power Peru S.A.	Peru	Calidda (1)	US$	Monthly	7.00%	7.00%	1,852	5,555	**7,407**	16,406	18,783	59,742	**94,931**	**102,338**
0-E	Fenix Power Peru S.A.	Peru	Consorcio Transmantaro S.A.	US$	Quaterly	12.00%	12.00%	186	591	**777**	1,800	2,192	7,544	**11,536**	**12,313**
Lease Liabilities, Total										**11,074**				**125,026**	**136,100**

(1) See note 19.a.2

25. Trade and other payables

As of September 30, 2023, and December 31, 2022, trade and other payables are composed of the following:

	Current		Non-current	
	09.30.2023 ThUS$	12.31.2022 ThUS$	09.30.2023 ThUS$	12.31.2022 ThUS$
Trade payables	202,538	260,405	-	-
Dividends payable	1,619	34,535	-	-
Other payables	131	93	224	441
Total	**204,288**	**295,033**	**224**	**441**

The main suppliers or creditors, with their respective representativeness percentages as of September 30, 2023, are:

Main Commercial Creditors	%
Enercon Gmbh	39.21%
ENAP Refinerias S.A.	14.02%
Ge Global Parts & Products, Gmbh	7.88%
Interocean Coal Sales Llc	6.92%
Ing.Y Construccion Sigdo Koppers S.	5.74%
Strabag SPA	4.22%
Transelec S.A.	3.10%
ALFA Transmisora de Energia S.A	2.86%
Enercon Chile SPA	2.75%
GE Steam Power Switzerland GmbH	1.88%
Canadian Solar Internacional Limite	1.75%
Enel Distribución Chile S.A.	1.66%
Siemens Energy Spa	1.34%
Wartsila Finland OY	1.26%
Trafigura PTE LTD	1.15%
Others	4.23%
	100%

Stratification of the portfolio of trade and other payables:

Concept	As of 09.30.2023		As of 12.31.2022	
	Current ThUS$	Total ThUS$	Current ThUS$	Total ThUS$
Goods	41,644	41,644	70,026	70,026
Services	155,642	155,642	187,176	187,176
Others	5,252	5,252	3,203	3,203
Total	**202,538**	**202,538**	**260,405**	**260,405**

As of September 30, 2023, the amounts payable for invoices receivable for goods and services amount to ThUS$ 144,549; as of December 31, 2022, it amounted to ThUS$ 147,570.

For accounts payable to suppliers, the average payment period is 15 days from the date of receipt of the invoice; as a result of this, the fair value does not differ significantly from the related carrying amount.

26. Other provisions

a. Description of provisions

As of September 30, 2023, and December 31, 2022, this caption comprises the following:

Provisions	Current		Non-current	
	09.30.2023 ThUS$	12.31.2022 ThUS$	09.30.2023 ThUS$	12.31.2022 ThUS$
From legal proceedings	13,189	12,813	-	-
Decommissioning, restoration and rehabilitation costs	-	-	60,787	58,624
Related to the environment	19,878	33,904	-	-
Total	**33,067**	**46,717**	**60,787**	**58,624**

b. Movements in provisions during the period

As of September 30, 2023, and December 31, 2022, this caption comprises the following:

Movements in provisions	From legal proceedings [1] ThUS$	Decommissioning, restoration and rehabilitation costs ThUS$	Related to the environment [2] ThUS$	Total ThUS$
Opening balance as of 01.01.2023	12,813	58,624	33,904	105,341
Increase (decrease) related to transfers and other changes, other provisions	-	-	-	-
Increase in existing provisions, other provisions	8,540	2,163	17,626	28,329
Provisions used, other provisions	(8,164)	-	(31,652)	(39,816)
Balance as of 09.30.2023	**13,189**	**60,787**	**19,878**	**93,854**

Movements in provisions	From legal proceedings [1] ThUS$	Decommissioning, restoration and rehabilitation costs ThUS$	Related to the environment [2] ThUS$	Total ThUS$
Opening balance as of 01.01.2022	12,478	56,858	30,866	100,202
Increase (decrease) related to transfers and other changes, other provisions	(202)	-	(5,874)	(6,076)
Increase in existing provisions, other provisions	537	1,766	33,904	36,207
Provisions used, other provisions	-	-	(24,992)	(24,992)
Balance as of 12.31.2022	**12,813**	**58,624**	**33,904**	**105,341**

[1] Provisions for differences and/or tax administrative contingencies (see note 38.c).
[2] Corresponds to the provision for tax expense that is levied on the emissions on thermoelectric plants (Law 20,780).

c. Decommissioning

The non-current balance corresponds to the disbursement related to the decommission of certain facilities, and future costs associated with the removal of certain assets and rehabilitation of specific land.

d. Restructuring

The Company has not established or recorded any provisions for this concept.

e. Litigations

As of September 30, 2023, and December 31, 2022, the Company recognized provisions for litigation in accordance with IAS 37 (see note 38, letter c).

27. Provisions for employee benefits

a. Employee benefits

The Company recognizes provisions for benefits and bonuses for its employees, such as accrued vacations, benefits for termination of project contracts and performance incentives.

As of September 30, 2023, and December 31, 2022, this caption comprises the following:

Employee benefits	Current		Non-current	
	09.30.2023 ThUS$	12.31.2022 ThUS$	09.30.2023 ThUS$	12.31.2022 ThUS$
Accrued vacations, current	6,188	6,368	-	-
Performance bonus, current	9,738	12,716	-	-
Other benefits	1,693	1,461	2,352	2,691
Provision for severance indemnity payments	8,379	7,438	29,426	30,387
Total	**25,998**	**27,983**	**31,778**	**33,078**

b. Movements in provision during the period

As of September 30, 2023, and December 31, 2022, this caption comprises the following:

Movements in provisions	Accrued vacations, current ThUS$	Performance bonus, current ThUS$	Other benefits, current ThUS$	Provision for severance indemnity payments ThUS$	Total ThUS$
Opening balance as of 01.01.2023	6,368	12,716	1,461	7,438	27,983
Increase in existing provisions, other provisions	826	20,451	448	941	22,666
Provision used, other provisions	(1,006)	(23,429)	(216)	-	(24,651)
Balance as of 09.30.2023	**6,188**	**9,738**	**1,693**	**8,379**	**25,998**

Movements in provisions	Accrued vacations, current ThUS$	Performance bonus, current ThUS$	Other benefits, current ThUS$	Provision for severance indemnity payments ThUS$	Total ThUS$
Opening balance as of 01.01.2022	5,935	9,439	-	8,052	23,426
Increase in existing provisions, other provisions	1,946	13,246	1,461	1,963	18,616
Provision used, other provisions	(1,513)	(9,969)	-	(2,577)	(14,059)
Balance as of 12.31.2022	**6,368**	**12,716**	**1,461**	**7,438**	**27,983**

c. Provision for employee benefits, non-current

The Company and some subsidiaries have recorded a provision to cover the indemnity payments in accordance with the collective and individual bargaining agreements entered with its employees. This provision represents the total accrued provision (see note 3.1. m.).

