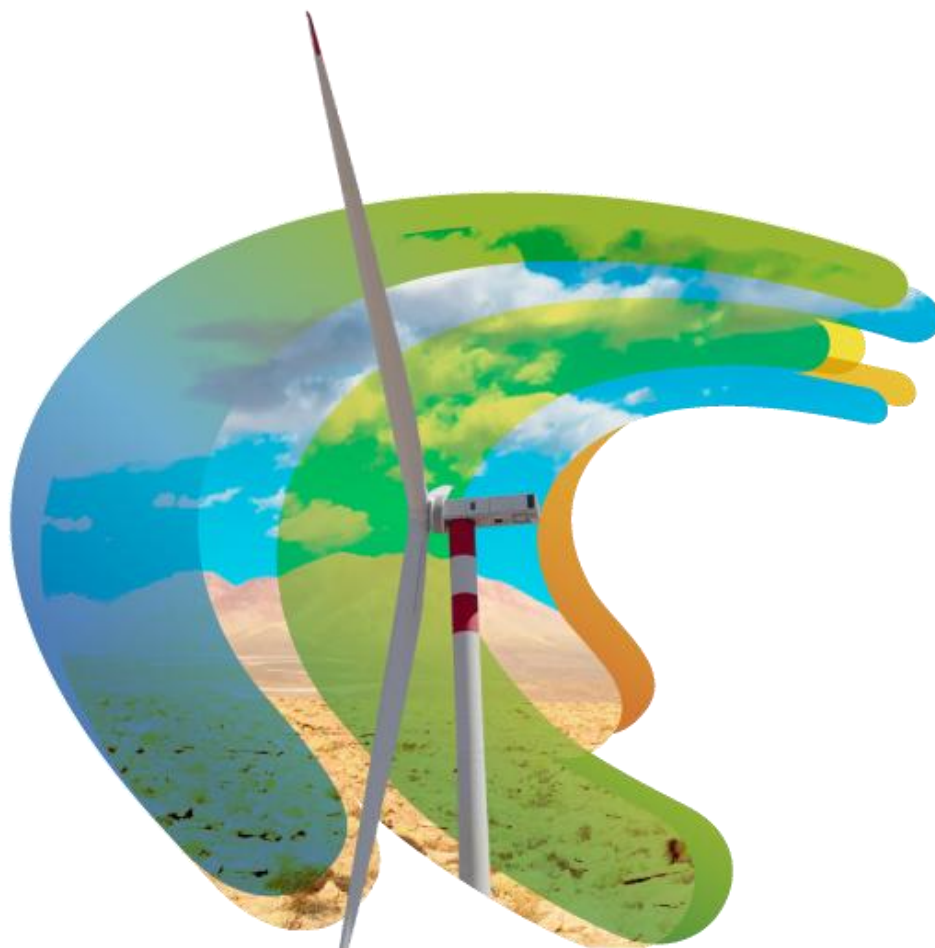


QUARTERLY EARNINGS REPORT

As of March 31, 2025



1st QUARTER 2025

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1Q25 Earnings Report

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Conference Call 1Q25 Results

Date: May 6th, 2025
Hour: 03:00 PM Eastern Time
03:00 PM Chilean Time

USA: +1 718 866 4614
Chile: +562 2840 1484
Event Link:
<https://mm.closir.com/slides?id=106945>

Investor Relations Team Contact:

Soledad Errázuriz V.
serrazuriz@colbun.cl
+ (56) 2 24604450

Isidora Zaldivar S.
izaldivar@colbun.cl
+ (56) 224604308

1. HIGHLIGHTS

Main figures at a consolidated level

- ◆ **Consolidated operating income** for the first quarter of 2025 (1Q25) totaled **US\$412.5 million**, increasing 8% compared to the operating income recorded in the first quarter of 2024 (1Q24). This growth was mainly driven by higher sales to contracted clients in both countries. In Chile, this was primarily due to the incorporation of contracts from the recently acquired ILAP company, and in Peru, mainly due to the entry into force of contracts with Electro Oriente and Distriluz. This effect was partially offset by lower spot market sales in both countries, associated with lower generation levels in Chile during the period.
- ◆ Consolidated **EBITDA** for 1Q25 reached **US\$178.5 million**, increasing 21% compared to the US\$147.5 million EBITDA recorded in 1Q24, mainly due to (1) the higher operating income previously mentioned and (2) lower raw material and consumables used costs in Chile, primarily associated with (i) a lower coal consumption cost resulting from lower coal-based generation, and (ii) lower gas costs due to a lower average purchase price, despite an increase in gas-fired generation compared to 1Q24.
- ◆ **Non-operating income** for 1Q25 recorded a loss of **US\$16.1 million**, in line with the loss of US\$16.6 million recorded in 1Q24.
- ◆ In 1Q25, an income **tax expense** of **US\$23.3 million** was recorded, compared to a tax expense of US\$21.1 million in 1Q24. This increase was mainly due to the higher pre-tax profit recorded during the period. This effect was partially offset by the appreciation of the Peruvian Sol exchange rate during 1Q25 and its impact on deferred taxes.
- ◆ The Company reported a **profit** of **US\$82.4 million** in 1Q25, compared to a profit of US\$58.8 million in 1Q24, mainly due to the higher operating result recorded during the period mentioned above.

Highlights of the quarter

COMMERCIAL STRATEGY:

- During 1Q25, power purchase agreements (PPAs) were signed in Chile for 139 GWh per year. Among the main contracts signed, the renewable PPA with SMU stands out, totaling 60 GWh per year for 4 years starting in March 2025. In Peru, supply contracts were awarded for 23 MW per year. The most significant award was the 5-year renewal of the contract with the mining client Operadores Concentrados Peruanos (15 MW).

PROJECTS PROGRESS:

- During 1Q25, the Company's main advances in renewable energy and storage projects were:

In Chile:

- BESS Celda Solar: The project progress is 13%, mainly related to the construction of battery foundations, civil works at the Chaca and Roncacho substations, and at the respective transmission line.
- Horizonte: The project progress is 99%. We are in the final stage of the testing process to begin commercial operation.

In Peru:

- Bayóvar Wind Project: The Environmental Impact Study of the project was approved in 1Q25 by SENACE.

OPERATION OF OUR POWER PLANTS:

- During 1Q25, some of our main power plants carried out major maintenance activities to ensure their proper operation and efficiency:

- Santa María Thermal Power Plant: from December 3, 2024, to February 20, 2025
- Angostura Hydroelectric Power Plant: from March 24 to April 16, 2025
- Los Quilos Hydroelectric Power Plant: from March 31 to April 17, 2025
- Machicura Hydroelectric Power Plant: from February 24 to March 28, 2025
- Quilleco Hydroelectric Power Plant: from March 15 to March 20, 2025
- Rucue Hydroelectric power Plant: from February 4 to March 1, 2025

- According to the information provided to the National Electric Coordinator, since March 23, Santa María Thermal Power Plant has been out of service due to a loss of lubrication in the steam turbine, which caused the turbine shaft to seize. This occurred after both circuits of the Santa María–Charrúa transmission line were disconnected due to wildfires. Based on the information available to date, it is estimated that repairing the damaged equipment will take at least two months from the date of the incident. It is worth noting that the Company has insurance coverage for this type of events.

SYSTEM OPERATION:

On February 25, 2025, Chile experienced a massive blackout that affected 14 of the country's 16 regions, leaving 100% of the National Electric System (SEN) without power. The outage was caused by a failure in the 500 kV transmission line between Vallenar and Coquimbo, owned by ISA Interchile, which led to the separation of the National Electric System into two unstable electrical islands. Currently, the Superintendence of Electricity and Fuels (SEC) is conducting the corresponding investigations in accordance with current regulations, following the submission of the respective Fault Analysis Study report by the National Electric Coordinator (CEN).

Subsequent Events of the Quarter

PEC:

● On April 2, the second and final sale of DDP ("Documentos de pago" as its Spanish acronym) related to the price stabilization mechanism, under the PEC III Law, was completed for a total amount of US\$41 million. It is worth noting that this transaction will not have any material effect on the Company's results.

DIVIDENDS:

● On April 23, the Ordinary Shareholders' Meeting approved the distribution of a final dividend of US\$26.5 million, which, added to the US\$99.7 million paid on December 13, 2024, amounts to a total of US\$126.2 million. This represents 50% of the distributable net income for the year 2024, in accordance with the Company's dividend policy.

POWER PURCHASE AGREEMENTS:

● On April 8, Colbun signed a power purchase agreement with Atlas Renewable Energy for a battery storage project with an installed capacity of 230 MW and a daily storage capacity of 920 MWh per day. The project will be located in the commune of María Elena, and the agreement will be in effect for 15 years, starting in 2027.

PROJECTS DEVELOPMENT:

● BESS Diego de Almagro Sur: This project involves a storage system with 228 MW of capacity, equivalent to 912 MWh of generation. In April, the investment decision was made, with an approved amount of US\$205 million. For this project, the Company signed a battery supply agreement with the manufacturer Canadian Solar.

MERGERS AND ACQUISITIONS:

● As reported by the Company on April 29, 2025, through a Regulatory Filing to the Comisión for the Financial Market, its subsidiary Colbún Perú S.A. has signed a purchase agreement to acquire 41.379% of the ownership of Fenix Power Perú S.A., thereby reaching 100% ownership.

2. PHYSICAL SALES AND GENERATION BALANCE

2.1. Physical sales and generation balance in Chile

Table 1 shows a comparison between physical energy and capacity sales, and generation in 1Q24 and 1Q25.

Table 1: Physical sales and generation in Chile

Sales	Quarterly Figures		Var %
	1Q25	1Q24	Q/Q
Total Physical Sales (GWh)	2,786	3,131	(11)%
Regulated Clients	401	245	64%
Unregulated Clients	2,385	2,348	2%
Sales to the Spot Market	0	539	-
Capacity Sales (MW)	1,517	1,258	21%

Generation	Quarterly Figures		Var %
	1Q25	1Q24	Q/Q
Total Generation (GWh)	2,627	3,224	(19)%
Hydraulic	1,088	1,624	(33)%
Thermal	1,087	1,398	(22)%
Gas	942	832	13%
Diesel	6	2	284%
Coal	138	565	(76)%
VRE	452	202	-
Wind*	293	21	-
Solar	159	181	(13)%
Spot Market Purchases (GWh)	205	0	-
Sales - Purchases to the Spot Market (GWh)	(205)	539	-

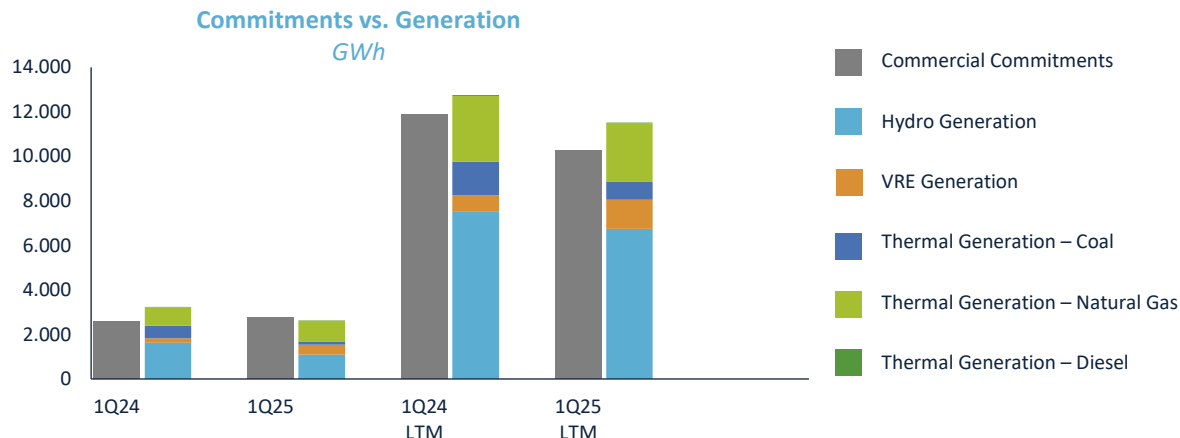
(*): Includes energy purchased from Punta Palmeras wind farm.

VRE: Variable renewable energies.

● **Physical sales** during 1Q25 reached **2,786 GWh**, decreasing 11% compared to 1Q24. This difference is primarily explained by lower physical sales to the spot market, due to the lower quarter's generation. This effect was partially offset by higher physical sales to regulated clients, mainly driven by the incorporation of contracts from the recently acquired companies Norvind and San Juan.

● On the other hand, **Colbun's generation** during the quarter reached **2,627 GWh**, decreasing 19% compared to 1Q24, mainly due to (1) lower hydroelectric generation (-536 GWh), primarily explained by less favorable hydrological conditions compared to 1Q24, and (2) lower coal-fired generation (-427 GWh), mainly due to the lower economic dispatch during the quarter and lower availability resulting from the plant's major maintenance carried out during the period. These effects were partially offset by (1) higher wind generation (+273 GWh) driven by the energy dispatch from Horizonte, San Juan, and Totoral power plants, and (2) higher gas-fired generation (+111 GWh), mainly due to greater availability during the period, as Nehuenco U2 was out of service during 1Q24 following a fire incident in 3Q23.

