Consolidated Financial Statements
for the period ended December 31, 2020 and 2019

COLBÚN S.A. AND SUBSIDIARIES
Thousands of U.S. dollars

This report contains the following:

- Independent Auditor's Report
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statements

Colbún S.A. and Subsidiaries

Classified Consolidated Statements of Financial Position
as of December 31, 2020 and 2019
(In thousands of U.S. dollars)
(Translation of the report originally issued in Spanish - See note 2)

ASSETS	Note N°	December 31, 2020 ThUS$	December 31, 2019 ThUS$
Current assets			
Cash and cash equivalents	8	254,107	326,886
Other financial assets, current	9	714,655	472,784
Other non-financial assets, current	21	37,900	20,683
Trade and other receivables, current	10	201,171	252,566
Receivables due from related parties, current	12.b	75	833
Inventories, current	13	33,646	48,559
Current tax assets	20.a	17,630	17,140
Total current assets		**1,259,184**	**1,139,451**
Non-current assets			
Other financial assets, non-current	9	10,283	1,918
Other non-financial assets, non-current	21	47,668	40,494
Trade and other receivables, non-current	10	109,282	28,923
Equity-accounted investees	16.a	26,849	24,718
Intangible assets other than goodwill	17	122,110	124,362
Goodwill	6	5,573	-
Property, plant and equipment	18	4,848,004	5,171,850
Right-of-use assets	19	123,491	135,826
Deferred tax assets	22.b	81,423	37,808
Total non-current assets		**5,374,683**	**5,565,899**
TOTAL ASSETS		**6,633,867**	**6,705,350**

The accompanying notes are integral part of these consolidated financial statements

Colbún S.A. and Subsidiaries
Classified Consolidated Statements of Financial Position (continued)
as of December 31, 2020 and 2019
(In thousands of U.S. dollars)
(Translation of the report originally issued in Spanish – See note 2)

LIABILITIES AND EQUITY	Note N°	December 31, 2020 ThUS$	December 31, 2019 ThUS$
Current liabilities			
Other financial liabilities, current	23.a	103,108	72,292
Short-term lease liabilities	24	9,308	9,482
Trade and other payables	25	117,728	147,820
Payables due to related parties, current	12.b	161	5,936
Other current provisions	26	29,370	26,694
Current tax liabilities	20.b	7	32,146
Current provisions for employee benefits	27	24,154	19,832
Other non-financial liabilities, current	28	22,696	24,096
Total current liabilities		**306,532**	**338,298**
Non-current liabilities			
Other financial liabilities, non-current	23.a	1,559,266	1,464,336
Long-term lease liabilities	24	125,449	134,390
Trade and other payables, non-current	25	12,952	17,936
Other provisions, non-current	26	46,785	35,259
Deferred tax liabilities	22.b	933,742	922,963
Provisions for employee benefits, non-current	27	42,998	35,576
Other non-financial liabilities, non-current	28	20,775	20,957
Total non-current liabilities		**2,741,967**	**2,631,417**
Total liabilities		**3,048,499**	**2,969,715**
Equity			
Share capital	29.a	1,282,793	1,282,793
Retained earnings	29.f	1,414,284	1,458,332
Share premium	29.c	52,595	52,595
Other reserves	29.e	709,779	742,573
Equity attributable to the shareholders of the Parent		3,459,451	3,536,293
Non-controlling interests	-	125,917	199,342
Total equity		**3,585,368**	**3,735,635**
TOTAL LIABILITIES AND EQUITY		**6,633,867**	**6,705,350**

The accompanying notes are integral part of these consolidated financial statements

Colbún S.A. and Subsidiaries

Consolidated Statements of Comprehensive Income, by Nature
for the periods ended December 31, 2020 and 2019
(In thousands of U.S. dollars)
(Translation of the report originally issued in Spanish - See note 2)

STATEMENTS OF COMPREHENSIVE INCOME BY NATURE	Note N°	January - December 2020 ThUS$	January - December 2019 ThUS$
Revenue	7 y 30	1,348,868	1,487,387
Raw materials and consumables	31	(575,796)	(691,984)
Employee benefit expenses	32	(65,357)	(74,351)
Depreciation and amortization expenses	33	(246,615)	(250,522)
Other expenses, by nature	-	(25,203)	(23,974)
Other gains (losses)	37	(240,136)	(109,346)
Income from operations	-	**195,761**	**337,210**
Finance income	34	11,242	22,115
Finance costs	34	(90,459)	(91,069)
Share of profit of equity-accounted investees and joint ventures	16 y 36	9,950	9,102
Foreign currency translation differences	35	5,725	(7,176)
Profit before income taxes	-	**132,219**	**270,182**
Tax expense (benefit) from continuing operations	22.a	(42,751)	(68,216)
Profit from continuing operations		**89,468**	**201,966**
NET PROFIT		**89,468**	**201,966**
Net profit attributable to			
Shareholders of the Parent	29.h	162,893	203,047
Non-controlling interests	-	(73,425)	(1,081)
PROFIT		**89,468**	**201,966**
Earnings per share			
Basic earnings per share - Continuing operations US$/share	29.h	0.00929	0.01158
Basic earnings per share		**0.00929**	**0.01158**
Diluted earnings per share - Continuing operations US$/ share	29.h	0.00929	0.01158
Diluted earnings per share		**0.00929**	**0.01158**

The accompanying notes are integral part of these consolidated financial statements

Colbún S.A. and Subsidiaries
Consolidated Statements of Other Comprehensive Income
for the period ended December 31, 2020 and 2019
(In thousands of U.S. dollars)
(Translation of the report originally issued in Spanish – See note 2)

STATEMENTS OF OTHER COMPREHENSIVE INCOME	Note N°	January - December 2020 ThUS$	January - December 2019 ThUS$
Net profit		**89,468**	**201,966**
Components of other comprehensive income that will not be reclassified to profit or loss for the period, before taxes			
Profit (loss) for new measurements of defined benefit plans	-	(3,963)	(5,819)
Total other comprehensive (loss) income that will not be reclassified to profit or loss for the period, before taxes	-	**(3,963)**	**(5,819)**
Components of other comprehensive income (loss) that will be reclassified to profit or loss for the period, before taxes			
Gain (loss) for foreign currency translation differences	16.a	516	(494)
Gain (loss) from cash flow hedges	-	(5,993)	4,070
Share of comprehensive income (loss) on associates and joint ventures using the equity	-	(18)	(62)
Total other comprehensive income (loss) that will be reclassified to profit or loss for the period, before taxes		**(5,495)**	**3,514**
Other components of other comprehensive income (loss), before taxes		**(9,458)**	**(2,305)**
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss for the period			
Income tax related to new measurements of defined benefit plans	22.c	1,070	1,571
Income tax related to components of other comprehensive income that will be reclassified to profit or loss for the period			
Income tax related to share of other comprehensive income (loss) on associates and joint ventures using the equity method	22.c	5	17
Income tax related to cash flow hedges	22.c	1,618	(1,000)
Income tax related to components of other comprehensive income		**2,693**	**588**
Total other comprehensive (loss) income		**(6,765)**	**(1,717)**
Total comprehensive income		**82,703**	**200,249**
Comprehensive income (loss) attributable to:			
Shareholders of the Parent		156,128	201,330
Non-controlling interests		(73,425)	(1,081)
TOTAL COMPREHENSIVE INCOME		**82,703**	**200,249**

The accompanying notes are integral part of these consolidated financial statements

Colbún S.A. and Subsidiaries
Consolidated Statements of Cash Flows - Direct Method
for the period ended December 31, 2020 and 2019
(In thousands of U.S. dollars)
(Translation of the report originally issued in Spanish – See note 2)

STATEMENTS OF CASH FLOWS - DIRECT METHOD	Note N°	December 31, 2020 ThUS$	December 31, 2019 ThUS$
Cash flows from (used in) operating activities			
Cash receipts from operating activities			
Cash receipts from sale of goods and rendering of services	-	1,609,272	1,742,876
Cash receipts from premiums and services, annuities and other benefits of subscribed policies	-	21,792	102
Other cash receipts from operating activities	-	4,720	16,335
Cash payments for operating activities			
Cash payments to suppliers for goods and services	-	(778,145)	(943,291)
Cash payments to and on behalf of employees	-	(59,438)	(70,193)
Cash payments for premiums and services, annuities and other benefits of subscribed policies	-	(21,166)	(17,068)
Other cash payments for operating activities	-	(164,934)	(155,593)
Cash generated from operating activities	-	**612,101**	**573,168**
Dividends received	-	9,146	13,951
Interest received	-	10,201	21,505
Income taxes paid	-	(99,921)	(35,242)
Other cash receipts (payments)	-	(5,903)	(8,562)
Net cash flows from operating activities		**525,624**	**564,820**
Cash flows from (used in) investing activities			
Other payments to acquire interests in joint ventures	-	(5,336)	61
Sales of other long live assets, classified as investing activities	-	-	20,718
Acquisition of property, plant and equipment	-	(112,556)	(87,784)
Other cash receipts (payments)	-	(242,702)	101,319
Net cash flows from (used in) investing activities n		**(360,594)**	**34,314**
Cash flows from (used in) financing activities			
Proceeds from borrowings	-	**546,913**	**-**
Amounts proceeds from long-term loans	-	500,000	-
Amounts proceeds from short-term loans	-	46,913	-
Payment of lease liabilities	-	(9,946)	(7,906)
Payment of loans	-	(416,562)	(46,946)
Dividends paid	-	(241,319)	(346,264)
Interest paid	-	(81,266)	(80,753)
Other cash (payments) receipts	-	(44,181)	(3,137)
Net cash used in financing activities	**8.c**	**(246,361)**	**(485,006)**
Net increase (decrease) in cash and cash equivalents before the effect of movements in exchange rates on cash held		**(81,331)**	**114,128**
Effects of movements in exchange rates on cash and cash equivalents			
Effects of movements in exchange rates on cash and cash equivalents		8,552	(6,433)
Net increase (decrease) in cash and cash equivalents		**(72,779)**	**107,695**
Cash and cash equivalents as of January 1		326,886	219,191
Cash and cash equivalents as of December 31	8	**254,107**	**326,886**

The accompanying notes are integral part of these consolidated financial statements

Colbún S.A. and Subsidiaries
Statements of Changes in Equity
for the period ended December 31, 2020 and 2019
(In thousands of U.S. dollars)
(Translation of the report originally issued in Spanish – See note 2)

Statement of Changes in Equity	Note	Equity attributable to shareholders of the Parent									Non-controlling interests	Equity
				Changes in other reserves								
		Share capital	Share premium	Translation difference reserve	Hedging reserve	Actuarial profit or loss reserve of defined benefit plans	Other miscellaneous reserves	Other reserves	Retained earnings (accumulated deficit)	Equity attributable to shareholders of the Parent		
		ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Balance as of January 1, 2020		1,282,793	52,595	(256,631)	13,341	-	985,863	742,573	1,458,332	3,536,293	199,342	3,735,635
Increase (decrease) of equity due an error		-	-	-	-	-	-	-	-	-	-	-
Balance as of January 1, 2020, adjusted		1,282,793	52,595	(256,631)	13,341	-	985,863	742,573	1,458,332	3,536,293	199,342	3,735,635
Changes in equity												
Comprehensive income												
Profit (loss) for the period									162,893	162,893	(73,425)	89,468
Other comprehensive income				516	(4,388)	(2,893)	-	(6,765)	-	(6,765)	-	(6,765)
Dividends									(232,970)	(232,970)	-	(232,970)
Increase (decrease) from other changes		-	-	-	-	2,893	(28,922)	(26,029)	26,029	-	-	-
Total changes in equity		**-**	**-**	**516**	**(4,388)**	**-**	**(28,922)**	**(32,794)**	**(44,048)**	**(76,842)**	**(73,425)**	**(150,267)**
Equity as of December 31, 2020	**29**	**1,282,793**	**52,595**	**(256,115)**	**8,953**	**-**	**956,941**	**709,779**	**1,414,284**	**3,459,451**	**125,917**	**3,585,368**

Statement of Changes in Equity	Note	Equity attributable to shareholders of the Parent									Non-controlling interests	Equity
				Changes in other reserves								
		Share capital	Share premium	Translation difference reserve	Hedging reserve	Actuarial profit or loss reserve of defined benefit plans	Other miscellaneous reserves	Other reserves	Retained earnings (accumulated deficit)	Equity attributable to shareholders of the Parent		
		MUS$	MUS$	MUS$	MUS$	MUS$	MUS$	MUS$	MUS$	MUS$	MUS$	MUS$
Balance as of January 1, 2019		1,282,793	52,595	(256,137)	10,316	-	1,016,270	770,449	1,550,677	3,656,514	200,424	3,856,938
Increase (decrease) of equity due an error		-	-	-	-	-	-	-	-	-	-	-
Balance as of January 1, 2019, adjusted		1,282,793	52,595	(256,137)	10,316	-	1,016,270	770,449	1,550,677	3,656,514	200,424	3,856,938
Changes in equity												
Comprehensive income												
Profit (loss) for the period									203,047	203,047	(1,081)	201,966
Other comprehensive income				(494)	3,025	(4,248)	-	(1,717)		(1,717)	-	(1,717)
Dividends									(321,551)	(321,551)	-	(321,551)
Increase (decrease) from other changes		-	-	-	-	4,248	(30,407)	(26,159)	26,159	-	(1)	(1)
Total changes in equity		**-**	**-**	**(494)**	**3,025**	**-**	**(30,407)**	**(27,876)**	**(92,345)**	**(120,221)**	**(1,082)**	**(121,303)**
Equity as of December 31, 2019	**29**	**1,282,793**	**52,595**	**(256,631)**	**13,341**	**-**	**985,863**	**742,573**	**1,458,332**	**3,536,293**	**199,342**	**3,735,635**

The accompanying notes are integral part of these consolidated financial statements

Contents

1. General Information

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

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

As of December 31, 2020, Colbún is a power generation company and the Parent of the Group (hereinafter, the Company, the Entity or Colbún), which is composed of twelve entities: Colbún S.A. and eleven Subsidiaries.

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

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

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

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

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

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

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

As of December 31, 2020, in accordance with Title XV of Law No. 18,045, shareholders representing 49.96% of the voting right shares are detailed as follows:

Controlling Group	No, of shares	Ownership %
Minera Valparaíso S.A.	6,166,879,733	35.17
Forestal Cominco S.A.	2,454,688,263	14.00
Forestal Bureo S.A.	49,078,961	0.28
Forestal Constructora y Comercial del Pacífico Sur S.A.	34,126,083	0.19
Forestal Cañada S.A.	22,308,320	0.13
Inversiones Orinoco S.A.	17,846,000	0.10
Inversiones Coillanca Ltda.	16,473,762	0.09
Inmobiliaria Bureo S.A.	38,224	0.00
Total ownership interest	8,761,439,346	49.96

2. Business Description

The Company's line of business is the production, transportation, distribution, and supply of energy and capacity, for which it may acquire and exploit concessions and grants or use rights obtained. Likewise, it is empowered to transport, distribute, supply and commercialize natural gas for sale to industrial or generating processes. It can provide advisories in the field of engineering both domestically and abroad.

Description of business in Chile

Main assets

The power generation fleet is composed of hydroelectric power plants (reservoir and run-of-the-river) and coal-fired, diesel and gas power plants (combined and conventional cycles), and renewable energies from variable sources, which in total provide an installed capacity of 3,236 MW to the National Power System ("SEN" for its Spanish acronym).

Hydroelectric power plants have an installed capacity of 1,626 MW distributed among 17 plants: Colbún, Machicura, San Ignacio, Chiburgo, San Clemente and La Mina, located in the Maule Region; Rucúe, Quilleco and Angostura, located in the Biobío Region; Carena, in the Metropolitan Region; Los Quilos, Blanco, Juncal, Juncalito, Chacabuquito and Hornitos, in the Valparaíso Region; and Canutillar, in Los Lagos Region. Colbún, Machicura, Canutillar and Angostura power plants have their own reservoirs, whereas the remaining hydroelectric power plants are run-of-the-river.

Thermal power plants have an installed capacity of 1,601 MW and are distributed in the Nehuenco located in the Valparaíso Region; Candelaria power plant in the O'Higgins Region; and Los Pinos and Santa María power plants, located in the Biobío Region.

In addition, during 2018, the photovoltaic plant "Ovejería" (9MW) located in Tiltil in the Metropolitan Region of Chile was commissioned.

Business policy

The Company's commercial policy is to achieve a proper balance between commitments to sell power and its own efficient generation capacity with the objective of increasing and stabilizing operation margins, with acceptable levels of risk in the events of droughts. In addition, this requires an appropriate combination of thermal and hydro power generation. As a result of this policy, the Company intends to maintain sales or purchases in the spot market from reaching significant volumes, since prices in this market experience significant variations, the hydrologic condition being the most relevant variable.

Main customers

Customer's portfolio is composed of regulated and unregulated customers:

The regulated customers supplied during 2020 are: CGE Distribución S.A. and Enel Distribución Chile S.A.

The main unregulated customers supplied during 2020 are: Codelco for its divisions Salvador, Andina, Ventanas y El Teniente, Anglo American Sur S.A. for its work sites de Los Bronces/Las Tórtolas, Compañía Minera Zaldivar SpA, Cartulinas CMPC.S.A., CMPC Pulp S.A., CMPC Maderas S.A., Cementos Polpaico S.A., Walmart Chile S.A., Bio-Bío Cementos S.A., Cementos Bio Bio del sur S.A., Comercial ECCSA S.A (Ripley Store), Grupo Camanchaca (Camanchaca Cultivos Sur S.A., Camanchaca Pesca Sur S.A., Compañía Pesquera Camanchaca S.A. y Salmones Camanchaca S.A.), Sociedad Contractual Minera Franke, Minera Meridian Ltda, Molibdenos y Metales S.A., Inacal S.A., Nuevo Sur S.A., Sonda S.A., Atacama Kozan and Essbio S.A.

The Electricity Market

The Chilean power sector has a regulatory framework of almost 3 decades of operations. Such framework allowed developing a highly dynamic industry with significant private equity interest. This sector has been able to comply with the increasing power demand, which has grown at an annual average rate of approximately 2.9% during the last 10 years, slightly lower compared to the GDP during the same period.

Chile has 3 interconnected systems and Colbún operates in the largest, the National Power System (SEN), which comprises Arica in the north and Isla Grande de Chiloé in the south. The consumption in this zone represents 99% of total power demand in Chile. Colbún has a market share of approximately 15% in power generation.

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

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

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

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

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

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

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

In this context, on July 20, 2016, a new law was published in the Official Gazette that establishes a new Power Transmission System and also creates a coordinating agency independent to the National Power System. The principal amendments included in this law indicate that the transmission remuneration will be charged fully in connection with power demand. Additionally, a new Coordinator with its own legal personality is established to operate the National Electric System, which began to exercise its functions as of January 1, 2017.

Description of business in Peru

Main assets

Combined cycle gas-fired thermoelectric power plant of 565 MW located in Las Salinas, Chilca district, 64 kilometers south of Lima, owned by the subsidiary Fenix Power Peru. Its location is considered strategic, since it is near the Camisea gas pipeline and Chilca power substation, allowing power generation at an efficient cost.

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

Fenix has capacity of 565 MW, which results in a market share of approximately 8% in the SEIN.

Main customers

Regulated customers with long-term contracts: Grupo Distriluz, comprised by Electro Norte S.A., Electro Noreste S.A. y Electrocentro S.A. e Hidrandina, COELVISAC, Enel Distribución S.A.A., Electricidad del Oriente S.A., Electro Dunas S.A.A. and Luz del Sur S.A.A.

Customers with short-term contracts: Celepsa S.A., Atria Energía (Ex GCZ), Ege Junín, Enel Distribución S.A.A, SEAL Distribución and Distriluz Group (option contract).

Unregulated customers: Pamolsa, Austral, Minera Luren, B Braun, Garment, Del Ande, Grupo Patio, UTP, Chavimochic, Fabricaciones Rema, Logística AQP, Laboratorio Portugal, Modipsa, Idat, Fibraforte, océano Seafood, Cetus and Pesquera Altair.

The Electricity Market

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

As of December 2020, the Peruvian power market has an installed capacity, at a domestic level, of approximately 15.3 GW, of which 13.2 GW corresponds to the capacity installed in the National Interconnected Power System (SEIN); out of this amount, nearly 56% relates to thermal power, 39% to hydro power, and the remaining 5% to renewable energies. Accordingly, natural gas is critical at the domestic thermal power generation level, because of its significant reserves and exploration wells, being Camisea the main deposit with approximately 10.0 trillion cubic feet.

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

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

In terms of energy consumption, the annual energy demand until the third quarter of 2020 was approximately 49.2 TWh, concentrated in the mining and residential sectors. In 2019, the system demand was 52.9 TWh.

3. Significant Accounting policies

3.1 Accounting policies

These Consolidated Financial Statements of Colbún S.A. and subsidiaries as of December 31, 2020, have been prepared in accordance with International Financial Standards (IFRS) as issued by International Accounting Standards Board (IASB)

These Consolidated Financial Statements have been prepared assuming that the company will continue as a going concern and were approved by the Board of Directors for issue at their Meeting held on January 26, 2021.

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

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

- Statement of Financial Position as of December 31, 2020 and December 31, 2019.
- Statement of Comprehensive Income for the period ended December 31, 2020 and 2019.
- Statement of Cash Flows for the period ended December 31, 2020 and 2019.
- Statements of Changes in Equity for the period ended December 31, 2020 and 2019.
- Notes to the Financial Statements.

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

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

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

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

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

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

The detail of subsidiaries is as follows:

Consolidated company	Country	Funcional currency	Tax ID No.	Ownership % as of			
				12.31.2020			12.31.2019
				Direct	Indirect	Total	Total
Termoeléctrica Nehuenco S.A., en Liquidación [3]	Chile	US$	76.528.870-3	100	-	100	100
Colbún Transmisión S.A.	Chile	US$	76.218.856-2	100	-	100	100
Colbún Desarrollo SpA	Chile	US$	76.442.095-0	100	-	100	100
Santa Sofía SpA	Chile	US$	76.487.616-4	100	-	100	100
Colbún Perú S.A.	Peru	US$	0-E	100	-	100	100
Inversiones de Las Canteras S.A.	Peru	US$	0-E	-	51	51	51
Fenix Power Perú S.A.	Peru	US$	0-E	-	51	51	51
Desaladora del Sur S.A. [2]	Peru	PEN	0-E	-	51	-	-
Efizity Ingeniería SpA . [1]	Chile	PEN	76.362.527-3	100	-	100	-
Efizity SpA	Chile	Ch$	76.236.821-8	-	100	100	-
Efizity S.A.C.	Peru	PEN	0-E	-	100	100	-

Variations in the consolidation perimeter

During the 2020 period, we can see the following variations in the consolidation perimeter:

[1] On September 3, 2020, Colbún S.A. acquired 100% of the shares of Sociedad Efizity Ingeniería SpA, a joint-stock company incorporated in accordance with the Chilean laws.

a) Efizity SpA is a join stock company constituted in accordance with the Chilean laws, Efizity Ingeniería SpA is the only and exclusive owner of all the shares.
b) Efizity S.A.C is a closed stock company organized in accordance with the laws of the Republic of Peru, Efizity Ingeniería SpA and Colbún Perú S.A. are owners of all its shares.
c) Efizity Ingeniería S.A.S is a simplified joint stock company organized in accordance with the laws of the Republic of Colombia, Efizity Ingeniería SpA is only and exclusive owner of all the shares.

[2] On October 27, 2020, Fenix Power Perú S.A. and Colbún Perú S.A. constituted Sociedad Desaladora del Sur SA, a stock company incorporated in accordance with the laws of Peru, whose objective is the desalination of sea water, purification, conduction, marketing and provision of drinking water supply services to the Potable Water Service and Sewerage of Lima (SEDAPAL for its Spanish acronym) or to third parties.