The basis for the actuarial calculation of the obligations with employees is permanently assessed by the Company. As of September 30, 2023, the Company has updated some indicators to better reflect the current market conditions.

i) The detail of provision for employee benefits - As of September 30, 2023, and December 31, 2022, this caption comprises the following:

Provision for employee benefits	09.30.2023 ThUS$	12.31.2022 ThUS$
Severance indemnity payments	37,805	37,825
Total	**37,805**	**37,825**

Present value of the obligation for defined benefit plans	09.30.2023 ThUS$	12.31.2022 ThUS$
Opening balance as of January 1	37,825	31,968
Cost of current service	5,146	8,108
Interest cost	496	662
Foreign currency translation differences	(1,678)	(381)
Actuarial gain (loss)	(2,675)	2,162
Payments	(1,309)	(4,694)
Closing balance	**37,805**	**37,825**

ii) **Actuarial assumptions -** The main assumptions used for actuarial calculation purposes are as follows:

Actuarial basis used		09.30.2023	12.31.2022
Discount rate		2.62%	1.68%
Expected rate of salary increases		1.62%	1.62%
Turnover rate	Voluntary	3.90%	4.80%
	Dismissal	3.40%	7.70%
Retirement age	Men	65	65
	Women	60	60
Mortality rate		RV-2020	RV-2014

Discount rate: Corresponds to the interest rate to be used to show in present value terms the disbursements expected to be realized in the future. The discount rate was determined based on the bonds denominated in inflation-adjusted units (UF) of the Chilean Central Bank with a 20-year term as of September 30, 2023. The source of the reference rate is Chilean Central Bank.

Salary increase rate: Refers to the salary increase rate estimated by the Company for the employee salaries based on the internal compensation policy.

Personnel turnover rate: Refers to the personnel turnover rate calculated by the Company based on its historical information.

Age of retirement: Refers to the legal retirement age for men and women in accordance with the Decree Law 3,500 that includes the standards governing the current Chilean pension system.

Mortality rate: Refers to the mortality rate published by the Chilean Financial Market Commission.

iii) Sensitivity analysis of the actuarial assumptions - Only the discount rate has been considered as a relevant parameter for sensitivity analysis purposes. The result of changes in the actuarial liability due to the sensitivity analysis of the discount rate is detailed as follows:

Sensitization	Rate		Amount of the obligation	
	09.30.2023 %	12.31.2022 %	09.30.2023 ThUS$	12.31.2022 ThUS$
Period rate	2.62	1.68	37,337	37,825
Rate decrease by 50 b.p.	2.12	1.18	39,617	40,320
Rate increased by 50 b.p.	3.12	2.18	35,262	35,563

28. Other non-financial liabilities

As of September 30, 2023, and December 31, 2022, this caption comprises the following:

	Current		Non-current	
	09.30.2023 ThUS$	12.31.2022 ThUS$	09.30.2023 ThUS$	12.31.2022 ThUS$
Withholdings	12,708	30,572	-	-
Unearned revenue (1)	878	564	6,026	6,108
Total	**13,586**	**31,136**	**6,026**	**6,108**

(1) Corresponds to prepayments received related to the operations and maintenance services. Revenue is recognized when the service is rendered. Non-current balance includes ThUS$ 6,026 corresponding to the recognition of the lease agreement entered into between the Company and Codelco. As of December 31, 2022, such balance amounted to ThUS$ 6,108.

29. Disclosures on equity

a. Subscribed, fully paid capital and number of shares

At the General Shareholders' Meeting of Colbún S.A. held on April 29, 2009, the shareholders agreed to change the currency in which the share capital is denominated since December 31, 2008 to the U.S. dollars using the exchange rate prevailing at the reporting date as of December 31, 2008, divided into 17,536,167,720 ordinary and registered shares of the same series with no par value.

At the Extraordinary Shareholders' Meeting of Colbún S.A., held on April 26, 2023, the capitalization of Share Premiums for MUSD 52,595 was approved.

As of September 30, 2023, this caption comprises the following:

Number of shares

Series	No. of shares subscribed	Number of shares fully paid	No. of shares with voting rights
Single	17,536,167,720	17,536,167,720	17,536,167,720

Capital (Amount in US$)

Series	Subscribed capital ThUS$	Paid-in capital ThUS$
Single	1,335,388	1,335,388

As of December 31, 2022, the detail of the subscribed and paid-in capital and number of shares is as follows:

Number of shares

Series	No. of shares subscribed	Number of shares fully paid	No. of shares with voting rights
Single	17,536,167,720	17,536,167,720	17,536,167,720

Capital (Amount in US$)

Series	Subscribed capital ThUS$	Paid-in capital ThUS$
Single	1,282,793	1,282,793

a.1 Reconciliation of shares

At the reporting date, the reconciliation of the number of outstanding shares, is detailed as follows:

Shares	09.30.2023	12.31.2022
Number of shares outstanding at the beginning of the year	17,536,167,720	17,536,167,720
Changes in the number of shares outstanding		
Increase (decrease) in the number of shares outstanding	-	-
Number of shares outstanding at the end of the year	17,536,167,720	17,536,167,720

a.2 N° of shareholders

As of September 30, 2023, the number of shareholders is 2,774.

b. Share capital

Share capital corresponds to the paid-in capital indicated in letter a.

c. Share premium

As of September 30, 2023, the company does not have share premiums, the Extraordinary Shareholders' Meeting of Colbún S.A., held on April 26, 2023, approved the capitalization of Share Premiums for MUSD 52,595.

As of December 31, 2022, the caption share premium amounts to ThUS$ 52,595 and is composed of ThUS$ 30,700 related to premium received in the share subscription term approved at the Extraordinary Shareholders' Meeting held on March 14, 2008, plus a share premium of ThUS$ 21,895 resulting from capital increases performed prior to 2008.

d. Dividends

The general policy and procedure on dividend distribution agreed at the Shareholders' Meeting held on April 26, 2023, established that the Company will distribute at least 50% of net profit. In accordance with IFRS, there is a legal and assumed obligation requiring the accounting for of a liability at each reporting date for the concept of the minimum legal dividend.

At the Shareholders' Meeting held on April 26, 2023, it was approved to distribute a definitive and final dividend in the amount of ThUS$64,466, corresponding to US$0.00368 per share and to distribute an additional dividend charged to profits for the year 2022 in the amount of ThUS$75,000, corresponding to US$0.00428 per share, which began to be paid on May 12, 2023.