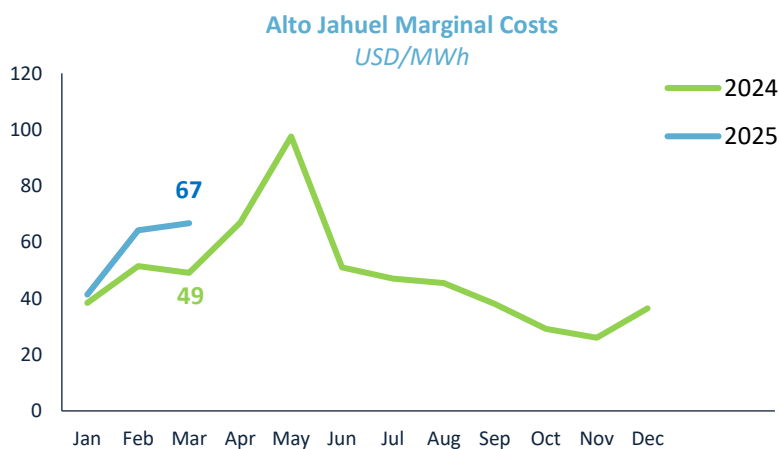
● The **spot market balance** during the quarter recorded net purchases of **205 GWh**, compared to net sales of 539 GWh recorded in 1Q24. This variation is mainly explained by the lower generation during the period and the higher sales to under contract clients previously mentioned.



● **Generation mix in Chile:** In 1Q25, the SEN's generation reached 21,543 GWh, decreasing 1% compared to 1Q24, mainly due to lower hydroelectric generation (-842 GWh). This effect was partially offset by higher solar generation (+684 GWh). The hydrological year (Apr24–Mar25) showed precipitation deficits compared to an average year across the main SEN basins: Aconcagua: -6.9%; Maule: -32.1%; Laja: -1.0%; Biobío: -4.5%; and Chapo: -15.0%. Marginal costs recorded an increase of approximately 21%, averaging 55.5 USD/MWh at the main nodes in 1Q25, compared to 46.0 USD/MWh recorded in 1Q24.

Table 2: SEN Generation

SEN Generation	Quarterly Figures		Var % Q/Q
	1Q25	1Q24	
Total Generation (GWh)	21,543	21,678	(1%)
Hydraulic	5,250	6,092	(14%)
Gas	3,500	3,380	4%
Diesel	104	48	115%
Coal	3,185	3,530	(10%)
Wind	3,185	2,479	28%
Solar	6,007	5,323	13%
Others	591	825	(28%)



2.2. Physical sales and generation balance in Peru

Table 3 shows a comparison between physical energy and capacity sales and generation in 1Q24 and 1Q25.

Table 3: Physical sales and generation in Peru

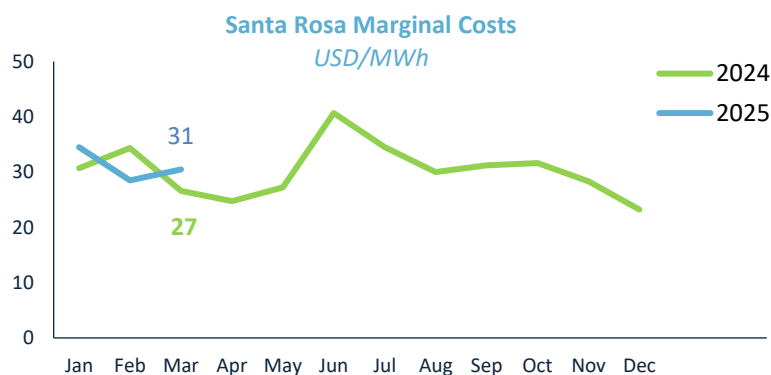
Sales	Quarterly Figures		Var %
	1Q25	1Q24	Q Q
Total Physical Sales (GWh)	836	817	2%
Regulated Clients	385	298	29%
Unregulated Clients	420	281	50%
Sales to the Spot Market	31	239	(87%)
Capacity Sales (MW)	566	571	(1%)
Generation	Quarterly Figures		Var %
	1Q25	1Q24	Q Q
Total Generation (GWh)	829	771	7%
Gas	829	771	7%
Spot Market Purchases (GWh)	31	66	(53%)
Sales - Purchases to the Spot Market (GWh)	0	173	-

◆ **Physical sales** during 1Q25 reached **836 GWh**, increasing 2% compared to 1Q24, mainly due to (1) higher sales to unregulated clients driven by the entry into force of a contract with Distruz for approximately 200 GWh/year and the start of a contract with Volcan in February 2024, and (2) higher sales to regulated clients following the entry into force of a contract with Electro Oriente for approximately 450 GWh/year. These effects were partially offset by lower sales to the spot market.

◆ On the other hand, Fenix's **generation** reached **829 GWh**, increasing 7% compared to 1Q24, mainly due to higher availability of the power plant as a result of the maintenance carried out during the first quarter of the previous year.

◆ **The spot market balance** did not record any net sales, compared to net sales of 173 GWh during 1Q24, mainly due to higher sales to under contract clients following the entry into force of the agreements mentioned earlier.

◆ **Generation mix in Peru:** The Mantaro River basin, which supplies the main hydroelectric complex in Peru —Mantaro and Restitución (900 MW) — showed a hydrological condition with an exceedance probability of 7% as of March 2025, compared to 10% as of March 2024. In cumulative terms, hydroelectric generation in the National Interconnected Electric System (SEIN) increased 2.5% compared to March 2024, mainly due to improved hydrological conditions. Meanwhile, the thermoelectric generation remained in line compared to the previous period. The growth rate of electricity demand at the end of 1Q25 was 2.2% compared to 1Q24, driven by an increase in the mining sector demand.



3. INCOME STATEMENT ANALYSIS

Table 4 presents a summary of the Consolidated Income Statement (Chile and Peru) in 1Q24 and 1Q25.

Table 4: Income Statement (US\$ million)

	Quarterly Figures		Var % Q/Q
	1Q25	1Q24	
OPERATING INCOME	412.5	382.0	8%
Regulated Customer's Sales	80.5	49.8	62%
Unregulated Customer's Sales	281.6	243.4	16%
Energy and Capacity Sales	35.4	73.1	(52)%
Other Operating Income	14.9	15.7	(5)%
RAW MATERIALS AND CONSUMABLES USED	(191.3)	(196.4)	(3)%
Transmission Tolls	(48.5)	(34.2)	42%
Energy and Capacity Purchases	(22.1)	(10.8)	105%
Gas Consumption	(83.2)	(94.0)	(11)%
Diesel Consumption	(1.8)	(1.0)	87%
Coal Consumption	(11.2)	(33.5)	(67)%
Other Operating Expenses	(24.5)	(23.0)	6%
GROSS PROFIT	221.2	185.6	19%
Personnel Expenses	(25.0)	(21.3)	18%
Other Expenses, by Nature	(17.6)	(16.9)	4%
Depreciation and Amortization Expenses	(56.7)	(50.9)	11%
OPERATING INCOME (LOSS) (*)	121.8	96.5	26%
EBITDA	178.5	147.5	21%
Financial Income	8.9	15.3	(42)%
Financial Expenses	(18.4)	(18.4)	(0)%
Exchange rate Differences	2.9	0.6	-
Profit (Loss) of Companies Accounted for Using the Equity Method	3.3	3.0	9%
Other Profit (Loss)	(12.9)	(17.1)	(25)%
NON-OPERATING INCOME	(16.1)	(16.6)	(3)%
PRE-TAX PROFIT (LOSS)	105.6	79.9	32%
Income Tax Expense	(23.3)	(21.1)	10%
AFTER TAX PROFIT (LOSS)	82.4	58.8	40%
PROFIT (LOSS) OF CONTROLLER	78.8	58.6	34%
PROFIT (LOSS) ATTRIBUTABLE TO MINORITY INTEREST	3.6	0.2	-

(*): The subtotal shown in "OPERATING INCOME" presented herein, differs from the "Profit (loss) from operating activities" line presented in the Financial Statements. This is explained by a change in taxonomy dictated by the CMF (Financial Market Commission), by means of which the concept of "Other Profit (loss)", which in the case of Colbun are only non-operating items, was incorporated as an operating item in the Financial Statements.

Table 5: Closing Exchange Rates

Exchange Rates	Mar-25	Dec-24	Mar-24
Chile (CLP / US\$)	953,07	996,46	981,71
Chile UF (CLP/UF)	38.894,11	38.416,69	37.093,52
Peru (PEN / US\$)	3,68	3,77	3,72

3.1. Chile's Operating Income Analysis

Table 6 presents a summary of Operating Income and EBITDA in 1Q24 and 1Q25. Subsequently, the major accounts and/or variations will be analyzed.

Table 6: EBITDA Chile (US\$ million)

	Quarterly Figures		Var %
	1Q25	1Q24	Q Q
OPERATING INCOME	356.1	331.1	8%
Regulated Customers Sales	52.1	26.1	100%
Unregulated Customers Sales	258.6	228.2	13%
Energy and Capacity Sales	34.8	64.5	(46%)
Other Operating Income	10.6	12.3	(14%)
RAW MATERIALS AND CONSUMABLES USED	(161.9)	(167.9)	(4%)
Transmission Tolls	(47.5)	(32.8)	45%
Energy and Capacity Purchases	(20.0)	(9.4)	111%
Gas Consumption	(59.7)	(71.0)	(16%)
Diesel Consumption	(1.8)	(0.9)	92%
Coal Consumption	(11.2)	(33.5)	(67%)
Other Operating Expenses	(21.8)	(20.2)	8%
GROSS PROFIT	194.2	163.2	19%
Personnel Expenses	(22.2)	(18.8)	18%
Other Expenses, by Nature	(15.6)	(14.8)	5%
Depreciation and Amortization Expenses	(47.8)	(42.1)	14%
OPERATING INCOME (LOSS) (*)	108.6	87.5	24%
EBITDA	156.4	129.6	21%

(*): The subtotal shown in "OPERATING INCOME" presented herein, differs from the "Profit (loss) from operating activities" line presented in the Financial Statements. This is explained by a change in taxonomy dictated by the CMF (Financial Market Commission), by means of which the concept of "Other Profit (loss)," which in the case of Colbun are only non-operating items, was incorporated as an operating item in the Financial Statements.

● **Operating income** for 1Q25 amounted to **US\$356.1 million**, increasing 8% compared to the US\$331.1 million income recorded in 1Q24, mainly due to (1) higher sales to unregulated clients, driven by a higher average sale price resulting from the contracts indexation and greater pass-through of transmission-related costs incorporated into clients' invoices, and (2) higher sales to regulated clients, mainly associated with the incorporation of the ILAP contracts. These effects were partially offset by lower energy and capacity sales to the spot market due to the lower generation recorded during the period.

● **Raw materials and consumables used costs** in 1Q25 totaled **US\$161.9 million**, decreasing 4% compared to 1Q24, mainly due to (1) lower coal consumption costs associated with a lower generation from this fuel, and (2) lower gas consumption costs resulting from a lower average purchase price, despite a higher gas-fired generation compared to 1Q24. These effects were partially offset by (1) higher transmission toll costs due to tariff adjustments implemented during the period, and (2) higher energy and capacity purchases made during the quarter.

● **EBITDA** for 1Q25 reached **US\$156.6 million**, increasing 21% compared to the US\$129.6 million EBITDA recorded in 1Q24, mainly due to the higher operating income and the lower raw materials and consumables used costs previously mentioned.

3.2. Peru's Operating Income Analysis

Table 7 shows a summary of Operating Income and EBITDA in Peru for the quarters 1Q24 and 1Q25. Subsequently, the main accounts and/or variations will be analyzed.

Table 7: EBITDA Peru (US\$ million)

	Quarterly Figures		Var %
	1Q25	1Q24	Q/Q
OPERATING INCOME	56.4	50.9	11%
Regulated Customers Sales	28.5	23.8	20%
Unregulated Customers Sales	23.0	15.2	52%
Energy and Capacity Sales	0.5	8.6	(94)%
Other Operating Income	4.3	3.4	28%
RAW MATERIALS AND CONSUMABLES USED	(29.4)	(28.5)	3%
Transmission Tolls	(1.0)	(1.3)	(24)%
Energy and Capacity Purchases	(2.2)	(1.3)	62%
Gas Consumption	(23.6)	(23.0)	2%
Diesel Consumption	0.0	(0.0)	0%
Other Operating Expenses	(2.6)	(2.8)	(8)%
GROSS PROFIT	27.0	22.3	21%
Personnel Expenses	(2.8)	(2.5)	15%
Other Expenses, by Nature	(2.3)	(2.3)	(1)%
Depreciation and Amortization Expenses	(8.9)	(8.8)	1%
OPERATING INCOME (LOSS) (*)	12.9	8.7	48%
EBITDA	21.9	17.6	24%

(*): The subtotal shown in "OPERATING INCOME" presented herein, differs from the "Profit (loss) from operating activities" line presented in the Financial Statements. This is explained by a change in taxonomy dictated by the CMF (Financial Market Commission), by means of which the concept of "Other Profit (loss)," which in the case of Colbun are only non-operating items, was incorporated as an operating item in the Financial Statements.