In 2019, changes in the consolidation perimeter were as follows:

(3) On December 2, 2019, the early dissolution of Termoeléctrica Nehuenco S.A. was approved starting its liquidation process. In addition, on such date, the company changed its name adding “en liquidación” (under liquidation in the end) as established by Article 109 of the Chilean Law resulting in the name “Termoeléctrica Nehuenco S.A. en Liquidación” surviving as legal entity for its liquidation purposes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Relationship	Company	Country	Funcional currency	Tax ID N°	Ownership % as of	
					12.31.2020	12.31.2019
					Direct	Indirect
Associate	Electrogas S.A.	Chile	US$	96.806.130-5	42.5	42.5
Joint Venture	Transmisora Eléctrica de Quillota Ltda.	Chile	Ch$	77.017.930-0	50.0	50.0

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

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

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

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

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

Exchange rate	12.31.2020	12.31.2019
Pesos	710.95	748.74
Euros	0.8141	0.8918
Soles	3.6240	3.3170
Unidades de fomento	0.0245	0.0264

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

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

- Personnel expenses directly related to assets under construction.

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

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

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

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

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

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

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

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

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

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

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

h. Financial instruments

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

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

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

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

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

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

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

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

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

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

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

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

h.2. Financial liabilities

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

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

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

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

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

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

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

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

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

Hedges are classified as follows:

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

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

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

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

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

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

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

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

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

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

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

l. Income tax - The Company determines the taxable basis and calculates income tax in accordance with current tax legislation in each period.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Revenue is classified in the following categories:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

All transactions are performed under the market terms and conditions.

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

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

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

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

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

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

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

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

y. Reclassifications - For comparative purposes and regarding of a taxonomy change instructed by the CMF, the items related to the rights-of-use were reclassified from “Property, Plant and Equipment” to a new item “Right-of-use assets” by ThUS$ 135,826, the items related to the lease liability from “Other current financial liabilities” to a new caption “Short-term lease liabilities” for ThUS $ 9,482 and “Other non-current financial liabilities” to a new caption “Long-term lease liabilities” for ThUS $ 134,390 for the period December 2019.

3.2 New accounting pronouncements

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2020. Those that may be relevant for the Group are indicated below:

3.2.1. Standards effective from January 1, 2020

Adopted Standards		Mandatory application date
Conceptual Framework	Amendments to References to the Conceptual Framework in IFRS Standards	January 1, 2020
IFRS 3	Definition of a Business (Amendments to IFRS 3)	January 1, 2020
IAS 1 - IAS 8	Definition of Material (Amendments to IAS 1 and IAS 8)	January 1, 2020
IFRS 9 - IAS 39 IFRS 7	Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	January 1, 2020
IFRS 16	Covid-19 Related Rent Concessions (Amendment to IFRS 16)	June 1, 2020

Amendments to references in the Conceptual Framework for Financial Reporting: In March 2018, the International Accounting Standards Board (the Board) issued the (revised) Conceptual Framework for Financial Reporting, which mainly serves as a tool to assist the Board in developing standards and to assist the IFRS Interpretations Committee in interpreting such standards. The Conceptual Framework does not override any individual IFRS requirement.

The main changes of principles of the conceptual framework has implications on how and when are recognized and derecognized assets and liabilities in the financial statements.

Certain concepts in the revised Conceptual Framework are completely new, such as the "practical ability" approach to liabilities. Main changes include:

New "bundle of rights" approach to assets: A physical object may be 'sliced and diced' from an accounting perspective. For example, in some circumstances, an entity would book as an asset a right to use an aircraft, rather than an aircraft itself. The challenge will be determining to what extent an asset can be split into different rights and the impact on recognition and derecognition.

New "practical ability" approach for recognizing liabilities: The old recognition thresholds are gone. A liability will be recognized if a company has no practical ability to avoid it. This may bring some liabilities on the balance sheet earlier than at present.

However, if there is uncertainty over existence and measurement or a low probability of outflows, then this may result in no or delayed recognition in some cases.

The challenge will be determining which future actions/costs a company has no ‘practical ability’ to avoid.

New control-based approach to derecognition: A company will take an asset off balance sheet when it loses control over all or part of it – i.e. the focus is no longer on the transfer of risks and rewards.

The challenge will be determining what to do if the company retains some rights after the transfer.

This standard is effective for annual periods beginning on or after January 1, 2020.

Definition of a Business (Amendments to IFRS 3): In October 2018, the International Accounting Standards Board issued narrow-scope amendments to IFRS 3 Business Combinations to improve the definition of a business and help companies determine whether an acquisition performed is a business or a group of assets.

The amendments include a choice to use a concentration test. This is a simplified assessment that results in an asset acquisition if all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets. If the concentration test is not applied, or if the test is not met, the assessment focuses on whether a substantive process exists.

The amendments clarify the definition of a business in order to help entities to determine if a transaction should be accounted for as a business combination or the acquisition of an asset. The amendments:

- clarify that to be considered a business, an acquired set of activities and assets must include, at least, an input and a substantive process that together significantly contribute to the ability to create outputs;
- remove the assessment of whether market participants can replace any missing inputs or processes and continuing to produce outputs;
- add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs; and
- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets acquired is not a business.

The standard is effective for annual periods beginning on or after January 1, 2020.

Definition of Material (Amendments to IAS 1 and IAS 8): In October 2018, the International Accounting Standards Board amended its definition of "material". Such definition has now aligned the use in International Financial Reporting Standards and the Conceptual Framework. This new definition states that "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The Board incorporated the concept of "shadowing" to the definition, along with the existing references to "omit" and "misstate" information. In addition, the Board increased the threshold from "could influence" to "could reasonably be expected to influence."

Furthermore, the Board removed the definition of significant omissions and misstatements under IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The standard is effective for annual periods beginning on or after January 1, 2020.

IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform: In September 2019, the International Accounting Standards Board issued amendments to IFRS 9, IAS 39 and IFRS 7 to address uncertainties related to the reforms in progress of the London Interbank Offered Rate (LIBOR).

The amendments address aspects that affect the financial information in the period prior to the Interbank Offered Rate (IBOR) reform and are applicable to the hedging transactions directly affected by uncertainties related to the IBOR reform. As a part of the main amendments, the entities affected by an IBOR reform will consider the following:

- they will assume the interest rate benchmark on which the hedged cash flows are based are not modified as a result of the IBOR reform when assessing whether future cash flows are highly probable. In addition, for discontinued hedges, the same assumption is applied to determine whether the hedged cash flows are expected to occur.

- they will assess whether the economic relationship between the hedged item and hedging instrument exists based on the assumptions that the interest rate benchmark on which the hedged item and hedging instrument are based is not modified as a result of the IBOR reform.

- they will not interrupt a hedging transaction during the uncertainty period that arises from the IBOR reform solely because the actual hedging results are outside the range of 80-125 percent.

- they will apply the identifiable separately criterion only at the beginning of the hedging relationship. A similar exception is also provided for hedged components where the resignation takes place frequently, i.e. macro-hedges.

This standard is effective for annual periods beginning on or after January 1, 2020.

IFRS 16 Rent reductions related to Covid-19: In May 2020, the IASB issued an amendment to IFRS 16 Leases to provide relief to lessees in applying IFRS 16 guidance related to lease modifications by rent reductions that occur as a direct consequence of the Covid-19 pandemic. The amendment does not apply to landlords.

As a practical solution, a tenant may choose not to assess whether the Covid-19-related rent reduction granted by a landlord is a lease modification. A lessee making this choice will recognize changes in lease payments from Covid-19-related rent reductions in the same way that it would recognize the change under IFRS 16 as if the change were not a lease modification.

A lessee will apply this practical solution retrospectively, recognizing the cumulative effect of the initial application of the amendment as an adjustment to the beginning balance of retained earnings (or other component of equity, as applicable) at the beginning of the annual period over which it is reported in which the lessee applies the amendment for the first time.

A lessee will apply this amendment for annual periods beginning on or after June 1, 2020. Early application is allowed, including in financial statements not authorized for publication as of May 28, 2020.

This standard is effective as of June 1, 2020.

3.2.2. Accounting pronouncements effective starting from January 1, 2021 and thereafter:

Standards issued by the IASB yet to be adopted		Fecha de aplicación obligatoria
IFRS 17	Insurance Contracts	January 1, 2023
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 e IFRS 16)	January 1, 2021
IFRS 3	Reference to the Conceptual Framework (Amendments to IFRS 3)	January 1, 2022
IAS 16	Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16)	January 1, 2022
IAS 37	Onerous Contracts - Costs of Fulfilling a Contract (Amendments to IAS 17)	January 1, 2022
IAS 1	Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	January 1, 2023
IFRS 10 - IAS 8	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Mandatory date deferred indefinitely

IFRS 17 Insurance Contracts: Issued in May 2017, this Standard requires that insurance liabilities be measured at a current compliance value and provides a more consistent approach for presenting and measuring all insurance contracts. Such requirements are designed to provide a consistent principle-based accounting treatment.

This standard is effective for annual periods beginning on or after January 1, 2023. Early adoption is permitted if IFRS 9 and IFRS 15 have been adopted.

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16): In August 2020, the IASB published the second phase of the Interest Rate Benchmark Reform comprising amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. With this publication, the IASB has completed its work in response to the effects of the reform of interbank offered rate (IBOR, for its acronym in English) on financial information.

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR)

The amendments are mandatory, with earlier application permitted. Hedging relationships must be reinstated if the hedging relationship was discontinued solely due to changes required by IBOR reform and it would not have been applied at that time. While application is retrospective, and entity is not required to restate prior periods.

Reference to the Conceptual Framework (Amendments to IFRS 3): In May 2020, the IASB issued Amendments to *IFRS 3 Business Combinations - Reference to the Conceptual Framework*. The amendments are intended to replace the reference to a previous version of the IASB's *Conceptual Framework* (the 1989 Framework) with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments will be effective for annual periods beginning on or after 1 January 2022 and must be applied prospectively. Earlier application is permitted if, at the same time or earlier, an entity also applies all the amendments contained the *Amendments to Reference to the Conceptual Framework in IFRS Standards* issued in March 2018.

The amendments will promote consistency in financial reporting and avoid potential confusion from having more than one version of the *Conceptual Framework* in use.

Property, Plant and Equipment: Proceeds before Intended Use (Amendment to IAS 16): The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss in accordance with the applicable standards.

The amendment will be effective for annual periods beginning on or after 1 January 2022. The amendment must be applied retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

Onerous Contracts – costs of fulfilling a contract (Amendment to IAS 37): In May 2020, the IASB issued amendments to *IAS 37 Provisions, Contingent Liabilities and Contingent Assets* to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments will be effective for annual periods beginning on or after 1 January 2022. The amendments must be applied prospectively to contracts for which and entity has not yet fulfilled all of its obligation at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Earlier application is permitted and must be disclosed.

The amendments are intended to provide clarity and help ensure consistent application of the standard. Entities that previously applied the incremental cost approach will see provisions increase to reflect the inclusion of costs related directly to contract activities, whilst entities that previously recognized contract loss provisions using the guidance from the former standard, IAS 11 Construction Contracts, will be required to exclude the allocation of indirect overheads from their provisions.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 Presentation of Financial Statements: In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current.

The amendments will be effective for annual periods beginning on or after 1 January 2023. The entities need to carefully consider whether there are any aspects of the amendments that suggest that terms of their existing loan agreements should be renegotiated. In this context, it is important to highlight that the amendments must be applied retrospectively.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): In September 2014, this amendment was issued that requires that, when transferring subsidiaries to an associate or joint venture, the entire gain is recognized when the assets transferred meet the definition of "business" under IFRS 3, Business Combinations . The modification establishes strong pressure on the definition of "business" for recognition in results. The amendment also introduces new and unexpected postings for transactions that consider partial holding in assets that does not constitute a business.

The effective date of application of this amendment has been postponed indefinitely.

This modification does not have significant effects for the Company.

3.3 Responsibility for the information and estimates made

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

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

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

- Useful lives and residual values of property, plant and equipment, and intangible assets (see Note 3.1.f and 5.a)

- Valuation of assets to determine the existence of impairment losses (see Note 5.b)

- Assumptions used to calculate the fair value of financial instruments (see Note 3.1.h)

- Assumptions used in the actuarial calculation of liabilities and employee obligations (see Note 3.1.m)

- Probability of occurrence and the amount of undetermined or contingent liabilities (see Note 3.1.n)

- The tax returns of the Company and its subsidiaries, which will be submitted to relevant tax authorities in the future and which have been used as a basis for recording different income tax-related amounts in the accompanying consolidated financial statements (see Note 3.1.l).

- Financial assumptions and estimated economic life for calculating the provision for dismantling (see note 3.n.2)

- Measurement of the allowance for expected credit losses for trade receivables and contract assets (3.h.1.5).

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

4. Risk management

4.1. Risk management policy

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

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

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

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

4.2 Risk factors

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

4.2.1 Electric business risks

a. Hydrological risk

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

The Company's exposure to hydrological risk is reasonably mitigated by a commercial policy aimed at maintaining a balance between competitive power generation (hydraulic in an average-to-dry year, or cost-efficient coal-based or natural gas-based thermal power generation, other cost-efficient renewable energy properly supported by other power generation sources given their intermittence and volatility) and commercial commitments. Under extreme conditions and continuous droughts, a possible lack of water for cooling could affect the power-generating capacity of the combined cycles. For the purpose of minimizing the use of water and ensuring operational availability during water shortage periods, Colbún built a Reverse Osmosis Plant in 2017, which allows reducing up to 50% the water used in the cooling process of combined cycles of the Nehuenco Complex.

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

b. Fuel price risk

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

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

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

c. Fuel supply risk

The Company entered into a contract with Enap Refinerías S.A. ("ERSA"), which includes a reserved regassification capacity and supply for 13 years which became effective on January 1, 2018. This agreement allows the Company to have natural gas to operate two combined cycle units during a large part of the first semester which is the period of the year in which the availability of water resources is lower. Colbún has also the possibility to access to additional natural gas through spot purchases allowing to have an efficient support under adverse hydrological conditions during the second half of the year. In addition, gas supply contracts have been entered with Argentine producers, to complement the gas supply of LNG.

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

With respect to purchases of coal for Santa María thermal power plant, the Company conducts tender processes (the most recent conducted in June 2019), inviting significant international suppliers and awarding such supply to competitive, financially stable companies. This is performed in accordance with an early purchase policy and an inventory management policy to substantially mitigate the risk of fuel unavailability.

d. Equipment malfunction and maintenance risk

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

On November 26, as a result of a landside, an obstruction of the flow of waterflow transported through the Pataguilla tunnel, part of the Las Mercedes zone, occurred. This collapse caused a lack of water availability to agricultural areas in the communes of Curacaví and María Pinto, until December 18, date on which the tunnel´s operation was restored. The root cause assessment for the collapse is currently under process.

e. Project construction risk

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

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

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

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

f. Regulatory risks

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

Chile

In the context of the constitutional process originated from the commitment called "Agreement for Peace and the New Constitution" ("Acuerdo por la Paz y la Nueva Constitución"), and the subsequent approval by plebiscite of the drafting of a new Constitution, on April 11 2021, the 155 constituents in charge of its drafting will be elected and the text must be submitted to a new in 2022. The constitutional process may result in changes to the institutional framework applicable to the business activity in the country.

On December 12, due to the outbreak of COVID-19 that affects the country, classified as a pandemic by the World Health Organization, the President of the Republic decided to extend the State of Constitutional Exception of Catastrophe, due to public calamity, throughout the national territory, by means of Supreme Decree 104, 2020, of the Ministry of the Interior and Public Security, and its modifications, for an additional period of 90 days.

In this context, within the framework of the serious health crisis affecting the country, on January 5, 2021, Law No. 21,301 was enacted, which extends the effects of Law No. 21,249, which provides for exceptional measures in favor of the end users of health services, electricity and gas network. This initiative extends the term of benefits to end users, which were in force until November 2020.

Additionally, the Environment and Natural Resources Commission of the Chamber of Deputies maintains under review the indications that were presented on the Bill that seeks to advance the decommissioning of coal-fired plants that was generally approved by the Chamber. This bill, initiated by a parliamentary motion, seeks to prohibit the installation and operation of coal-fired thermoelectric generation plants throughout the national territory as of January 1, 2026. The Ministries of Energy and the Environment, the CNE and the National Electric Coordinator have exposed before the Commission the inconvenience of advancing the closure of the coal-fired power plants through legal means. It is important to remember that in 2019 the generators signed a voluntary agreement with the government, by which they committed not to build new coal-fired plants and agreed to the progressive closure of the coal-fired plants.

On November 16, the processing of a new bill corresponding to a parliamentary motion entered through the Senate began, which seeks to "ensure water security for the different productive uses of water" and whose main provisions establish modifications in the Water Code and in the General Law of Electrical Services. Its amendments aim to limit the possibility of exercising water rights for hydroelectric generation, particularly that which comes from natural or artificial reservoirs (such as reservoirs), when these affect other uses of water, such as for example the human consumption and use for irrigation, in which case there must be a coordination that allows the simultaneous use of both rights. It also establishes the obligation that companies with hydroelectric generation have plans to transform their productive matrix (towards renewable sources other than water) within a period of 5 years.

The Draft Framework Law on Climate Change entered the Senate by the Executive on January 13, 2020, is in its first constitutional process, is currently being discussed by the Senate Committee on the Environment and National Assets and has the utmost urgency. The objective of this bill is to create a legal framework to "face the challenges of climate change; move towards a development low in greenhouse gas emissions, until reaching and maintaining the neutrality of these emissions; reduce vulnerability and increase resilience to the adverse effects of climate change, and comply with the international commitments assumed by the State of Chile on the matter”.

On the other hand, the Government continues to promote the following regulatory changes that, depending on the way they are implemented, could represent opportunities or risks for the Company.

(i) The “Modernization of the Distribution Segment" (Long Law), which aims to update the regulation of the distribution sector to better address the technological and market advances that have taken place and that are foreseen for the future, promote investment and improve the quality of service to end users. In the context of modernization and comprehensive reform, the Executive submitted to the Chamber of Deputies' Mining and Energy Commission a bill that establishes the right to electricity portability, creating the figure of the marketer as a new market agent, in addition to considering the modernization of the supply bidding mechanism and the introduction of the role of the information manager to reduce information asymmetries and protect customers' consumption data.

This bill corresponds to the first of three initiatives in which the Executive sub-divided the Long Distribution Law. The other two bills that have not yet been introduced in Congress are:

a) Quality of Service, which seeks to improve the efficient pricing scheme, define a long-term strategic quality of service plan and establish compensation in favor of clients for excessive time interruptions
b) Distributed Generation, the purpose of which is to promote distributed generation, define new actors and enable pilot projects with a coordinated expansion of the distribution and transmission networks.

The Chamber's Mining and Energy Commission has convened the private sector, civil society, academics, and the public sector in order to capture the opinion of the various organizations so that parliamentarians can make the necessary recommendations on the bill.

(ii) The “Flexibility Strategy”, which has the objective of addressing the systemic and market consequences that will arise as a result of the increasing incorporation of renewable energy from variable sources. Recently, the Ministry of Energy published the definitive Strategy, announcing the three axes or pillars it considers: (a) Market design for the development of a Flexible System, (b) Regulatory framework for Storage Systems, and (c) Flexible operation of the System. Within the framework of this Strategy, working groups are being set up with industry representatives to address the measures that have been proposed in each of the axes.

(iii) At the regulatory and resolution level, it is worth noting:

a. On December 26, 2020, Decree No. 42 of 2020 of the Ministry of Energy was published in the Official Gazette, introducing modifications to Supreme Decree No. 62 of 2006, which approved the regulations for capacity transfers between generating companies. The main modifications that this decree introduces are the recognition of sufficiency power to plants with Storage Systems and the incorporation of the State of Strategic Reserve in the framework of the decommissioning of coal-fired plants.

b. Regarding the Complementary Services market (SSCC), in September 2020, the Coordinator published the final update report of SSCC 2020, in which he suspended the SSCC auctions of secondary frequency control (CSF) and tertiary frequency control (CTF). As a result, both Enel and Colbún presented discrepancies before the Panel of Experts for not agreeing with the form and conclusions of the Coordinator's decision.

   In this context, the CNE and the Coordinator worked on changes, in their opinion, to necessary resume the auctions, which materialized in the resolutions of November 23, which modified the Ancillary Services definition report and the resolution of maximum prices. After this, on December 16, 2020, the auctions of these Anchillary Services were resumed and, in parallel, letters of withdrawal were presented for the discrepancies presented to the Panel.

Peru

After Luz del Sur filed a complaint against the Ministry of Energy, due to the fact that - in the opinion of the electricity company - Decree 043-2017-EM, which is related to the declaration of fuel prices by the generating plants, had both legal and constitutional violations, the Supreme Court declared this Decree null and void and ordered the Ministry of Energy to establish new provisions based on the existing Decree 039-2017-EM. This declaration of nullity refers to the possibility that the thermal power plants have today to declare a minimum price of energy with respect to the use of natural gas which is much lower than the actual price of generation with that fuel (because it is permitted to exclude from such declaration costs associated with take or pay clauses established in the contracts for transport and distribution of gas, mainly). The ruling indicates that two different prices cannot be declared: one in bar (which includes all costs) and another for the declaration of gas prices (order of dispatch of plants).

g. Risk of variation in demand/supply and sales price of electricity.

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

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

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

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

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

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

Regarding the impact of COVID19 on energy demand, there is still uncertainty about how and for how long this contingency will extend. Energy demand in Chile has grown approximately 1.6% during 4Q20 compared to 4Q19 and 0.4% during 2020 compared to 2019, while Peru has experienced a fall of approximately 0.3% during the quarter and 7.0% during 2020.

Additionally, there is a complex world economic outlook, which may lead to a contraction of the economies in Chile and Peru, which will surely have effects on future electricity demand.

4.2.2. Financial risks

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

a. Exchange rate risk

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

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

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

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

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

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

b. Interest rate risk

Is related to changes in interest rates affecting the value of future cash flows based on variable interest rates, and variances in the fair value of assets and liabilities based on fixed interest rates that are accounted for at fair value. To mitigate such risk, the Company uses fixed interest rate swaps.

As of December 31, 2020, the Company's financial debt, including the effect of contracted interest rate derivatives, is 100% denominated in fixed rate.

c. Credit risk

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

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

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

As of December 31, 2020, the Company invests its cash surpluses in interest-bearing current account, mutual funds (of bank subsidiaries) and in time deposits in local and foreign banks. The former are short-term mutual fund deposits, at 90 days and known as "money market".

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

d. Liquidity risk

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

As of December 31, 2020, Colbún has cash surpluses of approximately US$967 million, invested in time deposits for an average of 83 days (including time deposits with maturities exceeding 90 days, where the latter are recorded as "Other financial assets, current" in the Consolidated Financial Statements), and in short-term mutual fund deposits maturing in less than 90 days.

Likewise, to date, the Company has the following additional sources of liquidity available: (i) three line of bonds registered with the local market, two for UF 7 million as a whole and one for UF 7 million, and (ii) uncommitted credit revolving facilities for approximately US$150 million. For its part, Fenix Power has committed credit lines for a total of US $25 million, with a one-year term, contracted with two local banks. In addition, Fenix Power has uncommitted lines for a total of US $34 million, contracted with three local banks.

Within the next twelve months, the Company will have to disburse approximately US$110 million associated with interests on financial debt and debt repayments. The payment of interests and repayments are expected to be covered by the Company's internally generated cash flows.

As of December 31, 2020, Colbún has the following local risk ratings: AA by Fitch Ratings and Feller Rate, with stable outlook. At international level, the Company's ratings are: Baa2 by Moody's, BBB by S&P and BBB+ by Fitch Ratings, all with stable outlooks.

As of December 31, 2020, Fenix Power risk ratings are: Ba1 by Moody's, and BBB -by S&P and by Fitch Ratings, all with stable outlooks.