In the Board meeting held on March 28, 2023, it was agreed to propose to the Shareholders' Meeting to distribute the liquid distributable profit, as follows: (i) Distribute a final and final dividend in the amount of ThUS$64,466 corresponding to US$ 0.00368 per share, which added to the interim dividend of ThUS$83,518, corresponding to US$0.00476 per share, would amount to 50% of the Distributable Net Profit for the year 2022 of ThUS$147,984 and (ii) Distribute a dividend chargeable to profits for fiscal year 2022 in the amount of ThUS$75,000, corresponding to US$0.00428 per share.

In the Board Meeting held on November 29, 2022, it was agreed to distribute an interim dividend charged to the profits for the year ending December 31, 2022 for the sum of ThUS$83,518, corresponding to US$0.00476 per share. This dividend began to be paid on December 16, 2022.

At the Shareholders' Meeting held on April 28, 2022, it was approved to distribute a final and final dividend in the amount of ThUS$22,649, corresponding to US$0.00129 per share and to distribute an additional dividend charged to profits for the year 2021 in the amount of ThUS$50,000, corresponding to US$0.00285 per share, which began to be paid on May 12, 2022.

In a Board meeting held on March 29, 2022, it was agreed to propose to the Shareholders' Meeting to distribute the net distributable profit as follows: (i) Distribute a definitive and final dividend in the amount of ThUS$22,648 corresponding to US$ 0.00129 per share, which in addition to the provisional dividend of ThUS$ 250,000, corresponding to US$ 0.01426 per share, would amount to 50% of the Net Distributable Profit for 2021 of ThUS$ 272,648 and (ii) Distribute a dividend chargeable to profit of 2021 for the sum of ThUS$ 50,000, corresponding to US$ 0.00285 per share.

e. Detail of Other reserves

This caption comprises the following:

Other reserves	09.30.2023 ThUS$	12.31.2022 ThUS$
Effect of first adoption of paid-in capital deflation	517,617	517,617
Effect of first-time adoption of translation in accordance with IAS 21	(230,797)	(230,797)
Revaluation of property, plant and equipment	252,748	262,865
Revaluation of deferred taxes	(97,622)	(100,353)
Merger reserve	122,732	136,973
Affiliate translation effects	(37,627)	(37,709)
Subsidiaries' reserve	(11,995)	(11,997)
Hedging reserve	(2,668)	(13,908)
Associate hedging effects	216	216
Total	**512,604**	**522,907**

Effect of first adoption of paid-in capital deflation: Circular No.456 issued by the Chilean Financial Market Commission and effect of first-time adoption of translation in accordance with IAS 21: Reserves generated by the first-time adoption of the International Financial Reporting Standards (IFRSs), which are subject to capitalization if permitted by accounting standards and law.

Revaluation of property, plant and equipment: The methodology used to quantify the realization of this concept relates to the application of useful lives per class of asset used for the depreciation process to the revaluation amount determined as of the date of adoption.

Deferred taxes: The adjustments in the measurement of assets and liabilities arising from the application of IFRS have resulted in the determination of new temporary differences recognized against the retained earnings in equity. The realization of this concept has been determined in the same proportion as the items from which it arises.

Merger reserve: Refers to the revaluation reserve of assets at fair value recorded from mergers in previous years, which amounts have not been realized.

Effect of translation in associates: Refers to the exchange rate difference generated by fluctuations in exchange rates on investments in associates and joint ventures, which maintain as a functional currency the Chilean peso.

Reserve of subsidiary: Reserve arising from the merger and variation in the interest of subsidiaries subject to capitalization if permitted by the accounting standards and law.

Effect of hedging reserve: Refers to the effective portion of transactions designated as cash flow hedges waiting for the recognition of the hedged item in profit or loss.

f. Retained earnings (accumulated losses)

As of September 30, 2023, and December 31, 2022, changes in reserves for retained earnings are detailed as follows:

Distributable retained earnings	09.30.2023 ThUS$	12.31.2022 ThUS$
Opening balance as of January 1	959,285	833,180
Profit or loss for the year	339,557	295,969
Effect of actuarial profit (loss)	1,883	(1,678)
Dividends	(58,768)	(198,226)
Realized retained earnings	21,625	30,040
Total distributable retained earnings	**1,263,582**	**959,285**

g. Capital management

Capital management falls under the financing and investing policies of the Company, which establish, among other matters, that investments shall have appropriate financing according to the project in conformity with the Financing Policy.

The Company will try to have sufficient liquidity in order to maintain an adequate financial position to meet its commitments and risks associated with its business. The cash surpluses of the Company will be invested in securities issued by financial institutions and marketable securities in accordance with the portfolio selection and diversification criteria determined by Management.

The control on investments will be performed by the Board, in charge of approving specific investments both the amount and financing of specific investments in conformity with the Company's by-laws and the decision made at the Shareholders' Meeting, if applicable.

The financing shall provide for the necessary funds to operate existing assets appropriately and to realize new investments in conformity with the Investing Policy mandate. For such purpose, the internal and external resources available will be used without compromising the Company's equity position or growth.

Accordingly, the indebtedness level shall not compromise the "investment grade" credit rating of the debt securities issued by Colbún in the international and domestic markets.

The Company will have different financing options, for which the following financing sources are preferred: bank borrowings both with international and local banks, long-term bond markets both in the international and local market, credits to supplier, retained earnings and capital increases.

As of September 30, 2023, and December 31, 2022, the indebtedness level detailed is as follows:

	09.30.2023 ThUS$	12.31.2022 ThUS$
Total liabilities	**3,494,832**	**3,653,097**
Total current liabilities	415,770	542,664
Total non-current liabilities	3,079,062	3,110,433
Total equity	**3,233,289**	**2,952,877**
Equity attributable to the Parent	3,111,574	2,817,580
Non-controlling interest	121,715	135,297
Indebtedness ratio	**1.08**	**1.24**

h. Earnings per share and net distributable profit

Earnings per share are calculated dividing the profit or loss attributable to the shareholders of the Parent by the weighted average of common shares outstanding during the reported years.

	09.30.2023	09.30.2022	12.31.2022
Profit (loss) attributable to shareholders of the Parent (ThUS$)	339,557	167,035	295,969
Profit (loss) available for common shareholders, basic (ThUS$)	339,557	167,035	295,969
Weighted average number of shares, basic (No. of shares)	17,536,167,720	17,536,167,720	17,536,167,720
Basic earnings per share (U.S. dollars per share)	**0.01936**	**0.00953**	**0.01688**

The Company has not performed any type of operation with a potential dilutive effect that could create a difference in the diluted earnings per share from the basic earnings per share during the reported period.

