Interim Consolidated Financial Statements

for the period ended June 30, 2020

COLBÚN S.A. AND SUBSIDIARIES

Thousands of U.S. dollars

This report contains the following:

- Report on Review of the Independent Auditor
- Interim Consolidated Financial Statements
- Notes to the Interim Consolidated Financial Statements

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Report on Review of the Independent Auditor
(Translation of a report originally issued in Spanish)

To
Shareholders and Directors
Colbún S.A.

We have reviewed the accompanying interim consolidated financial statements of Colbún S.A. and subsidiaries, which comprise: the interim consolidated statement of financial position as of June 30, 2020; the interim consolidated statements of comprehensive income for the six and three-month periods ended June 30, 2020; the interim consolidated statements of changes in equity and cash flows for the six-month period then ended, and; their corresponding notes to the interim consolidated financial statements.

The interim consolidated statements of comprehensive income for the six and three-month periods ended June 30, 2019, and the corresponding interim consolidated statements of changes in equity and cash flows for the six-month period then ended and their related notes to the interim consolidated financial statements, were reviewed by other auditors, who in their report dated July 30, 2019, declared that based on their review, they were not aware of any significant modification that should be performed to those interim consolidated financial statements in order for them to be in accordance with IAS 34, “Interim Financial Reporting” incorporated in International Financial Reporting Standards (IFRS). The consolidated statement of financial position of Colbún S.A. and subsidiaries as of December 31, 2019, and the corresponding consolidated statement of comprehensive income, statement of changes in equity and cash flows for the year then ended (which are not presented attached to this review report), were audited by other auditors, who in their report dated January 28, 2020, expressed an unchanged opinion on these audited consolidated financial statements.

Management’s Responsibility for the Interim Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with IAS 34, “Interim Financial Reporting” incorporated in International Financial Reporting Standards (IFRS). This includes the design, implementation and maintenance of internal control that is adequate to provide a reasonable basis for the preparation and fair presentation of interim consolidated financial statements in accordance with the applicable framework for preparation and presentation of financial information.

Auditor's Responsibility

Our responsibility is to perform a review in accordance with Generally Accepted Auditing Standards in Chile applicable to reviews of interim financial statements. A review of interim financial statements consists principally of performing analytical procedures and making inquiries of persons responsible for financial and accounting matters. The scope is substantially less than an audit performed in accordance with Generally Accepted Auditing Standards in Chile, the objective of which is to express an opinion on the financial statements. Therefore, we express no such opinion.

Conclusion

Based on our review, we are not aware of any material modification that should be made to the interim consolidated financial statements mentioned in the first paragraph, in order for them to be in accordance with IAS 34, "Interim Financial Reporting" incorporated in International Financial Reporting Standards (IFRS).

Marek Borowski
EY Audit SpA

Santiago, July 29, 2020.

Colbún S.A. and Subsidiaries

Interim Consolidated Classified Statements of Financial Position
as of June 30, 2020 (unaudited) and December 31, 2019
(In thousands of U.S. dollars)

ASSETS	Note N°	June 30, 2020 ThUS$	December 31, 2019 ThUS$
Current assets			
Cash and cash equivalents	7	854,021	326,886
Other financial assets, current	8	1,147	472,784
Other non-financial assets, current	19	16,394	20,683
Trade and other receivables, current	9	211,452	252,566
Receivables due from related parties, current	11.b	3,240	833
Inventories, current	12	45,960	48,559
Current tax assets	19.a	24,919	17,140
Total current assets		**1,157,133**	**1,139,451**
Non-current assets			
Other financial assets, non-current	8	83	1,918
Other non-financial assets, non-current	20	43,063	40,494
Trade and other receivables, non-current	9	83,656	28,923
Equity-accounted investees	15.a	22,692	24,718
Intangible assets other than goodwill	16	123,183	124,362
Property, plant and equipment	17	5,113,024	5,171,850
Right-of-use assets	18	129,686	135,826
Deferred tax assets	21.b	30,143	37,808
Total non-current assets		**5,545,530**	**5,565,899**
TOTAL ASSETS		**6,702,663**	**6,705,350**

See the accompanying notes to the Interim Consolidated Financial Statements

Colbún S.A. and Subsidiaries

Interim Consolidated Classified Statements of Financial Position (continued)
as of June 30, 2020 (unaudited) and December 31, 2019
(In thousands of U.S. dollars)

LIABILITIES AND EQUITY	Note N°	June 30, 2020 ThUS$	December 31, 2019 ThUS$
Current liabilities			
Other financial liabilities, current	22.a	97,152	72,292
Short-term lease liabilities	23.a	9,453	9,482
Trade and other payables	24	141,812	147,820
Payables due to related parties, current	11.b	21	5,936
Other current provisions	25	20,614	26,694
Current tax liabilities	19.b	13	32,146
Current provisions for employee benefits	26	14,545	19,832
Other non-financial liabilities, current	27	16,469	24,096
Total current liabilities		**300,079**	**338,298**
Non-current liabilities			
Other financial liabilities, non-current	22.a	1,573,367	1,464,336
Long-term lease liabilities	23.b	129,922	134,390
Trade and other payables, non-current	24	17,949	17,936
Other provisions, non-current	25	35,954	35,259
Deferred tax liabilities	21.b	925,986	922,963
Provisions for employee benefits, non-current	26	36,158	35,576
Other non-financial liabilities, non-current	27	20,866	20,957
Total non-current liabilities		**2,740,202**	**2,631,417**
Total liabilities		**3,040,281**	**2,969,715**
Equity			
Share capital	28.a	1,282,793	1,282,793
Retained earnings	28.f	1,415,407	1,458,332
Share premium	28.c	52,595	52,595
Other reserves	28.e	719,948	742,573
Equity attributable to the shareholders of the Parent		3,470,743	3,536,293
Non-controlling interests	-	191,639	199,342
Total equity		**3,662,382**	**3,735,635**
TOTAL LIABILITIES AND EQUITY		**6,702,663**	**6,705,350**

See the accompanying notes to the Interim Consolidated Financial Statements

Colbún S.A. and Subsidiaries

Interim Consolidated Statements of Comprehensive Income, by Nature
for the periods ended June 30, 2020 and 2019 (unaudited)
(In thousands of U.S. dollars)