Considering the foregoing, it is assessed that the Company's liquidity risk is currently limited.

Information on contractual maturities of the main financial liabilities is disclosed in Note 23.c.2 of the Financial Statements.

4.3 Risk measurement

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

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

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

For measuring the financial risk exposure, Colbún performs a sensitivity analysis and value at risk analysis to monitor possible losses assumed by the Company in the event such exposure exists.

Foreign currency exchange risk is considered low because the Company's main cash flows (project revenue, costs and expenditures) are directly denominated in, or adjusted to, U.S. dollars.

The accounting mismatch exposure is mitigated by applying a policy of maximum mismatch between assets and liabilities for structural items in the Balance Sheet denominated in currencies other than U.S. dollar. As of December 31, 2020, the Company's exposure to this risk relates to a potential impact of approximately US$4.3 million for quarterly foreign currency exchange differences, based on a sensitivity analysis with a 95% reliance.

There is no interest rate variance risk because 100% of the financial debt is assumed to be at a fixed rate.

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

At the closing date, the financial institution which accounts for the highest share of cash surpluses has 23%. For existing derivatives, the Company's foreign counterparties have risk ratings equivalent to BBB+ or higher and domestic counterparties have local ratings of BBB+ or higher. Note that, for derivatives, no counterparty has a concentration of more than 24% in terms of notional value.

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

5. Critical accounting policies

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

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

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

Estimated useful lives as of December 31, 2020 are as follows:

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

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

Classes of property, plant and equipment	Useful life (years)	Average remaining useful life (years)
Buildings	10 - 65	32
Machinery	4 - 20	10
Transport equipment	5 - 15	6
Office equipment	5 - 12	9
IT equipment	3 - 10	6
Power-generating asset	2 - 100	41
Transmission line operation and maintenance	20	13
Right-of-use assets	2 - 14	12
Other property, plant and equipment	10 - 50	31

Additional detail per class of plants is presented below

Classes of plants	Useful life (years)	Average remaining useful life (years)
Power-generating facilities		
Hydroelectric power plants		
Civil works	10 - 100	71
Electromechanical equipment	02 - 100	21
Thermal power plants		
Civil works	10 - 60	22
Electromechanical equipment	02 - 60	16
Solar power plant		
Electromechanical equipment	5 - 25	21
Civil works	25	23

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

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

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

Intangible assets	Useful life (years)	Average remaining useful life (years)
Customer contractual relationships	2 - 15	11
Software	1 - 15	6
Rights and concessions	1 - 10	5

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

(iii) Intangible assets with indefinite useful lives:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

As of December 31, 2020, the Company carried out an impairment assessment in the Peru CGU and recorded an impairment provision in the subsidiary Fenix Power S.A in Peru for a gross amount (before deferred taxes) of ThUS$ 179,615. The foregoing, to reflect the lower recoverable amount compare to the carrying amount of the assets as a result of the lower marginal costs and energy prices observed during the last years as a consequence of lower than expected growth rates as a result of a lower dynamism of economic activity , delays in the regulatory matters processing and exogenous events (political, natural disasters). This condition intensified during 2020 as a result of the COVID-19 impact, and a 7% decrease was recorded in energy demand compared to 2019. This has deepened a situation of oversupply in the Peruvian market of electricity generation, negatively impacting the level of energy prices in that market and it is likely that the reestablishment of the balance between supply and demand will take more time than previously considered (see note 37).

c. Fair value of derivatives and other financial instruments

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

6. Goodwill

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

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

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

Assets acquired and liabilities assumed

The fair values of Efizity's identifiable assets acquired and assumed liabilities at the acquisition date were:

Assets acquired and liabilities assumed	Fair value recorded at acquisition
	ThUS$
Total net assets	
Total current assets	**1,135**
Intangible Assets	13
Other non-current assets	391
Total current assets	**404**
Total Assets	**1,539**
Total current liabilities	**992**
Intangible Assets	304
Total non-current liabilities	**304**
Total Liabilities	**1,296**
Total Net Assets	**243**
Profit from business combination / Goodwill	**5,573**
Consideration transferred	**5,816**

7. Segment Reporting

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

Additionally, the Company owns transmission lines and substations through which it trades transport and power transformation capacity in the Chilean National Electric System (SEN).

Colbún's management control system analyzes generation business from the perspective of a mix of hydraulic/thermal assets that produce power to serve a customer portfolio and assesses the transmission business distinguishing three types of transmission lines operated by the Company: national, zonal and dedicated. Consequently, resource allocation and performance measures are analyzed separately per each business.

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

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

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

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

The electricity regulation for the transmission business establishes a functional definition and differentiates remuneration between the transmission systems, both for the regulated segment (National System, Zonal and Development Hubs), and the Dedicated system segment, in which is possible to enter into contracts with unregulated customers and power generators.

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

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

The Transmission segment is a new operating segment since 2019. The decision to provide more focus on this segment was made after the reorganization of these type of assets within Colbun, in which all of the Transmission Assets were transferred to Colbun Transmisión S.A.

At that time the Company decided to start monitoring the transmission business separately from the generation business, including a specific section in our Managerial Internal Reports and also providing more information to Colbun's investors and the financial markets in general.

Before 2019, the majority of the transmission assets were part of Colbun's Balance Sheet and therefore reported consolidated as part of the Generation Business.

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The table below presents information by operating segment:

Segment operating results as of 12.31.2020	Chile Generation	Chile Transmission	Perú Generation	Operating segments	Elimination of intersegment revenue	Total operating segments
Revenue						
Revenue	1,134,028	51,400	159,440	1,344,868	4,000	1,348,868
Revenue from transactions with other operating segments	250	28,818	-	29,068	(29,068)	-
Total revenue from third parties and transactions with other operating segments	**1,134,278**	**80,218**	**159,440**	**1,373,936**	**(25,068)**	**1,348,868**
Raw materials and consumables	(502,075)	(12,283)	(86,506)	(600,864)	25,068	(575,796)
Employee benefit expenses	(59,295)	-	(6,062)	(65,357)	-	(65,357)
Interest expenses	(63,507)	(110)	(26,842)	(90,459)	-	(90,459)
Interest income	10,431	94	717	11,242	-	11,242
Depreciation and amortization expenses	(188,996)	(11,047)	(46,572)	(246,615)	-	(246,615)
Share of profit or loss of equity-accounted associates and joint ventures	172,429	-	-	172,429	(162,479)	9,950
Income tax expense from continuing operations	16,157	(15,519)	(43,389)	(42,751)	-	(42,751)
Other significant items other than cash	-	-	-	-	-	-
Profit (loss) before taxes	430,298	57,426	(193,026)	294,698	(162,479)	132,219
Profit (loss) from continuing operations	446,455	41,907	(236,415)	251,947	(162,479)	89,468
Profit (loss)	**446,455**	**41,907**	**(236,415)**	**251,947**	**(162,479)**	**89,468**
Assets	5,907,891	417,727	757,215	7,082,833	(448,966)	6,633,867
Equity-accounted investees	475,815	-	-	475,815	(448,966)	26,849
Incorporation of non-current assets other than financial instruments, deferred tax assets, assets related to defined benefit plans and rights arising from insurance contracts	23,577	12,633	28,562	64,772	-	64,772
Liabilities	2,452,878	94,005	501,616	3,048,499	-	3,048,499
Equity						3,585,368
Liabilities and equity						**6,633,867**
Impairment losses recognized in profit or loss for the year	(4,517)	-	(179,615)	(184,132)	-	(184,132)
Cash flows from (used in) operating activities	422,775	39,347	63,502	525,624	-	525,624
Cash flows from (used in) investing activities	(318,587)	(11,994)	(30,013)	(360,594)	-	(360,594)
Cash flows from (used in) financing activities	(184,778)	(36,290)	(25,293)	(246,361)	-	(246,361)

Continued

Segment operating results as of 12.31.2019	Chile Generation	Chile Transmission	Perú Generation	Operating Segments	Elimination of intersegment revenue	Total operating segments
Revenue						
Revenue	1,264,993	47,608	174,786	1,487,387	-	1,487,387
Revenue from transactions with other operating segments	348	35,816	-	36,164	(36,164)	-
Total revenue from third parties and transactions with other operating segments	**1,265,341**	**83,424**	**174,786**	**1,523,551**	**(36,164)**	**1,487,387**
Raw materials and consumables	(622,222)	(10,202)	(95,724)	(728,148)	36,164	(691,984)
Employee benefit expenses	(68,163)	-	(6,188)	(74,351)	-	(74,351)
Interest expenses	(63,917)	(20)	(27,132)	(91,069)	-	(91,069)
Interest income	21,507	-	608	22,115	-	22,115
Depreciation and amortization expenses	(193,531)	(11,057)	(45,934)	(250,522)	-	(250,522)
Share of profit or loss of equity-accounted associates and joint ventures	53,750	-	-	53,750	(44,648)	9,102
Income tax expense from continuing operations	(54,665)	(16,338)	2,787	(68,216)	-	(68,216)
Profit (loss) before taxes	259,629	59,973	(4,772)	314,830	(44,648)	270,182
Profit (loss) from continuing operations	204,964	43,635	(1,985)	246,614	(44,648)	201,966
Profit (loss)	**204,964**	**43,635**	**(1,985)**	**246,614**	**(44,648)**	**201,966**
Assets	5,877,064	414,483	921,214	7,212,761	(507,411)	6,705,350
Equity-accounted investees	532,129	-	-	532,129	(507,411)	24,718
Incorporation of non-current assets other than financial instruments, deferred tax assets, assets related to defined benefit plans and rights arising from insurance contracts	57,461	22,503	196,764	276,728	-	276,728
Liabilities	2,348,099	105,638	515,978	2,969,715	-	2,969,715
Equity						3,735,635
Liabilities and equity						**6,705,350**
Impairment losses recognized in profit or loss for the year	(62,808)	-	-	(62,808)	-	(62,808)
Cash flows from (used in) operating activities	424,928	83,921	55,971	564,820	-	564,820
Cash flows from (used in) investing activities	75,628	(27,253)	(14,061)	34,314	-	34,314
Cash flows from (used in) financing activities	(421,500)	(21,083)	(42,423)	(485,006)	-	(485,006)

Information about products and services

Sales in the main geographical markets	January - December 2020 ThUS$	2019 ThUS$
Chile Generation		
Energy sales	855,655	997,639
Power sales	139,569	149,405
Other income	139,054	118,297
Subtotal	**1,134,278**	**1,265,341**
Chile Transmission		
Sales from tolls	80,218	83,424
Subtotal	**80,218**	**83,424**
Peru		
Energy sales	113,127	123,422
Power sales	40,697	40,340
Other income	5,616	11,024
Subtotal	**159,440**	**174,786**
Total reportable segments	**1,373,936**	**1,523,551**
Elimination of inter-segment revenue	**(25,068)**	**(36,164)**
Total sales	**1,348,868**	**1,487,387**

Information on sales to main customers

Main customers	January - December 2020 ThUS$	%	2019 ThUS$	%
Chile Generation				
Corporación Nacional del Cobre Chile	374,498	27%	413,016	27%
CGE Distribución S.A.	174,057	13%	158,484	10%
Enel Distribución Chile S.A.	108,037	8%	123,840	8%
Anglo American S.A.	77,230	6%	109,598	7%
Sociedad Austral del Sur S.A.	3,013	0%	87,043	6%
Colbún Transmisión S.A	250	0%	-	0%
Others	397,193	29%	373,360	25%
Subtotal	**1,134,278**	**83%**	**1,265,341**	**83%**
Chile Transmission				
Colbún S.A.	28,818	2%	35,816	2%
Corporación Nacional del Cobre Chile	8,793	1%	15,731	1%
Anglo American S.A.	3,281	0%	4,687	0%
Others	39,326	3%	27,190	2%
Subtotal	**80,218**	**6%**	**83,424**	**5%**
Peru				
Luz del Sur S.A.A.	75,063	5%	75,754	5%
Enel Distribución Perú S.A.A.	19,974	1%	20,678	1%
Comité de Operación Económica del Sistema Interconectado Nacional	7,348	1%	6,330	0%
Compañía Electrica El Platanal	9,947	1%	13,573	1%
Atria Energia S.A.C.	9,276	1%	10,858	1%
Others	37,832	2%	47,593	4%
Subtotal	**159,440**	**11%**	**174,786**	**12%**
Total reportable segments	**1,373,936**	**100%**	**1,523,551**	**100%**
Elimination of inter-segment revenue	**(25,068)**		**(36,164)**	
Total sales	**1,348,868**		**1,487,387**	

8. Cash and cash equivalents

a. Detail

As of December 31, 2020, and December 31, 2019, this caption is composed of the following:

Cash and cash equivalents	12.31.2020 ThUS$	12.31.2019 ThUS$
Cash on hand	45	48
Cash in banks	192,327	24,400
Time deposits	22,208	214,296
Other cash equivalents	39,527	88,142
Total	**254,107**	**326,886**

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

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

As of December 31, 2020, and December 31, 2019, in addition to these instruments, the Company has other term deposits with a maturity of more than three months from the acquisition date, which are presented in Note 9.

b. Detail by currency

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

Currency	12.31.2020		12.31.2019	
	Currency ThUS$	Currency with derivative (1) ThUS$	Currency ThUS$	Currency with derivative (1) ThUS$
EUR	2,042	2,042	332	332
CLP	79,005	79,005	195,043	44,043
PEN	7,124	7,124	6,363	6,363
USD	165,936	165,936	125,148	276,148
Total	**254,107**	**254,107**	**326,886**	**326,886**

(1) Considers the subscribed exchange rate forward effect to re-denominate in U.S. dollars certain term deposits in Chilean pesos. As of December 31, 2020, cash and cash equivalents do not have derivatives.

c. Reconciliation of liabilities arising from financial activities

Liabilities arising from financing activities	Balance as of 01.01.2020	Cash flow	Changes that do not represent cash flows				Balance as of 12.31.2020
			Dividends	Interests	Valuation	Other	
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Finance lease liabilities (1)	143,872	(20,698)	-	11,623	(158)	118	134,757
Banks payable	-	24,650	-	442	-	439	25,531
Bonds Payable (2)	1,534,791	(8,994)	-	80,393	18,349	11,446	1,635,985
Dividends payable	-	(241,319)	241,573	-	-	-	254
Total	**1,678,663**	**(246,361)**	**241,573**	**92,458**	**18,191**	**12,003**	**1,796,527**

Liabilities arising from financing activities	Balance as of 01.01.2019	Cash flow	Changes that do not represent cash flows				Balance as of 12.31.2019
			Dividends	Interests	Valuation	Other	
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Finance lease liabilities	14,644	(18,643)	-	10,799	-	137,072	143,872
Bonds payable	1,586,657	(116,962)	-	67,417	(9,964)	7,643	1,534,791
Dividends payable	36,001	(346,264)	310,263	-	-	-	-
Other accounts receivable	-	(3,137)	-	-	-	3,137	-
Total	**1,637,302**	**(485,006)**	**310,263**	**78,216**	**(9,964)**	**147,852**	**1,678,663**

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

9. Other financial assets

As of December 31, 2020, and December 31, 2019, this caption is composed of the following:

	Current		Non-current	
	12.31.2020 ThUS$	12.31.2019 ThUS$	12.31.2020 ThUS$	12.31.2019 ThUS$
Time deposits (1)	713,293	470,535	-	-
Hedge derivative instruments (2) (ver nota 14.1)	1,362	2,249	10,199	1,836
Investment for share offering	-	-	84	82
Total	**714,655**	**472,784**	**10,283**	**1,918**

(1) As of December 31, 2020, investments in term deposits that were classified in this caption have an original average investment term less than six months and the remaining average maturity term was 80 days. Cash flows related to these investments are presented in the statements of cash flows as cash flows from investing activities in other cash receipts (payments).

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

10. Trade and other receivables

As of December 31, 2020, and December 31, 2019, this caption is composed of the following:

Caption	Current		Non-current	
	12.31.2020 ThUS$	12.31.2019 ThUS$	12.31.2020 ThUS$	12.31.2019 ThUS$
Trade receivables by contract	191,740	241,202	109,282	28,923
Other receivables (1)	9,431	11,364	-	-
Total	**201,171**	**252,566**	**109,282**	**28,923**

(1) As of December 31, 2020, the current balance comprises recoverable taxes for ThUS$ 6,582 and other minor items for ThUS$ 2,849. (ThUS$ 8,779 and ThUS$ 2,585 as of December 31, 2019, respectively). Company believes these assets are recoverable within 12 months.

The average collection period is 30 days.

The balances of trade and other receivables, Non-Current, correspond mainly to accounts receivable, whose accounting treatment is derived from the application of Law No. 21,185, which creates a temporary price stabilization mechanism (PEC).

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

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

Impairment	12.31.2020 ThUS$	12.31.2019 ThUS$
Opening balance	974	623
Increase (decrease) in the allowance	2,331	892
Impairment losses	(37)	-
Reversal of impairment losses	(518)	(541)
Closing balance	**2,750**	**974**

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

As of December 31, 2020, and December 31, 2019, the analysis of trade receivables is as follows:

a) Aging of trade receivables portfolio

Invoiced	Balance as of 12.31.2020					
	Current ThUS$	1-30 days ThUS$	31-60 ThUS$	61-90 ThUS$	Over 91 days ThUS$	Total ThUS$
Trade receivables, regulated	3,997	2,452	1	-	979	7,429
Trade receivables, unregulated	14,111	195	82	125	1,622	16,135
Other receivables	2,201	284	11	52	1,385	3,933
Allowance for impairment losses	(2,718)	-	-	-	(32)	(2,750)
Subtotal	**17,591**	**2,931**	**94**	**177**	**3,954**	**24,747**
Invoices to be issued	**Balance as of 12.31.2020**					
	Current ThUS$	1-30 days ThUS$	31-60 ThUS$	61-90 ThUS$	Over 91 days ThUS$	Total ThUS$
Trade receivables, regulated	29,894	-	-	-	-	29,894
Trade receivables, unregulated	78,131	-	-	-	-	78,131
Other receivables	58,968	-	-	-	-	58,968
Subtotal	**166,993**	**-**	**-**	**-**	**-**	**166,993**
Total Trade Receivables	**184,584**	**2,931**	**94**	**177**	**3,954**	**191,740**
No. of customers (unaudited)	**332**	**71**	**40**	**22**	**349**	

Invoiced	Balance as of 12.31.2019					
	Current ThUS$	1-30 days ThUS$	31-60 ThUS$	61-90 ThUS$	Over 91 days ThUS$	Total ThUS$
Trade receivables, regulated	10,632	262	15	-	1,334	12,243
Trade receivables, unregulated	13,976	1,864	152	953	3,062	20,007
Other receivables	2,461	631	431	532	2,015	6,070
Allowance for impairment losses	(419)	-	-	-	(555)	(974)
Subtotal	**26,650**	**2,757**	**598**	**1,485**	**5,856**	**37,346**

Invoices to be issued	Balance as of 12.31.2019					
	Current ThUS$	1-30 days ThUS$	31-60 ThUS$	61-90 ThUS$	Over 91 days ThUS$	Total ThUS$
Trade receivables, regulated	80,686	-	-	-	-	80,686
Trade receivables, unregulated	44,317	-	-	-	-	44,317
Other receivables	78,853	-	-	-	-	78,853
Subtotal	**203,856**	**-**	**-**	**-**	**-**	**203,856**
Total Trade Receivables	**230,506**	**2,757**	**598**	**1,485**	**5,856**	**241,202**
No. of customers (unaudited)	**473**	**92**	**16**	**69**	**311**	

b) Customers in legal collection

There are no trade and other receivables accounted for in legal collection.

11. Financial Instruments

a. Financial instruments by category

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

a.1 Assets

December 31, 2020	Amortized cost ThUS$	Fair value ThUS$	Total ThUS$
Cash on hand and cash in banks (see Note 8)	-	192,372	192,372
Time deposits and other cash equivalents (see Note 8)	22,208	39,527	61,735
Trade and other receivables [(1)] (See Note 10)	194,589	-	194,589
Trade receivables due from related parties (see Note 12.b.1)	75	-	75
Derivative financial instruments (see Note 14.1)	-	11,561	11,561
Other financial assets (see Note 9)	713,293	-	713,293
Total	**930,165**	**243,460**	**1,173,625**

December 31, 2019	Amortized cost ThUS$	Fair value ThUS$	Total ThUS$
Cash on hand and cash in banks (see Note 8)	-	24,448	24,448
Time deposits and other cash equivalents (see Note 8)	214,296	88,142	302,438
Trade and other receivables [(1)] (see Note 10)	243,787	-	243,787
Trade receivables due from related parties (see Note 12.b.1)	833	-	833
Derivative financial instruments (see Note 14.1)	-	4,085	4,085
Other financial assets (see Note 9)	470,535	-	470,535
Total	**929,451**	**116,675**	**1,046,126**

[(1)] As of December 31, 2020, recoverable taxes for ThUS$ 6,582 are not considered. As of December 31, 2019, the balance related to current recoverable taxes amounted to ThUS$ 8,779.

a.2 Liabilities

December 31, 2020	Amortized cost ThUS$	Fair value ThUS$	Total ThUS$
Interest-bearing borrowings (see Note 22.c.1 and c.2)	1,661,516	-	1,661,516
Lease liabilities (see Note 24)	134,757	-	134,757
Derivative financial instruments (see Note 14.1)	-	858	858
Trade and other payables (see Note 25)	130,680	-	130,680
Payables due to related parties (see Note 12.b.2)	161	-	161
Total	**1,927,114**	**858**	**1,927,972**

December 31, 2019	Amortized cost ThUS$	Fair value ThUS$	Total ThUS$
Interest-bearing borrowings (see Note 22.c.1 and c.2)	1,534,791	-	1,534,791
Lease liabilities (see Note 24)	143,872	-	143,872
Derivative financial instruments (see Note 14.1)	-	1,837	1,837
Trade and other payables (see Note 25)	165,756	-	165,756
Payables due to related parties (see Note 12.b.2)	5,936	-	5,936
Total	**1,850,355**	**1,837**	**1,852,192**

b. Credit quality of financial assets

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

Credit quality of financial assets	12.31.2020 ThUS$	12.31.2019 ThUS$
Customers with local risk rating		
AAA	65.679	41.001
AA+	17.979	13.396
AA	289	38.267
AA-	33.875	576
A+	3.894	34.274
A	2.754	-
A-	26	825
BBB+	-	19
Total	**124.496**	**128.358**
Customers with no local risk rating		
Total	**67.244**	**141.766**
Cash in banks and bank short-term deposits, local market		
AAA	661.639	461.585
AA+	-	200.372
AA	198	-
Total	**661.837**	**661.957**
Cash in banks and bank short-term deposits, international market (*)		
AAA	-	20.053
BBB- o superior	266.036	27.269
Total	**266.036**	**47.322**
Counterparty derivative financial assets, national market		
AAA	10.429	-
AA	24	-
Total	**10.453**	**-**
Counterparty derivative financial assets, international market (*)		
AAA	-	4.085
AA-	817	-
A+o inferior	291	-
Total	**1.108**	**4.085**

(*) Foreign risk classification

12. Related parties disclosures

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

a. Controlling interests

As of December 31, 2020, the distribution of ownership interest is as follows:

Shareholders	Ownership %
Minera Valparaíso S.A. (*)	35.17
Forestal Cominco S.A. (*)	14.00
Antarchile S.A.	9.58
AFP Habitat S.A. (**)	4.71
Banco de Chile por cuenta de State Street	3.20
Banco Santander - JP Morgan	3.14
Banco de Chile por cuenta de terceros	2.72
AFP Provida S.A. (**)	1.40
AFP Cuprum S.A. (**)	1.35
Larrain Vial S.A. - Corredora de Bolsa	1.31
Other shareholders	23.42
Total	**100.00**