● **Operating income** in 1Q25 amounted to **US\$56.4 million**, increasing 11% compared to the operating income recorded in 1Q24, mainly due to (1) higher sales to unregulated clients, primarily associated with the entry into force of a contract with Distriluz under the unregulated client segment, and (2) higher sales to regulated clients, largely associated with the start of a contract with Electro Oriente; both agreements began in January 2025. These effects were partially offset by lower energy and capacity sales to the spot market, due to the higher under contract clients' sales previously mentioned.

● **Raw materials and consumables used costs** in 1Q25 amounted to **US\$29.4 million**, increasing 3% compared to 1Q24, mainly due to (1) higher energy and capacity purchases costs, driven by a higher average purchase price despite lower purchase volumes during the period, and (2) higher gas consumption associated with the increased generation recorded during the period.

● **EBITDA** amounted to **US\$21.9 million** in 1Q25, increasing 24% compared to the US\$17.6 million recorded in 1Q24, mainly due to the higher operating income previously mentioned.

3.3. Consolidated Non-Operating Results Analysis (Chile and Peru)

Table 8 shows a summary of the Consolidated Non-Operating Result (Chile and Peru) in 1Q24 and 1Q25. Subsequently, the main accounts and/or variations will be analyzed.

Table 8: Consolidated Non-Operating Result (US\$ million)

	Quarterly Figures		Var %
	1Q25	1Q24	Q Q
Financial Income	8.9	15.3	(42%)
Financial Expenses	(18.4)	(18.4)	(0%)
Exchange rate Differences	2.9	0.6	-
Profit (Loss) of Companies Accounted for Using the Equity Method	3.3	3.0	9%
Other Profit (Loss)	(12.9)	(17.1)	(25%)
NON-OPERATING INCOME	(16.1)	(16.6)	(3%)
PRE-TAX PROFIT (LOSS)	105.6	79.9	32%
Income Tax Expense	(23.3)	(21.1)	10%
AFTER TAX PROFIT (LOSS)	82.4	58.8	40%
PROFIT (LOSS) OF CONTROLLER	78.8	58.6	34%
PROFIT (LOSS) ATTRIBUTABLE TO MINORITY INTEREST	3.6	0.2	-

◆ **Non-operating income** for 1Q25 recorded a loss of **US\$16.1 million**, in line with the loss of US\$16.6 million recorded in 1Q24. A lower financial income was recorded, mainly associated with a lower investment rate on cash surpluses compared to rate levels in 1Q24. This effect was partially offset by lower "Other losses" recorded during the quarter.

◆ In 1Q25, an income **tax expense** of **US\$23.3 million** was recorded, compared to a tax expense of US\$21.1 million in 1Q24. This increase was mainly due to the higher pre-tax profit recorded during the period. This effect was partially offset by the appreciation of the Peruvian Sol exchange rate during 1Q25 and its impact on deferred taxes.

◆ The Company reported a **profit** of **US\$82.4 million** in 1Q25, compared to a profit of US\$58.8 million in 1Q24, mainly due to the higher operating result recorded during the period mentioned above.

4. CONSOLIDATED BALANCE SHEET ANALYSIS

Table 9 shows an analysis of the Balance Sheet's relevant accounts as of Mar-25 and Dec-24. Subsequently, the main variations will be analyzed.

Table 9: Consolidated Balance Sheet Main Accounts for Chile and Peru (US\$ million)

	mar-25	dic-24	Var
Current assets	1,283.7	1,200.1	83.6
Non-current assets	5,674.4	5,708.1	(33.7)
TOTAL ASSETS	6,958.1	6,908.2	49.9
Current liabilities	348.5	370.2	(21.6)
Non-current liabilities	3,298.1	3,307.6	(9.6)
Total net equity	3,311.5	3,230.4	81.1
TOTAL LIABILITIES AND NET EQUITY	6,958.1	6,908.2	49.9

◆ **Current Assets:** Reached **US\$1,283.7 million** as of Mar-25, increasing 7% compared to the current assets recorded at the end of Dec-24, mainly due to the higher level of trade accounts receivable, primarily as a result of the reclassification of PEC-related accounts from long-term to short-term, due to upcoming sales, and the higher sales recorded during the period.

◆ **Non-current Assets:** Recorded **US\$5,674.4 million** as of Mar-25, decreasing 1% compared to the non-current assets registered as of Dec-24, primarily due to lower non-current accounts receivable, as a result of the reclassification of PEC related accounts from long-term to short-term, due to upcoming sales.

◆ **Current Liabilities:** Totaled **US\$348.5 million** as of Mar-25, decreasing 6% compared to the current liabilities recorded as of Dec-24, primarily due to (1) a lower provision for employee benefits, and (2) lower short-term financial debt as a result of amortization and interest payments in Peru and Chile.

◆ **Non-current Liabilities:** Reached **US\$3,298.1 million** as of Mar-25, in line with the current liabilities recorded as of the Dec-24.

◆ **Total Net Equity:** The Company reached a Net Equity of **US\$3,311.5 million**, increasing 3% compared to the Net Equity recorded as of Dec-24, primarily due to the profits recorded during the period.

Table 10: Main Debt Items (US\$ million)

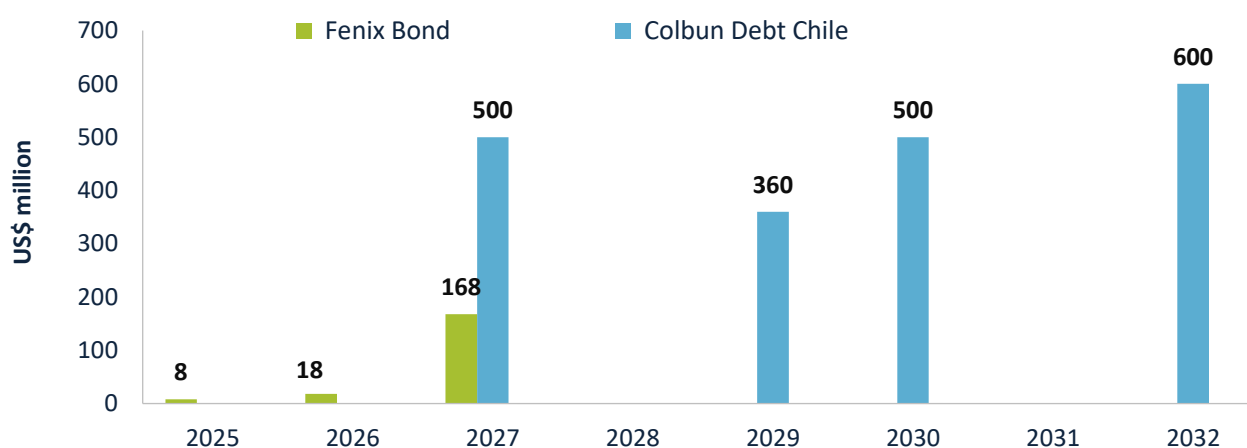
	Mar-25	Dec-24	Var
Gross Financial Debt*	2,284.6	2,298.1	(13.5)
Financial Investments**	768.3	775.1	(6.8)
Net Debt	1,516.3	1,523.0	(6.7)
EBITDA LTM	673.4	642.4	31.1
Net Debt/EBITDA LTM	2.3	2.4	(0.1)

(*) The amount includes debt associated to Fenix without recourse to Colbun: (1) an international bond with an outstanding capital of US\$194.0 million, (2) a financial leasing for US\$10.4 million associated with a transmission contract with Consorcio Transmataro, (3) a US\$84.1 million financial leasing associated with a gas distribution contract with Calidda, and (4) credit lines for US\$20.0 million.

(**) The account "Financial Investments" presented includes: (1) the amount associated to time deposits that, for having an investment term of more than 90 days, are recorded as "Other Current Financial Assets" in the Financial Statements.

Table 11: Long Term Financial Debt

Average Life	4.6 years
Average Rate	4.5%
Currency	100%USD



5. CONSOLIDATED FINANCIAL RATIOS

A comparative table of consolidated financial indicators as of Mar-25 and Dec-24 is presented below. Balance Sheet financial indicators are calculated at the specified date and Income Statement ratios include the accumulated result over the last twelve months as of the indicated date.

Table 12: Financial Ratios

Ratio	Mar-25	Dec-24	Var %
Current Liquidity: Current Assets in operation / Current Liabilities in operation	3.73	3.24	15%
Acid Test: (Current Assets - Inventory - Advanced Payments) / Current Liabilities in operation	3.48	2.98	17%
Debt Ratio: (Current Liabilities in Operation + Non-current Liabilities) / Total Net Equity	1.10	1.14	-3%
Short-term Debt (%): Current Liabilities in operation / (Current Liabilities in operation + Non-current Liabilities)	9.56%	10.06%	-5%
Long-term Debt (%): Non-current Liabilities in operation / (Current Liabilities in Operation + Non-current Liabilities)	90.44%	89.94%	1%
Financial Expenses Coverage: (Profit (Loss) Before Taxes + Financial Expenses) / Financial Expenses	6.27	5.90	6%
Equity Profitability (%): Profit (Loss) After Taxes, Continuing Activities / Average Net Equity	8.48%	7.96%	6%
Profitability of Assets (%): Profit (Loss) Controller / Total Average Assets	3.92%	3.65%	7%
Performance of Operating Assets (%): Operating Income / Property, Plant and Equipment, Net (Average)	8.51%	8.03%	6%

Income Statement ratios correspond to last 12 months values.

- Average Net Equity: Equity of the current quarter plus equity one year ago divided by two.
- Total Average Total Asset: Current total assets plus total assets one year ago divided by two.
- Average Operational Asset: Current total property, plants and equipment plus total property, plants and equipment one year ago divided by two.

- **Current Liquidity** and **Acid Test Ratio** reached **3.73x** and **3.48x** as of Mar-25, increasing 15% and 17% respectively compared to the values as of Dec-24, mainly due to (1) higher current assets, mainly due to the higher level of trade accounts receivable, primarily as a result of the reclassification of PEC-related accounts from long-term to short-term, due to upcoming sales, and the higher sales recorded during the period, and (2) lower current liabilities, primarily related to a decrease in employee benefit provisions and the amortization of debt and interest payments in Peru and Chile.
- **The Indebtedness Ratio** reached **1.10x** as of Mar-25, in line with the value of 1.14x as of Dec-24.
- The percentage of **Short-Term Debt** as of Mar-25 was **9.56%**, decreasing 5% compared to the value of 10.06% as of Dec-24, mainly due to the lower current liabilities previously mentioned.
- The percentage of **Long-Term Debt** as of Mar-25 was **90.44%**, increasing 1% compared to the value of 89.94% as of Dec-24, mainly due to the decrease in current liabilities previously mentioned.
- The **Financial Expenses Coverage** as of Mar-25 reached **6.27x**, increasing 6% compared to the value of 5.90x as of Dec-24. The variation is mainly explained by the higher profits recorded in the period.
- The **Equity Profitability** as of Mar-25 was **8.48%**, increasing 6% compared to the value of 7.96% recorded as of Dec-24. The variation is mainly explained by the higher profits recorded in the period.
- **Profitability of Assets** as of Mar-25 was **3.92%**, recording a 7% increase compared to the value of 3.65% as of Dec-24, essentially due to higher profits recorded during the period.
- The **Performance of Operating Assets** as of Mar-25 was **8.51%**, increasing 6% compared to the value of 8.03% as of Dec-24, primarily due to the higher earnings recorded during the period.

6. CONSOLIDATED CASH FLOW ANALYSIS

The Company's Cash Flow changes are shown in the following table.

Table 13: Cash Flow Summary for Chile and Peru (US\$ million)

	Quarterly Figures		Var %
	1Q25	1Q24	Q/Q
Cash Equivalents, Beg. of Period*	775.1	1,031.1	(25%)
Net cash flows provided by (used in) operating activities	85.0	74.7	14%
Net cash flows provided by (used in) financing activities	(43.5)	(47.6)	(9%)
Net cash flows provided by (used in) investing activities**	(54.2)	(46.6)	16%
Net Cash Flows for the Period	(12.7)	(19.5)	(35%)
Effects of exchange rate changes on cash and cash equivalents	5.9	(21.4)	-
Cash Equivalents, End of Period	768.3	990.2	(22%)

(*) The account "Cash and Cash Equivalents" presented includes the amount associated to time deposits that, for having an investment term of more than 90 days, are recorded as "Other Current Financial Assets" in the Financial Statements.