STATEMENTS OF COMPREHENSIVE INCOME BY NATURE	Note	January - June		April - June	
		2020	2019	2020	2019
	N°	ThUS$	ThUS$	ThUS$	ThUS$
Revenue	6 y 29	669,125	773,605	326,515	390,469
Raw materials and consumables	30	(299,430)	(389,138)	(150,306)	(191,374)
Employee benefit expenses	31	(31,066)	(36,845)	(15,963)	(18,699)
Depreciation and amortization expenses	32	(121,557)	(125,992)	(60,984)	(65,973)
Other expenses, by nature	-	(11,018)	(12,198)	(4,982)	(6,628)
Other gains (losses)	36	(38,848)	(15,271)	(9,427)	(10,757)
Income from operations	-	**167,206**	**194,161**	**84,853**	**97,038**
Finance income	33	8,000	11,280	2,965	4,896
Finance costs	33	(45,218)	(45,620)	(22,698)	(24,949)
Share of profit of equity-accounted investees and joint ventures	15 y 35	4,486	4,908	2,143	2,564
Foreign currency translation differences	34	93	2,122	4,907	860
Profit before income taxes	-	**134,567**	**166,851**	**72,170**	**80,409**
Tax expense (benefit) from continuing operations	21.a	(44,440)	(39,062)	(22,503)	(19,034)
Profit from continuing operations		**90,127**	**127,789**	**49,667**	**61,375**
NET PROFIT		**90,127**	**127,789**	**49,667**	**61,375**
Net profit attributable to					
Shareholders of the Parent	28.h	97,830	125,720	54,130	61,317
Non-controlling interests	-	(7,703)	2,069	(4,463)	58
PROFIT		**90,127**	**127,789**	**49,667**	**61,375**
Earnings per share					
Basic earnings per share - Continuing operations **US$/share**	28.h	0.00558	0.00717	0.00283	0.00350
Basic earnings per share		**0.00558**	**0.00717**	**0.00283**	**0.00350**
Diluted earnings per share - Continuing operations **US$/ share**	28.h	0.00558	0.00717	0.00283	0.00350
Diluted earnings per share		**0.00558**	**0.00717**	**0.00283**	**0.00350**

See the accompanying notes to the Interim Consolidated Financial Statements

Colbún S.A. and Subsidiaries
Interim Consolidated Statements of Other Comprehensive Income
for the periods ended June 30, 2020 and 2019 (unaudited)
(In thousands of U.S. dollars)

STATEMENTS OF OTHER COMPREHENSIVE INCOME	Note N°	January - June 2020 ThUS$	January - June 2019 ThUS$	April - June 2020 ThUS$	April - June 2019 ThUS$
Net profit		**90,127**	**127,789**	**49,667**	**61,375**
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	-	(4,195)	(5,070)	(4,275)	(3,314)
Total other comprehensive (loss) income that will not be reclassified to profit or loss for the period, before taxes	-	**(4,195)**	**(5,070)**	**(4,275)**	**(3,314)**
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	15.a	(725)	(64)	277	(384)
Gain (loss) from cash flow hedges	-	(11,053)	5,968	29	3,003
Share of comprehensive income (loss) on associates and joint ventures using the equity	-	-	(47)	-	(20)
Total other comprehensive income (loss) that will be reclassified to profit or loss for the period, before taxes		**(11,778)**	**5,857**	**306**	**2,599**
Other components of other comprehensive income (loss), before taxes		**(15,973)**	**787**	**(3,969)**	**(715)**
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	20.c	1,133	1,369	1,111	895
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	20.c	-	13	-	6
Income tax related to cash flow hedges	20.c	2,984	(1,307)	(8)	(449)
Income tax related to components of other comprehensive income		**4,117**	**75**	**1,103**	**452**
Total other comprehensive (loss) income		**(11,856)**	**862**	**(2,866)**	**(263)**
Total comprehensive income		**78,271**	**128,651**	**46,801**	**61,112**
Comprehensive income (loss) attributable to:					
Shareholders of the Parent		85,974	126,582	51,264	61,054
Non-controlling interests		(7,703)	2,069	(4,463)	58
TOTAL COMPREHENSIVE INCOME		**78,271**	**128,651**	**46,801**	**61,112**

See the accompanying notes to the Interim Consolidated Financial Statements

Colbún S.A. and Subsidiaries

Interim Consolidated Statements of Cash Flows - Direct Method
for the periods ended June 30, 2020 and 2019 (unaudited)
(In thousands of U.S. dollars)

STATEMENTS OF CASH FLOWS - DIRECT METHOD	Note N°	June 30, 2020 ThUS$	June 30, 2019 ThUS$
Cash flows from (used in) operating activities			
Cash receipts from operating activities			
Cash receipts from sale of goods and rendering of services	-	795,804	908,853
Cash receipts from premiums and services, annuities and other benefits of subscribed policies	-	511	102
Other cash receipts from operating activities	-	2,331	3,169
Cash payments for operating activities			
Cash payments to suppliers for goods and services	-	(395,470)	(519,576)
Cash payments to and on behalf of employees	-	(33,384)	(38,782)
Cash payments for premiums and services, annuities and other benefits of subscribed policies	-	(16,668)	(15,522)
Other cash payments for operating activities	-	(99,756)	(93,868)
Cash generated from operating activities	-	**253,368**	**244,376**
Dividends received	-	3,400	8,961
Interest received	-	8,568	13,535
Income taxes paid	-	(67,170)	(7,963)
Other cash receipts (payments)	-	(4,835)	(5,879)
Net cash flows from operating activities		**193,331**	**253,030**
Cash flows from (used in) investing activities			
Other payments to acquire interests in joint ventures	-	-	61
Acquisition of property, plant and equipment	-	(36,834)	(47,557)
Other cash receipts (payments)	-	470,535	481,026
Net cash flows from (used in) investing activities		**433,701**	**433,530**
Cash flows from (used in) financing activities			
Proceeds from borrowings	-	**546,800**	**-**
Amounts proceeds from long-term loans	-	500,000	-
Amounts proceeds from short-term loans	-	46,800	-
Payment of lease liabilities	-	(4,384)	(3,406)
Payment of loans	-	(390,208)	(23,616)
Dividends paid	-	(161,667)	(256,690)
Interest paid	-	(40,432)	(40,250)
Other cash (payments) receipts	-	(44,181)	(3,137)
Net cash used in financing activities	**7.c**	**(94,072)**	**(327,099)**
Net increase (decrease) in cash and cash equivalents before the effect of movements in exchange rates on cash held		**532,960**	**359,461**
Effects of movements in exchange rates on cash and cash equivalents			
Effects of movements in exchange rates on cash and cash equivalents		(5,825)	(436)
Net increase (decrease) in cash and cash equivalents		**527,135**	**359,025**
Cash and cash equivalents as of January 1		326,886	219,191
Cash and cash equivalents as of June 30	7	**854,021**	**578,216**