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

b. Balances and transactions with related parties

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

b. 1. Trade receivables due from related parties

Tax ID N°	Company	Country	Relationship	Currency	Current	
					12.31.2020 ThUS$	12.31.2019 ThUS$
96.806.130-5	Electrogas S.A.	Chile	Associate	US$	16	822
96.853.150-6	Papeles Cordillera S.A.	Chile	Common business group	Ch$	47	-
77.017.930-0	Transmisora Eléctrica de Quillota Ltda.	Chile	Joint venture	Ch$	12	11
				Total	**75**	**833**

b. 2. Trade payables due from related parties

Tax ID N°	Company	Country	Relationship	Currency	Current	
					12.31.2020 ThUS$	12.31.2019 ThUS$
99.520.000-7	Compañía de Petróleos de Chile Copec S.A.	Chile	Director and controlling shareholder	Ch$	15	639
96.806.980-2	Entel PCS Telecomunicaciones S.A.	Chile	Common group	Ch$	16	5
90.412.000-6	Minera Valparaíso S.A.	Chile	Controlling shareholder	US$	89	3,203
79.621.850-9	Forestal Cominco S.A.	Chile	Controlling shareholder	US$	36	1,275
96.806.130-5	Electrogas S.A.	Chile	Associate	US$	5	814
				Total	**161**	**5,936**

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

b. 3 Disclosures of transactions with related parties

TAX ID N°	Company	Country	Relationship	Currency	Transaction	January - December 2020 Amount ThUS$	2020 Effect on profit or loss (debit) credit ThUS$	2019 Amount ThUS$	2019 Effect on profit or loss (debit) credit ThUS$
77.017.930-0	Transmisora Eléctrica de Quillota Ltda.	Chile	Joint venture	Ch$	Toll for using facilities	1,563	(1,313)	2,299	(1,932)
				UF	Revenue for services rendered	125	105	136	114
				Ch$	Dividend received (1)	-	-	5,986	
96.806.130-5	Electrogas S.A.	Chile	Associate	US$	Gas transport service	9,603	(8,070)	9,851	(8,278)
				US$	Diesel transport service	117	(98)	1,302	(1,094)
				US$	Dividend declared (2)	13,486		5,576	-
				US$	Dividend received (2)	9,146		7,965	-
97.080.000-K	Banco Bice	Chile	Common group	Ch$	Expenses for services received	28	(24)	22	(19)
96.731.890-6	Cartulinas CMPC S.A.	Chile	Parent common director	US$	Easements	1,150	966	1,056	888
				US$	Sale of energy and capacity	9,360	7,866	8,620	7,244
96.532.330-9	CMPC Celulosa S.A.	Chile	Common group	Ch$	Sale of energy and capacity and energy transport	30,758	25,847	25,433	21,372
79.621.850-9	Forestal Cominco S.A.	Chile	Controlling shareholder	US$	Dividend paid (3)	33,850	-	48,775	-
90.412.000-6	Minera Valparaíso S.A.	Chile	Controlling shareholder	US$	Dividend paid (3)	85,041	-	122,536	-
99.520.000-7	Compañía de Petróleos de Chile Copec S.A.	Chile	Director and controlling shareholder	Ch$	Diesel supply service	8,192	(6,884)	9,889	(8,310)
96.806.980-2	Entel PCS Telecomunicaciones S.A.	Chile	Common group	Ch$	Telephone services	223	(187)	290	(244)
96.697.410-9	Entel Telefonía Local S.A.	Chile	Common director	Ch$	Telephone services	15	(13)	67	(56)
96.925.430-1	Sercor S.A.	Chile	Common director	Ch$	Stock administration service	97	(82)	104	(87)
90.844.000-5	Kupfer Hermanos S.A	Chile	Common director	Ch$	Purchase of personal protective equipment	125	(105)	204	(171)
					Sale of energy and capacity	204	171	162	136
76.351.385-8	Orion Power S.A.	Chile	Common group	Ch$	Operation and maintenance service	178	(150)	443	(372)
76.138.547-K	Mega Archivos S.A.	Chile	Common director	Ch$	Document storage service	22	(18)	49	(41)
93.628.000-5	Molibdenos y Metales S.A.	Chile	Common group	Ch$	Sale of energy and capacity	4,915	4,131	1,011	849
79.943.600-0	Forsac SpA.	Chile	Common group	Ch$	Sale of energy and capacity	417	350	305	256
95.304.000-K	CMPC Maderas SpA	Chile	Common group	Ch$	Sale of energy and capacity	9,501	7,984	11,786	9,904
96.853.150-6	Papeles Cordillera S.A.	Chile	Common group	US$	Revenue for services rendered	47	47	-	-
91.440.000-7	Forestal Mininco SpA	Chile	Common group	Ch$	Sale of energy and capacity	206	173	174	146

(1) Dividends declared and paid by Transquillota Ltda.
- In June 2019, Transquillota Ltda. distributed and paid retained earnings for MMCLP$ 8,140, of which Colbún corresponds to MMCLP$ 4,070, equivalent to ThUS$ 5,986 (50%).

(2) Dividends declared and paid by Electrogas, S.A.
- In January 2020, Electrogas S.A. rectified the dividend reported in December in ThUS$ 78 of which to Colbún corresponds ThUS$ 33 (42.5%).
- In April 2020, Electrogas declared a provisional dividend charged to the profits of the year 2019 for ThUS$ 13,665, of which to Colbún corresponds ThUS$ 5,808 (42.5%).
- In May 2020, a dividend payment of ThUS$ 3,400 is received, leaving a balance pending collection of ThUS$ 3,196.
- In September 2020, a dividend payment of ThUS$ 3,196 was received.

(3) Dividends declared and paid to Minera Valparaíso S.A. and Forestal Cominco S.A.
- Corresponds to the final dividend agreed at the Shareholders' Meeting dated April 30, 2020 and paid on May 12, 2020.
- Corresponds to the final dividend agreed at the Shareholders' Meeting dated April 25, 2019 and paid on May 7, 2019.

c. Management personnel and senior management

Members of senior management and other individuals that are considered members of the Company's Management, as well as the shareholders or natural persons or legal entities they represent have entered into no unusual and/or significant transactions as of December 31, 2020 and December 31, 2019.

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

On August 25, 2020 in an ordinary meeting of the Board of Directors held, Mr. Francisco Matte Izquierdo presented his resignation from the position of Director of Colbun S.A., which became effective as of the same date.

At that same meeting, the Board of Directors agreed to appoint Mr. Bernardo Matte Larraín as his replacement until the next Ordinary Shareholders' Meeting, at which time the Board of Directors will be completely renewed.

d. Board of Directors' Committee

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

On August 25, 2020 in an ordinary meeting of the Board of Directors held, Mr. Francisco Matte Izquierdo presented his resignation to the Directors' Committee of Colbun S.A., which became effective as of that same date.

At that same meeting, the Board of Directors agreed to appoint Mr. Rodrigo Donosso Munita as his replacement.

e. Compensation and other benefits

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

As of December 31, 2020, and 2019, the amounts paid, including amounts paid to the members of the Directors' Committee, are detailed as follows:

e.1 Board of Directors' remuneration

Name	Position	January - December 2020 Colbún Board ThUS$	2020 Variable remuneration [2] ThUS$	2020 Directors Comittee ThUS$	2019 Colbún Board ThUS$	2019 Variable remuneration ThUS$	2019 Directors Comittee ThUS$
Hernán Rodríguez Wilson [1]	Chairman	130	131	-	119	43	-
Vivianne Blanlot Soza [1]	Deputy-chairwoman	65	79	-	71	106	-
Bernardo Larraín Matte [1]	Director	65	79	-	71	106	-
Luz Granier Bulnes [1]	Director	65	79	22	71	106	24
Juan Eduardo Correa García [1]	Director	65	105	-	97	212	-
Francisco Matte Izquierdo	Director	42	79	14	71	106	24
Andrés Lehuedé Bromley [1]	Director	65	79	-	71	106	-
María Emilia Correa [1]	Director	65	52	22	47	-	18
Rodrigo José Donoso Munita [1]	Director	65	52	8	47	-	-
Bernardo Matte Larraín [1]	Director	23	-	-	-	-	-
Jorge Matte Capdevila	Director	-	26	-	25	106	-
Arturo Mackenna Íñiguez	Director	-	-	-	-	61	-
María Ignacia Benítez Pereira	Director	-	13	-	12	-	4
TOTALES		**650**	**774**	**66**	**702**	**952**	**70**

(1) Current Directors as of December 31, 2020.
(2) The payment corresponding to the variable remuneration calculated based on the profit of the year 2019 was made.

At the Ordinary Stockholders' Meeting held on April 30, 2020, it was agreed to pay variable annual compensation equal to 0.75% of the profit for the year 2020, from which fixed compensation paid in 2020 is deducted.

e.2 Board Counseling Expenses

For the periods ended December 31, 2020 and December 31, 2019, the Board of Directors did not incur in advisory expenses

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

Name	Position
Thomas Keller Lippold	Gerente General
Juan Eduardo Vásquez Moya	Gerente División Negocios y Gestión de Energía
Carlos Luna Cabrera	Gerente División Generación
Sebastián Moraga Zúñiga	Gerente División Finanzas y Administración
Eduardo Lauer Rodríguez	Gerente División Ingeniería y Proyectos
Rodrigo Pérez Stiepovic	Gerente Legal
Paula Martínez Osorio	Gerente de Organización y Personas
Olivia Heuts Goen	Gerente de Desarrollo
Heraldo Alvarez Arenas	Gerente de Auditoría Interna
Daniel Gordon Adam	Gerente de Medio Ambiente
Pedro Vial Lyon	Gerente de Asuntos Públicos
Luis Le Fort Pizarro	Gerente de Transmisión

The remuneration earned by key management personnel amounts to:

Concept	January - December	
	2020 ThUS$	2019 ThUS$
Short-term employee benefits	4,807	4,478
Other long-term benefits	856	793
Termination benefits	546	894
Total	**6,209**	**6,165**

e.4 Receivables and payables and other transactions

As of December 31, 2020, and December 31, 2019 there are no receivables and payables between the Company and its Directors and Managers.

e.5 Other transactions

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

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

As of December 31, 2020, and December 31, 2019, the Company records no such operations.

e.7 Incentive plans for Senior Executives and Managers

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

e.8 Indemnities paid to Senior Executives and Managers

During the period ended December 31, 2020 and December 31, 2019, there were no payments for such concept.

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

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

e.10 Consideration plans associated with shares' quote.

The Company has no such operations.

13. Inventories

As of December 31, 2020, and December 31, 2019, this caption is composed of the following:

Inventory	12.31.2020 ThUS$	12.31.2019 ThUS$
Spare parts for maintenance	19,204	22,647
Coal	14,054	29,135
Inventory in transit	-	16
Oil	3,732	4,062
Gas Line Pack	630	519
Allowance for obsolescence (1)	(3,974)	(7,820)
Total	**33,646**	**48,559**

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

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

Inventory costs recognized as expense

As of December 31, 2020, and 2019, the use of inventory recognized as expenses is detailed as follows:

Inventory Cost	January - December	
	2020 ThUS$	2019 ThUS$
Warehouse consumption	8,203	9,033
Oil (see note 31)	9,523	12,601
Gas (see note 31)	245,413	337,284
Coal (see note 31)	70,351	73,646
Total	**333,490**	**432,564**

14. Derivative instruments

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

Interest rate derivatives are used to determine or limit the variable interest rate of financial obligations and relate to interest rate swaps.

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

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

As of December 31, 2020, the Company classified all its hedges as "Cash flow hedges".

14.1 Hedging instruments

As of December 31, 2020, and December 31, 2019, this caption includes the valuation of financial instruments for such periods, detailed as follows:

Hedging assets		Current		Non-current	
		12.31.2020 ThUS$	12.31.2019 ThUS$	12.31.2020 ThUS$	12.31.2019 ThUS$
Currency hedging instrument	Cash flow hedges	1,355	2,249	10,199	1,836
Fuel price hedge	Cash flow hedges	7	-	-	-
	Total (see note 9)	**1,362**	**2,249**	**10,199**	**1,836**

Hedging liabilities		Current		Non-current	
		12.31.2020 ThUS$	12.31.2019 ThUS$	12.31.2020 ThUS$	12.31.2019 ThUS$
Currency hedging instrument	Cash flow hedges	858	1,837	-	-
Interest rate hedging instrument	Cash flow hedges	-	-	-	-
	Total (see note 23.a)	**858**	**1,837**	**-**	**-**
Hedging instruments, net		**504**	**2,248**	**10,199**	**-**

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

Hedging instrument	Fair value Hedginig instrument		Underlying asset hedged	Hedged risk	Type of hedge
	12.31.2020 ThUS$	12.31.2019 ThUS$			
Currency forwards	24	-	Future Project Disbursements	Exchange rate	Cash flow
Currency forwards	(763)	-	Customers	Exchange rate	Cash flow
Currency forwards	1,355	2,249	Financial Investments	Exchange rate	Cash flow
Cross Currency Swaps	10,080	(1)	Bonds payable	Exchange rate and interest rate	Cash flow
Coal options	7	-	Oil and gas purchases	Coal price	Cash flow
Total	**10,703**	**2,248**			

As of December 31, 2020, the Company determined no gains or losses associated with ineffective cash flow hedges that should be recognized in profit or loss.

14.2 Fair value hierarchy

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

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

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

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

As of December 30, 2020, the calculation of fair value of all financial instruments subject to measurement, has been determined based on Level 2 of the hierarchy.

15. Investments in subsidiaries

The consolidated financial statements include the financial statements of the Parent and subsidiaries. Information on subsidiaries as of December 31, 2020, and December 31, 2019, is detailed below.

Subsidiary	12.31.2019						
	Current assets ThUS$	Non-current assets ThUS$	Current liabilities ThUS$	Non-current liabilities ThUS$	Equity ThUS$	Revenue ThUS$	Net profit (loss) ThUS$
Termoeléctrica Nehuenco S.A., en liquidación	7	-	-	41	(34)	-	-
Colbún Transmisión S.A.	39,073	378,653	7,233	86,771	323,722	80,218	41,907
Colbún Desarrollo SpA	11	149	-	-	160	-	-
Santa Sofía SpA	-	156	-	180	(24)	-	2
Colbún Perú S.A.	21,023	131,056	107	-	151,972	-	(75,893)
Inversiones de Las Canteras S.A.	794	257,534	684	671	256,973	-	(149,848)
Fenix Power Perú S.A.	74,502	682,714	91,142	410,474	255,600	159,440	(149,636)
Desaladora Del Sur S.A.	250	-	-	-	250	-	-
Efizity Ingeneria SpA	907	520	1,134	248	45	641	(180)

Subsidiary	12.31.2019						
	Current assets ThUS$	Non-current assets ThUS$	Current liabilities ThUS$	Non-current liabilities ThUS$	Equity ThUS$	Revenue ThUS$	Net profit (loss) ThUS$
Termoeléctrica Nehuenco S.A., en liquidación	7	-	-	41	(34)	-	(3,103)
Colbún Transmisión S.A.	35,183	379,459	46,229	72,658	295,755	83,424	43,635
Colbún Desarrollo SpA	11	149	-	-	160	-	-
Santa Sofía SpA	-	154	-	180	(26)	-	1
Colbún Perú S.A.	20,731	207,478	344	-	227,865	4	(768)
Inversiones de Las Canteras S.A.	429	407,446	402	652	406,821	-	(2,206)
Fenix Power Perú S.A.	70,366	850,848	70,350	445,628	405,236	174,786	(1,985)

16. Equity-accounted investees

a. Equity-accounted investees

The detail of equity-accounted investees and its movements as of December 31, 2020, and December 31, 2019 is described below.

Relationship	Company	Number of shares	Ownership percentage 12.31.2020	Balance as of 01.01.2020	Accrued profit or loss	Dividends	Equity Reserve		Settlement	Other increase (decrease)	Total 12.31.2020
							Foreign currency transaction difference	Reserve in hedge derivatives			
			%	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Associate	Electrogas S.A.	175,076	42.5%	16,572	8,149	(8,353)	-	-	-	-	16,368
Joint Venture	Transmisora Eléctrica de Quillota Ltda.	-	50.0%	8,146	1,801	-	534	-	-	-	10,481
			Totales	**24,718**	**9,950**	**(8,353)**	**534**	**-**	**-**	**-**	**26,849**

Relationship	Sociedad	Number of shares	Ownership percentage 12.31.2019	Balance as of 01.01.2019	Accrued profit or loss	Dividends	Equity Reserve		Settlement	Other increase (decrease)	Total 12.31.2019
							Foreign currency transaction difference	Reserve in hedge derivatives			
			%	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Associate	Electrogas S.A.	175,076	42.5%	16,603	8,113	(8,099)	-	(45)	-	-	16,572
Joint Venture	Aysén Transmisión S.A., en Liquidación	4,900	49.0%	(25)	-	-	(2)	-	27	-	-
Joint Venture	Aysén Energía S.A., en Liquidación	4,900	49.0%	(11)	-	-	(1)	-	12	-	-
Joint Venture	Transmisora Eléctrica de Quillota Ltda.	-	50.0%	13,635	989	(5,987)	(491)	-	-	-	8,146
			Totales	**30,202**	**9,102**	**(14,086)**	**(494)**	**(45)**	**39**	**-**	**24,718**

b. Financial information about investments in associates and joint ventures

The information in the financial statements of the Company's associates and joint ventures as of December 31, 2020, and December 31, 2019, is as follows:

Relationship	Company	12.31.2020							
		Current assets ThUS$	Non-current assets ThUS$	Current liabilities ThUS$	Non-current liabilities ThUS$	Equity ThUS$	Revenue ThUS$	Operating costs ThUS$	Retained earnings (accumulated deficit) ThUS$
Associate	Electrogas S.A.	10,851	41,254	4,481	9,111	38,513	35,690	(3,267)	19,436
Joint venture	Transmisora Eléctrica de Quillota Ltda.	10,032	14,199	1,135	2,135	20,961	7,388	(857)	3,602

Relationship	Company	12.31.2019							
		Current assets ThUS$	Non-current assets ThUS$	Current liabilities ThUS$	Non-current liabilities ThUS$	Equity ThUS$	Revenue ThUS$	Operating costs ThUS$	Retained earnings (accumulated deficit) ThUS$
Associate	Electrogas S.A.	8,687	46,765	4,910	11,548	38,994	36,276	(3,286)	19,090
Joint venture	Transmisora Eléctrica de Quillota Ltda.	4,434	14,505	488	2,159	16,292	4,263	(848)	1,977

i) Electrogas S.A.:

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

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

ii) Transmisora Eléctrica de Quillota Ltda.:

This company was incorporated by Colbún S.A. and San Isidro S.A. (currently, Gas Atacama Chile S.A.), in June 1997, with the purpose of jointly developing and operating the required installations to transport the capacity and energy generated by their respective plants to the Quillota Substation owned by Transelec S.A

Transmisora Eléctrica de Quillota Ltda. is the owner of San Luis substation, located beside the Nehuenco and San Isidro combined-cycle plants. In addition, it owns the high voltage line of 220 KV that links the substation with Quillota substation of SIC.

Colbún has an ownership interest of 50% in this company.

17. Intangible assets other than goodwill

a. Detail by classes of intangible assets

The detail, as of December 31, 2020, and December 31, 2019, is as follows:

Intangible assets, net		12.31.2020 ThUS$	12.31.2019 ThUS$
Rights not internally generated	Emission rights for particulate matter	9,582	9,582
	Concessions	202	202
	Water rights	17,436	17,436
	Easements	58,288	58,060
	Intangible assets related to customers	33,834	37,010
Licenses	Software	2,768	2,072
	Total	**122,110**	**124,362**

Intangible assets, gross		12.31.2020 ThUS$	12.31.2019 ThUS$
Rights not internally generated	Emission rights for particulate matter	9,582	9,582
	Concessions	228	228
	Water rights	17,455	17,455
	Easements	60,140	59,738
	Intangible assets related to customers	46,815	46,815
Licenses	Software	17,069	15,095
	Total	**151,289**	**148,913**

Accumulated amortization		12.31.2020 MUS$	12.31.2019 MUS$
Rights not internally generated	Concessions	(26)	(26)
	Water rights	(19)	(19)
	Easements	(1,852)	(1,678)
	Intangible assets related to customers	(12,981)	(9,805)
Licenses	Software	(14,301)	(13,023)
	Total	**(29,179)**	**(24,551)**

b. Movements in intangible assets

As of December 31, 2020, and December 31, 2019, this caption comprises the following:

Movements for the period 2020	Rights not internally generated					Licenses	Intangibles assets, net
	Emission rights for particulate matter ThUS$	Concessions ThUS$	Water rights ThUS$	Easements ThUS$	Intangible assets related to customers ThUS$	Software ThUS$	ThUS$
Opening balance as of 01.01.2020	9,582	202	17,436	58,060	37,010	2,072	124,362
Additions	-	-	-	1,714	-	1,030	2,744
Acquisition made through business combinations (see note 6)	-	-	-	-	-	13	13
Increase (decrease) resulting from other movements	-	-	-	(296)	-		(296)
Disposals	-	-	-	(1,280)	-	-	(1,280)
Accumulated depreciation of disposals	-	-	-	-	-	-	-
Transport from assets under construction	-	-	-	264	-	930	1,194
Transport between assets	-	-	-	-	-	-	-
Amortization expenses (see Note 32)	-	-	-	(174)	(3,176)	(1,277)	(4,627)
Closing balance as of 12.31.2020	**9,582**	**202**	**17,436**	**58,288**	**33,834**	**2,768**	**122,110**

Movements for the period 2019	Rights not internally generated					Licenses	Intangibles assets, net
	Emission rights for particulate matter ThUS$	Concessions ThUS$	Water rights ThUS$	Easements ThUS$	Intangible assets related to customers ThUS$	Software ThUS$	ThUS$
Opening balance as of 01.01.2019	9,582	202	17,436	58,246	40,186	2,288	127,940
Additions	-	-	-	4	-	252	256
Increase (decrease) resulting from other movements	-	-	-	(15)	-	-	(15)
Disposals	-	-	-	-	-	(92)	(92)
Accumulated depreciation of disposals	-	-	-	-	-	42	42
Transport from assets under construction	-	-	-	-	-	1,046	1,046
Transport between assets	-	-	-	-	-	-	-
Amortization expenses	-	-	-	(175)	(3,176)	(1,464)	(4,815)
Closing balance as of 12.31.2019	**9,582**	**202**	**17,436**	**58,060**	**37,010**	**2,072**	**124,362**

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

18. Property, plant and equipment

a. Detail of property, plant and equipment

As December 31, 2020, and December 31, 2019, the caption property, plant and equipment is detailed as follows:

Property, plant and equipment, net	12.31.2020 ThUS$	12.31.2019 ThUS$
Land	306,647	306,436
Building, construction and facilities	86,064	111,202
Machinery	1,052	1,135
Transport equipment	363	484
Office equipment	918	1,133
IT equipment	2,127	1,154
Power-generating assets	3,721,350	4,025,981
Assets under construction	280,406	310,640
Other property, plant and equipment	449,077	413,685
Total	**4,848,004**	**5,171,850**

Property, plant and equipment, gross	12.31.2020 ThUS$	12.31.2019 ThUS$
Land	306,647	306,436
Building, construction and facilities	143,438	137,675
Machinery	1,877	1,770
Transport equipment	1,631	1,627
Office equipment	6,894	6,916
IT equipment	10,328	9,342
Power-generating assets	5,897,608	5,847,341
Assets under construction	414,886	444,381
Other property, plant and equipment	578,399	528,667
Total	**7,361,708**	**7,284,155**

Accumulated depreciation and impairment of property, plant and equipment	12.31.2020 ThUS$	12.31.2019 ThUS$
Building, construction and facilities	(57,374)	(26,473)
Machinery	(825)	(635)
Transport equipment	(1,268)	(1,143)
Office equipment	(5,976)	(5,783)
IT equipment	(8,201)	(8,188)
Power-generating assets	(2,176,258)	(1,821,360)
Assets under construction	(134,480)	(133,741)
Other property, plant and equipment	(129,322)	(114,982)
Total	**(2,513,704)**	**(2,112,305)**

b. Movements in property, plant and equipment

As of December 31, 2020, and December 31, 2019, the caption property, plant and equipment, net is composed of the following:

Movements for the period 2020	Land ThUS$	Building, construction and facilities ThUS$	Machinery ThUS$	Transport equipment ThUS$	Office equipment ThUS$	IT equipment ThUS$	Power-generating assets ThUS$	Assets under construction ThUS$	Other property, plant and equipment ThUS$	Property, plant and equipment, net ThUS$
Opening balance as of 01.01.2020	306,436	111,202	1,135	484	1,133	1,154	4,025,981	310,640	413,685	5,171,850
Additions	211	-	-	-	-	348	81	61,087	9	61,736
Acquisition made through business combinations (see note 6)	-	-	3	4	6	32	-	-	31	76
Increase (decrease) resulting from other movements	-	30	(1)	-	-	-	9,904	-	41,416	51,349
Disposals	-	(12)	-		(89)	(834)	(23,441)	(9,984)	(3)	(34,363)
Accumulated depreciation of disposals	-	-	-	-	89	818	5,000	-	3	5,910
Impairment losses recognized in other comprehensive income	-	(26,661)	-	(10)	(34)	(64)	(148,384)	(739)	(2,232)	(178,124)
Transport from assets under construction	-	5,420	105	-	61	1,369	64,170	(80,598)	8,279	(1,194)
Transport between assets	-	325	-	-	-	122	(447)	-	-	-
Accumulated depreciation, transport between assets	-	(20)	-	-	-	(27)	47	-	-	-
Depreciation expenses (see Note 33)		(4,220)	(190)	(115)	(248)	(791)	(211,561)		(12,111)	(229,236)
Total movements	**211**	**(25,138)**	**(83)**	**(121)**	**(215)**	**973**	**(304,631)**	**(30,234)**	**35,392**	**(323,846)**
Closing balance as of 12.31.2020	**306,647**	**86,064**	**1,052**	**363**	**918**	**2,127**	**3,721,350**	**280,406**	**449,077**	**4,848,004**

Movements for the period 2019	Land ThUS$	Building, construction and facilities ThUS$	Machinery ThUS$	Transport equipment ThUS$	Office equipment ThUS$	IT equipment ThUS$	Power-generating assets ThUS$	Assets under construction ThUS$	Other property, plant and equipment ThUS$	Property, plant and equipment, net ThUS$
Opening balance as of 01.01.2019	306,894	112,707	1,186	626	3,168	1,439	4,233,043	314,410	413,125	5,386,598
Additions	458	-	-	-	23	199	14,846	123,125	25	138,676
Increase (decrease) resulting from other movements	-	-	-	-	-	-	-	-	1,794	1,794
Disposals	(916)	-	-	(36)	(9)	(3)	(113,952)	(3,651)	(1,945)	(120,512)
Accumulated depreciation of disposals	-	-	-	22	7	3	48,607	-	551	49,190
Impairment losses recognized in other comprehensive income	-	-	-	-	-	-	-	(49,671)	-	(49,671)
Transport from assets under construction	-	740	81	-	121	110	59,294	(73,573)	12,181	(1,046)
Transport between assets	-	2,348	49	-	(2,306)	35	(126)	-	-	-
Accumulated depreciation, transport between assets	-	(462)	(2)	-	460	(2)	6	-	-	-
Depreciation expenses (see Note 33)		(4,131)	(179)	(128)	(331)	(627)	(215,737)		(12,046)	(233,179)
Total movements	**(458)**	**(1,505)**	**(51)**	**(142)**	**(2,035)**	**(285)**	**(207,062)**	**(3,770)**	**560**	**(214,748)**
Closing balance as of 12.31.2019	**306,436**	**111,202**	**1,135**	**484**	**1,133**	**1,154**	**4,025,981**	**310,640**	**413,685**	**5,171,850**

c. Other disclosures

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

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

ii) As of December 31, 2020, and December 31, 2019, the Company had commitments associated with the acquisition of property, plant and equipment for construction agreements for ThUS$ 40,751 and ThUS$ 23,026, respectively. The companies with which it operates are: SIEMENS Energy INC, SEMI CHILE SPA, GE Global Parts & Products GmbH, General Electric Global Services GM, Ingenieria Agrosonda Ltda., Constructora y Maquinarias Pulmahue, Contract Chile S.A., Seidor Chile S.A., ABB Power Grids Brasil LTDA, among others.

iii) As of December 31, 2020 and 2019 the accrued capitalized interest costs (IAS 23), are as follows:

Concept	January - December	
	2020 ThUS$	2019 ThUS$
Capitalized interest costs		
Capitalized interest costs	165	-
Interest expenses	-	-
Total interest costs incurred	**165**	**-**
Cost capitalization rate for loans eligible for capitalization	0.08%	0.00%

iv) Operating leases - Lessor

As of December 31, 2020, and December 31, 2019, the Company holds embedded operating leases corresponding to:

1. Transmission line contracts (Alto Jahuel-Candelaria 220 KV and Candelaria-Minero 220 KV) entered into between the Company and Corporación Nacional del Cobre de Chile. Such contracts have a term of 30 years.

2. Additional toll contracts (transmission lines - Polpaico substation-substation Maitenes) entered into between the Company and Anglo American Sur. Such contracts have a term of 21 years.

3. Energy supply and electric power contract entered into between Colbún and Corporación Nacional del Cobre de Chile. Such contract has a term of 30 years.

The estimated future charges derived from such contracts are detailed as follows:

December 31, 2020	0-1 year ThUS$	1-5 years ThUS$	Over 5 years ThUS$	Total ThUS$
Minimum lease payments under operating non-cancellable leases	124,328	497,299	2,116,330	2,737,957
Total	**124,328**	**497,299**	**2,116,330**	**2,737,957**

December 31, 2019	0-1 year ThUS$	1-5 years ThUS$	Over 5 years ThUS$	Total ThUS$
Minimum lease payments under operating non-cancellable leases	122,639	490,548	2,324,967	2,938,154
Total	**122,639**	**490,548**	**2,324,967**	**2,938,154**

v) Additional information required for XBRL taxonomy.

1. Disbursements recognized during the construction

Disbursements recognized during the construction, gross	12.31.2020 ThUS$	12.31.2019 ThUS$
Assets under construction	100,403	78,559
Total	**100,403**	**78,559**

2. Assets fully depreciated still in use

Assets fully depreciated still in use, gross	12.31.2020 ThUS$	12.31.2019 ThUS$
Building, construction and facilities	1,407	1,327
Machinery	156	41
Transport equipment	676	552
Office equipment	5,035	4,350
IT equipment	6,762	7,057
Power-generating assets	124,468	31,460
Other property, plant and equipment	1,506	1,423
Total	**140,010**	**46,210**

Assets fully depreciated still in use, accumulated depreciation	12.31.2020 ThUS$	12.31.2019 ThUS$
Building, construction and facilities	(1,407)	(1,327)
Machinery	(156)	(41)
Transport equipment	(676)	(550)
Office equipment	(5,035)	(4,350)
IT equipment	(6,762)	(7,057)
Power-generating assets	(110,475)	(31,214)
Other property, plant and equipment	(1,506)	(1,423)
Total	**(126,017)**	**(45,962)**

vi) Detail of other property, plant and equipment:

As of December 31, 2020, and December 31, 2019, this caption comprises the following:

Other property, plant and equipment, net	12.31.2020 ThUS$	12.31.2019 ThUS$
Substations	153,230	153,612
Transmission lines	130,106	133,803
Spare parts classified as property, plant and equipment	160,050	118,632
Other property, plant and equipment	5,691	7,638
Other property, plant and equipment, net	**449,077**	**413,685**

Other property, plant and equipment, gross	12.31.2020 ThUS$	12.31.2019 ThUS$
Substations	235,615	228,416
Transmission lines	170,425	170,130
Spare parts classified as property, plant and equipment	160,050	118,632
Other property, plant and equipment	10,077	11,489
Other property, plant and equipment, gross	**576,167**	**528,667**

Accumulated depreciation and impairment of other property plant and equipment	12.31.2020 ThUS$	12.31.2019 ThUS$
Substations	(82,385)	(74,804)
Transmission lines	(40,319)	(36,327)
Other property, plant and equipment	(4,386)	(3,851)
Total depreciation and impairment	**(127,090)**	**(114,982)**

Vii) Detail of power-generating assets

Power-generating assets, net		12.31.2020 ThUS$	12.31.2019 ThUS$
Power-generating civil works	Hydropower	1,634,448	1,657,363
	Coal-fired thermal power	260,519	272,272
	Oil and gas-fired thermal power	46,451	36,683
	Solar power	145	152
Power-generating equipment and machinery	Hydropower	568,974	600,036
	Coal-fired thermal power	432,248	455,074
	Oil and gas-fired thermal power	770,277	995,680
	Solar power	8,288	8,721
Balance of power-generating assets, net		**3,721,350**	**4,025,981**

Power-generating assets, gross		12.31.2020 ThUS$	12.31.2019 ThUS$
Power-generating civil works	Hydropower	2,232,362	2,228,161
	Coal-fired thermal power	359,193	358,815
	Oil and gas-fired thermal power	59,404	47,813
	Solar power	162	162
Power-generating equipment and machinery	Hydropower	952,033	933,147
	Coal-fired thermal power	632,120	628,030
	Oil and gas-fired thermal power	1,652,908	1,641,795
	Solar power	9,426	9,418
Balance of power-generating assets, net		**5,897,608**	**5,847,341**

Accumulated depreciation and impairment of power-generating assets		12.31.2020 ThUS$	12.31.2019 ThUS$
Power-generating civil works	Hydropower	(597,914)	(570,798)
	Coal-fired thermal power	(98,674)	(86,543)
	Oil and gas-fired thermal power	(12,953)	(11,130)
	Solar power	(17)	(10)
Power-generating equipment and machinery	Hydropower	(383,059)	(333,111)
	Coal-fired thermal power	(199,872)	(172,956)
	Oil and gas-fired thermal power	(882,631)	(646,115)
	Solar power	(1,138)	(697)
Total depreciation and impairment		**(2,176,258)**	**(1,821,360)**

19. Right-of-use assets

a. Detail Right-of-Use assets

The right-of-use assets recognized as of December 31, 2020 and December 31, 2019 are as follows:

Right-of-use assets, Net	12.31.2020 ThUS$	12.31.2019 ThUS$
Transmission line operation and maintenance	9,067	9,814
Right-of-use office equipment	59	30
Right-of-use facilities	4,458	5,983
Right-of-use vehicles	364	1,250
Right-of-use Calidda gas pipeline	109,223	118,325
Right-of-use IT equipment	320	424
Total	**123,491**	**135,826**
Right-of-use assets, Gross	**12.31.2020 ThUS$**	**12.31.2019 ThUS$**
Transmission line operation and maintenance	16,853	15,154
Right-of-use office equipment	239	58
Right-of-use facilities	7,860	7,620
Right-of-use vehicles	2,247	2,182
Right-of-use Calidda gas pipeline	127,427	127,427
Right-of-use IT equipment	603	509
Total	**155,229**	**152,950**
Accumulated depreciation right-of-use assets	**12.31.2020 ThUS$**	**12.31.2019 ThUS$**
Transmission line operation and maintenance	(7,786)	(5,340)
Right-of-use office equipment	(180)	(28)
Right-of-use facilities	(3,402)	(1,637)
Right-of-use vehicles	(1,883)	(932)
Right-of-use Calidda gas pipeline	(18,204)	(9,102)
Right-of-use IT equipment	(283)	(85)
Total	**(31,738)**	**(17,124)**

As of December 31, 2020 and 2019, the company maintain in its records leases related to its offices, warehouse, parking lots, vehicles, computers and printers.

The subsidiary Fenix maintains contracts with:

1. Consorcio Transmantaro S.A. (hereinafter CTM), in which CTM is obliged to provide maintenance and operating services to the 8-km transmission line between the substation Chilca and the thermoelectric power plant Fenix. Such contract has a term of 20 years (with 13 years remaining) and accrues an annual interest of 12%. Additionally, CTM is obliged to build facilities for the rendering of transmission line services.

2. Contract entered into with Gas Natural de Lima y Callao (Calidda), by which Calidda agrees to provide the gas distribution service from the City Gate located in the city of Chilca, for which a regulation and control plant has been installed (ERC, for its acronym in Spanish), which is an iron pipeline. Such contract is effective for 20 years (with 13 years remaining), per a volume of 84.1 MMpcd. It includes a Take or Pay of 100% equivalent to 84.1MMpcd which should be paid in the month the service is rendered. The interest rate associated with the finance lease amounts to 7% per year.

b. Movements of right-of-use assets

The composition and movement of assets by right of use, net as of December 31, 2020 and December 31, 2019, has been as follows:

Movements for the period 2020	Transmission line operation and maintenance ThUS$	Right-of-use office equipment ThUS$	Right-of-use facilities ThUS$	Right-of-use vehicles ThUS$	Right-of-use Calidda gas pipeline ThUS$	Right-of-use IT equipment ThUS$	Right-of-use assets, Net ThUS$
Opening balance as of 01.01.2020	9,814	30	5,983	1,250	118,325	424	135,826
Adiciones	-	-	201	-	-	91	292
Acquisition made through business combinations (see note 6)	-	75	-	50	-	-	125
Depreciation expenses (see Note 33)	(747)	(46)	(1,726)	(936)	(9,102)	(195)	(12,752)
Total movements	**(747)**	**29**	**(1,525)**	**(886)**	**(9,102)**	**(104)**	**(12,335)**
Closing balance as of 12.31.2020	**9,067**	**59**	**4,458**	**364**	**109,223**	**320**	**123,491**

Movements for the period 2019	Transmission line operation and maintenance ThUS$	Right-of-use office equipment ThUS$	Right-of-use facilities ThUS$	Right-of-use vehicles ThUS$	Right-of-use Calidda gas pipeline ThUS$	Right-of-use IT equipment ThUS$	Right-of-use assets, Net ThUS$
Opening balance as of 01.01.2019	10,558	-	-	-	-	-	10,558
Additions	-	58	7,620	2,182	127,427	509	137,796
Depreciation expenses (see Note 33)	(744)	(28)	(1,637)	(932)	(9,102)	(85)	(12,528)
Total movements	**(744)**	**30**	**5,983**	**1,250**	**118,325**	**424**	**125,268**
Closing balance as of 12.31.2019	**9,814**	**30**	**5,983**	**1,250**	**118,325**	**424**	**135,826**

As of December 31, 2020, and December 31, 2019, the present value of future payments arising from contracts recognized as leases are detailed as follows:

December 31, 2020	0-1 year ThUS$	1-5 years ThUS$	Over 5 years ThUS$	Total ThUS$
Gross	20,352	73,371	126,235	**219,958**
Interests	(11,044)	(36,296)	(37,861)	**(85,201)**
Present value (see note 23.a)	9,308	37,075	88,374	**134,757**

December 31, 2019	0-1 year ThUS$	1-5 years ThUS$	Over 5 years ThUS$	Total ThUS$
Gross	20,417	74,391	144,564	**239,372**
Interests	(11,020)	(37,761)	(46,719)	**(95,500)**
Present value (see note 23.a)	9,397	36,630	97,845	**143,872**

20. Current taxes

The balance of current taxes receivable and payable presented in current assets and liabilities as of December 31, 2020 and 2019, respectively, are detailed below:

a. Current tax assets

	Current	
	12.31.2020 ThUS$	12.31.2019 ThUS$
Recoverable taxes from previous years	991	13,488
Recoverable taxes for the year (see Note 22.a.1)	16,639	3,421
Other recoverable taxes	-	231
Total	**17,630**	**17,140**

b. Current tax liabilities

	Current	
	12.31.2020 ThUS$	12.31.2019 ThUS$
Payable taxes for the year (see Note 22.a.1)	7	32,146
Total	**7**	**32,146**

21. Other non-financial assets

As of December 31, 2020, and December 31, 2019, this caption comprises the following:

	Current		Non-current	
	12.31.2020 ThUS$	12.31.2019 ThUS$	12.31.2020 ThUS$	12.31.2019 ThUS$
Insurance premium for facilities and civil responsibility	15,191	14,384	-	-
Prepayments (1)	22,451	6,170	41,519	35,506
Patent for non-use of water rights (2)	-	-	4,366	3,906
Other miscellaneous assets	258	129	1,783	1,082
Total	**37,900**	**20,683**	**47,668**	**40,494**

(1) Corresponds to advance payments to domestic and foreign suppliers.

(2) Credit under Article No.129 bis 20 of the Chilean Water Code, Decree Law No.1.122. As of December 31, 2020 and 2019, the Company recognized impairment charges for ThUS$ 4,530 and ThUS$ 4,508, respectively. The payment of these patents relates to the implementation of projects that will use such water rights; accordingly, is an economic variable under permanent assessment by the Company. Within this context, the Company accurately controls the payments made and acknowledges the estimates of project start-ups to recognize the impairment of an asset, if it is foreseen that its use will be subsequent to the leverage ratio of the Fiscal Credit.

22. Income taxes

a. Income tax benefit (expense)

Income tax benefit (expense)	January - December	
	2020	2019
	ThUS$	ThUS$
Current income tax (expense) benefit		
Current income taxes	(74,386)	(101,908)
Adjustments to prior-year current income tax expense	169	2,198
Total current income tax expense, net	**(74,217)**	**(99,710)**
Deferred income tax (expense) benefit		
Deferred income tax benefit arising from temporary differences	31,466	31,494
Total deferred income tax benefit, net	**31,466**	**31,494**
Income tax benefit (expense)	**(42,751)**	**(68,216)**

As of December 31, 2020, and December 31, 2019, income tax benefit (expense) and deferred taxes from foreign and domestic parties is detailed as follows:

Income tax benefit (expense)	January - December	
	2020	2019
	ThUS$	ThUS$
Domestic current income tax (expense) benefit	(74,125)	(97,209)
Foreign current income tax (expense) benefit	(92)	(2,501)
Total current income tax (expense) benefit, net	**(74,217)**	**(99,710)**
Domestic deferred income tax benefit (expense)	(12,083)	26,478
Foreign deferred income tax benefit (expense)	43,549	5,016
Total deferred income tax benefit (expense)	**31,466**	**31,494**
Income tax expense charged to profit or loss	**(42,751)**	**(68,216)**

a.1 Reconciliation of current taxes

As of December 31, 2020 and December 31, 2019, the reconciliation of current taxes to income tax is as follows:

Current tax reconciliation	12.31.2020						
Company	Current taxes (profit or loss) ThUS$	Current taxes for equity adjustments ThUS$	Monthly provisional income tax payments ThUS$	Other credits ThUS$	Tax under Article No. 21 (profit or loss) ThUS$	Tax assets ThUS$	Tax liabilities ThUS$
Colbún S.A.	(58,207)	1,278	63,743	1,506	(99)	8,221	-
Colbún Transmisión S.A.	(15,926)	-	20,415	-	-	4,489	-
Efizity Engeniería SpA. (1)	(6)	-	21	-	-	15	-
Colbún Perú S.A.	(154)	-	147	-	-	-	(7)
Inversiones Las Canteras S.A.	-	-	4	-	-	4	-
Fenix Power S.A.	-	-	864	3,046	-	3,910	-
Totales	**(74,293)**	**1,278**	**85,194**	**4,552**	**(99)**	**16,639**	**(7)**

Current tax reconciliation	12.31.2019						
Company	Current taxes (profit or loss) ThUS$	Current taxes for equity adjustments ThUS$	Monthly provisional income tax payments ThUS$	Other credits ThUS$	Tax under Article No. 21 (profit or loss) ThUS$	Tax assets ThUS$	Tax liabilities ThUS$
Colbún S.A.	(77,754)	(1,050)	48,983	838	(59)	-	(29,042)
Colbún Transmisión S.A.	(20,777)	-	17,876	38	-	-	(2,863)
Colbún Perú S.A.	(352)	-	111	-	-	-	(241)
Fenix Power S.A.	(2,148)	-	2,811	2,758	-	3,421	-
Totales	**(101,031)**	**(1,050)**	**69,781**	**3,634**	**(59)**	**3,421**	**(32,146)**

(1) Current tax result corresponds to balances recorded in the takeover balance sheet. (See note 6.)

As of December 31, 2020, Colbún S.A., together with its subsidiaries, it generated tax profits, for which a consolidated Income Tax Provision was recorded, net of monthly provisional payments (PPM) and credits for ThUS$ 7 and recoverable taxes for ThUS$ 16,639.

In the case of the foreign subsidiary Fenix Power Perú S.A., as of December 31, 2020, it recognizes accumulated tax losses of ThUS$ 193,273, which are expected to be reversed in the future; accordingly, a deferred tax asset was recognized.

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

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

Income tax benefit (expense)	January - December			
	2020		2019	
	Amount ThUS$	Rate %	Amount ThUS$	Rate %
Profit before income taxes	132,200		270,182	
Tax expense using the legal rate [1]	**(35,694)**	**27.0%**	**(72,949)**	**27.0%**
Differences between US dollars and tax financial accounting in local currency through deferred taxes [2]	(13,500)	10.2%	2,700	-1.0%
Other differences	6,443	-4.9%	2,033	-0.8%
Income tax expense	**(42,751)**	**32.3%**	**(68,216)**	**25.2%**

[1] As of December 31, 2020, and December 31, 2019, the income tax expense was calculated using the tax rate of 27% (Law No. 20.780) that applies in Chile. Regarding the differences in tax rates with foreign subsidiaries (29.5%), they are presented in other differences.

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

b. Deferred taxes

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

Deferred tax assets	12.31.2020 ThUS$	12.31.2019 ThUS$
Deferred taxes related to tax losses	57,162	48,104
Deferred taxes related to provisions	24,857	21,303
Deferred taxes related to obligations for post-employment benefits	12,152	9,836
Deferred taxes related to anticipated income	5,938	6,234
Deferred taxes related to investments in associates	4,735	4,735
Deferred taxes related to rights-of-use	1,998	1,061
Deferred taxes related to contingencies	535	46
Deferred taxes related to unrealized gain or loss	292	292
Deferred tax assets	**107,669**	**91,611**
Deferred tax liabilities	**12.31.2020 ThUS$**	**12.31.2019 ThUS$**
Deferred taxes related to depreciation [1]	(928,422)	(952,387)
Deferred taxes related to hedging instruments	(217)	667
Deferred taxes related to inventory	(518)	1,490
Deferred taxes related to finance costs	(19,044)	(13,840)
Deferred taxes related to intangible assets	(11,787)	(12,696)
Deferred tax liabilities	**(959,988)**	**(976,766)**
Total deferred tax assets and liabilities, net	**(852,319)**	**(885,155)**

[1] As of December 31, 2020 includes deferred tax for impairment in fixed assets (see note 18 b. And note 37)

Deferred taxes movements	12.31.2020 ThUS$	31.12.2019 ThUS$
Deferred taxes as of January 1	**(885,155)**	**(922,739)**
Tax losses	9,058	(3,803)
Hedging instruments	(884)	568
Intangible assets	909	786
Rights-of-use assets	937	1,061
Contingencies	489	(617)
Obligations for post-employment benefits	2,316	2,333
Unearned revenue	(296)	2,471
Investments in associates [1]	-	4,735
Inventory	(2,008)	(428)
Provisions	3,554	1,408
Finance costs	(5,204)	1,921
Property, plant and equipment	23,965	27,149
Closing balance	**(852,319)**	**(885,155)**

[1] See note 3.1.c

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

Net deferred tax position by company				
Company	**Net position**			
	Non-current asset		**Non-current liability**	
	12.31.2020 ThUS$	**12.31.2019 ThUS$**	**12.31.2020 ThUS$**	**12.31.2019 ThUS$**
Fenix Power Perú S.A.	81,122	37,654	-	-
Santa Sofía SpA.	156	154	-	-
Efizity SpA.	63	-	-	-
Efizity Ingeniería SpA.	49	-	-	-
Efizity Perú SAC	33	-	-	-
Inversiones de Las Canteras S.A.	-	-	(570)	(652)
Colbún Transmisión S.A.	-	-	(57,193)	(58,106)
Colbún S.A.	-	-	(875,979)	(864,205)
Subtotal	**81,423**	**37,808**	**(933,742)**	**(922,963)**
		Net deferred taxes	**(852,319)**	**(885,155)**

c. Income taxes in other comprehensive income

	January - December	
	2020 ThUS$	2019 ThUS$
Related to cash flow hedges	1,618	(1,000)
Related to defined benefit plans	1,070	1,571
Income tax related to components of other comprehensive income	**2,688**	**571**
Related to share of other comprehensive profit or loss on equity-accounted associates and joint ventures using the equity method	5	17
Income tax related to components of other comprehensive income	**2,693**	**588**

23. Other financial liabilities

As of December 31, 2020, and December 31, 2019, this caption comprises the following:

a. Obligations with financial institutions

Other financial liabilities	Current		Non-current	
	12.31.2020 ThUS$	12.31.2019 ThUS$	12.31.2020 ThUS$	12.31.2019 ThUS$
Interest-Bearing Loans	25,313	-	218	-
Bonds payable and bills of exchange (1)	76,937	70,455	1,559,048	1,464,336
Hedging derivatives (2)	858	1,837	-	-
Total	**103,108**	**72,292**	**1,559,266**	**1,464,336**

(1) Interest accrued for bonds payable have been determined using the effective rate.