In conformity with Circular No.1,945 dated September 29, 2009, Colbún S.A. agreed to establish as general policy that the net distributable profit to be considered for the calculation of the Additional and Compulsory Minimum Dividend is established on the base effectively performed, eliminating those significant fluctuations in the fair value of unrealized assets and liabilities, which must be included in the calculation of net profit for the year in which such fluctuations occur.

Consequently, additions and deductions to net distributable profit for fluctuations in the fair value of unrealized assets and liabilities and recognized in "profit (loss) attributable to shareholders of the Company," relate to potential effects arising from the fluctuations in the fair value of the Company's derivative instruments at each period-end, net of the corresponding income tax.

The calculation of net distributable profit is detailed as follows:

Calculation of net profit for distribution (cash flows)	09.30.2023 ThUS$	09.30.2022 ThUS$	12.31.2022 ThUS$
Shareholders of the Parent	**339,557**	**167,035**	**295,969**
Cash flow for the year charged to prior years	-	-	-
Effect on unrealized finance income that generated no cash flows	-	-	-
Net cash flow for the year	-	-	-
Net distributable profit	**339,557**	**167,035**	**295,969**
Mandatory minimum dividend	**-**	**-**	**147,985**

30. Revenue

For the periods ended September 30, 2023, and 2022, this caption comprises the following:

	January - September		July - September	
	2023 ThUS$	2022 ThUS$	2023 ThUS$	2022 ThUS$
Regulated customer sales	386,820	338,950	134,699	123,151
Unregulated customer sales	863,537	729,622	260,471	248,988
Toll charges	5,104	6,081	1,369	1,483
Spot market sales	285,802	316,004	73,474	104,554
Other income	53,112	28,309	23,766	10,003
Total	**1,594,375**	**1,418,966**	**493,779**	**488,179**

31. Raw materials and consumable

For the periods ended September 30, 2023, and 2022, this caption comprises the following:

Inventories	January - September		July - September	
	2023 ThUS$	2022 ThUS$	2023 ThUS$	2022 ThUS$
Oil consumption (see Note 13)	(20,355)	(65,066)	(4,279)	(7,213)
Gas consumption (see Note 13)	(419,773)	(384,870)	(77,225)	(115,328)
Coal consumption (see Note 13)	(123,651)	(104,578)	(22,305)	(41,568)
Purchase of energy and capacity	(172,075)	(106,087)	(66,237)	(37,325)
Toll charges	(110,899)	(105,141)	(30,539)	(31,631)
Third-party work and supplies	(75,357)	(47,015)	(27,919)	(15,561)
Total	**(922,110)**	**(812,757)**	**(228,504)**	**(248,626)**

32. Employee benefits expenses

For the periods ended September 30, 2023, and 2022, this caption comprises the following (see note 3.1.m. and 3.1.o.):

	January - September		July - September	
	2023 ThUS$	2022 ThUS$	2023 ThUS$	2022 ThUS$
Salaries and wages	(52,457)	(45,286)	(17,440)	(13,950)
Short-term employee benefits	(5,271)	(4,367)	(1,801)	(1,377)
Severance indemnity payments	(6,386)	(8,032)	(2,023)	(2,891)
Other personnel expenses	(5,274)	(4,475)	(2,547)	(2,517)
Total	**(69,388)**	**(62,160)**	**(23,811)**	**(20,735)**

33. Depreciation and amortization expenses

For the periods ended September 30, 2023, and 2022, this caption comprises the following:

	January - September		July - September	
	2023 ThUS$	2022 ThUS$	2023 MUS$	2022 MUS$
Depreciation (see Note 18.b)	(137,692)	(149,227)	(45,634)	(49,774)
Depreciation right-of-use assets (see note 19.b)	(10,228)	(10,014)	(3,310)	(3,296)
Amortization of intangible assets (see Note 17.b)	(2,873)	(2,881)	(938)	(949)
Total	**(150,793)**	**(162,122)**	**(49,882)**	**(54,019)**

34. Total Financial income and financial cost

For the periods ended September 30, 2023, and 2022, this caption comprises the following:

Income (loss) from investments	January - September		July - September	
	2023 MUS$	2022 MUS$	2023 MUS$	2022 MUS$
Income on cash and other cash equivalents	49,444	14,143	17,627	7,389
Total financial income	**49,444**	**14,143**	**17,627**	**7,389**
Financial cost	**January - September**		**July - September**	
	2023 MUS$	**2022** MUS$	**2023** MUS$	**2022** MUS$
Expenses on bonds	(49,220)	(55,982)	(16,432)	(18,530)
Interest expense for lease liabilities (1)	(7,657)	(7,634)	(2,552)	(2,535)
Expense incurred for financial provisions	(9,285)	(8,591)	(3,360)	(2,830)
Borrowing costs	(9,220)	(466)	(3,319)	(175)
Income/expense on the valuation of net financial derivatives	-	(67)	-	-
Other expenses (bank expenses)	(453)	(501)	(227)	(268)
Capital financial expenses (see note 18.c.iii)	9,648	8,909	4,885	1,551
Total financial cost	**(66,187)**	**(64,332)**	**(21,005)**	**(22,787)**
Total financial income and financial costs	**(16,743)**	**(50,189)**	**(3,378)**	**(15,398)**

(1) Leases recognized under IFRS 16

35. Foreign currency translation and income (expense) from inflation-adjusted units

The items that originate the effects on income for the concepts of foreign currency translation and inflation-adjusted units are detailed below:

a. Foreign currency translation difference

Foreign currency translation difference	Currency	January - September		July - September	
		2023 ThUS$	2022 ThUS$	2023 ThUS$	2022 ThUS$
Cash and cash equivalents	Ch$	(5,855)	(10,404)	(9,199)	(5,160)
Cash and cash equivalents	PEN	1,655	239	(549)	(176)
Cash and cash equivalents	EUR	(372)	(296)	(644)	(255)
Other non-financial assets, current	Ch$	(306)	214	45	323
Other non-financial assets, current	EUR	3	(800)	10	(1,620)
Other non-financial assets, current	UF	(1)	(3)	(3)	-
Trade and other receivables	Ch$	(4,129)	(11,233)	(7,570)	(2,957)
Trade and other receivables	PEN	(913)	(667)	(1,767)	(372)
Trade and other receivables	EUR	(1)	-	-	-
Current tax assets	Ch$	656	962	570	632
Current tax assets	PEN	(1,210)	202	(85)	(129)
Other non-financial assets, non-current	Ch$	(10)	(118)	(27)	(93)
Other non-financial assets, non-current	PEN	-	(2)	-	(3)
Foreign currency translation difference - assets		**(10,483)**	**(21,906)**	**(19,219)**	**(9,810)**
Other financial liabilities, current	Ch$	(114)	1,531	3,136	1,271
Other financial liabilities, current	UF	-	(2,889)	-	-
Short-term lease liabilities	UF	(5)	99	303	20
Long-term lease liabilities	UF	934	-	2,554	-
Trade and other payables	Ch$	81	3,034	1,815	1,612
Trade and other payables	PEN	234	(12)	309	123
Trade and other payables	EUR	335	1,844	576	1,841
Trade and other payables	UF	(24)	23	(2)	(4)
Other non-financial liabilities	Ch$	(58)	20	46	18
Other non-financial liabilities	PEN	9	3	5	3
Provisions for employee benefits	Ch$	2,920	5,339	6,416	1,425
Provisions for employee benefits	PEN	28	(34)	70	35
Foreign currency translation difference - liabilities		**4,340**	**8,958**	**15,228**	**6,344**
Total foreign currency translation difference		**(6,143)**	**(12,948)**	**(3,991)**	**(3,466)**