See the accompanying notes to the Interim Consolidated Financial Statements

Colbun
MEJOR ENERGÍA

Colbún S.A. and Subsidiaries
Interim Statements of Changes in Equity
for the periods ended June 30, 2020 and 2019 (unaudited)
(In thousands of U.S. dollars)

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									97,830	97,830	(7,703)	90,127
Other comprehensive income				(725)	(8,069)	(3,062)	-	(11,856)	-	(11,856)	-	(11,856)
Dividends									(151,524)	(151,524)	-	(151,524)
Increase (decrease) from other changes		-	-	-	-	3,062	(13,831)	(10,769)	10,769	-	-	-
Total changes in equity		**-**	**-**	**(725)**	**(8,069)**	**-**	**(13,831)**	**(22,625)**	**(42,925)**	**(65,550)**	**(7,703)**	**(73,253)**
Equity as of June 30, 2020	**28**	**1,282,793**	**52,595**	**(257,356)**	**5,272**	**-**	**972,032**	**719,948**	**1,415,407**	**3,470,743**	**191,639**	**3,662,382**

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, 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									125,720	125,720	2,069	127,789
Other comprehensive income				(64)	4,627	(3,701)	-	862		862	-	862
Dividends									(220,027)	(220,027)	-	(220,027)
Increase (decrease) from other changes		-	-	-	-	3,701	(14,917)	(11,216)	11,217	1	(1)	-
Total changes in equity		**-**	**-**	**(64)**	**4,627**	**-**	**(14,917)**	**(10,354)**	**(83,090)**	**(93,444)**	**2,068**	**(91,376)**
Equity as of June 30, 2019	**28**	**1,282,793**	**52,595**	**(256,201)**	**14,943**	**-**	**1,001,353**	**760,095**	**1,467,587**	**3,563,070**	**202,492**	**3,765,562**

See the accompanying notes to the Interim Consolidated Financial Statements

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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 June 30, 2020, Colbún is a power generation company and the Parent of the Group (hereinafter, the Company, the Entity or Colbún), which is composed of eight entities: Colbún S.A. and seven Subsidiaries.

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

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

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

- Patricia Matte Larraín, Taxpayer ID 4.333.299-6 (6,49%) and his children María Patricia Larraín Matte, Taxpayer ID 9.000.338-0 (2,56%); María Magdalena Larraín Matte, Taxpayer ID 6.376.977-0 (2,56%); Jorge Bernardo Larraín Matte, Taxpayer ID 7.025.583-9 (2,56%), and Jorge Gabriel Larraín Matte, Taxpayer ID 10.031.620-K (2,56%).

- Eliodoro Matte Larraín, Taxpayer ID 4.336.502-2 (7,15%) 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 June 30, 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

1. Business Description Company´s line of business

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, 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., Sociedad Contractual Minera Franke, Minera Meridian Ltda, Molibdenos y Metales S.A., Inacal S.A., Nuevo Sur S.A., Sonda 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, power 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, conformado por 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 and Grupo Distriluz (contrato de opción).

Unregulated customers: Pamolsa, Austral, Minera Luren, B Braun, Garment, Del Ande, Grupo Patio and UTP.

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 June 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 second quarter of 2020 was approximately 23,1 TWh, concentrated in the mining and residential sectors. In 2019, the system demand was 52.9 TWh.

2. Significant accounting policies

3.1 Accounting policies

These Interim Consolidated Financial Statements of Colbún S.A. and subsidiaries as of June 30, 2020, have been prepared in accordance with International Financial Standards (IFRS) as issued by International Accounting Standards Board (IASB).

These Interim Consolidated Financial Statements have been prepared assuming that the company will continue as a going concern and approved by the Board of Directors for issue at their Meeting held on July 28, 2020.

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

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

- Statement of Financial Position as of June 30, 2020 and December 31, 2019.
- Statement of Comprehensive Income for the six months ended June 30, 2020 and 2019.
- Statement of Cash Flows for the six months ended June 30, 2020 and 2019.
- Statements of Changes in Equity for the six months ended June 30, 2020 and 2019.
- Notes to the Financial Statements.

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

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

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

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

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

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

The detail of subsidiaries is as follows:

Consolidated company	Country	Currency	TAX ID No.	Ownership % as of				
				06.30.2020			06.30.2019	12.31.2019
				Direct	Indirect	Total	Total	Total
Termoeléctrica Nehuenco S.A., en Liquidación (1)	Chile	US$	76.528.870-3	100	-	100	100	100
Termoeléctrica Antilhue S.A. (2)	Chile	US$	76.009.904-K	-	-	-	100	-
Colbún Transmisión S.A.	Chile	US$	76.218.856-2	100	-	100	100	100
Colbún Desarrollo SpA	Chile	US$	76.442.095-0	100	-	100	100	100
Santa Sofía SpA	Chile	US$	76.487.616-4	100	-	100	100	100
Colbún Perú S.A.	Peru	US$	Foreign	100	-	100	100	100
Inversiones de Las Canteras S.A.	Peru	US$	Foreign	-	51	51	51	51
Fenix Power Perú S.A.	Peru	US$	Foreign	-	51	51	51	51

Differences in the consolidation perimeter

During the period 2020 there is no variations in the consolidation perimeter.

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

(1) 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.

(2) On December 11, 2019, Colbún sold 100% of its stake in Termoeléctrica Antilhue S.A. to Prime Energía Antilhue SpA.