(2) See note 14.1

b. Financial debt by currency

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

Financial debt by currency	12.31.2020 ThUS$	12.31.2019 ThUS$
U.S. Dollar	1,606,384	1,472,598
Inflation-adjusted units	55,571	64,030
Pesos	419	-
Total	**1,662,374**	**1,536,628**

c. Maturity and currency of the obligations with financial institutions

c.1 Bank borrowings

As of 12.31.2020						
Debtor's ID number	0-E	0-E	76.362.527-3	76.236.821-8	76.236.821-8	
Debtor's name	Fenix Power Perú S.A.	Fenix Power Perú S.A.	Efizity Ingenieria SPA	Efizity SPA	Efizity SPA	
Debtor's country	Perú	Perú	Chile	Chile	Chile	
Creditor's ID number	0-E	0-E	97006000-6	97006000-6	97030000-7	
Creditor's name	Banco de Credito del Perú	Scotiabank	BCI	BCI	Estado	
Creditor's country	Perú	Perú	Chile	Chile	Chile	
Currency or inflation-adjusted unit	US$	US$	CLP	CLP	UF	
Amortization frequency	Annual	Annual	Monthly	Monthly	Monthly	
Interest type	Variable	Fixed	Fixed	Fixed	Fixed	
Basis	-	-	-	-	-	
Effective rate	2.02%	3.65%	6.36%	3.48%	4.80%	
Nominal rate	2.02%	3.65%	6.36%	3.48%	4.80%	
Nominal amounts	**ThUS$**					**Totals**
Up to 90 days	-	-	25	24	20	**69**
90 days to 1 year	10,025	15,067	79	73	-	**25,244**
1-3 years	**-**	**-**	**83**	**135**	**-**	**218**
1-2 years	-	-	83	101	-	184
2-3 years	-	-	-	34	-	34
3-5 years	-	-	-	-	-	-
3-4 years	-	-	-	-	-	-
4-5 years	-	-	-	-	-	-
Over 5 years	-	-	-	-	-	-
Subtotal nominal amounts	**10,025**	**15,067**	**187**	**232**	**20**	**25,531**
Carrying amounts	**ThUS$**					**Totals**
Up to 90 days	-	-	25	24	20	**69**
90 days to 1 year	10,025	15,067	79	73	-	**25,244**
Current Interest-Bearing Loans	**10,025**	**15,067**	**104**	**97**	**20**	**25,313**
1-3 years	**-**	**-**	**83**	**135**	-	**218**
1-2 years	-	-	83	101	-	184
2-3 years	-	-	-	34	-	34
3-5 years	-	-	-	-	-	-
3-4 years	-	-	-	-	-	-
4-5 years	-	-	-	-	-	-
Over 5 years	-	-	-	-	-	-
Non-current Interest-Bearing Loans	**-**	**-**	**83**	**135**	**-**	**218**
Total Interest-Bearing Loans	**10,025**	**15,067**	**187**	**232**	**20**	**25,531**

c.2 Bonds payable

As of 12.31.2020								
Debtor's Tax ID No.	96.505.760-9	96.505.760-9	96.505.760-9	96.505.760-9	96.505.760-9	96.505.760-9	Foreign	
Debtor's name	Colbún S.A.	Colbún S.A.	Colbún S.A.	Colbún S.A.	Colbún S.A.	Colbún S.A.	Fenix Power Peru S.A.	
Debtor's country	Chile	Chile	Chile	Chile	Chile	Chile	Perú	
Creditor's ID number	234	499	538	-	-	-	-	
Serie	Serie C	Serie F	Serie I	144A/RegS	144A/RegS	144A/RegS	144A/RegS	
Maturity date	10-15-2021	05-01-2028	06-10-2029	10-10-2027	07-10-2024	03-06-2030	09-20-2027	
Currency or inflation-adjusted unit	UF	UF	UF	US$	US$	US$	US$	
Amortization frequency	Biannual	Biannual	Biannual	Bullet	Bullet	Bullet	Biannual	
Interest type	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	
Basis	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	
Effective rate	8.10%	4.46%	5.02%	5.11%	4.80%	3.89%	4.57%	
Nominal rate	7.00%	3.40%	4.50%	3.95%	4.50%	3.15%	4.32%	
Nominal amounts	ThUS$							**Total ThUS$**
Up to 90 days	-	-	-	-	3,345	4,988	15,657	**23,990**
90 days to 1 year	8,793	17,031	11,384	4,334	-	-	12,000	**53,542**
1-3 years	**-**	**32,706**	**22,300**	**-**	**-**	**-**	**55,000**	**110,006**
1-2 years	-	16,353	11,150	-	-	-	27,000	54,503
2-3 years	-	16,353	11,150	-	-	-	28,000	55,503
3-5 years	**-**	**32,706**	**22,300**	**-**	**157,410**	**-**	**40,000**	**252,416**
3-4 years	-	16,353	11,150	-	157,410	-	24,000	208,913
4-5 years	-	16,353	11,150	-	-	-	16,000	43,503
Over 5 years	**-**	**40,883**	**39,025**	**500,000**	**-**	**500,000**	**186,000**	**1,265,908**
Subtotal nominal amounts	**8,793**	**123,326**	**95,009**	**504,334**	**160,755**	**504,988**	**308,657**	**1,705,862**
Carrying amounts	ThUS$							**Total ThUS$**
Up to 90 days	-	-	-	-	3,345	4,988	15,657	**23,990**
90 days to 1 year	8,712	16,674	11,227	4,334	-	-	12,000	**52,947**
Current performance bonds	**8,712**	**16,674**	**11,227**	**4,334**	**3,345**	**4,988**	**27,657**	**76,937**
1-3 years	**-**	**31,992**	**21,986**	**-**	**-**	**-**	**53,892**	**107,870**
1-2 years	-	15,996	10,993	-	-	-	26,424	53,413
2-3 years	-	15,996	10,993	-	-	-	27,468	54,457
3-5 years	**-**	**31,992**	**21,986**	**-**	**156,215**	**-**	**39,061**	**249,254**
3-4 years	-	15,996	10,993	-	156,215	-	23,513	206,717
4-5 years	-	15,996	10,993	-	-	-	15,548	42,537
Over 5 years	**-**	**39,993**	**38,479**	**467,301**	**-**	**471,411**	**184,740**	**1,201,924**
Non-current performance bonds	**-**	**103,977**	**82,451**	**467,301**	**156,215**	**471,411**	**277,693**	**1,559,048**
Total performance bonds	**8,712**	**120,651**	**93,678**	**471,635**	**159,560**	**476,399**	**305,350**	**1,635,985**

Bonds payable (continued)

As of 12.31.2019							
Debtor's Tax ID No.	96.505.760-9	96.505.760-9	96.505.760-9	96.505.760-9	96.505.760-9	Foreign	
Debtor's name	Colbún S.A.	Colbún S.A.	Colbún S.A.	Colbún S.A.	Colbún S.A.	Fenix Power Peru S.A.	
Debtor's country	Chile	Chile	Chile	Chile	Chile	Perú	
Creditor's ID number	234	499	538	-	-	-	
Serie	Serie C	Serie F	Serie I	144A/RegS	144A/RegS	144A/RegS	
Maturity date	15-10-2021	01-05-2028	10-06-2029	10-10-2027	10-07-2024	20-09-2027	
Currency or inflation-adjusted unit	UF	UF	UF	US$	US$	US$	
Amortization frequency	Biannual	Biannual	Biannual	Bullet	Bullet	Biannual	
Interest type	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	
Basis	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	
Effective rate	8.10%	4.46%	5.02%	5.11%	4.80%	4.57%	
Nominal rate	7.00%	3.40%	4.50%	3.95%	4.50%	4.32%	
Nominal amounts	**ThUS$**						**Total ThUS$**
Up to 90 days	-	-	-	-	10,625	9,873	**20,498**
90 days to 1 year	7,855	15,833	10,553	4,334	-	12,000	**50,575**
1-3 years	**8,017**	**30,246**	**20,622**	**-**	**-**	**51,000**	**109,885**
1-2 years	8,017	15,123	10,311	-	-	24,000	57,451
2-3 years	-	15,123	10,311	-	-	27,000	52,434
3-5 years	**-**	**30,246**	**20,622**	**-**	**500,000**	**52,000**	**602,868**
3-4 years	-	15,123	10,311	-	-	28,000	53,434
4-5 years	-	15,123	10,311	-	500,000	24,000	549,434
Over 5 years	**-**	**52,930**	**46,400**	**500,000**	**-**	**202,000**	**801,330**
Subtotal nominal amounts	**15,872**	**129,255**	**98,197**	**504,334**	**510,625**	**326,873**	**1,585,156**
Carrying amounts	**ThUS$**						**Total ThUS$**
Up to 90 days	-	-	-	-	10,625	9,873	**20,498**
90 days to 1 year	7,765	15,464	10,394	4,334	-	12,000	**49,957**
Current performance bonds	**7,765**	**15,464**	**10,394**	**4,334**	**10,625**	**21,873**	**70,455**
1-3 years	**7,922**	**29,506**	**20,304**	**-**	**-**	**49,813**	**107,545**
1-2 years	7,922	14,753	10,152	-	-	23,389	56,216
2-3 years	-	14,753	10,152	-	-	26,424	51,329
3-5 years	**-**	**29,506**	**20,304**	**-**	**495,075**	**50,981**	**595,866**
3-4 years	-	14,753	10,152	-	-	27,468	52,373
4-5 years	-	14,753	10,152	-	495,075	23,513	543,493
Over 5 years	**-**	**51,637**	**45,685**	**463,332**	**-**	**200,271**	**760,925**
Non-current performance bonds	**7,922**	**110,649**	**86,293**	**463,332**	**495,075**	**301,065**	**1,464,336**
Total performance bonds	**15,687**	**126,113**	**96,687**	**467,666**	**505,700**	**322,938**	**1,534,791**

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

Liability	Currency	Interests as of 12.31.2020		Capital	Maturity date	Maturity					Total interests	Total debt
		Accrued	Forecasted			Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years		
Bond 144A/RegS 2017 (Fenix Power Perú)	US$	10,769	57,386	305,000	20-09-2027	6,584	6,324	22,502	18,045	14,700	68,155	373,155
Series C Bond	UF	3	8	212	15-10-2021	-	11	-	-	-	11	223
Series F Bond	UF	17	388	3,000	01-05-2028	-	98	155	101	51	405	3,405
Series I Bond	UF	6	458	2,318	10-06-2029	-	100	164	115	85	464	2,782
Bond 144A/RegS 2014	US$	3,345	24,989	157,410	10-07-2024	3,542	3,542	14,167	7,083	-	28,334	185,744
Bond 144A/RegS 2017	US$	4,334	252,416	500,000	11-10-2027	-	19,750	39,500	39,500	158,000	256,750	756,750
Bond 144A/RegS 2020	US$	4,987	73,763	500,000	06-03-2030	7,875	7,875	31,500	31,500	-	78,750	578,750

Liability	Currency	Interests as of 12.31.2019		Capital	Maturity date	Maturity					Total interests	Total debt
		Accrued	Forecasted			Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years		
Bond 144A/RegS 2017 (Fenix Power Perú)	US$	3,950	77,954	323,000	20-09-2027	6,972	6,778	24,747	20,160	23,247	81,904	404,904
Series C Bond	UF	6	30	414	15-04-2021	-	25	11	-	-	36	450
Series F Bond	UF	19	497	3,400	01-05-2028	-	111	182	128	95	516	3,916
Series I Bond	UF	6	570	2,591	10-06-2029	-	112	188	140	136	576	3,167
Bond 144A/RegS 2014	US$	10,625	101,875	500,000	10-07-2024	11,250	11,250	45,000	45,000	-	112,500	612,500
Bond 144A/RegS 2017	US$	4,334	232,666	500,000	11-10-2027	-	19,750	39,500	39,500	138,250	237,000	737,000

d. Committed and uncommitted revolving credit facilities

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

For its part, Fenix Power has committed credit lines for a total of US$ 25 million, with a one-year term, contracted with two local banks. In addition, Fenix Power has uncommitted lines for a total of US$ 34 million, contracted with three local banks.

Other Lines:

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

24. Lease liabilities

As of December 31, 2020 and December 31, 2019, this caption comprises the following:

Lease liabilities	Current		Non-current	
	12.31.2020 ThUS$	12.31.2019 ThUS$	12.31.2020 ThUS$	12.31.2019 ThUS$
Lease liabilities	9,308	9,482	125,449	134,390
Total	**9,308**	**9,482**	**125,449**	**134,390**

Lease obligation

	As of 12.31.2020																			
Debtor's Tax ID No.	96505760-9	96505760-9	96505760-9	96505760-9	96505760-9	76218856-2	76218856-2	76218856-2	76362527-3	76236821-8	76236821-8	76236821-8	Foreign	Foreign	Foreign	Foreign	Foreign	Foreign	Foreign	
Debtor's name	Colbún S.A.	Colbún S.A.	Colbún S.A.	Colbún S.A.	Colbún S.A.	Colbún Transmisión S.A.	Colbún Transmisión S.A.	Colbún Transmisión S.A.	Efizity Ingenieria SPA	Efizity SPA	Efizity SPA	Efizity SPA	Fenix Power Peru S.A.	Fenix Power Peru S.A.	Fenix Power Peru S.A.	Fenix Power Peru S.A.	Fenix Power Peru S.A.	Fenix Power Peru S.A.	Fenix Power Peru S.A.	
Debtor's country	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Perú	Perú	Perú	Perú	Perú	Perú	Perú	
Creditor's Tax ID No.	96656410-5	96860250-0	96565580-8	96587380-5	76497459-k	96565580-8	7065425-3	88723500-7	79812610-5	97006000-6	97006000-6	97006000-6	0-E	0-E	0-E	0-E	0-E	0-E	0-E	
Creditor's name	Bice Vida Compania De Seguros S.A.	B.Raices Santa Lucia SA	Cia. De Leasing Tattersall S.A.	Vigatec S.A.	Nuevo Capital Leasing SpA	Cia. De Leasing Tattersall S.A.	Jorge Rocco Pizarro	Constructora Costa Brava Ltda.	Inmobiliaria Arturo Prat Ltda.	BCI Leasing	BCI Leasing	BCI Leasing	Laila Fatima Gaber B.	Arrendamiento Operativo CIB S.A.	T-COPIA	Inversiones Nuevo Capital Perú	Calidda [1]	Consorcio Transmantaro S.A.		
Creditor's country	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Perú	Perú	Perú	Perú	Perú	Perú		
Currency or inflation-adjusted unit	UF	UF	UF	UF	UF	UF	UF	UF	U.F.	U.F.	U.F.	U.F.	US$	US$	US$	US$	US$	US$		
Amortization frequency	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Quaterly		
Interest type	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed		
Basis	-	-	-	-	-	-	-	-	Anual	Anual	Anual	Anual	-	-	-	-	-	-		
Effective rate	5.00%	5.00%	5.00%	5.00%	0.40%	5.00%	1.70%	0.00%	1.31%	7.37%	11.75%	8.27%	5.50%	5.50%	4.10%	4.00%	7.00%	12.00%		
Nominal rate	5.00%	5.00%	5.00%	5.00%	0.40%	5.00%	1.70%	0.00%	1.31%	7.37%	11.75%	8.27%	5.50%	5.50%	4.10%	4.00%	7.00%	12.00%		
Nominal amounts	ThUS$																		**Total ThUS$**	
Up to 90 days	205	176	140	12	82	36	10	6	19	1	1	1	1	8	6	6	1,617	146	**2,473**	
90 days to 1 year	628	542	-	36	128	-	29	18	45	2	4	5	6	17	-	22	4,852	467	**6,801**	
1-3 years	**1,402**	**1,209**	**-**	**98**	**85**	**-**	**50**	-	**-**	**-**	**8**	**10**	**35**	**-**	**-**	**50**	**14,329**	**1,468**	**18,744**	
1-2 years	873	753	-	48	85	-	40	-	-	-	7	8	12	-	-	45	6,922	690	9,483	
2-3 years	529	456	-	50	-	-	10	-	-	-	1	2	23	-	-	5	7,407	778	9,261	
3-5 years	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-	**127**	**-**	**-**	**-**	**16,405**	**1,800**	**18,332**	
3-4 years	-		-	-	-	-	-	-	-	-	-	-	44	-	-	-	7,925	877	8,846	
4-5 years	-	-	-	-	-	-	-	-	-	-	-	-	83	-	-	-	8,480	923	9,486	
Over 5 years	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-	**109**	**-**	**-**	**-**	**78,527**	**9,736**	**88,372**	
Subtotal nominal amounts	**2,235**	**1,927**	**140**	**146**	**295**	**36**	**89**	**24**	**64**	**3**	**13**	**16**	**278**	**25**	**6**	**78**	**115,730**	**13,617**	**134,722**	
Carrying amounts	ThUS$																		**Total ThUS$**	
Up to 90 days	205	176	140	12	82	36	10	6	19	2	2	1	1	8	6	6	1,617	146	**2,475**	
90 days to 1 year	628	542	-	36	128	-	29	18	45	3	6	7	33	17	-	22	4,852	467	**6,833**	
Liabilities under lease agreements, current	**833**	**718**	**140**	**48**	**210**	**36**	**39**	**24**	**64**	**5**	**8**	**8**	**34**	**25**	**6**	**28**	**6,469**	**613**	**9,308**	
1-3 years	**1,402**	**1,209**	**-**	**98**	**85**	**-**	**50**	-	**-**	**-**	**8**	**10**	**35**	**-**	**-**	**50**	**14,329**	**1,468**	**18,744**	
1-2 years	873	753	-	48	85	-	40	-	-	-	7	7	12	-	-	45	6,922	690	9,482	
2-3 years	529	456	-	50	-	-	10	-	-	-	1	3	23	-	-	5	7,407	778	9,262	
3-5 years	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	-	-	-	**127**	**-**	**-**	**-**	**16,405**	**1,800**	**18,332**	
3-4 years	-		-	-	-	-	-	-	-	-	-	-	44	-	-	-	7,925	877	8,846	
4-5 years	-	-	-	-	-	-	-	-	-	-	-	-	83	-	-	-	8,480	923	9,486	
Over 5 years	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**	**-**	-	-	110	**-**	**-**	**-**	**78,527**	**9,736**	**88,373**	
Liabilities under lease agreements, non-current	**1,402**	**1,209**	**-**	**98**	**85**	**-**	**50**	**-**	**-**	**-**	**8**	**10**	**272**	**-**	**-**	**50**	**109,261**	**13,004**	**125,449**	
Total liabilities under lease agreements	**2,235**	**1,927**	**140**	**146**	**295**	**36**	**89**	**24**	**64**	**5**	**16**	**18**	**306**	**25**	**6**	**78**	**115,730**	**13,617**	**134,757**	

(1) See note 19.a.1

Lease obligation (continued)

	As of 12.31.2019										
Debtor's Tax ID No.	96505760-9	96505760-9	96505760-9	96505760-9	96505760-9	Foreign	Foreign	Foreign	Foreign	Foreign	
Debtor's name	Colbún S.A.	Colbún S.A.	Colbún S.A.	Colbún S.A.	Colbún S.A.	Fenix Power Peru S.A.	Fenix Power Peru S.A.	Fenix Power Peru S.A.	Fenix Power Peru S.A.	Fenix Power Peru S.A.	
Debtor's country	Chile	Chile	Chile	Chile	Chile	Perú	Perú	Perú	Perú	Perú	
Creditor's Tax ID No.	96656410-5	96860250-0	96565580-8	96587380-5	76497459-k	0-E	0-E	0-E	0-E	0-E	
Creditor's name	Bice Vida Compania De Seguros S.A.	B.Raices Santa Lucia SA	Cia. De Leasing Tattersall S.A.	Vigatec S.A.	Nuevo Capital Leasing SpA	Laila Fatima Gaber B.	Arrendamiento Operativo CIB S.A.	T-COPIA	Calidda [1]	Consorcio Transmantaro S.A.	
Creditor's country	Chile	Chile	Chile	Chile	Chile	Perú	Perú	Perú	Perú	Perú	
Currency or inflation-adjusted unit	UF	UF	UF	UF	UF	US$	US$	US$	US$	US$	
Amortization frequency	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Quaterly	
Interest type	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	
Basis	-	-	-	-	-	-	-	-	-	-	
Effective rate	5.00%	5.00%	5.00%	5.00%	0.40%	5.50%	5.50%	4.10%	7.00%	12.00%	
Nominal rate	5.00%	5.00%	5.00%	5.00%	0.40%	5.50%	5.50%	4.10%	7.00%	12.00%	
Nominal amounts	**ThUS$**										**Total ThUS$**
Up to 90 days	207	168	245	11	127	1	4	23	1,512	129	**2,427**
90 days to 1 year	623	517	754	35	127	24	18	8	4,535	414	**7,055**
1-3 years	**1,705**	**1,471**	**171**	**97**	**255**	**18**	**26**	**26**	**13,392**	**1,316**	**18,477**
1-2 years	832	718	171	48	170	6	26	26	6,470	619	9,086
2-3 years	873	753	-	49	85	12	-	-	6,922	697	9,391
3-5 years	**529**	**456**	**-**	**50**	**-**	**67**	**-**	**-**	**15,332**	**1,655**	**18,089**
3-4 years	529	456	-	50	-	23	-	-	7,407	778	9,243
4-5 years	-	-	-	-	-	44	-	-	7,925	877	8,846
Over 5 years	**-**	**-**	**-**	**-**	**-**	**172**	**-**	**-**	**87,005**	**10,647**	**97,824**
Subtotal nominal amounts	**3,064**	**2,612**	**1,170**	**193**	**509**	**282**	**48**	**57**	**121,776**	**14,161**	**143,872**
Carrying amounts	**ThUS$**										**Total ThUS$**
Up to 90 days	207	168	245	11	127	1	4	23	1,512	129	**2,427**
90 days to 1 year	623	517	754	35	127	24	18	8	4,535	414	**7,055**
Liabilities under lease agreements, current	**830**	**685**	**999**	**46**	**254**	**25**	**22**	**31**	**6,047**	**543**	**9,482**
1-3 years	**1,705**	**1,471**	**171**	**97**	**255**	**18**	**26**	**26**	**13,392**	**1,316**	**18,477**
1-2 years	832	718	171	48	170	6	26	26	6,470	619	9,086
2-3 years	873	753	-	49	85	12	-	-	6,922	697	9,391
3-5 years	**529**	**456**	**-**	**50**	**-**	**67**	**-**	**-**	**15,332**	**1,655**	**18,089**
3-4 years	529	456	-	50	-	23	-	-	7,407	778	9,243
4-5 years	-	-	-	-	-	44	-	-	7,925	877	8,846
Over 5 years	**-**	**-**	**-**	**-**	**-**	**172**	**-**	**-**	**87,005**	**10,647**	**97,824**
Liabilities under lease agreements, non-current	**2,234**	**1,927**	**171**	**147**	**255**	**257**	**26**	**26**	**115,729**	**13,618**	**134,390**
Total liabilities under lease agreements	**3,064**	**2,612**	**1,170**	**193**	**509**	**282**	**48**	**57**	**121,776**	**14,161**	**143,872**

25. Trade and other payables

As of December 31, 2020, and December 31, 2019, trade and other payables are composed of the following:

	Current		Non-current	
	12.31.2020 ThUS$	12.31.2019 ThUS$	12.31.2020 ThUS$	12.31.2019 ThUS$
Trade payables	108,776	146,974	-	-
Dividends payable	942	658	-	-
Other payables	8,010	188	12,952	17,936
Total	**117,728**	**147,820**	**12,952**	**17,936**

The main suppliers or creditors, with their respective representativeness percentages as of December 31, 2020 are:

Main creditors	%
Siemens Energy, Inc.	7.37%
GE Global Parts & Products Gmbh	5.89%
Chubb Seguros Chile S.A.	5.49%
Mapfre Cía. Seguros G. de Chile S.A.	5.25%
Comité de Operación Económica del Sur	3.21%
Transportadora de Gas del Perú S.A.	2.95%
Southbridge Cía. de Seguros Generales	2.89%
Gas Natural de Lima y Callao S.A.	2.37%
Pluspetrol Perú Corporation S.A.	2.09%
Zimmerman PV Tracker Gmbh	1.32%
Others	61.17%
	100.00%

Aging of the portfolio of trade and other payables:

Concept	Balance as of 12.31.2020	
	Current ThUS$	Total ThUS$
Goods	29,545	29,545
Services	74,631	74,631
Others	4,600	4,600
Subtotal	**108,776**	**108,776**

Concept	Balance as of 12.31.2019	
	Current ThUS$	Total ThUS$
Goods	47,764	47,764
Services	85,139	85,139
Others	14,071	14,071
Subtotal	**146,974**	**146,974**

As of December 31, 2020, the amounts payable for invoices receivable for goods and services amount to ThUS$ 74,446; as of December 31, 2019, it amounted to ThUS$ 82,611.