(**) Cash Flow from Investing" differs from the Financial Statements as it does not incorporate the amount associated with time deposits with maturity over 90 days and the investment in a fixed income portfolio.

During 1Q25, the Company reported a **negative net cash flow of US\$12.7 million**, which is compared to the negative net cash flow of US\$19.5 million in 1Q24.

● **Operating Activities:** During 1Q25, a positive cash flow of **US\$85.0 million** was generated, compared to the positive cash flow of US\$74.7 million in 1Q24, primarily explained by the higher operational margin recorded during the quarter, as a result of higher revenues from ordinary activities and lower costs of consumables used, previously mentioned.

● **Financing Activities:** Generated a negative cash flow of **US\$43.5 million** during 1Q25, which compares to the negative cash flow of US\$47.6 million in 1Q24, primarily explained by lower disbursements related to the payment of loans and interests, mainly due to lower amortization of the Fenix bond compared to 1Q24.

● **Investment Activities:** Generated a negative cash flow of **US\$54.2 million** during 1Q25, which is compared to a negative cash flow of US\$46.6 million in 1Q24, primarily explained by higher CAPEX disbursements, mostly related to the Celda Solar battery project.

7. ENVIRONMENT AND RISK ANALYSIS

Colbun S.A. is a power generation company with a production capacity of 5,023 MW. The Company operates in the National Electric System (SEN as its Spanish acronym) in Chile, where it represents approximately 13% of the market. It also operates in the National Interconnected Electric System (SEIN as its Spanish acronym) in Peru, where it holds approximately a 5% market share. Both figures are measured in terms of energy produced.

Installed Capacity (MW) as of March 31, 2025			
Type	Chile	Peru	Total
Solar	230	0	230
Wind*	1,055	0	1,055
Hydro	1,604	0	1,604
Renewable	2,889	0	2,889
Coal	350	0	350
Gas	1,104	572	1,676
Diesel	108	0	108
Thermal	1,562	572	2,134
Total	4,451	572	5,023

Type	Chile	Peru	Total
BESS	8	0	8

(*) Includes the Horizonte wind project, which is in the final stage of the testing process to begin commercial operation

7.1 Growth plan and long-term actions

The Company seeks growth opportunities in Chile, Peru, and other countries to maintain a relevant position in the power generation industry and to diversify its sources of income in terms of geography, hydrological conditions, generation technologies, fuel access, connection feasibility, and regulatory frameworks.

Colbun seeks to increase its installed capacity while maintaining a significant share of hydroelectric power, complemented by both efficient thermal generation and other renewable sources, in order to ensure a secure, competitive, and sustainable generation mix.

In Chile, Colbun has several potential projects currently at different stages of development, including wind, solar, battery, storage, and transmission projects.

Generation and Transmission Projects Under Development in Chile

Project Name	Installed Capacity (max)	Technology	Location	Status
Horizonte	816 MW	Wind	Región Antofagasta	Pending COD
BESS Celda Solar	912 MWh	Storage System	Región de Arica y Parinacota	Under Construction
BESS Diego de Almagro	1,000 MWh	Storage System	Región de Atacama	Approved investment (FID)
Celda Solar	422 MW	Photovoltaic	Región de Arica y Parinacota	Approved EIA
Inti Pacha	925 MW + 2,000 MWh	Photovoltaic + Storage System	Región de Antofagasta	Approved EIA

Jardín Solar	802 MW + 1,000 MWh	Photovoltaic + Storage System	Región de Tarapacá	Approved EIA
Central de Bombeo Paposo	800 MW	Storage	Región Antofagasta	Suspended
Cuatro Vientos	360 MW	Wind	Región de los Lagos	EIA under review
Encanto	250 MW + 1,040 MWh	Photovoltaic + Storage System	Región de O'Higgins	EIA under review
Junquillos	473 MW	Wind	Región del Biobío	EIA under review
Modificación Horizonte	180 MW	Wind	Región de Antofagasta	DIA under review
Nueva Subestación Seccionadora Don Eduardo (Ex Lullaillaco)	2x500 kV	Transmission	Región Antofagasta	DIA under review

◆ **Horizonte Wind Farm project (816 MW):** Horizonte is a wind farm located 130 km northeast of Taltal and 170 km southwest of Antofagasta, considering travel along Route 5. It has a planned capacity of 816 MW, consisting of 140 turbines of 5.83 MW each, with an average annual generation of approximately 2,450 GWh. The connection to the SEN will be made at the S/E Parinas, located 19 km away.

This project started in December 2017 with the award of a tender conducted by the Ministry of National Assets, for the development, construction, and operation of a wind farm by a 30-year Onerous Use Concession Agreement, in a state property of about 8 thousand hectares.

On September 13, 2021, the SEA issued the Environmental Qualification Resolution (Resolución de Calificación Ambiental or RCA) of the project. On September 21, during a meeting held in Taltal, the approval by the Board of Directors for the start of construction was announced. On November 8 of the same year, the beginning of the Construction Phase of the Project was declared before the Superintendence of the Environment.

The entry into operation of Transelec's Parinas substation took place in January 2024, with which, in accordance with plans, the testing and commissioning period of the first wind turbines beginning in May 2024.

As of 1Q25, the project reached 99% completion. We are in the final stage of the testing process to begin commercial operation.

◆ **BESS Celda Solar Project (912 MWh):** The project considers the installation of a 228 MW battery block with a 4-hour capacity at the Celda Solar photovoltaic project facilities. The energy generated will be injected into the Interconnected System through a 3.5 km long power transmission line, connecting to the new Roncacho substation, which is the same transmission system planned for the park.

The Environmental Impact Study for a photovoltaic project and a BESS, was entered into processing in 3Q22 and approved on January 31, 2024.

As of 1Q25, the project progress stands at 13.3%, mainly related to the construction of the battery foundations, civil works at the Chaca and Roncacho substations, and the corresponding transmission line.

◆ **BESS Diego de Almagro Project (912 MWh):** The Project would consider the installation of a battery park with a capacity of 912 MWh in the installation of the Diego de Almagro photovoltaic park. The evacuation of energy would be through the existing infrastructure of the photovoltaic park.

In 1Q24, the Environmental Evaluation Service ruled on the relevance of entering the Environmental Impact Assessment System (EIAS) of the Project "Implementation of the Diego de Almagro Sur 1 Photovoltaic Park Battery System", indicating that it is not forced to submit to the EIAS.

During 1Q25, the final investment decision was obtained, and the Company signed a battery supply agreement with the manufacturer Canadian Solar.

● **Celda Solar Photovoltaic Project (422 MW):** The project would involve the installation of a solar energy generation plant with a maximum installed capacity of 422 MW. This solar park is located approximately 76 km south of Arica, in the commune of Camarones in the Arica and Parinacota Region, would use a total area of approximately 960 hectares.

The energy generated would be injected into the Interconnected System through a 3.5 km electrical transmission line, connecting to the new Roncacho substation.

This project originates from the awarding in 3Q19 of 3 CUOs (Onerous Use Concessions) tendered by the Ministry of National Assets and has authorization from the National Electrical Coordinator for the connection of the project to the Roncacho substation since 1Q23.

The Environmental Impact Study for the photovoltaic project and BESS was submitted for processing in 3Q22 and was approved on January 31, 2024.

As of 1Q25, the investment opportunity is in a business case evaluation.

● **Photovoltaic Solar Project and BESS Inti Pacha I, II and III (925 MW + 2,000 MWh):** This solar project is located approximately 75 km east of Tocopilla, in the María Elena commune, Antofagasta Region. It would use a total area of 1,000 hectares.

The project would consider the installation of a solar energy generation park in three phases, and a total annual generation of approximately 2,000 GWh considering the three phases, which would be injected into the Interconnected System through an electric transmission line of approximately 3 km in length, connecting to the Crucero substation.

This project originates from the awarding of 3 CUOs ("Concesiones de Uso Oneroso" for its acronym in Spanish) tendered by the Ministry of National Assets.

The project obtained its Environmental Qualification Resolution (RCA as its Spanish acronym) in 4Q20 and includes the 3 CUOs.

The easement contract for the connection line to SE Crucero for Inti Pacha I and II was signed in 1Q23.

The National Electric Coordinator approved, in 1Q23, the Connection Authorization Request of the project to the Crucero Substation with a deadline to Declare in construction by April 2024. A request for a 2-year extension of the deadline to Declare under construction is currently being processed.

As of 1Q25, the investment opportunity is in a business case evaluation.

● **Photovoltaic Solar Project and BESS Jardín Solar (802 MW + 1,000 MWh):** The Project would consider the installation of a solar energy generation park that has an installed capacity of close to 802 MW to be built in 2 stages and an average annual generation of approximately 1,500 GWh. This solar park is located approximately 8 km southeast of the town of Pozo Almonte, in the commune of Pozo Almonte in the Tarapacá Region, and would use a total area of approximately 1,000 hectares.

The energy generated would be injected into the Interconnected System through an electric transmission line, which starts at the S/S associated with the park, and has an approximate extension of 3 km, connecting to the new Pozo Almonte substation located 2.5 km northeast of the intersection of the highway to La Tirana with the Pan-American Highway.

The project obtained its RCA in 3Q21.

As of 1Q25, the investment opportunity is in a business case evaluation.

● **Paposo Pumped Storage Project (800 MW):** Paposo Pumped Storage project would consist in the construction and operation of a power generation plant through a pumping plant with a maximum installed capacity of 800 MW, which would operate with desalinated water obtained from a reverse osmosis desalination plant that would be located approximately 5.2 km north of Paposo cove.

The Pumping Station would be composed of two reservoirs connected to each other by an adduction and impulsion pipe, where the water would be pumped from the lower reservoir located in the coastal area to the upper reservoir located in the coastal cliff. In this way, water would accumulate during the day, to later generate energy in the afternoon, night and

early morning, changing the direction of the water flow from the upper reservoir to the lower reservoir through the same pipe, taking advantage of a difference in level of about 1,500 meters between the reservoirs.

The power generated would be transmitted to a lifting substation located next to the power plant, raising its electrical voltage to be transmitted through the electrical transmission line to its injection point to the National Electric System (SEN as its Spanish acronyms) in the Parinas Substation (existing).

The project remained suspended during 1Q25, while options for a potential submission to the Environmental Impact Assessment System (SEIA) are being evaluated. In this context, campaigns were carried out to keep the project's environmental baseline data current, as well as to maintain ongoing community engagement in the area. Regarding the Maritime Concession associated with the project, it is worth noting that material delivery was achieved in January, enabling the project's maritime works. In terms of the project's electrical connection, access to the Jadresic Electrical Substation (ex Parinas) at 220 kV was secured.

◆ **Cuatro Vientos Wind Farm Project (360 MW):** It is located in Llanquihue, in the Los Lagos Region. It would contemplate the installation of 48 wind turbines of up to 7.5 MW of nominal capacity each, totaling a maximum installed capacity of 360 MW, with an annual energy generation of approximately 800 GWh per year and a capacity factor of 25%.

The Project's transmission system would consider the construction of the Cuatro Vientos 33/220 kV Lift Substation and a 15 km double-circuit Electric Transmission Line that will be connected to the existing Tineo Substation, located in the commune of Llanquihue.

The Environmental Impact Assessment (EIA) for this project was submitted for processing in 1Q24.

During 1Q25, work continued on the preparation of Addendum 1 to the EIA, based on observations from the SEA and public feedback. An extension request for the submission deadline was made, and the SEA approved the extension until July 31, 2025.

The indigenous consultation process, initiated by the SEA on October 22, 2024, involves 11 Indigenous Peoples Human Groups (GHPPI, as its Spanish acronym), and as of 1Q25, the SEA has signed a "Memorandum of Understanding" with 8 of these groups.

During 1Q25, a Geotechnical Campaign was launched to support the development of detailed engineering.

◆ **El Encanto Photovoltaic Solar and BESS Project (250 MW + 1,040 MWh):** The project would involve the installation of a solar energy generation park with an installed capacity close to 250 MW and an average annual generation of approximately 553 GWh. This solar park is located in the municipality of Marchigüe, in the O'Higgins Region, and would span a total area of approximately 478 hectares, with the BESS would use around 10 hectares.

The energy generated would be injected into the Interconnected System through an electrical transmission line, which starts at the substation associated with the park and has an approximate extension of 16.4 km, connecting to the existing Portezuelo substation.

During 4Q24, the project's EIA was submitted for environmental review, and subsequently, during 1Q25, ICSARA 1 was received, and the observations were reviewed in order to prepare the corresponding responses.

◆ **Junquillos Wind Farm Project (473 MW):** The Junquillos project is a wind farm located 15 km northwest of the city of Mulchén, in the commune of Mulchén in the Biobío Region. It would include the installation of a maximum of 63 wind turbines (up to 7.5 MW each), which would result in an installed capacity of up to 473 MW.

The power generated would be injected into the Interconnected System through a 12 km power transmission line to S/S Mulchén.

During 4Q22, the project's EIA was submitted to environmental processing and subsequently, during 4Q23, Addendum 1 was entered.