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 consideration transferred, 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 interim 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. No.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	Currency	Tax ID No.	Ownership % as of		
					06.30.2020	06.30.2019	12.31.2019
					Direct	Direct	Direct
Associate	Electrogas S.A.	Chile	US$	96.806.130-5	42.5	42.5	42.5
Joint Venture	Transmisora Eléctrica de Quillota Ltda.	Chile	Ch$	77.017.930-0	50.0	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	06.30.2020	06.30.2019	12.31.2019
Pesos	821.23	679.15	748.74
Euros	0.8900	0.8796	0.8918
Soles	3.5410	3.2850	3.3170
Unidades de fomento	0.0286	0.0240	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 interim 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 Interim 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 interim consolidated statement of comprehensive income or in total equity captions under the statement of financial position, based on where the profit or loss from which they arose are recorded.

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

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

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

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

At the reporting date, the amount of net actuarial liabilities accrued is presented in the item Provisions for employee benefits, current and Provisions for employee benefits, non-current in the interim 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 interim 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 23 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 interim 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 taxes, etc.) is recorded on a net basis, and therefore excluded from revenue in the interim 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 interim 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 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	January 1, 2020
IFRS 16	Covid-19 related rent deductions	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 01, 2021 and thereafter:

Standards issued by the IASB yet to be adopted		**Mandatory application date**
IFRS 17	Insurance Contracts	January 1, 2021
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 values 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, 2021. Early adoption is permitted if IFRS 9 and IFRS 15 have been adopted.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): In September 2014, the IASB issued this amendment that requires that when transferring subsidiaries to an associate or joint venture, the total gain should be recognized when assets transferred meet the definition of "business" under IFRS 3 Business Combinations. This amendment establishes a strong pressure on the definition of "business" for recognition in profit or loss. It also introduces new and unexpected recognition for transactions that partially consider maintenance in assets that are not businesses.

The effective application date has been deferred indefinitely.

Management believes the adoption of Standards will have no significant impact on the Company's interim consolidated financial statements.

3.3 Responsibility for the information and estimates made

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

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

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

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

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

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

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

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

- The tax returns of the Company and its subsidiaries, which will be submitted to relevant tax authorities in the future and which have been used as a basis for recording different income tax-related amounts in the accompanying interim 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 interim consolidated financial statements, in conformity with IAS 8.

3. 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 situatuond 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 price of fuel. 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 price.

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 indexed formulas in energy sales contracts

Accordingly, exposure to risk related to fuel price 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 that 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.

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

During the second quarter of 2020, the constitutional process originated from the "Agreement for Peace and the New Constitution" has not undergone further reprogramming, so the plebiscite to decide to approve or reject the drafting of a new Constitution continues to be scheduled for October 2020. The constitutional process may result in changes to the institutional framework applicable to business activity in the country.

On Monday, June 15, during the COVID-19 outbreak 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, declared in Chilean territory by Supreme Decree No. 104, of 2020, of the Ministry of the Interior and Public Security, and its modifications, for an additional period of 90 days.

In this context, after almost three months of processing, Congress dispatched a bill aimed at helping mainly the most vulnerable Chilean families by delaying the payment of their basic services bills during the State of Catastrophe. This initiative was reviewed by the Executive who later made observations to the law project, through a presidential veto, with the purpose of correcting some aspects of unconstitutionality that the Executive noted during its processing. All the observations of this veto were rejected in the Chamber of Origin (Deputies) and in the Chamber of Review (Senate), in addition, the quorum required for insisting on the original text approved by the National Congress was not reached, so the Points observed that suppressed articles of the initiative will not be part of the Law. In particular, article 8 of the law project is suppressed, which establishes that the costs incurred by the companies and cooperatives from the implementation of the law will in no case be transferred to end customers; and that the effects of the law may not be considered in any rate process related to the basic services to which the regulations refer.

Additionally, through Exempt Resolution 264, the CNE modified the Technical Report for Fixing of the Short-Term Node Price for the first semester 2020, eliminating the months of August and September 2020 from the Peak Control Period. This period is the months of April and May 2020, therefore, the year 2020 will have a Peak Control Period that considers only the months of June and July, between 6:00 p.m. and 10:00 p.m. The foregoing does not have a relevant impact for Colbún S.A.

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 "New Distribution Law" (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. Recently, the Minister of Energy made known to the Mining and Energy Commission of the Chamber of Deputies the general guidelines of the preliminary bill and stated that the initiative will be entered into Congress at the end of July 2020, through a subdivision into three bills: (i) Electric Portability, whose objective is to enable commercialization, modernize the supply bidding mechanism and introduce the role of the information manager to reduce information asymmetries and protect data; (ii) 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; (iii) 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.

(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. The definitive publication of the Strategy has also been delayed due to the health contingency that the country is experiencing.

(iii) At the regulatory and resolution level, the following developments can be discussed:

a. The National Energy Commission (CNE) launched a public consultation to modify exempt resolution No. 164, of 2010, in which it is proposed to establish incentives for customers who substitute firewood for electrical energy for heating, establishing a discount on the Regulated rate for increases in energy consumption that come from the conversion of heating to firewood for electricity, and where generators that supply electricity may make offers through distribution companies.

b. On the other hand, the Ministry of Energy re-entered into the Comptroller the Regulation of Small-Scale Generation Means, whose version contains some specific modifications regarding the periods of permanence in the stabilized price mechanism that currently exists in the current regulation.

Peru

Through the Urgency Decree No. 074-2020, the "Electricity Bonus" was created and the purpose of which is to grant a one-time subsidy in favor of Targeted Residential Users that allows covering the amounts of their corresponding bills for the public electricity service, that include consumptions pending payment that are registered in the period March to December 2020, which are not in the claim process, up to a value of S/160 per user, which must meet the following characteristics:

1. Residential users with average consumption of up to 125 kWh / month during the months between March 2019 - February 2020, and no more than 150 kWh of average consumption during the months of the summer season included in the months of January and February 2020.

2. Residential users of the electricity service of non-conventional rural electrical systems supplied with autonomous photovoltaic supply, registered in the month of March 2020.

Finally, article 3 of Emergency Decree No. 035-2020 was modified, in order to modify that the receipts pending payment that include any consumption made up to June 30 may be divided up to twenty-four (24) months.

g. Riesgo de variación de demanda/oferta y de precio de venta de la energía eléctrica.

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.

With respect to 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 fallen by approximately 2% during the second quarter of 2020 compared to second quarter of 2019, while in Peru this decrease has been approximately 23%. 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 an effect 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 June 30, 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 June 30, 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 10.b to these Interim 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 June 30, 2020, Colbún has cash surpluses of approximately US$854 million, invested in time deposits for an average of 35 days (including time deposits with maturities exceeding 90 days, where the latter are recorded as "Other financial assets, current" in the Interim 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 $36 million, contracted with three local banks.