36. Income (expense) from investments accounted for using the equity method

Income from investments accounted by equity method for the period ended September 30, 2023, and 2022, respectively, are presented in the following breakdown:

Net interest in affiliates' income	January - September		July - September	
	2023 ThUS$	2022 ThUS$	2023 ThUS$	2022 ThUS$
Electrogas S.A.	10,222	8,417	2,822	3,194
Total	**10,222**	**8,417**	**2,822**	**3,194**

37. Other gains (losses)

For the periods ended September 30, 2023, and 2022, this caption comprises the following:

Other gains	January - September 2023 ThUS$	January - September 2022 ThUS$	July - September 2023 ThUS$	July - September 2022 ThUS$
Sale of projects	-	396	-	(59)
Interest on sales associated with PEC [1]	3,328	-	3,328	-
Compensation received	15,061	-	8,261	-
Sale of shares Colbún Transmisión S.A. (Price adjustment)	116,463	-	-	-
Other income	4,884	5,966	1,473	3,251
Total other gains	**139,736**	**6,362**	**13,062**	**3,192**

Otros Gastos distintos de los de operación	January - September 2023 ThUS$	January - September 2022 ThUS$	July - September 2023 ThUS$	July - September 2022 ThUS$
Financial cost for sale of portfolio associated with PEC [2]	(4,696)	(8,371)	-	(4,730)
Bond prepayment costs [3]	-	(496)	-	-
Emissions of thermoelectric plants [4]	(8,717)	(15,111)	3,131	(3,736)
Donations and community contributions	(1,547)	(1,454)	(515)	(464)
Decommissing cost	(2,148)	(1,466)	(725)	(493)
Loss from derivative contracts	(5,244)	(9,343)	(1,472)	(4,529)
Litigation-related legal fees	(855)	(1,823)	(353)	(1,275)
Write-offs and fines	(236)	(64)	(7)	(39)
Derecognition of property, plant and equipment	(6,154)	(383)	(6,102)	(387)
Allowance for doubtful customers	3,741	(734)	5,108	(575)
Others	(32,273)	(17,895)	(8,045)	(5,446)
Total other losses	**(58,129)**	**(57,140)**	**(8,980)**	**(21,674)**
Total other gains (losses)	**81,607**	**(50,778)**	**4,082**	**(18,482)**

[1] Interest associated with the sale of accounts receivable generated by the energy price stabilization mechanism (PEC).

[2] Corresponds to Financial cost related with the sale of accounts receivables balances generated by the energy price stabilization mechanism ("PEC" in its Spanish acronym).

[3] Corresponds to the prepayment cost of Local Bonds Series F and I.

[4] Corresponds to the provision for tax expense that is levied on the emissions of thermoelectric plants (Law 20.780).

38. Guarantees with third parties and contingent assets and liabilities

a. Guarantees with third parties

a.1 Direct guarantees: As of September 30, 2023 and December 31, 2022, the company has delivered guarantee notes for ThUS$166,775 and ThUS$178,109 respectively.

Assets committed			Outstanding balance	
Type of guarantee	Currency	Carrying amount	09.30.2023 ThUS$	12.31.2022 ThUS$
Performance bond	Ch$	96,357,578,156	107,590	134,262
Performance bond	US$	25,116,618	25,117	26,260
Performance bond	UF	842,713	34,060	17,580
Guarantee check	UF	167	8	7
		Total	**166,775**	**178,109**

b. Third-party guarantees

b.1 Current guarantees denominated in U.S. dollars as of September 30, 2023

Deposited by	Relationship	Total ThUS$
Enercon Chile SpA	Suppliers	71,151
Hitachi Energy Chile SpA	Suppliers	2,158
ABB S.A	Suppliers	258
Voith Hydro S.A.	Suppliers	100
ABB Power Grids Brasil Ltda.	Suppliers	99
Rhona S.A.	Suppliers	29
Siemens Energy SpA	Suppliers	11
Idur Representaciones S.A.	Suppliers	2
	Total	**73,808**

b.2 Current guarantees denominated in Euros as of September 30, 2023

Deposited by	Relationship	Total ThUS$
Enercon Gmbh	Suppliers	14,760
Siemens Energy SpA	Suppliers	211
	Total	**14,971**

b.3 Current guarantees denominated in Chilean pesos as of September 30, 2023

Deposited by	Relationship	Total ThUS$
Servicios Logistricos Vizcal Limitada	Suppliers	65
Sodexo Chile SpA	Suppliers	52
Ingenieria Construcción y Mantención Industrial Aconcagua Ltda.	Suppliers	41
Transporte y seguridad Jaos Limitada	Suppliers	20
Target-Ts SpA	Suppliers	13
Sistemas electricos ingenieria y servicios S.A.	Suppliers	8
Hydrosimm SPA	Suppliers	6
Sanhueza Manriquez Maximo Emiliano	Suppliers	4
	Total	**209**

b.4 Current guarantees denominated in Inflation-adjusted units as of as of September 30, 2023