During 1Q25, work continued on the development of engineering and bidding documents for the project's works, the tender process for the wind turbines, and the negotiation of land and processing of the electrical concession for the transmission line. Additionally, the indigenous consultation process continued, and the preparation of Addendum 3 was initiated.

● **Horizonte Wind Farm Modification (180 MW):** The expansion would include the installation of up to 24 new wind turbines, with a maximum nominal capacity of 7.5 MW each, which would add up to an additional 180 MW to its generation capacity. This expansion would increase the installed capacity of the original park that is currently under construction by up to 20%, reaching 996 MW.

Construction is estimated to begin in the second half of 2025, taking advantage of the temporary infrastructure of the original park.

In 1Q24, the Horizonte wind farm expansion project was entered into the Environmental Impact Assessment System (EIAS).

As of 1Q25, the Complementary Addendum to the Environmental Impact Statement (EIS) was submitted to the SEIA, and work continued on the development of detailed engineering for the park's civil works.

● **New Don Eduardo Sectioning Substation Project (500 kV):** The "New Don Eduardo Sectioning Substation 500kV" project is a work that was part of the bidding process organized by the National Electric Coordinator, initiated through Exempt Decree No. 257 from the Ministry of Energy, dated December 13, 2022. This bidding process concluded with the awarding of the project to Colbun S.A. on November 8, 2023.

The project consists of the construction of a new sectioning substation, by sectioning the 2x500 kV Parinas – Cumbre line, with its respective line and yard sections at 500 kV. Additionally, the project considers the construction of links for the sectioning of the line at the Don Eduardo substation. The S/S will be located in the Province of Taltal, Antofagasta Region, 170 km south of Antofagasta.

The total term of the project is 36 months from the publication of the award decree, which has not happened yet, for this reason, the start of construction is estimated for the second quarter of 2025 and commissioning for the second quarter of 2027.

During 1Q25, progress continued the detailed engineering contracts and the procurement of main equipment. To take possession of the land designated for the future substation, sectioning points, and access roads, easement requests were submitted to the Ministry of National Assets, and, in parallel, an application for an Electrical Concession was submitted to the SEC (as its Spanish acronym). These processes are progressing as expected.

● **Other renewable energy projects from variable sources:** At the end of 1Q25, Colbun continues making progress in the pipeline of options for wind, solar and storage projects, which are in preliminary development stages. These projects are highly competitive, locations have been chosen with the best energy resources, they have high socio-environmental feasibility, have lower investment costs and are distributed throughout the country.

Generation projects under development in Peru

Projects Name	Installed Capacity	Technology	Location	Status
Bayóvar	660 MW	Wind	Piura Department	Approved EIA
Algarrobal	400 MW	Photovoltaic	Moquegua Department	EIA under review
Tres Quebradas	238 MW	Wind	Arequipa Department	EIA under review
Naylamp	238 MW	Wind	Lambayeque Department	EIA under development
Pampas	540 MW	Wind	Ica Department	Pre-EIA Permits

● **Bayóvar Wind Project (660 MW):** Bayóvar Project would involve a wind generation farm with a capacity of approximately 660 MW to be built in 2 phases. This wind farm is located 46 km southwest of Sechura city, in San Martín de Sechura community in Piura department and occupies a total area of approximately 8,800 hectares of private property.

The power generated would be injected into the Interconnected System through a transmission line which would start at the substation associated with the park and would have an approximate extension of 44 km, connecting at 500 kV to La Niña substation, located 11 km north of the PE-04 road junction to Bayóvar with Panamericana highway.

The project's Pre-operability Study of phase 1 was approved in 4Q23 by the SEIN's Economic Operation Committee (COES, as its Spanish acronym).

The project's Environmental Impact Study was approved by SENACE in 1Q25.

◆ **Algarrobal Photovoltaic Project (400 MW):** Algarrobal Project would consider a solar generation park that would have an installed capacity of approximately 400 MW and would be built in 2 phases. This solar park is located 60 km southwest of Moquegua city, in El Algarrobal and Moquegua districts, in Moquegua department, and uses approximately 760 hectares total area owned by the Peruvian State.

The power generated would be injected into the Interconnected System through a transmission line, which would begin at the substation associated with the project, and would have an approximate extension of 40 km, connecting at 220 kV to Montalvo substation, located 5 km to the northwest of Moquegua with the Panamericana highway intersection.

The project's Pre-Operability Study of phase 1 was approved in 1Q24 by the SEIN Economic Operation Committee (COES, as its Spanish acronym).

The project's Environmental Impact Study (EIA) was submitted for processing in 3Q24.

In 1Q25, the response to the EIA observations was submitted for review by the Ministry of Energy and Mines.

◆ **Tres Quebradas Wind Project (238 MW):** Tres Quebradas Project would involve a wind generation farm with a capacity of approximately 238 MW. This wind farm is located 23 km south of Acarí town, in Bella Unión district within Arequipa department, and would use approximately 3,600 hectares of property owned total area by the Peruvian State.

The energy generated would be injected into the Interconnected System through a transmission line, which would start at the substation associated with the park and has an approximate extension of 78 km, connecting at 220 kV to Poroma substation, located 13 km southwest of Poroma city.

The Environmental Impact Study for the project was submitted for processing in 1Q24 and is currently still under review.

◆ **Naylamp Wind Project (238 MW):** Naylamp Project would involve a wind generation park with an installed capacity of approximately 238 MW. This wind park is located 10 km southeast of Mórrope city, in San Pedro de Mórrope city in Lambayeque department, and would use a total area of approximately 3,950 hectares of private property.

The power generated would be injected into the Interconnected System through a transmission line, which would start at the substation associated with the park and would have an approximate extension of 2 km, connecting at 220 kV to the future Lambayeque Oeste substation, located 2 km southwest of the LA-661 road junction with Panamericana highway.

In 4Q23, the Terms of Reference, the Citizen Participation Plan for the Environmental Impact Study (EIA) of the project were approved by the Ministry of Energy and Mines, and the project's Pre-Operability Study was approved by the Economic Operation Committee of the SEIN (COES).

Currently, the EIA file is being prepared for submission for processing.

◆ **Pampas Wind Project (540 MW):** Pampas Project would consider the installation of a wind farm with an installed capacity of approximately 540 MW. This wind farm is located 80 km southwest of the city of Ica, in the district of Santiago in the department of Ica and uses a total area of approximately 10,000 hectares of state-owned land.

The energy generated would be injected into the Interconnected System through a transmission line, which starts at the substation associated with the park, and has an approximate extension of 38 km, connecting at 220 kV to the future Colectora substation, which was awarded in June 2024 by Proinversion.

In 1Q25, the Ministry of Energy and Mines approved the Terms of Reference and the Citizen Participation Plan for the project's Environmental Impact Study.

7.2 Risk Management

A. Risk Management Model

The Risk Management Model is designed to safeguard the principles of stability and sustainability of the Company by identifying and managing sources of uncertainty that could impact it. This model addresses both the strategic risks that threaten sustainability and those that could affect the organization's operations and future projects. In addition to protecting operational activities, it aims to maximize business opportunities and ensure compliance with regulatory and legal obligations.

The Company's activities are exposed to various risks, which have been classified into:

1. Electrical business risks
2. Project construction risks
3. Financial risks
4. Regulatory risks
5. Environmental risks
6. Social risks
7. Governance risks

This model is based on ISO 31000:2018 and has an appropriate governance framework and organizational structures for risk management, with clearly defined roles and responsibilities, fostering a culture of organizational awareness.

The Company also has a Risk Committee that meets every two months with the purpose of identifying, quantifying, monitoring, and communicating organizational risks. This committee is composed of the Chief Executive Officer, key executives, and the Chairman of the Board, with the Risk Manager acting as secretary. Additionally, other directors may participate as needed, and the Chief Executive Officer reports the main Risk Committee topics to the Board for discussion and analysis.

B. Risk Factors

◆ B.1. Electrical Business Risks

Through its commercial policy, the Company seeks to be a competitive, safe, and sustainable energy provider, committing volumes through contracts that maximize the long-term profitability of its asset base and reduce the volatility of its results. Nevertheless, these results present structural variability due to risks associated with exogenous conditions such as hydrology, the availability of solar and wind resources, fuel prices (oil, natural gas, and coal), as well as unscheduled maintenance events and asset failures.

To mitigate these risks, the Company aims to balance its generation sources over the long term while ensuring efficient costs. In addition, in the event of generation deficits or surpluses, the spot market is used, allowing energy to be bought or sold at marginal cost. Hydrological conditions are also monitored, and fuel inventories are managed to ensure operational continuity, minimize financial impacts, and guarantee contractual compliance.

The main risks include:

1. Hydrological risk
2. Fuel price risk
3. Fuel supply risk
4. Equipment failure and maintenance risk
5. Commercial risk
6. Project construction risk

7. Regulatory risk

B.1.1. Hydrological risk

Chile

The drought that has affected the country since the past decade has significantly reduced rainfall and river flows, particularly in the central and northern regions. Although some regions have experienced partial relief over the past two years, the phenomenon persists. Additionally, the country has faced extreme weather events, such as storms and floods, which have caused damage to various communities.

The 2024–2025 hydrological year ended in March 2025. In summary, it showed precipitation deficits compared to an average year across the main basins of the National Electric System (SEN), except for Laja, which recorded a slight surplus. Compared to the previous year, there were significant decreases in precipitation across the basins, mainly due to the abundance recorded the year before, except for the Aconcagua basin where the situation reversed. Similarly, inflow energy reflects an Exceedance Probability of 72%. Comparative precipitation tables are detailed below.

Precipitation Hydrological Year Apr24–Mar25 up to March 2025		
Basin/Zone	Surplus/Deficit vs. Average Year	Surplus/Deficit vs. Year 2024
Aconcagua	-29 mm (-7%)	+44 mm (+13%)
Maule	-513 mm (-23%)	-1.489 mm (-46%)
Laja	-20 mm (-1%)	-708 mm (-27%)
Bio Bío	-176 mm (-6%)	-763 mm (-21%)
Chapo	-593 mm (-16%)	-508 mm (-14%)

Peru

As of the first quarter of 2025, the SEIN (National Interconnected Electric System) recorded a hydrological condition with an Exceedance Probability of 7%, compared to 10% recorded in 2024.

During 1Q25, electricity demand increased by 2% compared to the same period in 2024, mainly due to higher mining sector demand. On the other hand, compared to the previous quarter, no increase in electricity demand was recorded during 4Q24.

The average marginal cost at Santa Rosa during 1Q25 reached US\$30.5/MWh, up from US\$27.7/MWh in 4Q24, mainly due to lower availability of hydroelectric plants and natural gas supply restrictions for the power generation market following the declaration of a State of Emergency.

B.1.2. Fuel price risk

Chile

In Chile, during periods of low water inflows to hydroelectric plants, Colbun must primarily rely on its thermal plants or purchase energy on the spot market at marginal cost. This situation creates a risk associated with fluctuations in international fuel prices. To mitigate the impact of significant and unforeseen changes in fuel prices, the Company implements hedging programs using various derivative instruments, such as options that allow fuel prices to be fixed at a pre-agreed value. Conversely, under favorable hydrological conditions, the Company may find itself in a surplus position in the spot market, where prices are partially influenced by fuel costs. In such a scenario, the Company would take a seller position, thus reducing its exposure to fluctuations in fuel prices.

Peru

In Peru, natural gas costs are less linked to international prices due to the substantial domestic supply of this resource, helping to limit exposure to this risk. As in Chile, the portion of costs subject to variations in international prices is mitigated through the use of indexation formulas in energy sales contracts. As a result, exposure to risks arising from fuel price fluctuations is partially mitigated.

B.1.3. Fuel supply risks

Gas Supply

Chile

Since 2018, the Company has maintained a contract with Enap Refinerías S.A. ("ERSA") that provides capacity for the operation of two combined-cycle units during most of the first half of each year, a period characterized by lower availability of water resources. Additionally, the contract allows access to additional volumes of natural gas through purchases on the spot market.

For 2025, the supply of Argentine Natural Gas will be managed through interruptible supply contracts, along with gas transportation agreements with Electrogas and Gasoducto Gas Andes.

Peru

In Peru, Fenix holds long-term Natural Gas supply contracts through 2029 with the ECL88 consortium (comprising Pluspetrol, Pluspetrol Camisea, Hunt, SK, Sonatrach, Tecpetrol, and Repsol), in addition to gas transportation agreements signed with TGP.

Coal Supply

Chile

In Chile, coal purchases for the Santa María thermal power plant are carried out through tender processes, the most recent of which took place in August 2023. These tenders invite major international suppliers, with supply awarded to well-established companies with both physical and financial backing. These actions are carried out within the framework of an advance purchasing policy and strategic inventory management, aimed at mitigating the risk of fuel supply shortages.

Peru

In Peru, there are no coal power plants.