Within the next twelve months, the Company will have to disburse approximately US$108 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 June 30, 2020, Colbún has the following local risk ratings: AA- by Fitch Ratings, with positive outlook and AA by Feller Rate, with stable outlook. At international level, the Company's ratings are: Baa2 by Moody’s, and BBB by S&P and by Fitch Ratings, all with positive outlooks.

As of June 30, 2020, Fenix 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 21.c.2 of the Interim 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 June 30, 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 13%. 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 26% in terms of notional value. Liquidity risk is considered to be 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.

4. Critical accounting policies

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

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

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

Estimated useful lives as of June 30, 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	33
Machinery	4 - 20	10
Transport equipment	5 - 15	6
Office equipment	5 - 12	8
IT equipment	3 - 10	6
Power-generating asset	2 - 100	41
Transmission line operation and maintenance	20	14
Right-of-use assets	2 - 14	12
Other property, plant and equipment	10 - 50	32

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	72
Electromechanical equipment	2 - 100	21
Thermal power plants		
Civil works	10 - 60	23
Electromechanical equipment	2 - 60	17
Solar power plant		
Electromechanical equipment	5 - 25	22
Civil works	25	24

(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	12
Software	1 - 15	6
Rights and concessions	1 - 10	6

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 Interim 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 June 30, 2020, the Company believes there is no significant impairment indicators of tangible and intangible assets related to the CGU defined by the Company.

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.

5. 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.

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.

The table below presents information by operating segment:

Segment operating results as of 06.30.2020	January - June 2020						April - June 2020					
	Chile Generation	**Chile Transmission**	**Perú Generation**	Operating segments	Elimination of intersegment revenue	Total operating segments	**Chile Generation**	**Chile Transmission**	**Perú Generation**	Operating segments	Partidas significativas de conciliación	Total operating segments
Revenue												
Revenue	561,519	32,134	72,472	666,125	3,000	669,125	271,752	17,720	34,790	324,262	2,253	326,515
Revenue from transactions with other operating segments	203	11,890	-	12,093	(12,093)	-	203	3,623	-	3,826	(3,826)	-
Total revenue from third parties and transactions with other operating segments	**561,722**	**44,024**	**72,472**	**678,218**	**(9,093)**	**669,125**	**271,955**	**21,343**	**34,790**	**328,088**	**(1,573)**	**326,515**
Raw materials and consumables	(265,930)	(6,804)	(35,789)	(308,523)	9,093	(299,430)	(129,383)	(2,674)	(19,822)	(151,879)	1,573	(150,306)
Employee benefit expenses	(28,064)	-	(3,002)	(31,066)	-	(31,066)	(14,437)	-	(1,526)	(15,963)	-	(15,963)
Interest expenses	(31,745)	(17)	(13,456)	(45,218)	-	(45,218)	(16,085)	(6)	(6,607)	(22,698)	-	(22,698)
Interest income	6,858	884	258	8,000	-	8,000	2,022	823	120	2,965	-	2,965
Depreciation and amortization expenses	(93,419)	(5,440)	(22,698)	(121,557)	-	(121,557)	(46,762)	(2,743)	(11,479)	(60,984)	-	(60,984)
Share of profit or loss of equity-accounted associates and joint ventures	34,519	-	-	34,519	(30,033)	4,486	18,746	-	-	18,746	(15,995)	2,143
Income tax expense from continuing operations	(28,508)	(8,182)	(7,750)	(44,440)	-	(44,440)	(16,151)	(4,453)	(1,899)	(22,503)	-	(22,503)
Other significant items other than cash	-	-	-	-	-	-	-	-	-	-	-	-
Profit (loss) before taxes	142,210	30,253	(7,863)	164,600	(30,033)	134,567	79,483	16,441	(7,151)	88,773	(15,995)	72,170
Profit (loss) from continuing operations	113,702	22,071	(15,613)	120,160	(30,033)	90,127	63,312	11,988	(9,030)	66,270	(15,995)	49,667
Profit (loss)	**113,702**	**22,071**	**(15,613)**	**120,160**	**(30,033)**	**90,127**	**63,312**	**11,988**	**(9,030)**	**66,270**	**(15,995)**	**49,667**
Assets	5,853,745	424,748	932,910	7,211,403	(508,740)	6,702,663	-	-	-	-	-	-
Equity-accounted investees	531,432	-	-	531,432	(508,740)	22,692	-	-	-	-	-	-
Incorporation of non-current assets other than financial instruments, deferred tax assets, assets related to defined benefit plans and rights arising from insurance contracts	19,168	5,434	22,307	46,909	-	46,909	-	-	-	-	-	-
Liabilities	2,390,072	106,923	543,286	3,040,281	-	3,040,281	-	-	-	-	-	-
Equity			389,623			3,662,382						-
Liabilities and equity			**932,910**			**6,702,663**						**-**
Impairment losses recognized in profit or loss for the year	(1,841)	-	-	(1,841)	-	(1,841)	(1,553)	-	-	(1,553)	-	(1,553)
Cash flows from (used in) operating activities	158,285	10,066	24,980	193,331	-	193,331	81,172	(2,075)	16,498	95,595	-	95,595
Cash flows from (used in) investing activities	448,573	(6,202)	(8,670)	433,701	-	433,701	377,272	(2,763)	(4,571)	369,938	-	369,938
Cash flows from (used in) financing activities	(86,924)	(8,918)	1,770	(94,072)	-	(94,072)	(197,819)	(2,562)	608	(199,773)	-	(199,773)