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

26. Other provisions

a. Description of provisions

As of December 31, 2020, and December 31, 2019, this caption comprises the following:

Provisions	Current		Non-current	
	12.31.2020 ThUS$	12.31.2019 ThUS$	12.31.2020 ThUS$	12.31.2019 ThUS$
From legal proceedings	3,785	1,976	-	-
Decommissioning, restoration and rehabilitation costs	-	-	46,785	35,259
Related to the environment	25,585	24,718	-	-
Total	**29,370**	**26,694**	**46,785**	**35,259**

b. Movements in provisions during the period

As of December 31, 2020, and December 31, 2019, this caption comprises the following:

Movements in provisions	From legal proceedings [(1)] ThUS$	Decommissioning, restoration and rehabilitation costs ThUS$	Related to the environment [(2)] ThUS$	Total ThUS$
Opening balance as of 01.01.2020	1,976	35,259	24,718	61,953
Increase in existing provisions, other provisions	1,809	11,526	25,584	38,919
Provision used, other provisions	-	-	(24,717)	(24,717)
Balance as of 12.31.2020	**3,785**	**46,785**	**25,585**	**76,155**

Movements in provisions	From legal proceedings [(1)] ThUS$	Decommissioning, restoration and rehabilitation costs ThUS$	Related to the environment [(2)] ThUS$	Total ThUS$
Opening balance as of 01.01.2019	7,433	34,948	24,071	66,452
Increase in existing provisions, other provisions	494	1,005	23,902	25,401
Provision used, other provisions	(5,951)	(694)	(23,255)	(29,900)
Balance as of 12.31.2019	**1,976**	**35,259**	**24,718**	**61,953**

[(1)] Provisions for differences and/or tax administrative contingencies (see note 38.c).
[(2)] Corresponds to the provision for tax expense that is levied on the emissions on thermoelectric plants (Law 20.780).

c. Decommissioning

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

d. Restructuring

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

e. Litigations

As of December 31, 2020, and December 31, 2019, the Company recognized provisions for litigation in accordance with IAS 37 (see note 38, letter c).

27. Provisions for employee benefits

a. Employee benefits

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

As of December 31, 2020, and December 31, 2019, this caption comprises the following:

Employee benefits	Current		Non-current	
	12.31.2020 ThUS$	12.31.2019 ThUS$	12.31.2020 ThUS$	12.31.2019 ThUS$
Accrued vacations, current	5,655	3,842	-	-
Performance bonus, current	11,439	10,358	-	-
Other benefits	-	373	2,398	3,796
Provision for severance indemnity payments	7,060	5,259	40,600	31,780
Total	**24,154**	**19,832**	**42,998**	**35,576**

b. Movements in provision during the period

As of December 31, 2020, and December 31, 2019, this caption comprises the following:

Movements in provisions	Accrued vacations, current ThUS$	Performance bonus, current ThUS$	Other benefits, current ThUS$	Provision for severance indemnity payments ThUS$	Total ThUS$
Opening balance as of 01.01.2020	3,842	10,358	373	5,259	19,832
Increase in existing provisions, other provisions	2,044	10,603	482	1,801	14,930
Provision used, other provisions	(231)	(9,522)	(855)	-	(10,608)
Balance as of 12.31.2020	**5,655**	**11,439**	**-**	**7,060**	**24,154**

Movements in provisions	Accrued vacations, current ThUS$	Performance bonus, current ThUS$	Other benefits, current ThUS$	Provision for severance indemnity payments ThUS$	Total ThUS$
Opening balance as of 01.01.2019	3,989	10,843	175	5,455	20,462
Increase in existing provisions, other provisions	649	10,511	951	(196)	11,915
Provision used, other provisions	(796)	(10,996)	(753)	-	(12,545)
Balance as of 12.31.2019	**3,842**	**10,358**	**373**	**5,259**	**19,832**

c. Provision for employee benefits, non-current

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

The basis for the actuarial calculation of the obligations with employees is permanently assessed by the Company. As of December 31, 2020, the Company has updated some indicators to better reflect the current market conditions.

i) The detail of provision for employee benefits - As of December 31, 2020 and December 31, 2019, this caption comprises the following:

Provision for employee benefits	12.31.2020 ThUS$	12.31.2019 ThUS$
Severance indemnity payments	47,660	37,039
Total	**47,660**	**37,039**

Present value of the obligation for defined benefit plans	12.31.2020 MUS$	12.31.2019 MUS$
Opening balance as of January 1	37,039	32,813
Cost of current service	5,086	4,371
Interest cost	151	93
Foreign currency translation differences	1,969	(2,022)
Actuarial gain (loss)	4,384	5,279
Payments	(969)	(3,495)
Closing balance	**47,660**	**37,039**

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

Actuarial basis used		12.31.2020	12.31.2019
Discount rate		0.20%	0.66%
Expected rate of salary increases		1.62%	1.62%
Turnover rate	Voluntary	2.20%	3.30%
	Dismissal	2.70%	5.00%
Retirement age	Men	65	65
	Women	60	60
Mortality rate		RV-2014	RV-2014

Discount rate: Corresponds to the interest rate to be used to show in present value terms the disbursements expected to be realized in the future. The discount rate was determined based on the bonds denominated in inflation-adjusted units (UF) of the Chilean Central Bank with a 20-year term as of December 31, 2020. The source of the reference rate is Chilean Central Bank.

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

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

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

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

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

Sensitization	Rate		Amount of the obligation	
	12.31.2020 %	12.31.2019 %	12.31.2020 ThUS$	12.31.2019 ThUS$
Period rate	0.20	0.66	47,660	37,039
Rate decrease by 50 b.p.	-0.30	0.16	51,428	39,971
Rate increased by 50 b.p.	0.70	1.16	44,274	34,402

28. Other non-financial liabilities

As of December 31, 2020, and December 31, 2019, this caption comprises the following:

	Current		Non-current	
	12.31.2020 ThUS$	12.31.2019 ThUS$	12.31.2020 ThUS$	12.31.2019 ThUS$
Withholdings	21,375	22,504	-	-
Unearned revenue [1]	1,321	1,592	20,775	20,957
Total	**22,696**	**24,096**	**20,775**	**20,957**

[1] Corresponds to prepayments received related to the operations and maintenance services. Revenue is recognized when the service is rendered. Non-current balance includes ThUS$ 8,293 corresponding to the recognition of the lease agreement entered into between the Company and Anglo American (expiration of the contract in 2030) and a dedicated transmission line contract entered into with Duqueco SpA of ThUS$ 6,156 (expiration of the contract in 2028). As of December 31, 2019, such balance amounted to ThUS$ 20,957.

29. Disclosures on equity

a. Subscribed, fully paid capital and number of shares

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

As of December 31, 2020, and December 31, 2019, this caption comprises the following:

Number of shares

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

Capital (Amount in US$)

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

a.1 **Reconciliation of shares**

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

Shares	12.31.2020	12.31.2019
No. of outstanding shares as of January 1	17,536,167,720	17,536,167,720
Changes in outstanding shares		
Increase (decrease) in outstanding shares	-	-
No. of outstanding shares at the end of the period	17,536,167,720	17,536,167,720

a.2 N° of shareholders

As of December 31, 2020, the number of shareholders is 2,910.

b. **Share capital**

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

c. Share premium

As of December 31, 2020, and December 31, 2019, the caption Share premium amounts to ThUS$ 52,595 and is composed of ThUS$ 30,700 related to premium received in the share subscription term approved at the Extraordinary Shareholders' Meeting held on March 14, 2008, plus a share premium of ThUS$ 21,895 resulting from capital increases performed prior to 2008.

d. Dividends

The general policy and procedure on dividend distribution agreed at the Shareholders' Meeting held on April 30, 2020, established that the Company will distribute at least 50% of net profit. In accordance with IFRS, there is a legal and assumed obligation requiring the accounting for of a liability at each reporting date for the concept of the minimum legal dividend.

At a meeting held on November 24, 2020, the Board of Directors of Colbún S.A. agreed to distribute an interim dividend charged to profits for the year ending December 31, 2020, for the total amount of ThUS$ 81,218; corresponding to US$ 0.00463 per share. Payment of this dividend began on December 16, 2020.

At the Shareholders' Meeting on April 30, 2020, it was approved to distribute a final dividend of ThUS$ 110,630 corresponding to US$ 0.00631 per share, and an eventual dividend charged to accumulated earnings of previous years for ThUS$ 50,000, corresponding to US$ 0.00285 per share, which began to be paid on May 12, 2020.

At the Board of Directors' Meeting held on March 31, 2020, the directors agreed to propose to the Shareholders' Meeting the distribution of the net distributable profit as follows: (i) Distribute a final dividend of ThUS$ 110,630 corresponding to US$ 0.00631 per share, which in addition to a provisional dividend of ThUS$ 92,404 corresponding to US$ 0.00527 per share, would amount to Net Distributable Profit for 2019 of ThUS$ 203,045; and (ii) Distribute a provisional dividend with a debit to prior year retained earnings of ThUS$ 50,000, corresponding to US$ 0.00285 per share.

At the Board of Directors' Meeting held on March 26, 2019, the directors agreed to propose to the Shareholders' Meeting the distribution of the net distributable profit as follows: (i) Distribute a final dividend of ThUS$156,114 corresponding to US$0.00890 per share, which in addition to a provisional dividend of ThUS$84,236 corresponding to US$0.00480 per share, would amount to Net Distributable Profit for 2018 of ThUS$240,350; and (ii) Distribute a provisional dividend with a debit to prior year retained earnings of ThUS$100,000, corresponding to US$0.00570 per share.

At the Shareholders' Meeting held on April 25, 2019, the directors agreed to distribute a final dividend of ThUS$ 156,114 corresponding to US$ 0.00890 per share, and a provisional dividend recognized in retained earnings from prior periods of ThUS$ 100,000 corresponding to US$ 0.00570 per share, which was paid starting on May 7, 2019.

At the Board of Directors' meeting held on November 26, 2019, the directors agreed the distribution of a provisional dividend charged to net profit for distribution for the year ended December 31, 2019, to be paid in cash for ThUS$ 92,404, corresponding to US$ 0.00527 per share. This dividend started being paid on December 18, 2019.

e. Detail of Other reserves

This caption comprises the following:

Other reserves	12.31.2020 ThUS$	12.31.2019 ThUS$
Effect of first adoption of paid-in capital deflation	517,617	517,617
Effect of first-time adoption of translation in accordance with IAS 21	(230,797)	(230,797)
Revaluation of property, plant and equipment	400,112	413,304
Revaluation of deferred taxes	(108,361)	(111,658)
Merger reserve	174,967	193,993
Affiliate translation effects	(40,658)	(41,174)
Subsidiaries' reserve	(12,051)	(12,051)
Hedging reserve	8,819	13,194
Affiliate hedging effects	131	145
Total	**709,779**	**742,573**

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

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

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

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

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

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

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

f. **Retained earnings (accumulated losses)**

As of December 31, 2020, and December 31, 2019, changes in reserves for retained earnings are detailed as follows:

Distributable retained earnings	12.31.2020 ThUS$	12.31.2019 ThUS$
Opening balance as of January 1	1,458,332	1,550,677
Profit or loss for the year	162,893	203,047
Effect of actuarial profit (loss)	(2,893)	(4,248)
Dividends	(232,970)	(321,551)
Realized retained earnings	28,922	30,407
Total distributable retained earnings	**1,414,284**	**1,458,332**

g. Capital management

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

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

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

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

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

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

As of December 31, 2020, and December 31, 2019, the indebtedness level detailed is as follows:

	12.31.2020 ThUS$	12.31.2019 ThUS$
Total liabilities	**3,048,499**	**2,969,715**
Total current liabilities	306,532	338,298
Total non-current liabilities	2,741,967	2,631,417
Total equity	**3,585,368**	**3,735,635**
Equity attributable to the Parent	3,459,451	3,536,293
Non-controlling interest	125,917	199,342
Indebtedness ratio	**0.85**	**0.79**

The Company should report the compliance of commitments entered with financial institutions on a quarterly basis. As of December 31, 2020, the Company complies with all the financial indicators required in such contracts (See note 39).

h. Earnings per share and net distributable profit

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

	12.31.2020	12.31.2019
Profit (loss) attributable to shareholders of the Parent (ThUS$)	162,893	203,047
Profit (loss) available for common shareholders, basic (ThUS$)	162,893	203,047
Weighted average number of shares, basic (No. of shares)	17,536,167,720	17,536,167,720
Basic earnings per share (U.S. dollars per share)	**0.00929**	**0.01158**

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

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

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

The calculation of net distributable profit is detailed as follows:

Calculation of net profit for distribution (cash flows)	12.31.2020 ThUS$	12.31.2019 ThUS$
Shareholders of the Parent	**162,893**	**203,047**
Cash flow for the year charged to prior years	-	-
Effect on unrealized finance income that generated no cash flows	-	-
Net cash flow for the year	-	-
Net distributable profit	**162,893**	**203,047**
Mandatory minimum dividend	**81,447**	**101,524**

30. Revenue

For the periods ended December 31, 2020, and 2019, this caption comprises the following:

	January - December	
	2020 ThUS$	**2019** ThUS$
Regulated customer sales	438,374	580,661
Unregulated customer sales	698,794	687,351
Toll charges	54,842	61,172
Spot market sales	131,216	121,631
Other income	25,642	36,573
Total	**1,348,868**	**1,487,387**

31. Raw materials and consumable

For the periods ended December 31, 2020, and 2019, this caption comprises the following:

	January - December	
	2020 ThUS$	**2019** ThUS$
Oil consumption (see Note 13)	(9,523)	(12,601)
Gas consumption (see Note 13)	(245,413)	(337,284)
Coal consumption (see Note 13)	(70,351)	(73,646)
Purchase of energy and capacity	(54,098)	(64,930)
Toll charges	(112,760)	(120,145)
Third-party work and supplies	(83,651)	(83,378)
Total	**(575,796)**	**(691,984)**

32. Employee benefits expenses

For the periods ended December 31, 2020, and 2019, this caption comprises the following (see note 3.1.m. and 3.1.o.):

	January - December	
	2020 ThUS$	**2019** ThUS$
Salaries and wages	(52,075)	(57,499)
Short-term employee benefits	(5,224)	(5,986)
Severance indemnity payments	(5,985)	(5,277)
Other personnel expenses	(2,073)	(5,590)
Total	**(65,357)**	**(74,351)**

33. Depreciation and amortization expenses

For the periods ended December 31, 2020, and 2019, this caption comprises the following:

	January - December	
	2020 ThUS$	**2019** ThUS$
Depreciation (see Note 18.b)	(229,236)	(233,179)
Depreciation right-of-use assets (see note 19.b)	(12,752)	(12,528)
Amortization of intangible assets (see Note 17.b)	(4,627)	(4,815)
Total	**(246,615)**	**(250,522)**

34. Total finance income and finance cost

For the periods ended December 31, 2020, and 2019, this caption comprises the following:

Income (loss) from investments	January - December	
	2020 ThUS$	**2019** ThUS$
Income on cash and other cash equivalents	11,242	22,115
Total finance income	**11,242**	**22,115**
Finance cost	**January - December**	
	2020 ThUS$	**2019** ThUS$
Expenses on bonds	(65,745)	(67,931)
Interest expense for lease liabilities [1]	(9,077)	(9,563)
Expense incurred for financial provisions	(9,865)	(8,491)
Borrowing costs	(2,666)	(2,139)
Income/expense on the valuation of net financial derivatives	(2,265)	(2,104)
Other expenses (bank expenses)	(396)	(401)
Other expenses (commissions)	(610)	(439)
Capital financial expenses (see note 18.c.iv)	165	-
Total finance cost	**(90,459)**	**(91,069)**
Total finance income and finance costs	**(79,217)**	**(68,954)**

[1] Leases recognized under IFRS 16

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

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

a. Foreign currency translation difference

Foreign currency translation difference	Currency	January - December 2020 ThUS$	January - December 2019 ThUS$
Cash and cash equivalents	Ch$	8,882	(4,110)
Cash and cash equivalents	PEN	(1,195)	653
Trade and other receivables	Ch$	49	(3,890)
Trade and other receivables	PEN	(1,060)	95
Current tax assets	Ch$	9,029	(797)
Current tax assets	PEN	(1,093)	243
Other non-financial assets, non-current	Soles	1,308	(1,204)
Other non-financial assets, non-current	Ch$	(132)	12
Foreign currency translation difference - assets		**15,788**	**(8,998)**
Other financial liabilities, current	UF	(6,326)	1,310
Other financial liabilities, current	PEN	227	(64)
Trade and other payables	Ch$	(581)	(3,004)
Trade and other payables	PEN	53	(19)
Other non-financial liabilities	Ch$	(57)	(155)
Provisions for employee benefits	Ch$	(3,379)	3,754
Foreign currency translation difference - liabilities		**(10,063)**	**1,822**
Total foreign currency translation difference		**5,725**	**(7,176)**

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

Income from investments accounted by equity method for the years ended December 31, 2020 and 2019 respectively, are presented in the following breakdown:

Net interest in affiliates' income	January - December 2020 ThUS$	January - December 2019 ThUS$
Electrogas S.A.	8,149	8,113
Transmisora Eléctrica de Quillota Ltda.	1,801	989
Total	**9,950**	**9,102**

37. Other gains (losses)

For the periods ended December 31, 2020, and 2019, this caption comprises the following:

Other gains	January - December 2020 ThUS$	January - December 2019 ThUS$
Insurance	21,280	-
Other income	8,350	2,845
Total other gains	**29,630**	**2,845**

Other losses	January - December 2020 ThUS$	January - December 2019 ThUS$
Emissions of thermoelectric plants [1]	(13,362)	(13,625)
Sale of Antilhue shares	-	(12,354)
Comission for prepayment of Bond [2]	(17,391)	-
Disposal of property, plant and equipment	(27,000)	(8,805)
Impairment of unused water rights patents	(4,517)	(4,332)
Donations and community contributions	(3,720)	(2,774)
Inventory obsolescence	(3)	(2,267)
Calidda leasing	-	(2,247)
Decommissing cost	(1,350)	(1,345)
Impairment of other projects	-	(49,671)
Impairment CGU Perú [3]	(179,615)	-
Impairment of water rights	-	(175)
Loss from derivativa contracts	(354)	(969)
Litigation-related legal fees	(1,153)	(783)
Write-offs and fines	(60)	(539)
Allowance for doubtful customers	(2,230)	(210)
Other	(19,011)	(12,095)
Total other losses	**(269,766)**	**(112,191)**
Total other gains (losses)	**(240,136)**	**(109,346)**

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

[2] Corresponds to the prepaid tender premium of the 2024 Bond for ThUS$ 14,306 and adjustments for capitalized expenses of the 2024 Bond for US$ 3.084.

[3] Impairment of the assets of the subsidiary Fenix Power Perú S.A. (see Note 5.b)

38. Guarantees with third parties and contingent assets and liabilities

a. Guarantees with third parties

a.1 Direct guarantees: As of December 31, 2020, the Company has provided direct guarantees for ThUS$ 48,648.