B.1.4. Equipment failure and maintenance risks

The availability and reliability of the generating units are fundamental to the business. For this reason, Colbun has a policy of carrying out scheduled, preventive, and predictive maintenance on its equipment, in accordance with the technical recommendations of its manufacturers and suppliers and maintains a policy to cover such accidental events through all-risk insurance for its physical assets, including coverage for physical damage, machinery breakdown, and business interruption losses.

B.1.5. Commercial risks

In line with our vision of being a strategic partner for our clients, during the recent period we have continued to consolidate our position in the market by signing new electricity supply contracts, thereby strengthening our commercial portfolio. These agreements, primarily aimed at free clients, have been structured with a focus on providing continuous energy supply, mostly from renewable sources, under competitive conditions that add long-term value.

Additionally, we have steadily increased the injection of renewable energy into the national electric system, contributing to the achievement of both our own and our clients' sustainability goals. This strategy not only reinforces the reliability of

supply but also enables us to support our clients in their decarbonization efforts and in strengthening their positioning within an increasingly demanding regulatory and competitive environment.

Chile

During 2025, energy sale contracts were signed in Chile with 29 clients for a total of 139 GWh per year. Among the main contracts signed, the supply of renewable energy to Grupo SMU stands out, totaling 60 GWh per year for 4 years starting in March 2025.

The Company's results over the coming months will be mainly determined by its ability to achieve a balanced level between cost-efficient own generation and contracted volumes. Such efficient generation will depend on the reliable operation of our power plants, hydrological conditions, and the terms and volumes under which natural gas purchases are contracted.

Peru

During the first quarter of 2025, energy supply contracts were awarded in Peru with five clients, totaling 23.3 MW per year. The most significant award was the renewal of a five-year contract with our mining client, Operadores Concentrados Peruanos (15 MW).

B.1.6. Project Construction Risks

Companies in the sector face a very challenging electricity market, with significant participation and empowerment from various stakeholders, mainly neighboring communities and NGOs, who are legitimately demanding greater involvement and protagonism. Frequent modifications to the environmental regulatory framework, including new requirements and increased uncertainty, have made project development more complex, considering that environmental permitting processes and timelines have become more uncertain. This has led to an increase in project development costs, resulting in a slowdown in the construction of projects of significant size.

The development of new projects may be affected by factors such as:

1. Delays in obtaining permits
2. Changes to the regulatory framework
3. Legal proceedings
4. Increases in equipment or labor costs
5. Opposition from local and international stakeholders
6. Unforeseen geographical conditions
7. Natural disasters
8. Accidents or other unforeseen events
9. Logistic difficulties
10. Global economic uncertainty due to tariff policies

Colbun has a policy of excellently integrating social and environmental dimensions into the development of its projects. The Company has developed a social engagement model that enables it to work alongside neighboring communities and society at large, initiating a transparent citizen participation process and building trust from the early stages of project development and throughout the entire project lifecycle.

Accordingly, the Company's exposure to the aforementioned risks is managed through:

1. A commercial policy that considers the potential impacts of project delays.
2. "All Risks Construction" insurance policies that cover both physical damage and loss of profit due to delays in commissioning resulting from an incident, both with standard deductibles for this type of insurance.
3. Contingency allocations in construction time and cost estimates.
4. An early engagement policy with local communities and stakeholders.
5. Regular monitoring through different instances such as the Projects and Development Committees, with their recommendations and observations presented by the Chief Executive Officer during Board sessions.

6. Financial instruments such as hedging.
7. Internal policies and procedures for risk monitoring.

B.1.7. Regulatory risks

Regulatory stability is fundamental for the energy sector, where investment projects involve considerable timelines for obtaining permits, development, execution, and return on investment. Colbun believes that regulatory changes must be made with full consideration of the complexities of the electric system and by maintaining adequate incentives for investment. It is important to have a regulatory framework that provides clear and transparent rules, thereby strengthening the confidence of sector participants.

Chile

Enacted Laws

This section presents the laws that were published and enacted during the first quarter of 2025:
No new laws were enacted during the first quarter of 2025.

Main Developments in Bills Under Review

Title	Details	Current Status
	The main proposals are:	
Sectorial Permits Bill	- Establishment of a common regulatory framework for the processing and regulation of sectorial authorizations. - Creation of the “System for Sectorial Regulation and Evaluation” an entity aimed at advancing towards a more coherent, integrated, and modern authorization regime. - Creation of the “Office for Sectorial Regulation and Evaluation” an institution responsible for progressively improving sectorial regulations and ensuring the proper functioning of the System. - Establishment of minimum procedural standards and a Unified Information System for Sectorial Permits. - Amendment of 37 legal frameworks to allow sectorial agencies to apply the mechanisms and instruments defined in the Sectorial Authorizations Framework Law, aligning legislation with its objectives. Specific modifications to regulated sectorial procedures are also incorporated, aiming to simplify and standardize them, as in the cases of the Water Code, the Health Code, and the General Law on Sanitary Services, among others.	During January 2025, the bill was discussed in the Senate's Economic Commission, where all the presented amendments were reviewed and voted on. On March 25, 2025, it was sent to the Finance Commission for matters within its competence.
Environmental Institutional Strengthening Bill	The main measures of the bill are: - Expand the coverage of the electricity subsidy through three financing mechanisms: (1) a temporary surcharge on the CO₂ emissions tax, (2) increased collection of Net VAT, and (3) an additional fiscal contribution. - Reduce electricity rates: creation of a 500 GWh preferential price energy pool for Micro, Small and Medium Enterprises, and Rural Sanitation Systems and enabling consumer associations to initiate procedures for reviewing regulated contract prices (Art. 134 LGSE). - Strengthen SEC (Superintendency of Electricity and Fuels) powers: allowing those inspected to propose action plans and increasing the amount of unauthorized automatic compensations.	In January 2025, the detailed discussion of the bill's amendments concluded in the Senate's Environment Commission. On January 14, 2025, the bill was sent to the Finance Commission for matters within its competence.
Seawater Use for Desalination Bill	Proposes a new regulatory framework for granting or designating seawater desalination concessions, categorizing it as a special maritime concession. Its key points are: - Creation of a concession and designation for the desalination and use of coastal seawater. - Right to establish or impose legal easements for the conveyance of seawater and desalinated water. - Development of a National Desalination Strategy to guide the sustainable development of desalination projects. - Amendments to other legal bodies to better implement the new regulatory framework.	On Tuesday, March 4, 2025, the discussion of the bill resumed in the Finance Commission, where several amendments were introduced, most of which were discussed and approved. The bill was sent to the Senate floor, and a session

date is pending to finalize its first constitutional process.

Other Relevant Regulatory Announcements

This section presents announcements of regulations relevant to Colbun, both for its core business and for growth-related matters.

Title	Details	Current Status
Chapter on Operation Scheduling from the Technical Standard for Operation Scheduling	The chapter of the Technical Standard aims to establish the procedures and required information for the Coordinator to carry out the Operation Scheduling of the facilities interconnected to the National Electric System. The standard includes the following: • Scheduling Stages: Describes the requirements for long-term, medium-term, short-term, and intraday stages. • Water flow, solar, and wind forecasts. • Requirements for generation facilities, self-producers, dispatchable resources, storage systems, transmission facilities, and demand. • Scheduling of ancillary services. • Reports to be prepared by the Coordinator: monthly and on an annual basis. • Transitional provisions with deadlines for the implementation of the standard.	Published – On April 2, 2025, it was published in the Official Gazette.
Operation Coordination Regulation (DS125)	The modifications to the Operation Coordination Regulation focus on four axes: • Operation Coordination: Includes the automation of dispatch, modifications to generation allocations, as well as traceability and continuous improvement in CEN processes. • New Technologies: The regulation incorporates the operation of generation-consumption systems. Programming and operation rules are proposed for storage systems. • Short-term Market: To safeguard the processes of guarantees calculation and execution, modifications to the payment chain are included. • Connection and Disconnection of Power Plants: The process for declaring plants under construction and the early retirement of plants is updated.	In Development – The Ministry of Energy submitted the proposed amendment on April 1, 2025. The document containing the articles will be published on April 15, 2025.
Transmission Regulations (DS37 and DS10)	The pending regulatory work for the modification of these regulations focuses on three main areas: • Coherence: Incorporation of matters regulated in the CNE Exempt Resolutions 98, 99, 100, and 156 from 2025. • Pending matters of Law 21.721: On one hand, there is the proposal for transmission works in the Zonal Transmission System by PMGD. On the other hand, there is the proposal and financing of Transmission Works by generators. • Opportunities for improvement: Transmission Planning, Open Access, Qualification, and Valuation.	In Development – The second working group was held on April 11, 2025, and the rest will take place throughout April.
Regulatory Resolutions Law 21,721	In the context of the implementation of Law 21,721 on Transmission, the National Energy Commission has a period of 90 working days to issue exempt resolutions of a regulatory nature that establish the deadlines, requirements, and procedures of the law. The following resolutions are expected to be issued: • Mechanism for Reviewing the Awarded Investment Value (Art. 99 LGSE) • Mechanism for Reviewing the Awarded Investment Value (Second Transitional Article) • Tender for Expansion Works by their Owners • Mechanism for Determining Necessary and Urgent Works (Art. 91 bis) • Zonal Transmission proposals by Small Means of Distributed Generation (PMGDs as it Spanish acronym) These and the other provisions contained in Law 21,721 will be included in the modification of the transmission regulations (DS37 and DS10).	In Development – The current status of the publication of the regulatory resolutions is as follows: • Mechanism for Reviewing the Awarded Investment Value (Art. 99 LGSE): Exempt Resolution 99 of 2025 published on March 3, 2025. • Mechanism for Reviewing the Awarded Investment Value (Second Transitional Article): Exempt Resolution 100 of 2025 published on March 3, 2025. • Tender for Expansion Works: Exempt Resolution 98 of 2025 published on March 3, 2025. • Mechanism for Determining Necessary and Urgent Works

		(Art. 91 bis): Exempt Resolution 156 of 2025 published on March 31, 2025. • Zonal Transmission proposals by PMGD: Pending.
Modification of the SEIA Regulation	The second phase of the reform to Supreme Decree No. 40, of October 30, 2012, from the Ministry of the Environment, which "Approves the regulation of the Environmental Impact Assessment System" ("RSEIA" as its Spanish acronym), aims to update the list of project or activity typologies, based on which entry into the Environmental Impact Assessment System ("SEIA" as its Spanish acronym) is determined, and the regulation of sectorial environmental permits ("PAS" as its Spanish acronym), concerning their classification, evaluation, and granting.	In Development – The public consultation concluded on April 11, 2025.
Technical Annex on Seismic Requirements for High Voltage Electrical Installations, of the Technical Standard for Safety and Service Quality	The purpose of the annex is to define the minimum seismic design requirements that must be met by the installations specified in Article 3-31 of the Technical Standard for Safety and Service Quality ("NTSyCS" as its Spanish acronym), to ensure that these installations meet the safety and service quality objectives. The provisions established in the Annex apply to Electrical Equipment, Structures, Foundations, and Civil Works related to power lines and substations, energy storage systems providing transmission services, and energy compensation equipment connected to the National Electric System ("SEN" as its Spanish acronym). Existing installations are excluded from the application of the new seismic requirements, but they must provide a Situation Status Study within the deadlines specified in the Annex.	Published – On January 24, 2025, it was published in the Official Gazette.

Peru

Enacted Laws

Title	Details	Current Status
Law No. 32,249, which amends Law No. 28,832 – Law to Ensure the Efficient Development of Electricity Generation	The main modifications are: - Ancillary Services: Suppliers of ancillary services are included as market agents. Additionally, the operation and administration of this market will be regulated by the Ministry of Energy (MINEM). The entry into the complementary services market will be on January 1, 2026, and the payment responsibility lies with those who generate instability. - Regulated Market Auctions: The purchase of energy or power blocks and energy, either separately or jointly, is contemplated under the conditions set by the regulation. It also incorporates auction timelines (short, medium, and long-term), with a maximum duration of 15 years. - New Rules on Tariffs at the Grid, Auctions in Isolated Systems, and the Adjustment of Contracts and Regulations for Applying the Law.	Published – On January 19, 2025, it was published in the newspaper "El Peruano." Currently, the pre-publication of the following regulations is awaited: - Regulation on Electricity Procurement for the Supply of Regulated Users - Regulation on the Complementary Services Market These regulations are necessary for the effective implementation of the law.