Continued

Segment operating results as of 06.30.2019	January - June 2019						April - June 2019					
	Chile Generation	**Chile Transmission**	**Perú Generation**	Operating Segments	Elimination of intersegment revenue	Total operating segments	**Chile Generation**	**Chile Transmission**	**Perú Generation**	Operating Segments	Partidas significativas de conciliación	Total operating segments
Revenue												
Revenue	656,683	33,654	83,268	773,605	-	773,605	327,958	21,205	41,306	390,469	-	390,469
Revenue from transactions with other operating segments	94	9,457	-	9,551	(9,551)	-	-	(103)	-	(103)	103	-
Total revenue from third parties and transactions with other operating segments	**656,777**	**43,111**	**83,268**	**783,156**	**(9,551)**	**773,605**	**327,958**	**21,102**	**41,306**	**390,366**	**103**	**390,469**
Raw materials and consumables	(349,701)	(4,918)	(44,070)	(398,689)	9,551	(389,138)	(172,047)	(2,426)	(16,823)	(191,296)	(78)	(191,374)
Employee benefit expenses	(33,768)	-	(3,077)	(36,845)	-	(36,845)	(17,086)	-	(1,613)	(18,699)	-	(18,699)
Interest expenses	(32,125)	(10)	(13,485)	(45,620)	-	(45,620)	(16,055)	(8)	(8,886)	(24,949)	-	(24,949)
Interest income	11,066	-	214	11,280	-	11,280	4,823	-	73	4,896	-	4,896
Depreciation and amortization expenses	(96,480)	(7,233)	(22,279)	(125,992)	-	(125,992)	(48,663)	(3,617)	(13,693)	(65,973)	-	(65,973)
Share of profit or loss of equity-accounted associates and joint ventures	29,751	-	-	29,751	(24,843)	4,908	13,369	-	-	13,369	(10,805)	2,564
Income tax expense from continuing operations	(33,950)	(8,428)	3,316	(39,062)	-	(39,062)	(16,064)	(3,995)	1,025	(19,034)	-	(19,034)
Profit (loss) before taxes	159,592	31,086	1,016	191,694	(24,843)	166,851	77,252	14,817	(855)	91,214	(10,805)	80,409
Profit (loss) from continuing operations	125,642	22,658	4,332	152,632	(24,843)	127,789	61,188	10,822	170	72,180	(10,805)	61,375
Profit (loss)	125,642	**22,658**	**4,332**	**152,632**	**(24,843)**	**127,789**	**61,188**	**10,822**	**170**	**72,180**	**(10,805)**	**61,375**
Assets	5,656,446	392,872	929,574	6,978,892	(230,819)	6,748,073	-	-	-	-	-	-
Equity-accounted investees	255,537	-	-	255,537	(230,819)	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	276,728	-	-	276,728	-	276,728	-	-	-	-	-	-
Liabilities	2,359,485	105,005	518,021	2,982,511	-	2,982,511	-	-	-	-	-	-
Equity						3,765,562						-
Liabilities and equity						**6,748,073**	-		-	-	-	-
Impairment losses recognized in profit or loss for the year	(3,733)	-	-	(3,733)	-	(3,733)	(3,449)	-	-	(3,449)	-	(3,449)
Cash flows from (used in) operating activities	199,481	29,418	24,131	253,030		253,030	140,033	13,948	20,757	174,738	-	174,738
Cash flows from (used in) investing activities	457,721	(14,031)	(10,160)	433,530		433,530	246,045	(5,869)	(9,684)	230,492	-	230,492
Cash flows from (used in) financing activities	(291,500)	(15,418)	(20,181)	(327,099)		(327,099)	(276,586)	(8,102)	(6,306)	(290,994)	-	(290,994)
							-	-	-	-	-	-

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 - June 2020 ThUS$	January - June 2019 ThUS$	April - June 2020 ThUS$	April - June 2019 ThUS$
Chile Generation				
Energy sales	426,548	533,325	201,007	264,056
Power sales	63,918	77,239	24,687	40,234
Other income	71,256	46,213	46,261	23,668
Subtotal	**561,722**	**656,777**	**271,955**	**327,958**
Chile Transmission				
Sales from tolls	44,024	43,111	21,343	21,102
Subtotal	**44,024**	**43,111**	**21,343**	**21,102**
Peru				
Energy sales	49,811	60,942	23,180	30,064
Power sales	19,927	20,114	10,156	10,222
Other income	2,734	2,212	1,454	1,020
Subtotal	**72,472**	**83,268**	**34,790**	**41,306**
Total reportable segments	**678,218**	**783,156**	**328,088**	**390,366**
Elimination of inter-segment revenue	**(9,093)**	**(9,551)**	**(1,573)**	**103**
Total sales	**669,125**	**773,605**	**326,515**	**390,469**

Information on sales to main customers

Main customers	January - June 2020 ThUS$	%	January - June 2019 ThUS$	%	April - June 2020 ThUS$	%	April - June 2019 ThUS$	%
Chile Generation								
Corporación Nacional del Cobre Chile	254,121	37%	192,111	26%	151,928	46%	97,047	25%
CGE Distribución S.A.	98,044	14%	117,422	15%	51,321	16%	60,052	15%
Enel Distribución Chile S.A.	59,689	9%	74,684	10%	30,217	9%	38,775	10%
Anglo American S.A.	32,122	5%	55,707	7%	15,830	5%	27,984	7%
Sociedad Austral del Sur S.A.	1,373	0%	26,998	3%	671	0%	13,228	4%
Colbún Transmisión S.A	203	0%	296	0%	203	0%	94	0%
Otros	116,170	17%	189,559	24%	21,785	8%	90,778	23%
Subtotal	**561,722**	**82%**	**656,777**	**85%**	**271,955**	**84%**	**327,958**	**84%**
Chile Transmission								
Colbún S.A.	11,890	2%	18,834	2%	3,623	1%	9,456	2%
Corporación Nacional del Cobre Chile	5,858	1%	5,255	1%	2,373	1%	2,969	1%
Anglo American S.A.	1,548	0%	2,186	0%	1,086	0%	896	0%
Otros	24,728	3%	16,836	2%	14,261	4%	7,781	2%
Subtotal	**44,024**	**6%**	**43,111**	**5%**	**21,343**	**6%**	**21,102**	**5%**
Peru								
Luz del Sur S.A.A.	38,018	6%	36,547	5%	17,443	5%	19,605	5%
Enel Distribución Perú S.A.A.	10,032	1%	10,397	1%	4,645	1%	5,030	1%
Comité de Operación Económica del Sistema Interconectado Nacional	4,476	1%	3,870	0%	2,117	1%	-	0%
Atria Energia S.A.C.	4,173	1%	3,425	0%	1,867	1%	-	0%
Compañía Electrica El Platanal	4,373	1%	6,409	1%	2,194	1%	3,120	1%
Otros	11,400	1%	22,620	3%	6,524	2%	13,551	3%
Subtotal	**72,472**	**11%**	**83,268**	**10%**	**34,790**	**11%**	**41,306**	**10%**
Total reportable segments	**678,218**	**99%**	**783,156**	**100%**	**328,088**	**101%**	**390,366**	**99%**
Elimination of inter-segment revenue	**(9,093)**		**(9,551)**		**(1,573)**		**103**	
Total sales	**669,125**		**773,605**		**326,515**		**390,469**	

6. Cash and cash equivalents

a. Detail

As of June 30, 2020, and December 31, 2019, this caption is composed of the following:

Cash and cash equivalents	06.30.2020 ThUS$	12.31.2019 ThUS$
Cash on hand	42	48
Cash in banks	154,882	24,400
Time deposits	448,018	214,296
Other cash equivalents	251,079	88,142
Total	**854,021**	**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 interim consolidated financial statements.