Deposited by	Relationship	Total ThUS$
Soc. de Inversiones Geoseismic LTDA.	Suppliers	22,957
Strabag SpA	Suppliers	17,183
Promet Servicios SpA	Suppliers	1,054
PPM Asset Project Management Ltda.	Suppliers	526
Serv. Industriales Ltda.	Suppliers	268
Algoritmos y Mediciones Ambientales SpA	Suppliers	203
Dekra Testing and Certification Ltda.	Suppliers	186
Climbers SpA	Suppliers	174
Jaime Illanez y asociados consultores S.A.	Suppliers	116
Sodexo Chile SpA	Suppliers	104
Envis SpA	Suppliers	103
Constructora Pesa Ltda.	Suppliers	99
Securitas S.A.	Suppliers	95
Gestion Ambiental Consultores S.A.	Suppliers	87
Ricoh Chile S.A.	Suppliers	81
Revergy SpA	Suppliers	81
Transporte Bretti Ltda.	Suppliers	80
Serv. Abreos Kipreos S.A.	Suppliers	75
Vigatec S.A.	Suppliers	72
Integración de Tecnologías ITQ Ltda.	Suppliers	69
ABB S.A	Suppliers	67
Ateme Consultores SpA	Suppliers	64
Universidad de Concepción	Suppliers	63
G8 Ingenieria Vertical SpA	Suppliers	61
WSP Ambiental S.A.	Suppliers	60
DPLGrout Construcciones SpA	Suppliers	58
Novis S.A.	Suppliers	54
Soc. Comercial San Cristobal Ltda.	Suppliers	52
Arkanosoft Chile SpA	Suppliers	46
J.E.J Ingenieria S.A.	Suppliers	44
Empresa Nacional de Telecomunicaciones S.A.	Suppliers	40
OHL Servicios Ingesan S.A. Agencia en Chile	Suppliers	36
Seidor Chile S.A.	Suppliers	36
Constructora Javag SpA	Suppliers	34
Soc. Administradora de Casinos y Servicios Aliservice S.A.	Suppliers	32
Bessertec SpA	Suppliers	31
ISS Facility Services S.A.	Suppliers	31
KSE SpA	Suppliers	27
Practica Consulting Ltda.	Suppliers	26
Barvolento Chile Ltda.	Suppliers	25
Red Nacional de Servicios Integrales SpA	Suppliers	21
IKA Mineria S.A	Suppliers	20
RL Maquinaria y Servicios S.A	Suppliers	20
Servicios Emca SpA	Suppliers	20
Marcelo Javier Urrea Caro Prestacion Servicios RRHH	Suppliers	19
MYA Chile Soluciones contra Incendio e Industriales Ltda.	Suppliers	16
Transportes Intrelec Ltda.	Suppliers	16
Voith Hydro S.A.	Suppliers	14
Soc. de Transportes Turismos e Invers.	Suppliers	14
TEKWATER SpA	Suppliers	13
Transportes José Carrasco Retamal EIRL	Suppliers	13
Serv. Eduardo Sebastián Velásquez Negrón EIRL	Suppliers	13
Contac Ingenieros Ltda.	Suppliers	12
Dimetales SpA	Suppliers	12
Siemens Energy SpA	Suppliers	11
Silob Laboratorio Puerto Montt Ltda.	Suppliers	10
Soc. Comercial y de Inversiones Conyser Ltda.	Suppliers	10
Siemens S.A.	Suppliers	10
IMA Automatizacion SpA	Suppliers	10
Baterias Turbular S.A.	Suppliers	10
Target-TS SpA	Suppliers	8
Victoria S.A.	Suppliers	5
Servicios GEA Ltda.	Suppliers	3
	Total	**44,800**

Fenix Power Perú S.A.

b.1 Current guarantees denominated in Peruvian soles as of September 30, 2023

Deposited by	Relationship	Total ThUS$
Electro Oriente S.A	Suppliers	1,924
Grupo BAX SAC	Suppliers	55
Arco Iris Maquiservicios EIRL	Suppliers	35
Golder Associates Perú S.A	Suppliers	29
Busser SAC	Suppliers	28
Advanced Services In Decotations SAC	Suppliers	1
	Total	**2,072**

b.2 Current guarantees denominated in U.S. dollars as of September 30, 2023

Deposited by	Relationship	Total ThUS$
Walsh Perú SA Ingenieros y Científicos Consultores	Suppliers	61
Puffer Peru SRL	Suppliers	36
Golder Associates Perú S.A	Suppliers	31
Inerco Consultoria Peru SAC	Suppliers	31
Tecnica y Proyecto SA Sucursal del Perú	Suppliers	22
JCI Ingenieria & Servicios Ambientales SAC	Suppliers	17
Hatch Asociados	Suppliers	9
	Total	**207**

c. Detail of litigation and others

Management believes that, on the basis of the information in its possession at the reporting date, the provisions recognized in the consolidated statement of financial position appropriately cover the litigation risks and other operations detailed in this note; accordingly, Management expects no additional liabilities arising from such litigation risks other than the liabilities recognized.

Considering the characteristics of the risks covering such provisions, it is impossible to determine a reasonable payment schedule, if applicable.

As of September 30, 2023, the detail of litigation in accordance with IAS 37 is as follows:

<u>Chile</u>

1.- The following charges were filed by the Superintendence of the Environment (SMA) against Santa María thermoelectric power plant as required by the Environment Court of Valdivia (TAV); (i) alleging existence of equipment other than the pieces of equipment authorized in the Environmental Qualification resolution (RCA) and (ii) for possibly not having registered with the Environmental Impact Evaluation System (SEI) oversizing of the thermal power plant chimney. Colbún duly substantiated and submitted its defense against the charges filed by the SMA and is currently waiting for the proceeding to continue.

Note that in the administrative proceeding conducted prior to the investigation by SMA against Santa María thermoelectric power plant, the regulating authority concluded that there was no background information to file such charges; however, when the TAV reviewed the administrative resolution conducted by the SMA, it ordered to file those two charges.

Simultaneously, both Colbún S.A. and the Chilean Superintendence of the Environment (SMA) filed appeals in cassation with the Supreme Court against the judgment of the TAV, which ordered such filing of charges and established a limit of 350 MW gross to the power plant's capacity.

On July 9, 2019, the Supreme Court (SC) received the appeals in cassation filed by the Superintendence of Environment (SMA) and Colbún against the sentence of the Environmental Court of Valdivia (TAV). The SC determined that the TAV incurred in an error of law when it required the SMA to file charges against Colbún for: (i) non-compliance with the SEIA; and (ii) non-compliance with RCA of the Santa María CT.

The SC revoked the power limitation of the power plant to 350 MW gross established by the TAV and accepted the cassation for the purpose of retroacting the sanctioning procedure against Colbún to the stage prior to the issuance of the closure resolution.

This sanctioning procedure concluded in favor of Colbún when the SMA, ordered filing both individualized complaints above in (i and ii) on September 4, 2019. However, the plaintiff filed an appeal with the Environment Court of Valdivia (TAV) against the resolution of the SMA ordering the filing of the complaints. The case has been alleged in the TAV and on March 31, 2020, the TAM rejected the case file, ordering the SMA to issue the corresponding resolution. The SMA filed a new appeal against this judgment on the Supreme Court, which was rejected as inadmissible.