Main Developments in Bills Under Review

Title	Details	Current Status
Conditions for the access of Micro and Small Enterprises to the free electricity market	It offers gradual access to the free electricity market for Micro and Small Enterprises (MYPE), under the following annual maximum demand ranges for each supply point: - Greater than 150 kW and up to 2,500 kW: during the period from January 1, 2025, to December 31, 2026. - Greater than 100 kW and up to 2,500 kW: during the period from January 1, 2025, to December 31, 2028. - Greater than 50 kW and up to 2,500 kW: starting from January 1, 2029.	It was included in the Plenary Agenda on December 12, 2024. As of today, the project is still awaiting debate in the Plenary.
Bill to promote nuclear energy generation and the installation of small modular reactors	Key aspects of the Bill: - A regulatory framework is established to promote nuclear energy and the installation of SMR (Small Modular Reactors). - The Ministry of Energy (MINEM), the Ministry of Environment (MINAM), and the Peruvian Institute of Nuclear Energy (IPEN) will lead the actions to assess the viability of SMR reactors, ensuring compliance with environmental and nuclear safety standards. - Private investment in SMR reactor projects will be encouraged under a public-private collaboration model, with an emphasis on transparency and public interest. - Complementary provisions: i) Law 28,832 is updated to promote nuclear projects. ii) It is established that nuclear generation will benefit from an accelerated depreciation regime, among other provisions.	It was approved by the Plenary of Congress on March 19, 2025. Currently, it is in the autograph stage, which ends on April 30. During this period, the President can make observations; if none are made, the regulation will be automatically enacted as law.
Bill to amend the percentage of workers' participation in the profits of electric industries	Its main proposals are: - To gradually increase the workers' share of profits in this sector, currently 5%, to 10%. - Modification of the formula for distributing the amount allocated to workers.	Approved in the first vote on March 21, 2025. Currently, the process is temporarily suspended due to reconsideration requests submitted before the second vote, which does not have a defined date.

Main New Developments in Supreme Decrees

Title	Details	Current Status
Draft Regulation on Distributed Generation	The purpose of this draft regulation is to regulate the activity of distributed generation, as well as its incorporation (connection and installation), operation, and commercial regime (marketing).	The draft regulation was published on November 25, 2024. As of today, the Ministry of Energy and Mines (MINEM) is reviewing the comments received from stakeholders during the pre-publication process.
Supreme Decree specifying the scope of articles 2 and 3 of Supreme Decree N°. 044-2014-EM	It clarifies the scope of Articles 2 and 3 of Supreme Decree N°. 044-2014-EM, a Supreme Decree that implements measures to ensure the reliability of the energy supply chain in the event of temporary production or transmission capacity shortages, thereby ensuring the timely energy supply in the National Interconnected Electric System (SEIN) and Isolated Systems.	Published – On March 22, 2025, it was published in the newspaper "El Peruano."

Other Relevant Regulatory Aspects

Title	Details	Current Status
Modification of the Technical Standard for the Coordination of Real-Time Operation of Interconnected Systems	This project proposes eliminating the exemption for Renewable Energy Resource (RER) plants from providing Primary Frequency Regulation ("RPF" as its Spanish acronym) service. Additionally, the following complementary provisions of the modification project should be noted: - The obligation mentioned will not apply to RER plants that have PPAs derived from an OSINERGMIN auction until their expiration. - An adjustment period is established: (1) one year for RER plants in operation, counted from the approval of the technical procedures by COES, and (2) six months from the commercial operation start date for projects under construction with a definitive concession.	The modification was published on November 25, 2024. As of today, the Ministry of Energy and Mines (MINEM) is reviewing the comments received from stakeholders.
Modification of the COES Technical Procedure N° 21 "Rotating Reserve for Primary Frequency Regulation"	It seeks to propose improvements that facilitate and promote compliance with RPF by the agents. - Changes in the methodology for calculating the charge for non-compliance with RPF. - Changes in the methodology for calculating the compliance factor (FaC), which is used to distribute incentives for RPF compliance. - Greater facilities for delegating the RPF service between agents. - Fewer location and capacity restrictions for RPF equipment projects.	On February 10, 2025, COES presented the proposal to OSINERGMIN. Currently, it is awaiting any observations that the entity may issue regarding the document.
Modification of the COES Technical Procedure N° 22 "Reserve for Secondary Frequency Regulation"	Among the main proposed modifications, it is highlighted that the allocation of payments for RSF (System Support Services) should incorporate the "causality" criterion, meaning that the service should be paid by the party that causes its need. Additionally, it includes provisions allowing new technologies to provide RSF, among other modifications.	On February 10, 2025, COES presented the proposal to OSINERGMIN. Currently, it is awaiting any observations that the entity may issue regarding the document.
Draft resolution setting bar prices and other applicable tariff charges for the period May 2025-April 2026	It sets the prices at the grid and their corresponding nodal energy factors and associated power loss factors for supplies made from the Generation Reference Buses, as well as the corresponding transmission tariffs for the period from May 2025 to April 2026.	The draft resolution on Grid Prices was pre-published on March 13, 2025. As part of the process, comments and feedback from interested parties were received until March 25. Currently, its official publication is expected on April 15, 2025.
Amendment to COES Technical Procedure N° 10 "Settlement of the Valuation of Active Energy Transfers and the Valuation of Complementary Services and Operational Inflexibilities"	The main proposals are: - The generator will no longer be required to submit information about its deliveries at the transfer buses to COES; this responsibility will now lie with COES. - Distributors will be required to submit sworn declarations to COES regarding the validity of their contracts with their customers, specifying the supply points. - COES will review that the withdrawals do not exceed the Contracted Powers declared by their suppliers. - Modifications are included in the reporting requirements and deadlines for submitting LVTEA and LSCIO reports. - COES will publish monthly recalculations, among other changes.	On March 20, 2025, COES presented the proposal to OSINERGMIN. Currently, it is awaiting any observations that the entity may issue regarding the document.

**Modification of
COES Technical
Procedure N° 30
"Valuation of
Power Transfers
and
Compensations
to the Main
System and
Guaranteed
Transmission
System"**

The main proposals are:

- To perform a comparison of generation and auxiliary services terminal meters within the first month after entering Commercial Operation, and every 2 years from the last comparison conducted.
- COES will review that the coincident demand does not exceed the Contracted Powers declared by their suppliers.
- Modifications are included in the reporting requirements and deadlines for submitting LVTP reports (monthly settlement of power transfer valuations and compensations) and LSCIO reports (monthly settlement of complementary services and operational inflexibilities).
- COES will publish monthly recalculations, among other changes.

On March 20, 2025, COES presented the proposal to OSINERGMIN. Currently, it is awaiting any observations that the entity may issue regarding the document.

◆ **B.2 Financial risks**

Financial risks are those associated with the inability to perform transactions or non-compliance of obligations due to lack of funds, which can have negative financial consequences or other market financial variables that could affect Colbún's equity.

The main risks are:

1. Exchange Rate Risk
2. Interest Rate Risk
3. Credit Risk
4. Liquidity Risk

B.2.1 Exchange rate risk

The exchange rate risk is mainly caused by currency fluctuations that come from two sources:

- The first exposure source comes from cash flows corresponding to revenues, costs and disbursements of investments denominated in currencies other than the functional currency (U.S. dollar).
- The second source of risk corresponds to the accounting mismatch between assets and liabilities of the Statement of Financial Position denominated in currencies other than the functional currency.

Exposure to cash flows in currencies other than USD is limited because virtually all Company sales are denominated directly in or indexed to USD.

Similarly, the main costs are related to natural gas and coal purchases, which incorporate pricing formulas based on international prices denominated in USD.

Regarding investment projects disbursements, the Company incorporates indexers in its contracts with suppliers and occasionally resorts to the use of derivatives to fix the expenses in currencies other than USD.

Exposure to the Balance Sheet accounts mismatch is mitigated by applying a policy of maximum mismatch between assets and liabilities for those structural items denominated in currencies other than USD. For purposes of the above, Colbun maintains a significant cash surpluses proportion in dollars and occasionally resorts to derivatives use, using currency swaps and forwards.

B.2.2 Interest rate risk

It is related to changes in interest rates that affect future cash flows, value tied to a floating interest rate, and changes in the fair value of assets and liabilities linked to fixed interest rate that are accounted at fair value.

As of March 31, 2025, the Company's financial debt is denominated 82% at a fixed rate and 18% at a floating rate.

B.2.3 Credit risk

The Company is exposed to the risk arising from the possibility that a counterpart fails to meet its contractual obligations, producing an economic or financial loss. Historically, all counterparties with which Colbun has maintained energy supply contracts have correctly made the corresponding payments.

For the credit risk of customers, quarterly calculations of provisions for uncollectibility are made based on the risk analysis of each customer, considering the customer's credit rating, payment behavior, industry, among other factors.

With respect to cash and derivatives statements, Colbun has entered into these transactions with financial institutions with high credit ratings. Additionally, the Company has established limits by counterparty, which are approved by the Board of Directors and periodically reviewed.

As of March 31, 2025, cash surpluses investments are invested in interest-bearing checking accounts, mutual funds (of banking subsidiaries) and time deposits in local and international banks. The latter correspond to short-term mutual funds, with less than 90 days duration, known as the "money market".

Information on contractual maturities of the main financial liabilities is disclosed in note 11 of the Financial Statements.

B.2.4 Liquidity Risks

This risk results from different funding requirements to meet investment commitments and business expenses, debt payments, among others. The funds needed to meet these cash flow outputs are obtained from Colbun's own resources generated by the Company's ordinary activities and by contracting credit lines to ensure sufficient funds to cover projected needs for a given period.

As of March 31, 2025, Colbun has approximately US\$769 million cash surpluses, invested in interest-bearing checking accounts, time deposits and mutual funds with 43 days average term (including deposits with less and more than 90 days terms of, the latter are recorded as "Other Current Financial Assets" in the Consolidated Financial Statements).

Also, the Company has available as additional liquidity sources as of today:

- Five bond facilities; one for an amount of UF 7 million with thirty-year validity (since its approval in August 2009), two for a joint amount of UF 7 million with validity for ten and thirty years (since this approval in February 2020), and two for a total amount of UF 7 million each with validity for ten and thirty years (since this approval in May 2024), and against which no placements have been made to date.
- A committed loan of US\$100 million was secured with BBVA and BOFA
- Uncommitted bank lines for approximately US\$150 million. Fenix has uncommitted totaling US\$103 million credit lines.

In the next 12 months, the Company must disburse approximately US\$101 million in interest and principal amortization. These obligations are expected to be funded with the Company's own cash flow generation.

As of March 31, 2025, Colbun has national risk ratings AA by Fitch Ratings and Feller Rate, both with stable outlook. Internationally, the Company's rating is Baa2 by Moody's, BBB by S&P and BBB+ by Fitch Ratings, all with stable outlook.

As of March 31, 2025, Fenix has international risk ratings of BBB- by S&P and Fitch Ratings, both with stable outlook.

Considering the foregoing, it has been 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.

B.2.5 Risk exposure measurement

The Company periodically analyzes and measures its exposure to the different risk variables, in accordance with the previous paragraphs. Risk management is performed by a Risk Committee with the Corporate Risk Management support and in coordination with other Company divisions.

Regarding business risks, specifically those related to changes in commodity prices, Colbun has implemented mitigation measures consistent of indexers in energy sale contracts and of hedges with derivative instruments to cover any possible remaining exposure. It is for this reason that a sensitivity analysis is not presented.

To mitigate the risk of failures in equipment or in the project's construction, the Company has insurance coverage for damage to its physical property, business interruption damage and loss of profit for the delay in the commissioning of a project. This risk is considered limited.

Regarding financial risks, for measuring exposure purposes, Colbun prepares a sensitivity analysis and value at risk in order to monitor potential losses assumed by the Company in the event that the exposure exists. The exchange rate risk is limited, since the Company's main flow (revenues, costs and projects disbursements) are denominated directly in or indexed to USD.

Exposure to accounts mismatching is mitigated by applying a maximum mismatch policy between assets and liabilities for those structural balance items denominated in currencies other than USD. Given the above, As of March 31, 2025, the Company's exposure to foreign exchange differences impact on structural items translates into approximately US\$6.4 million potential effect, on a quarterly basis, based on a sensitivity analysis at 95% confidence level.

The exposure associated with the variation in interest rates is measured as monthly interest sensitivity expense to 25 basis points change in the variable reference rate, which is the SOFR rate. Thus, an increase of 25 basis points in the SOFR rate would mean an increase in the monthly interest expense of US\$75 thousand per accrual, while a decrease in the reference rate would result in a reduction of US\$75 thousand in the monthly interest expense per accrual. The Company considers the interest rate risk to be limited. This effect is partially mitigated through cash investments linked to the SOFR rate.

Credit risk is limited because Colbun operates only with local and international banking counterparties with high credit ratings and has established policies of maximum exposure per counterparty that limit the specific concentration with these institutions. In the case of banks, local institutions have a local risk rating equal to or greater than BBB and foreign entities have an investment grade international rating.

At the end of the period, the financial institution that has the largest share of cash surpluses reached 25%. Regarding existing derivatives, the Company's international counterparts have a credit rating equivalent to BBB+ or higher and national counterparts have local credit ratings of BBB+ or higher. Regarding derivatives, the counterparty that concentrates the largest participation reaches 54% in notional terms.

Liquidity risk is considered low because of the relevant cash position of the Company, the amount of financial obligations over the next twelve months and the access to additional funding sources.