Assets committed			Outstanding balance	
Type of guarantee	Currency	Carrying amount	12.31.2020	12.31.2019
			ThUS$	ThUS$
Performance bond	Ch$	1,262,873,136	1,776	1,681
Performance bond	US$	25,707,251	25,707	20,347
Performance bond	UF	517,616	21,165	25,344
Guarantee check	UF	167	7	-
		Total	**48,655**	**47,372**

b. Third-party guarantees

b.1 Current guarantees denominated in U.S. dollars as of December 31, 2020

Deposited by	Relationship	Total ThUS$
GE Energy Parts Inc.	Suppliers	15,000
Enercon Gmbh	Suppliers	13,000
Trina Solar (Chile) SpA	Suppliers	7,194
TSGF SpA	Suppliers	5,785
Ingeniería Agrosonda SpA	Suppliers	5,099
Consorcio Isotron Sacyr S.A.	Suppliers	1,059
Cía. General de Electricidad S.A.	Suppliers	797
ABB Ltda.	Suppliers	594
Rhona S.A.	Suppliers	282
Abengoa Chile S.A.	Suppliers	200
Andritz Hydro S.R.L.	Suppliers	200
B.Bosch S.A.	Suppliers	200
Ingeniería y Construcción Sigdo Koppers S.A.	Suppliers	200
Inprolec S.A.	Suppliers	200
Kipreos Ingenieros S.A.	Suppliers	200
Pine SpA	Suppliers	176
HMV Chile	Suppliers	169
Siemens Energy SpA	Suppliers	142
Sieyuan Electric Co. Ltd.	Suppliers	75
Generadores Mexicanos S.A. de C.V.	Suppliers	44
Ing. y Ases. en Computación y Comunicación Neosecure S.A.	Suppliers	37
Tadeo Czerweny S.A.	Suppliers	21
Serv. de Respaldo de Energía Teknica Ltda.	Suppliers	18
Reliable Energy Ingeniería Ltda.	Suppliers	8
Sistemas Eléctricos Ingeniería y Servicios S.A.	Suppliers	6
Reivax S.A.	Suppliers	5
	Total	**50,711**

b.2 Current guarantees denominated in Euros as of December 31, 2020

Deposited by	Relationship	Total ThUS$
Zimmermannn Pv-Stahlban Gmbh	Suppliers	5,526
SMA Solar Technology AG	Suppliers	1,681
Andritz Hydro S.R.L.	Suppliers	606
Andritz Chile Ltda.	Suppliers	22
	Total	**7,835**

b.3 Current guarantees denominated in Chilean pesos as of December 31, 2020

Deposited by	Relationship	Total ThUS$
Siemens S.A.	Suppliers	373
Vecchiola Ingeniería y Construcción S.A.	Suppliers	255
Serv. Logísticos Vizcal Ltda.	Suppliers	77
SG Ingeniería Eléctrica Ltda.	Suppliers	68
Konecranes Chile SpA	Suppliers	22
XPE Consult SpA	Suppliers	21
Resiter Industrial S.A.	Suppliers	16
Jaime Fuente y Cía. Ltda.	Suppliers	15
Dimetales SpA	Suppliers	12
Sodexo Chile SpA	Suppliers	12
Vigaflow S.A.	Suppliers	12
Andritz Metaliza S.A.	Suppliers	9
ST Ingeniería y Construcción SpA	Suppliers	9
Laboratorio Hidrolab S.A.	Suppliers	7
Consultora y Constructora de Proyectos de Ingeniería Sergio Pereira EIRL	Suppliers	4
Ximena M. Soto Orellana	Suppliers	4
Imahf S.A.	Suppliers	3
Serv. Industriales Cordillera SpA	Suppliers	3
Máximo E. Sanhueza Manríquez	Suppliers	2
Serv. Vortex SpA	Suppliers	1
MV Servicios para la Construcción Ltda.	Suppliers	1
Hidrosimm SpA	Suppliers	1
	Total	**927**

b.4 Current guarantees denominated in Inflation-adjusted units as of December 31, 2020

Deposited by	Relationship	Total ThUS$
Contract Chile S.A.	Suppliers	1,541
Ingeniería Agrosonda SpA	Suppliers	1,462
Serv. Industriales Ltda.	Suppliers	251
Echeverría Izquierdo Montajes Industriales S.A.	Suppliers	204
Elecnor Chile S.A.	Suppliers	204
Empresa de Montajes Industriales Salfa S.A.	Suppliers	204
Ingeniería y Construc. Sigdo Koppers S.A.	Suppliers	204
Strabag SpA	Suppliers	204
Algoritmos y Mediciones Ambientales SpA	Suppliers	189
Andritz Chile Ltda.	Suppliers	121
ODR Ingeniería y Montajes Ltda.	Suppliers	86
Transportes Bretti Ltda.	Suppliers	81
Marcelo Javier Urrea Caro EIRL	Suppliers	54
Securitas S.A.	Suppliers	51
MV Servicios para la Construcción Ltda.	Suppliers	46
Soluciones Modulares Cn S.A.	Suppliers	43
Universidad de Concepción	Suppliers	43
Soc. Comercial San Cristóbal Ltda.	Suppliers	42
OHL Servicios Ingesan S.A. Agencia en Chile	Suppliers	41
Latinomericana Serv. de Ingeniería y Construcción Ltda.	Suppliers	39
Vigatec S.A.	Suppliers	38
Constructora Javag SpA	Suppliers	36
Soc. Comercial Camin Ltda.	Suppliers	35
Conecta Ingeniería S.A.	Suppliers	29
Buses Ahumada Ltda.	Suppliers	28
Dragatec S.A.	Suppliers	28
Serv. Industriales Warner SpA	Suppliers	26
Mario Francisco Segura Caballero	Suppliers	26
Transportes José Carrasco Retamal EIRL	Suppliers	24
Serv. Emca SpA	Suppliers	24
Integración de Tecnologías Ltda.	Suppliers	23
Sodexo Chile SpA	Suppliers	21
MYA Chile Soluciones contra Incendio e Industriales Ltda.	Suppliers	19
ISS Facility Services S.A.	Suppliers	19
Barlovento Chile Ltda.	Suppliers	18
Aguasin SpA	Suppliers	17
Serv. Industriales Euroambiente Ltda.	Suppliers	16
Soc. de Transportes Turismos e Invers.	Suppliers	14
WSP Ambiental S.A.	Suppliers	13
Constructora Gómez Salazar Ltda.	Suppliers	10
Atco Sabinco S.A.	Suppliers	10
Comercial e Industrial Co-Ol Ltda.	Suppliers	10
Tecno Fast S.A.	Suppliers	10
Soc. Comercial y de Inversiones Conyser Ltda.	Suppliers	10
Siemens S.A.	Suppliers	10
Mantención de Jardines Arcoiris Ltda.	Suppliers	9
Woss SpA	Suppliers	6
	Total	**5,639**

Fenix Power Perú S.A.

b. Current guarantees denominated in Peruvian soles as of December 31, 2020

Deposited by	Relationship	Total ThUS$
Empresa Regional de Serv. Público del Oriente S.A.	Suppliers	1,624
Procarvi S.A.	Suppliers	40
Busser SAC	Suppliers	29
J&V Resguardo SAC	Suppliers	28
Laub & Quijandria Consultores	Suppliers	4
People Intermediacion SAC	Suppliers	4
	Total	**1,729**

c. Detail of litigation and others

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

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

As of December 31, 2020, the detail of litigation in accordance with IAS 37 is as follows:

<u>Chile</u>

1.- Lawsuits on environment damage due to the operation of the Santa María thermoelectric power plant with the Third Environment Court of Valdivia.

(i)- Lawsuit filed on October 15, 2015, under Case No. D-11-2015 with the Third Environment Court of Valdivia by 6 local fishermen unions of Coronel and a group of fishermen from Lota alleging environmental damage caused by the operation of the Santa María thermoelectric power plant (unauthorized emission of heavy metals into the soil and water of the bay; excessive nitrogen and sulfur oxides originated from combustion processes of the plant, heat shock caused by cooling system failure and antifouling).

The lawsuit was responded to by Colbún on September 30, 2016

The settlement, evidence and allegations hearings were held on January 2017.

In compliance with IAS 37, Management deemed a contingency as remote; accordingly, it disclosed such contingency but no provision has been recorded through the present date as it is not possible to make a reliable estimation of the related liability derived therefrom and there are no reimbursements to which the Company may be entitled in the event of an unfavorable judgment.

(ii)- Lawsuit filed on October 15, 2015, under Case No. D-12-2015 with the Third Environment Court of Valdivia by 6 local fishermen unions of Coronel and a group of fishermen from Lota alleging environmental damage caused by the operation of the Santa María thermoelectric power plant (unauthorized emission of heavy metals into the soil and water of the bay; excessive nitrogen and sulfur oxides originated from combustion processes of the plant, heat shock caused by cooling system failure and antifouling). Because the lawsuit filed under Case No. D-11-2015 is the same as the lawsuit mentioned above in section 1(i), the case files were joined with the latter, and therefore they are in the same procedural stage.

On December 31, 2018, the Environmental Court of Valdivia issued a judgment rejecting both claims. On January 18, 2019, the plaintiff filed a cassation appeal in form and substance against the ruling rejecting the claim with the Supreme Court under Case 3647-2019.

As of December 31, 2020, the case is pending judgment by the Supreme Court.

In compliance with IAS 37, Management deemed a contingency as remote; accordingly, it disclosed such contingency but no provision has been recorded through the present date as it is not possible to make a reliable estimation of the related liability derived therefrom and there are no reimbursements to which the Company may be entitled in the event of an unfavorable judgment.

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

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

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

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

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

This sanctioning procedure concluded in favor of Colbún when the SMA, ordered filing both individualized complaints above in (i and ii) on September 4, 2019. However, the plaintiff filed an appeal with the Environment Court of Valdivia (TAV) against the resolution of the SMA ordering the filing of the complaints. The case has been alleged in the TAV and on March 31, 2020, the TAM rejected the case file, ordering the SMA to issue the corresponding resolution. The SMA filed a new appeal against this judgment on the Supreme Court, which was rejected as inadmissible. It would correspond, according to the procedural rules, to comply with the ruling of the TAV and the SMA should formulate, during the next months, charges again in this procedure. This process is expected to end in acquittal, compliance plan or fine, according to law.

As of December 31, 2020, the SMA has not filed new charges.

In compliance with IAS 37, Management deemed a contingency as remote; accordingly, it disclosed such contingency but no provision has been recorded through the present date as it is not possible to make a reliable estimation of the related liability derived therefrom and there are no reimbursements to which the Company may be entitled in the event of an unfavorable judgment.

3.- Arbitration proceeding for taxes levied on emissions

In December 2019, Colbún has filed an arbitration proceeding, as established in the “Electric Energy Purchase and Sale Agreement” entered into with Codelco in January 2010, so that Codelco reimburses the payment of the tax on emissions recorded during 2017 and 2018, and any applicable subsequent period. Likewise, Codelco has also filed an arbitration proceeding to resolve matters related to such contract. The processes are at the end of their discussion stage, with the parties having submitted their respective demands and responses.

The Court summoned the parties to the conciliation stage provided for in the bases but this was not achieved, and then the Court set the points of proof and suspended the probation period in accordance with the law in force. It is expected that the evidence will be rendered as of the next December.

Based on the information and opinions from experts available to such date, Management reasonably believes that this lawsuit will have a favorable outcome for the Company, and that finally, the customer should reimburse the payments required.

4.- Arbitration against CGE

On December 18, 2020, by filing the corresponding lawsuit, Colbún has initiated the arbitration procedure provided for in the Electricity Purchase Agreement with CGE, to resolve the difference between the parties, in the sense that this distributor discounted at its discretion and without legal or contractual basis, the invoices for April, May and July approximately Ch$ 2,800 million, alleging that its final clients had not paid it as a consequence of the current pandemic.

Based on the background and expert opinions available at this date, Management reasonably estimates a favorable result and that ultimately the client should pay all of the amounts involved.

39. Commitments

Commitments entered with financial institutions

The loan agreements signed by Colbún S.A. with financial institutions and the bond issue contracts impose different obligations on the Company other than the payment obligations, including the compliance with financial indicators of different types during the term of such contracts, which are conventional for these type of financing operations.

The Company should report on a quarterly basis the compliance with these obligations. As of December 31, 2020, the Company complies with all the financial indicators required in such contracts, the detail of which are as follows:

Covenants	Status	12.31.2020		Term
Local market bonds				
EBITDA/Net finance costs	> 3,0		8.62	jun-2029
Indebtedness ratio	< 1,2		0.85	jun-2029
Minimum equity	> ThUS$ 1.348.000	ThUS$	3,459,451	jun-2029

Calculation methodologies

Concept	Account	Amount as of 12.31.2020	
Equity	Total equity	ThUS$	3,585,368
Net equity	Total equity - Non-controlling interests	ThUS$	3,459,451
Minimum equity	Total equity - Non-controlling interests	ThUS$	3,459,451
Total liabilities	Total current liabilities + Total non-current liabilities	ThUS$	3,048,524
Indebtedness ratio	Total liabilities / Equity		0.85
Ebitda (*)	Revenue - Raw materials and consumables - Employee benefit expenses - other expenses by nature	ThUS$	682,512
Net financial costs (*)	Finance costs - Finance income	ThUS$	79,217

(*) 12 trailing months

40. Environment

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

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

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

Photovoltaic Solar Projects Diego de Almagro Sur I and II : Photovoltaic solar power plant located in the Atacama Region, approximately 27 kilometers south of Diego de Almagro, considering an approximate power of 220MW and an average annual generation of approximately 615 GWh. These projects have their Environmental Impact Study approved.

The construction phase of the project began during the month of September with the closure of the perimeter and roads.

Puente Negro S/E Expansion: Expansion of the Puente Negro electrical substation in the O'Higgins Region.

The project is 96% complete.

San Pedro hydroelectric power plant: Dam hydroelectric power plant located in Los Ríos Region.

The project has reached the 15% completion mark approximately and awaits the processing of the new environmental impact study of modifications to the project to resume the works and construction activities.

Photovoltaic Solar Project Machicura: located in the Colbún area, at the foot of the Machicura reservoir, with an estimated power of 11.3 MW. The construction phase of the project began during the month of December 2020 with the perimeter closure and leveling of the land.

Additionally, there are disbursements associated with 26 power generation plants in operation, including the Fenix plant (Chilca, Peru) and the transmission assets such as electric substations and transmission lines.

As of December 31, 2020, and December 31, 2019, the detail of the disbursements performed and to be performed in relation to environment regulations is the following:

Accrued expenses as of 12.31.2020

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS$	Actual or estimated dates when the disbursement was or will be made
Colbún S.A.	Sta María	Environmental Management of Power Plant	Expense	Expense	401	dic-20
Colbún S.A.	Nehuenco	Environmental Management of Power Plant	Expense	Expense	508	dic-20
Colbún S.A.	Angostura	Environmental Management of Power Plant	Expense	Expense	284	dic-20
Colbún S.A.	Zona Bio-Bio	Environmental Management of Power Plant	Expense	Expense	9	dic-20
Colbún S.A.	Quilleco	Environmental Management of Power Plant	Expense	Expense	134	dic-20
Colbún S.A.	Los Quilos	Environmental Management of Power Plant	Expense	Expense	203	dic-20
Colbún S.A.	Gestión Ambiental Corporativa	Environmental Management of Parent	Expense	Expense	109	dic-20
Colbún S.A.	Candelaria	Environmental Management of Power Plant	Expense	Expense	166	dic-20
Colbún S.A.	Colbún	Environmental Management of Power Plant	Expense	Expense	86	dic-20
Colbún S.A.	Los Pinos	Environmental Management of Power Plant	Expense	Expense	191	dic-20
Colbún S.A.	Rucúe	Environmental Management of Power Plant	Expense	Expense	77	dic-20
Colbún S.A.	Hornitos	Environmental Management of Power Plant	Expense	Expense	69	dic-20
Colbún S.A.	Canutillar	Environmental Management of Power Plant	Expense	Expense	35	dic-20
				Total	**2,272**	

Future expenses as of 12.31.2020

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS$	Actual or estimated dates when the disbursement was or will be made
Colbún S.A.	Sta María	Environmental Management of Power Plant	Expense	Cost	45	mar-21
Colbún S.A.	Angostura	Environmental Management of Power Plant	Expense	Cost	1	mar-21
Colbún S.A.	Colbún	Environmental Management of Power Plant	Expense	Cost	12	mar-21
Colbún S.A.	Candelaria	Environmental Management of Power Plant	Expense	Cost	1	mar-21
Colbún S.A.	Nehuenco	Environmental Management of Power Plant	Expense	Cost	21	mar-21
Colbún S.A.	Gestión Ambiental Corporativa	Environmental Management of Parent	Expense	Expense	2	mar-21
Colbún S.A.	Quilleco	Environmental Management of Power Plant	Expense	Cost	4	mar-21
Colbún S.A.	Los Pinos	Environmental Management of Power Plant	Expense	Cost	5	mar-21
Colbún S.A.	Rucúe	Environmental Management of Power Plant	Expense	Cost	4	mar-21
				Total	**95**	

Accrued expenses as of 12.31.2019

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS$	Actual or estimated dates when the disbursement was or will be made
Colbún S.A.	Sta María 1	Environmental Management of Power Plant	Expense	Cost	557	dic-19
Colbún S.A.	Nehuenco	Environmental Management of Power Plant	Expense	Cost	505	dic-19
Colbún S.A.	Angostura	Environmental Management of Power Plant	Expense	Cost	458	dic-19
Colbún S.A.	Zona Bio-Bio	Environmental Management of Power Plant	Expense	Cost	277	dic-19
Colbún S.A.	Quilleco	Environmental Management of Power Plant	Expense	Cost	235	dic-19
Colbún S.A.	Los Quilos	Environmental Management of Power Plant	Expense	Cost	222	dic-19
Colbún S.A.	Gestión Ambiental Corporativa	Environmental Management of Power Plant	Expense	Cost	213	dic-19
Colbún S.A.	Candelaria	Environmental Management of Parent	Expense	Cost	199	dic-19
Colbún S.A.	Colbún	Environmental Management of Power Plant	Expense	Cost	172	dic-19
Colbún S.A.	Los Pinos	Environmental Management of Power Plant	Expense	Cost	158	dic-19
Colbún S.A.	Zona Maule	Environmental Management of Parent	Expense	Cost	156	dic-19
Colbún S.A.	Rucúe	Environmental Management of Power Plant	Expense	Cost	114	dic-19
Colbún S.A.	Antilhue	Environmental Management of Power Plant	Expense	Cost	81	dic-19
Colbún S.A.	Hornitos	Environmental Management of Power Plant	Expense	Cost	77	dic-19
Colbún S.A.	Canutillar	Environmental Management of Power Plant	Expense	Cost	32	dic-19
				Total	3,456	

Future expenses as of 12.31.2019

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS$	Actual or estimated dates when the disbursement was or will be made
Colbún S.A.	Sta María 1	Environmental Management of Power Plant	Expense	Cost	48	mar-20
Colbún S.A.	Angostura	Environmental Management of Power Plant	Expense	Cost	43	mar-20
Colbún S.A.	Anntilhue	Environmental Management of Power Plant	Expense	Cost	18	mar-20
Colbún S.A.	Colbún	Environmental Management of Power Plant	Expense	Cost	16	mar-20
Colbún S.A.	Candelaria	Environmental Management of Parent	Expense	Cost	13	mar-20
Colbún S.A.	Canutillar	Environmental Management of Power Plant	Expense	Cost	12	mar-20
Colbún S.A.	Nehuenco	Environmental Management of Power Plant	Expense	Cost	12	mar-20
Colbún S.A.	Gestión Ambiental Corporativa	Environmental Management of Power Plant	Expense	Cost	8	mar-20
Colbún S.A.	Los Quilos	Environmental Management of Power Plant	Expense	Cost	8	mar-20
Colbún S.A.	Zona Bio-Bio	Environmental Management of Power Plant	Expense	Cost	6	mar-20
Colbún S.A.	Quilleco	Environmental Management of Power Plant	Expense	Cost	4	mar-20
Colbún S.A.	Hornitos	Environmental Management of Power Plant	Expense	Cost	3	mar-20
Colbún S.A.	Los Pinos	Environmental Management of Power Plant	Expense	Cost	3	mar-20
Colbún S.A.	Rucúe	Environmental Management of Power Plant	Expense	Cost	2	mar-20
				Total	196	

Disbursements in Peru

Accrued expenses as of 12.31.2020

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS$	Actual or estimated dates when the disbursement was or will be made
Fenix Power Perú S.A.	Monitoring and Environmental Management	Monitoring and Environmental Management	Expense	Cost	191	dic-20
				Total	**191**	

Future expenses as of 12.31.2020

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS$	Actual or estimated dates when the disbursement was or will be made
Fenix Power Perú S.A.	Monitoring and Environmental Management	Monitoring and Environmental Management	Expense	Cost	36	mar-21
				Total	**36**	

Accrued expenses as of 12.31.2019

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS$	Actual or estimated dates when the disbursement was or will be made
Fenix Power Perú S.A.	Monitoring and Environmental Management	Monitoring and Environmental Management	Expense	Cost	426	dic-19
				Total	**426**	

Future expenses as of 12.31.2019

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS$	Actual or estimated dates when the disbursement was or will be made
Fenix Power Perú S.A.	Monitoring and Environmental Management	Monitoring and Environmental Management	Expense	Cost	-	mar-20
				Total	**-**	

41. Events occurred after the date of the financial position

At the meeting held on January 26, 2021, the Company's Board of Directors approved the consolidated financial statements as of December 31, 2020, prepared in accordance with International Financial Reporting Standards (IFRS), issued by the IASB.

On January 20, Colbún reached an agreement with Goldman Sachs, pursuant to which the Company will gradually sell the accounts receivable generated by the rate stabilization mechanism (Law No. 21,185), for a total amount of approximately US$ 95 million. Additionally, Colbún reported that it is in advanced negotiations with the Inter-American Development Investment Corporation to participate in the financing of the acquisition of a part of the aforementioned accounts receivable.

No other subsequent events have occurred between January 1, 2021, and the date of issuance of these Financial Statements.

42. Foreign currency

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

Assets	Foreign currency	Currency	12.31.2020 ThUS$	12.31.2019 ThUS$
Total current assets				
Cash and cash equivalents	Ch$	US$	79,005	44,043
Cash and cash equivalents	Euro	US$	2,042	332
Cash and cash equivalents	PEN	US$	7,124	6,363
Other non-financial assets, current	Ch$	US$	19,802	3,286
Trade and other receivables, current	Ch$	US$	155,915	189,016
Trade and other receivables, current	PEN	US$	24,992	27,136
Trade receivables due from related parties, current	Ch$	US$	12	11
Current tax assets	Ch$	US$	11	214
Current tax assets	PEN	US$	3,910	3,693
Total current assets			**292,813**	**274,094**
Non-current assets				
Other non-financial assets, non-current	Ch$	US$	5,737	4,588
Trade and other receivables, non-current	Ch$	US$	-	17,148
Total non-current assets			**5,737**	**21,736**
Total assets			**298,550**	**295,830**

Liabilities	Foreign currency	Currency	12.31.2020 ThUS$	12.31.2019 ThUS$
Total current liabilities				
Other financial liabilities, current	UF	US$	221	-
Other financial liabilities, current	UF	US$	14,326	15,776
Lease liabilities, current	UF	US$	1,988	-
Trade and other payables	Ch$	US$	105,176	106,886
Trade and other payables	PEN	US$	12,552	12,899
Payables due to related parties, current	Ch$	US$	31	644
Other current provisions	Ch$	US$	29,370	804
Provisions for employee benefits, current	Ch$	US$	22,688	18,244
Provisions for employee benefits, current	PEN	US$	1,319	1,588
Other non-financial liabilities, current	Ch$	US$	21,229	30,665
Other non-financial liabilities, current	PEN	US$	1,382	572
Total current liabilites			**210,282**	**188,078**
Non-current liabilities				
Other financial liabilities, non-current	Ch$	US$	218	-
Other financial liabilities, non-current	UF	US$	41,225	52,442
Lease liabilities, non-current	UF	US$	2,844	-
Provisions for employee benefits, non-current	Ch$	US$	42,998	35,576
Other non-financial liabilities, non-current	Ch$	US$	9,952	14,936
Total non-current liabilities			**97,237**	**102,954**
Total liabilites			**307,519**	**291,032**

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

Maturity profile of other financial liabilities in foreign currency

As of December 31, 2020	Foreign currency	Currency	Up to 91 days ThUS$	91 days to 1 year ThUS$	1 to 3 years ThUS$	3 to 5 years ThUS$	Over 5 years ThUS$	Total ThUS$
Other financial liabilities	Ch$	US$	49	152	218	-	-	419
Other financial liabilities	UF	US$	20	14,326	10,993	10,993	19,239	55,571
		Total	**69**	**14,478**	**11,211**	**10,993**	**19,239**	**55,990**

As of December 31, 2019	Foreign currency	Currency	Up to 91 days ThUS$	91 days to 1 year ThUS$	1 to 3 years ThUS$	3 to 5 years ThUS$	Over 5 years ThUS$	Total ThUS$
Other financial liabilities	UF	US$	758	15,018	21,773	11,187	22,842	71,578
		Total	**758**	**15,018**	**21,773**	**11,187**	**22,842**	**71,578**

43. Headcount (unaudited)

As of December 31, 2020, and 2019, this caption comprises the following:

	No. of employees					
	12.31.2020			12.31.2019		
	Chile	Peru	Total	Chile	Peru	Total
Managers and main executives	82	9	91	71	8	79
Professionals and technical staff	717	73	790	623	66	689
Other	244	21	265	255	18	273
Total	1,043	103	1,146	949	92	1,041
Average of the year	**1,029**	**95**	**1,124**	**970**	**90**	**1,060**

44. Exhibit 1 Additional information required for XBRL taxonomy

This exhibit forms an integral part of the Company's consolidated financial statements.

Fees for external auditors

As of December 31, 2020, and 2019, this caption comprises the following:

Concept	January - December	
	2020 ThUS$	2019 ThUS$
Audit services	335	347
Tax services	6	4
Other services	307	89
Auditor´s fees	**648**	**440**

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