It would correspond, according to the procedural rules, to comply with the ruling of the TAV and the SMA should formulate, during the next months, charges again in this procedure. This process is expected to end in acquittal, compliance plan or fine, according to law. The SMA decided to apply a fine for minor infraction of UTA 345, regarding this resolution of the SMA, Colbún filed a claim to the Environmental Court of Valdivia and the Plaintiffs filed an Appeal for Reversal to the same SMA, which was rejected. During the month of December 2022, the hearing and arguments of the case were carried out before the Environmental Court of Valdivia.

The Valdivia Environmental Court handed down a ruling, partially accepting Colbún's allegation in which it requests a reduction in the fine. The other party filed an appeal before the Supreme Court, which is pending resolution.

2. Patagüillas Tunnel Accident.

As a result of the accident of the “Pataguilla Tunnel” of the “Canal Las Mercedes” that occurred at the end of November 2020, and which carries water for HPP Carena and also irrigates agricultural properties in the communes of Maria Pinto and Curacaví, on September 6, 2021, Colbún S.A. was notified a claim for compensation for damages filed by Mr. César Véliz ch$ 1,135 million. The conciliation hearing was in the month of May 2022 without an agreement. Trial period started.

There is a second process related to the aforementioned accident corresponding to a claim for compensation for damages (without yet determining the amount claimed) entitled "Portuguez and others with Colbún" (115 people), before the 25th Civil Court of Santiago, which was preceded by a precautionary measure of production of documents rejected by the Court. To date, the discussion period has ended and the trial period will begin shortly.

39. Commitments

Commitments entered with financial institutions

As of the date of publication of the Interim Financial Statements, Colbún S.A does not maintain loans with financial entities or with bondholders that impose obligations to comply with financial indicators.

40. Environment

The Group's companies on which disbursements associated with environment have been made are: Colbún S.A. and Fénix Power Perú S.A.

Disbursements made for environmental expenses are mainly associated with facilities; accordingly, they will be recognized in profit or loss through depreciation in accordance with their useful life, except for the development of environmental impact statements and studies that correspond to environmental permits performed prior to the construction stage.

The main ongoing projects and a brief description of them are detailed as follows:

Horizonte Wind Project: The Horizon project is a wind farm located 130 km northeast of Taltal and 170 km southwest of Antofagasta, considering the displacement by Route 5. It considers a capacity of 816 MW, higher than previously reported (812 MW) which is made up of 140 machines of 5.83 MW each and an average annual generation of approximately 2,450 GWh. Consider the connection to the SEN in the future S/E Parinas located 19 km away.

The construction stage of the project began during November 2021 and has an advance of 63%.

Additionally, there are disbursements associated with 26 power generation plants in operation, including the Fenix plant (Chilca, Peru)

As of September 30, 2023, and 2022, the detail of the disbursements performed and to be performed in relation to environment regulations is the following:

Accrued expenses as of 09.30.2023

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS$	Actual or estimated dates when the disbursement was or will be made
Colbún S.A.	Central Angostura	Environmental Management of Power Plant	Expense	Cost	333	sept-23
Colbún S.A.	Central Candelaria	Environmental Management of Power Plant	Expense	Cost	178	sept-23
Colbún S.A.	Central Canutillar	Environmental Management of Power Plant	Expense	Cost	141	sept-23
Colbún S.A.	Central Los Pinos	Environmental Management of Power Plant	Expense	Cost	295	sept-23
Colbún S.A.	Central Nehuenco	Environmental Management of Power Plant	Expense	Cost	544	sept-23
Colbún S.A.	Central Quilleco	Environmental Management of Power Plant	Expense	Cost	58	sept-23
Colbún S.A.	Central Rucúe	Environmental Management of Power Plant	Expense	Cost	15	sept-23
Colbún S.A.	Central Santa María	Environmental Management of Power Plant	Expense	Cost	372	sept-23
Colbún S.A.	Complejo Angostura	Environmental Management of Power Plant	Expense	Cost	247	sept-23
Colbún S.A.	Complejo Colbún	Environmental Management of Power Plant	Expense	Cost	81	sept-23
Colbún S.A.	Gestión Ambiental Corporativa	Environmental Management of Parent	Expense	Expense	415	sept-23
Colbún S.A.	Central Carena	Environmental Management of Power Plant	Expense	Cost	16	sept-23
Colbún S.A.	Central Ovejería	Environmental Management of Power Plant	Expense	Cost	3	sept-23
Colbún S.A.	Diego de Almagro Sur	Environmental Management of Power Plant	Expense	Cost	31	sept-23
Colbún S.A.	Cental Machicura	Environmental Management of Power Plant	Expense	Cost	1	sept-23
				Total	**2,730**	

Future expenses as of 09.30.2023

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS$	Actual or estimated dates when the disbursement was or will be made
Colbún S.A.	Central Angostura	Environmental Management of Power Plant	Expense	Cost	100	dec-23
Colbún S.A.	Central Candelaria	Environmental Management of Power Plant	Expense	Cost	67	dec-23
Colbún S.A.	Central Canutillar	Environmental Management of Power Plant	Expense	Cost	1	oct-23
Colbún S.A.	Central Carena	Environmental Management of Power Plant	Expense	Cost	2	nov-23
Colbún S.A.	Central Los Pinos	Environmental Management of Power Plant	Expense	Cost	2	oct-23
Colbún S.A.	Central Nehuenco	Environmental Management of Power Plant	Expense	Cost	20	oct-23
Colbún S.A.	Central Quilleco	Environmental Management of Power Plant	Expense	Cost	24	dec-23
Colbún S.A.	Central Santa María	Environmental Management of Power Plant	Expense	Cost	6	oct-23
Colbún S.A.	Complejo Angostura	Environmental Management of Power Plant	Expense	Cost	1	oct-23
Colbún S.A.	Complejo Colbún	Environmental Management of Power Plant	Expense	Cost	6	oct-23
Colbún S.A.	Gestión Ambiental Corporativa	Environmental Management of Parent	Expense	Expense	8	dec-23
Colbún S.A.	Gestión Ambiental Corporativa	Environmental Management of Parent	Asset	Asset	42	dec-23
					279	