B.3. Environmental Risks

The company operates in an environment where environmental risks are increasingly relevant, both due to growing regulations and stakeholder expectations regarding sustainability and responsible management. This section identifies and evaluates the main environmental risks that may significantly impact the company's operations, reputation, and financial results. These risks include:

1. Environmental Performance Risks

2. Climate Change Risks
3. Biodiversity Risks

B.3.1 Environmental performance risks

Like other industrial activities, energy generation could have environmental and human impacts due to the emission of pollutants that affect air, water, and soil, with harmful consequences for human health as well as the natural environment, including other species. Therefore, it is essential to manage the construction and operation of projects appropriately, considering risk management and compliance with current regulations throughout the life of the projects. This is a material issue for Colbun because we aim to develop our business in balance with the planet, with care for biodiversity and the promotion of a circular economy.

The main risks associated with environmental performance are:

1. Non-compliance with environmental legislation and environmental commitments (Environmental and economic crimes)
2. Pollution of water, air, or soil
3. Alteration of cultural heritage
4. Events triggering loss or alteration of biodiversity
5. Events affecting the community
6. Sanction procedures, construction, or operation stoppage
7. Reputational damage
8. Lack of coherence
9. Barriers to the awarding of new projects
10. Projects' financing impediments

To control environmental performance risks, Colbun has an environmental management model, which is described in the Environmental Management Manual. This model is applicable to Colbun and its subsidiaries, as well as contractors.

Compliance and monitoring of legal commitments and obligations are carried out through a system, and a record of environmental incidents is maintained, which are managed for both company personnel and contractors at all Colbun and subsidiary facilities.

Additionally, Colbun has an Environmental Protection Standard applicable to itself and its subsidiaries, as well as a Special Safety, Health, and Environmental Regulations, which sets the requirements for contractors and subcontractors. Furthermore, a Crime Prevention Model exists for managing and preventing environmental and economic crimes, along with risk matrices for crimes affecting hydrobiological resources.

B.3.2 Climate change risks

The increase in the Earth's average temperature, due to the accumulation of Greenhouse Gases (GHG) in the atmosphere, is causing alterations in weather patterns, changes in sea levels, and increasingly intense and frequent climate events. All of these generate growing impacts for people, the environment, and the economy, which is why there is a global movement and public-private commitments to stop it. Among them are the Paris Agreement and Sustainable Development Goal N° 13, which calls for urgent action to combat this phenomenon and its effects, as well as to strengthen resilience and adaptation capacity. Colbun aims to be a carbon-neutral company by 2050 and thus contribute to national commitments regarding GHG emissions and the efforts needed to limit the rise in temperature.

Given the strategic nature of the risks associated with global warming, at Colbun, we have conducted a diagnosis of the Company's current situation based on the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD). This analysis was carried out qualitatively for Colbun's operations, considering the classification of risks under two climate scenarios: one with high emissions (RCP8.5 scenario), where temperatures rise above 2°C by the end of the century and, therefore,

physical impacts are higher, and another with low emissions (RCP2.6 scenario), where the temperature increase is below 2°C, accelerating the decarbonization of the economy.

Climate Change Risk Classification

Risk Type	Classification	Description
Physical	Severe	They are caused by intense climatic events.
Physical	Chronic	Resulting from long-term changes in climatic conditions.
Transition	Political and legal Technological Market Reputational	They arise from adaptation to the social, legal, and regulatory changes implemented to reduce greenhouse gas emissions.

Main operational risks of climate change

Threat	Risk	Type	Control and Monitoring
Decrease and changes in precipitation patterns	Reduction in hydroelectric and thermal generation	Physical/Chronic	- Evaluation of low precipitation scenarios in energy planning - Development of a thawing forecast platform - Evaluation and implementation of water efficiency measures in plants (e.g., Reverse Osmosis Plant in Nehuenco)
Drought		Physical/Severe	- There are contracted water access alternatives for Nehuenco - Company growth towards renewable projects less dependent on water resources
Increase in the number and intensity of extreme events, i.e. fires and heat waves	Damage to physical assets	Physical/Severe	- Insurance coverage for catastrophic events - Implementation of prevention plans and monitoring activities, including early alerts and action plans - Creation of the position of Fire Risk Management Coordinator
Increase in the CO2 emissions tax	Cost increase	Transition / Legal and market	- Evaluation of scenarios regarding the increase of the green tax in energy planning - Evaluation and implementation of energy efficiency measures in thermal plants - Evaluation of projects considering an internal carbon price

B.3.3 Biodiversity risks

Energy generation is an activity directly related to nature, both due to its dependence on natural resources, the impacts it generates, and the risks and opportunities associated with its activity. For this reason, the care for biodiversity is a fundamental aspect to consider in the management, design, and planning of activities related to the energy business; especially considering that our operations are situated in fragile and vulnerable natural environments, exposed to the impacts of industrial activity. Biodiversity is part of the natural capital of territories and, as such, requires careful risk management, regulatory compliance, and collaboration with other stakeholders. Therefore, our goal is to address biodiversity management comprehensively, considering it throughout the entire life cycle of our plants and projects.

The identified biodiversity-related risks are as follows:

1. Non-compliance with environmental legislation or commitments
2. Loss or reduction of species
3. Loss or degradation of habitats
4. Barriers to awarding new projects
5. Opposition from the community
6. Lack of coherence
7. Barriers to project financing

Colbun has a Health, Safety, and Environmental Policy, which addresses biodiversity care throughout the entire life cycle of projects and plants.

Additionally, we have a Biodiversity Strategy and a Biodiversity Standard, applicable to Colbun and its subsidiaries, covering all phases of projects and operating plants. This strategy defines guidelines for biodiversity protection, the regeneration of affected areas, native species studies, conservation, and the company's culture.

It is noteworthy that Colbun's Biodiversity Strategy was recently recognized among the top 30 strategies worldwide, and one of only four in Chile, meeting the standards of Business for Nature, an international coalition of companies, academia, NGOs, and financial entities promoting biodiversity protection in line with the Kunming-Montreal Global Biodiversity Framework.

Currently, Colbun is working on evaluating the risks, opportunities, impacts, and dependencies on nature through the TNFD, the Taskforce on Nature-related Financial Disclosures, marking significant progress in this area. This is especially important as only 5% of companies worldwide recognize nature as a material issue, and only 1% have worked on disclosing their impacts and dependencies.

B.4. Social Risks

The company acknowledges the importance of properly managing the social risks arising from its operations, both to ensure its sustainability and to strengthen its relationships with stakeholders.

In this section, the main social risks that may impact the organization's performance are identified:

1. Diversity, Equity, and Fair Treatment Risks
2. Community Risks

B.4.1 Diversity, Equity and Fair Treatment Risks

Diversity, equity, and fair treatment for individuals are crucial factors in developing respectful work environments and driving long-term success for organizations, as they benefit from a greater variety of perspectives, experiences, and skills. Additionally, it is a way of creating job opportunities for groups that have previously been excluded from certain industries. Colbun fosters a safe and respectful work environment that promotes equal opportunities and allows for the authenticity of all employees.

Some risks and impacts include:

1. Lower attraction and loss of talent
2. Legal issues and lawsuits for discrimination
3. Homogenization of teams
4. Overcoming barriers for the inclusion of diverse people contributes to reducing inequality of opportunities and promoting equity and social justice
5. Active concern to prevent discrimination requires fostering cultural changes and learning to eliminate biases
6. Lack of impartiality in treatment – Organizational Culture

To mitigate these risks and impacts, Colbun has published its Diversity, Equity, and Inclusion Policy, established the Diversity, Equity, and Inclusion Committee, and has implemented several initiatives, including:

- Achieving 23% female staff, a corporate goal, as part of the Gender Equity Plan launched in 2018.
- Nearly 17.8% of women in leadership positions.
- Conducting "Healthy Environments Free of Harassment" workshops, focusing on workers and company leaders.

In the first quarter of 2025, key actions included:

1. Trainee Program: Initiating the selection process for female candidates, with publications on social media and universities.
2. Alliance with Women Talent (WoT): A platform that connects female candidates with companies to promote female talent hiring and facilitate intentional search for women.
3. Launching the third version of the Colbún Women's Mentorship Program.
4. Launching the online Karin Law course, mandatory for all company employees, with a 90% compliance rate.

B.4.2 Community Risks

Community risk management is a fundamental pillar for Colbun, as it reflects its commitment to connecting with the reality and dreams of the communities, to be a catalyst for prosperous, sustainable, and inclusive development in the territories where it operates. Colbun recognizes that the communities near its operations have a deep connection to their environment, traditions, and ways of life, making it essential to establish relationships based on transparency, mutual respect, collaboration, and reciprocity. These relationships not only mitigate community risks but also enhance the creation of shared value, strengthen the social fabric, and generate a positive long-term impact.

Colbun faces a variety of community risks related to its interaction with the communities near its projects and operations. These risks may vary depending on the type of energy generated (hydroelectric, wind, thermal, or solar), the socio-cultural and environmental context, and the communities' expectations. Some of the main risks include:

1. **Conflicts over natural resources use:** Electricity generation and other activities may be perceived as competition for water use, especially in areas where this resource is scarce for agriculture, livestock, and human consumption. Conflicts may also arise related to the purchase, use, or access to land, particularly if these lands hold cultural, productive, or symbolic value for the communities.
2. **Perceived or real environmental impacts:** Alterations to local ecosystems such as changes in biodiversity, habitat loss, or modifications to natural landscapes could affect traditional activities like fishing, agriculture, livestock, hunting, or tourism. There are also risks related to the emission of gases, dust, noise, vibrations, or impacts on water and soil during the construction or operation of projects.
3. **Impact on livelihoods:** Potential loss of income due to the alteration of local economic activities such as fishing or agriculture, caused by the impact of the project on natural resources.
4. **Unmet expectations:** Discontent due to the perception that the commitments made by the company have not been fulfilled on time or in the right manner, or the generation of a feeling of inequity in the distribution of benefits generated by the project, such as employment, infrastructure, or social programs.
5. **Opposition and social conflicts:** Protests and mobilizations organized by local, national, or international groups, which can escalate into blockades, violent incidents, or media pressure, as well as rejection of new projects due to previous negative experiences.
6. **Loss of mutual trust:** Deterioration in the communities' perception of the company due to a lack of transparency, failure to conduct prior consultations, misinformation about the company's activities, or insufficient participation in decision-making processes affecting their territories.
7. **Changes in the social environment:** The arrival of external workers can alter local dynamics, increase pressure on public services, or create social tensions.

The guidelines that guide Colbun's community relations, integral to the sustainable management of the business, are described in the Community and Society Manual (MAC001), which establishes an effective model for community participation, incorporating methodologies and controls for managing community aspects and social incidents. The main prevention and mitigation measures that Colbun implements to address these risks include:

1. Identification of community risks: Mapping of stakeholders and social and environmental impact assessment.

2. Early dialogue and participation: Informed prior consultation, permanent dialogue spaces, and co-design of community projects.
3. Strengthening local capacities: Employment and local purchases, local economic development, promotion of education, and organizational strengthening.
4. Communication and transparency: Complaint and grievance mechanisms and accountability.

B.5. Governance Risks

At Colbun, we have a set of principles, standards, and mechanisms aimed at creating sustainable value for both our shareholders and the stakeholders with whom we engage. Thus, alongside complying with external regulations, our organization operates based on its own policies and procedures.

Within this governance framework, the following main risks have been identified:

1. **Regulatory non-compliance:** The possibility of legal or financial sanctions due to non-compliance with regulations.
2. **Conflicts of interest:** Situations that may affect objectivity in strategic decision-making.
3. **Internal audit dependency:** The risk of undue influence on internal control evaluations.
4. **Inadequate risk management:** Failures to identify or mitigate key risks to organizational sustainability.
5. **Deficiencies in internal controls:** Vulnerabilities in the prevention and detection of irregularities.
6. **Lack of transparency and accountability:** Negative impact on shareholder trust and other stakeholders.
7. **Reputation affected by ethical non-compliance:** Damage to the corporate image due to improper or illegal actions.

To mitigate these risks, governance is the responsibility of the Board of Directors, its Advisory Committees, Management, and employees. The Internal Audit Management is independent, and its mission is to verify the effectiveness and compliance of policies, procedures, controls, and codes implemented for risk management. This area reports directly to the Board of Directors and participates in evaluating the operation of the governance structure.

Our corporate governance is based on a comprehensive framework of principles, standards, and mechanisms designed to create sustainable value and effectively manage risks. This framework involves the participation of the Board of Directors, its Advisory Committees, Management, employees, and the Internal Audit Management, which operates independently. Internal Audit verifies compliance with policies, procedures, controls, and management codes, reporting directly to the Board and ensuring the effectiveness of the governance system.

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This document may contain forward-looking statements concerning Colbun's future performance and should be considered as good faith estimates by Colbun S.A.

In compliance with the applicable laws, Colbun S.A. publishes on its website (www.colbun.cl) and sends the financial statements and its corresponding notes to the Comisión para el Mercado Financiero, those documents should be read as a complement to this report.