As of June 30, 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 8.

b. Detail by currency

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

Currency	06.30.2020		12.31.2019	
	Currency ThUS$	Currency with derivative [1] ThUS$	Currency ThUS$	Currency with derivative [1] ThUS$
EUR	795	795	332	332
Ch$	172,150	88,550	195,043	44,043
PEN	8,251	8,251	6,363	6,363
US$	672,825	756,425	125,148	276,148
Total	**854,021**	**854,021**	**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.

c. Reconciliation of assets arising from financial activities

Liabilities arising from financing activities	Balance as of 01.01.2020 ThUS$	Cash flow ThUS$	Changes that do not represent cash flows: Dividends ThUS$	Interests ThUS$	Valuation ThUS$	Other ThUS$	Balance as of 06.30.2020 ThUS$
Finance lease liabilities (1)	143,872	(8,322)	-	3,825	-	-	139,375
Banks payable	-	24,906	-	179	-	-	25,085
Bonds payable (2)	1,534,791	51,011	-	46,545	(15,857)	7,288	1,623,778
Dividends payable	-	(161,667)	157,609	-	-	-	(4,058)
Total	**1,678,663**	**(94,072)**	**157,609**	**50,549**	**(15,857)**	**7,288**	**1,784,180**

Liabilities arising from financing activities	Balance as of 01.01.2019 ThUS$	Cash flow ThUS$	Changes that do not represent cash flows: Dividends ThUS$	Interests ThUS$	Valuation ThUS$	Other ThUS$	Balance as of 12.31.2019 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 23.a
(2) See note 22.a

7. Other financial assets

As of June 30, 2020, and December 31, 2019, this caption is composed of the following:

	Current		Non-current	
	06.30.2020 ThUS$	12.31.2019 ThUS$	06.30.2020 ThUS$	12.31.2019 ThUS$
Time deposits (1)	-	470,535	-	-
Hedge derivative instruments (2) (see note 13.1)	1,147	2,249	-	1,836
Investment for share offering	-	-	83	82
Total	**1,147**	**472,784**	**83**	**1,918**

(1) As of December 31, 2019, investments in term deposits that were classified in this caption have an original average investment term of more 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.

8. Trade and other receivables

As of June 30, 2020, and December 31, 2019, this caption is composed of the following:

Caption	Current		Non-current	
	06.30.2020 ThUS$	12.31.2019 ThUS$	06.30.2020 ThUS$	31.12.2019 ThUS$
Trade receivables by contract	201,156	241,202	83,656	28,923
Other receivables [(1)]	10,296	11,364	-	-
Total	**211,452**	**252,566**	**83,656**	**28,923**

(1) As of June 30, 2020, the current balance comprises recoverable taxes of ThUS$ 8,188 another minor items of ThUS$ 2,108. (ThUS$ 8l779 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, mainly correspond 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	06.30.2020 ThUS$	12.31.2019 ThUS$
Opening balance	974	623
Increase (decrease) in the allowance	1,137	892
Pérdidas por deterioro de valor	(37)	-
Reversal of impairment losses	(518)	(541)
Closing balance	**1,556**	**974**

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

As of June 30, 2020, and December 31, 2019, the analysis of trade receivables is as follows:

a) Aging of trade receivables portfolio

Invoiced	Balance as of 06.30.2020					
	Current ThUS$	1-30 days ThUS$	31-60 ThUS$	61-90 ThUS$	Over 91 days ThUS$	Total ThUS$
Trade receivables, regulated	2,581	8,290	4	1,147	1,203	13,225
Trade receivables, unregulated	23,715	540	1,507	2,004	2,756	30,522
Other receivables	3,346	634	209	240	1,727	6,156
Allowance for impairment losses	(1,521)	-	-	-	(35)	(1,556)
Subtotal	**28,121**	**9,464**	**1,720**	**3,391**	**5,651**	**48,347**

Invoices to be issued	Balance as of 06.30.2020					
	Current ThUS$	1-30 days ThUS$	31-60 ThUS$	61-90 ThUS$	Over 91 days ThUS$	Total ThUS$
Trade receivables, regulated	45,044	-	-	-	-	45,044
Trade receivables, unregulated	88,207	-	-	-	-	88,207
Other receivables	19,558	-	-	-	-	19,558
Subtotal	**152,809**	**-**	**-**	**-**	**-**	**152,809**
Total Trade Receivables	**180,930**	**9,464**	**1,720**	**3,391**	**5,651**	**201,156**
No. of customers (unaudited)	**411**	**61**	**47**	**70**	**359**	

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	2,935	19,880
Other receivables	2,461	631	431	532	2,015	6,070
Allowance for impairment losses	(419)	-	-	-	(428)	(847)
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.