Accrued expenses as of 09.30.2022

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS$	Actual or estimated dates when the disbursement was or will be made
Colbún S.A.	Central Angostura	Environmental Management of Power Plant	Expense	Cost	111	sept-22
Colbún S.A.	Central Candelaria	Environmental Management of Power Plant	Expense	Cost	128	sept-22
Colbún S.A.	Central Candelaria	Environmental Management of Power Plant	Expense	Expense	14	sept-22
Colbún S.A.	Central Canutillar	Environmental Management of Power Plant	Expense	Cost	9	sept-22
Colbún S.A.	Central Los Pinos	Environmental Management of Power Plant	Expense	Cost	145	sept-22
Colbún S.A.	Central Nehuenco	Environmental Management of Power Plant	Expense	Cost	370	sept-22
Colbún S.A.	Central Quilleco	Environmental Management of Power Plant	Expense	Cost	63	sept-22
Colbún S.A.	Central Rucúe	Environmental Management of Power Plant	Expense	Cost	12	sept-22
Colbún S.A.	Central Santa María	Environmental Management of Power Plant	Expense	Cost	274	sept-22
Colbún S.A.	Complejo Angostura	Environmental Management of Power Plant	Expense	Cost	169	sept-22
Colbún S.A.	Complejo Colbún	Environmental Management of Power Plant	Expense	Cost	69	sept-22
Colbún S.A.	Gestión Ambiental Corporativa	Environmental Management of Parent	Expense	Cost	564	sept-22
Colbún S.A.	Central Carena	Environmental Management of Power Plant	Expense	Cost	5	sept-22
Colbún S.A.	Diego de Almagro Sur	Environmental Management of Power Plant	Expense	Cost	2	sept-22
				Total	**1,935**	

Future expenses as of 09.30.2022

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS$	Actual or estimated dates when the disbursement was or will be made
Colbún S.A.	Central Angostura	Environmental Management of Power Plant	Expense	Cost	190	dec-22
Colbún S.A.	Central Candelaria	Environmental Management of Power Plant	Expense	Cost	32	dec-22
Colbún S.A.	Central Candelaria	Environmental Management of Power Plant	Expense	Expense	13	dec-22
Colbún S.A.	Central Los Pinos	Environmental Management of Power Plant	Expense	Cost	36	oct-22
Colbún S.A.	Central Nehuenco	Environmental Management of Power Plant	Expense	Cost	67	oct-22
Colbún S.A.	Central Quilleco	Environmental Management of Power Plant	Expense	Cost	39	dec-22
Colbún S.A.	Central Rucúe	Environmental Management of Power Plant	Expense	Cost	7	dec-22
Colbún S.A.	Central Santa María	Environmental Management of Power Plant	Expense	Cost	113	apr-23
Colbún S.A.	Complejo Angostura	Environmental Management of Power Plant	Expense	Cost	15	oct-22
Colbún S.A.	Diego de Almagro Sur	Environmental Management of Power Plant	Expense	Cost	13	oct-22
Colbún S.A.	Gestión Ambiental Corporativa	Environmental Management of Power Plant	Expense	Cost	336	dec-22
				Total	**861**	

Disbursements in Peru

Accrued expenses as of 09.30.2023

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS$	Actual or estimated dates when the disbursement was or will be made
Fenix Power Perú S.A.	Central Chilca	Environmental Management of Power Plant	Expense	Cost	210	sept-23
				Total	**210**	

Future expenses as of 09.30.2023

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS$	Actual or estimated dates when the disbursement was or will be made
Fenix Power Perú S.A.	Central Chilca	Environmental Management of Power Plant	Expense	Cost	72	dec-23
				Total	**72**	

Accrued expenses as of 09.30.2022

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS$	Actual or estimated dates when the disbursement was or will be made
Fenix Power Perú S.A.	Central Chilca	Environmental Management of Power Plant	Expense	Cost	203	sept-22
				Total	**203**	

Future expenses as of 09.30.2022

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS$	Actual or estimated dates when the disbursement was or will be made
Fenix Power Perú S.A.	Central Chilca	Environmental Management of Power Plant	Expense	Cost	65	dec-22
				Total	**65**	

41. Events occurred after the date of the financial position

In a meeting held on October 31, 2023, the Company's Board of Directors approved the consolidated financial statements as of September 30, 2023, prepared in accordance with International Financial Reporting Standards (IFRS), issued by the IASB.

No other subsequent events have occurred between October 1, 2023, and the date of issuance of these Financial Statements.

42. Foreign currency

The detail of Assets and Liabilities in foreign currency with effect on the result for exchange difference is as follows:

Assets	Foreign currency	Currency	09.30.2023 ThUS$	12.31.2022 ThUS$
Total current assets				
Cash and cash equivalents	Ch$	US$	64,493	54,479
Cash and cash equivalents	EUR	US$	8,927	964
Cash and cash equivalents	PEN	US$	12,919	8,844
Other non-financial assets, current	Ch$	US$	3,593	3,619
Other non-financial assets, current	PEN	US$	735	-
Other non-financial assets, current	EUR	US$	36	65
Other non-financial assets, current	UF	US$	297	138
Trade and other receivables, current	Ch$	US$	65,140	115,074
Trade and other receivables, current	PEN	US$	54,542	39,264
Current tax assets	Ch$	US$	-	7
Current tax assets	PEN	US$	661	-
Total current assets			**211,343**	**222,454**
Other non-financial assets, non-current	Ch$	US$	21,030	22,586
Total non-current assets			**21,030**	**22,586**
Total assets			**232,373**	**245,040**

Liabilities	Foreign currency	Currency	09.30.2023 ThUS$	12.31.2023 ThUS$
Total current liabilities				
Lease liabilities, current	UF	US$	3,141	2,758
Trade and other payables	Ch$	US$	164,864	278,204
Trade and other payables	PEN	US$	8,115	6,279
Trade and other payables	EUR	US$	31,309	9,884
Other current provisions	Ch$	US$	33,067	46,717
Provisions for employee benefits, current	Ch$	US$	23,473	24,983
Provisions for employee benefits, current	PEN	US$	2,525	3,000
Other non-financial liabilities, current	Ch$	US$	9,307	23,701
Other non-financial liabilities, current	PEN	US$	4,279	7,435
Total current liabilites			**280,080**	**402,961**
Non-current liabilities				
Lease liabilities, non-current	UF	US$	21,661	18,202
Provisions for employee benefits, non-current	Ch$	US$	31,778	33,078
Other non-financial liabilities, non-current	Ch$	US$	6,026	6,108
Total non-current liabilities			**59,465**	**57,388**
Total liabilites			**339,545**	**460,349**

The detail of assets and liabilities in foreign currency does not include the investments accounted for using the equity method; accordingly, the differences arising from the exchange rate difference are recognized in equity as translation adjustment (see note 29, letter e).

43. Headcount (unaudited)

As of September, 2023, and December 31, 2022, this caption comprises the following:

	No. of employees					
	09.30.2023			12.31.2022		
	Chile	Peru	Total	Chile	Peru	Total
Managers and main executives	95	8	103	89	9	98
Professionals and technical staff	791	96	887	280	92	372
Other	220	23	221	687	22	709
Total	1,106	127	1,233	1,056	123	1,179
Average of the year	**1,081**	**125**	**1,206**	**1,047**	**120**	**1,167**

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