9. Financial instruments

a. Financial instruments by category

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

a.1 Assets

June 30, 2020	Amortized cost ThUS$	Fair value ThUS$	Total ThUS$
Cash on hand and cash in banks (see Note 7)	-	154,924	154,924
Time deposits and other cash equivalents (see Note 7)	448,018	251,079	699,097
Trade and other receivables (1) (see Note 9)	203,264	-	203,264
Trade receivables due from related parties (see Note 11.b.1)	3,240	-	3,240
Derivative financial instruments (see Note 13.1)	-	1,147	1,147
Total	**654,522**	**407,150**	**1,061,672**

December 31, 2019	Amortized cost ThUS$	Fair value ThUS$	Total ThUS$
Cash on hand and cash in banks (see Note 7)	-	24,448	24,448
Time deposits and other cash equivalents (see Note 7)	214,296	88,142	302,438
Trade and other receivables (1) (see Note 9)	243,787	-	243,787
Trade receivables due from related parties (see Note 11.b.1)	833	-	833
Derivative financial instruments (see Note 13.1)	-	4,085	4,085
Other financial assets (see Note 8)	470,535	-	470,535
Total	**929,451**	**116,675**	**1,046,126**

(1) As of June 30, 2020, recoverable taxes of ThUS$ 8,188 are not considered. As of December 31, 2019, the balance Related to current recoverable taxes amounted to ThUS$ 8.779.

a.2 Liabilities

June 30, 2020	Amortized cost ThUS$	Fair value ThUS$	Total ThUS$
Interest-bearing borrowings (see Note 21.c.1 and c.2)	1,648,863	-	1,648,863
Derivative financial instruments (see Note 13.1)	-	21,656	21,656
Trade and other payables (see Note 24)	159,761	-	159,761
Payables due to related parties (see Note 11.b.2)	21	-	21
Total	**1,808,645**	**21,656**	**1,830,301**

December 31, 2019	Amortized cost ThUS$	Fair value ThUS$	Total ThUS$
Interest-bearing borrowings (see Note 21.c.1 and c.2)	1,534,791	-	1,534,791
Derivative financial instruments (see Note 13.1)	-	1,837	1,837
Trade and other payables (see Note 24)	165,756	-	165,756
Payables due to related parties (see Note 11.b.2)	5,936	-	5,936
Total	**1,706,483**	**1,837**	**1,708,320**

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 agencies.

Credit quality of financial assets	06.30.2020 ThUS$	12.31.2019 ThUS$
Customers with local risk rating		
AAA	86,203	41,001
AA+	13,288	13,396
AA	495	38,267
AA-	11,030	576
A+	21,701	34,274
A-	4,037	825
BBB+	-	19
BBB	13	-
Total	**136,767**	**128,358**
Customers with no local risk rating		
Total	**64,389**	**141,766**
Cash in banks and bank short-term deposits, local market		
AAA	315,223	461,585
AA+	-	200,372
AA	136	-
A+o inferior	-	-
Total	**315,359**	**661,957**
Cash in banks and bank short-term deposits, international market (*)		
AAA	-	20,053
BBB-or higher	287,583	27,269
Total	**287,583**	**47,322**
Counterparty derivative financial assets, national market		
AA	1,037	-
A+or lower	-	-
Total	**1,037**	**-**
Counterparty derivative financial assets, international market (*)		
AAA	-	4,085
AA-	91	-
A+or lower	19	-
Total	**110**	**4,085**

(*) Foreign Risk classification

10. Related party 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 June 30, 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. (**)	4.83
Banco Itaú por cuenta de inversionistas	4.07
Banco Santander - JP Morgan	3.25
Banco de Chile por cuenta de terceros	3.12
AFP Provida S.A. (**)	3.13
AFP Capital S.A. (**)	1.23
Otros accionistas	21.62
Total	**100.00**

(*) Companies 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 No.	Company	Country	Relationship	Currency	Current 06.30.2020 ThUS$	Current 12.31.2019 ThUS$
96.806.130-5	Electrogas S.A.	Chile	Associate	US$	3,209	822
77.017.930-0	Transmisora Eléctrica de Quillota Ltda.	Chile	Joint venture	Ch$	10	11
65.027.584-5	Fundación Colbún	Chile	Special purpose entity	Ch$	21	-
				Total	**3,240**	**833**

b. 2. Trade payables due from related parties

Tax ID No.	Company	Country	Relationship	Currency	Current 06.30.2020 ThUS$	Current 12.31.2019 ThUS$
99.520.000-7	Compañía de Petróleos de Chile Copec S.A.	Chile	Director and controlling shareholder	Ch$	2	639
97.080.000-K	Banco Bice	Chile	Common group	Ch$	1	-
96.806.980-2	Entel PCS Telecomunicaciones S.A.	Chile	Common group	Ch$	18	5
90.412.000-6	Minera Valparaíso S.A.	Chile	Controlling shareholder	US$	-	3,203
79.621.850-9	Forestal Cominco S.A.	Chile	Controlling shareholder	US$	-	1,275
96.806.130-5	Electrogas S.A.	Chile	Associate	US$	-	814
				Total	**21**	**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 No.	Company	Country	Relationship	Currency	Transaction	January - June				April - June			
						2020		2019		2020		2019	
						Amount	Effect on profit or loss (debit) credit	Amount	Effect on profit or loss (debit) credit	Amount	Effect on profit or loss (debit) credit	Amount	Effect on profit or loss (debit) credit
						ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
77.017.930-0	Transmisora Eléctrica de Quillota Ltda.	Chile	Joint venture	Ch$	Toll for using facilities	1,162	(976)	1,250	(1,050)	335	(281)	619	(520)
				UF	Revenue for services rendered	60	50	70	59	30	25	35	29
96.806.130-5	Electrogas S.A.	Chile	Associate	US$	Gas transport service	4,809	(4,041)	4,957	(4,165)	2,417	(2,031)	2,559	(2,150)
				US$	Diesel transport service	71	(60)	268	(226)	-	-	117	(99)
				US$	Dividend declared (1)	5,787	-	5,576	-	5,754	-	-	-
				US$	Dividend received (2)	3,400	-	2,975	-	3,400	-	2,975	-
97.080.000-K	Banco Bice	Chile	Common director	Ch$	Expenses for services received	16	(13)	12	(10)	9	(7)	6	(5)
96.731.890-6	Cartulinas CMPC S.A.	Chile	Parent common director	Ch$	Easements	572	481	391	328	384	323	195	163
				Ch$	Sale of energy and capacity	4,732	3,976	4,135	3,474	2,487	2,089	2,290	1,924
96.532.330-9	CMPC Celulosa S.A.	Chile	Common group	Ch$	Sale of energy and capacity and energy transport	16,365	13,752	12,664	10,642	6,826	5,736	6,239	5,243
79.621.850-9	Forestal Cominco S.A.	Chile	Controlling shareholder	US$	Dividend paid (3)	22,485	-	35,838	-	22,485	-	35,838	-
90.412.000-6	Minera Valparaíso S.A.	Chile	Controlling shareholder	US$	Dividend paid (3)	56,489	-	90,036	-	56,489	-	90,036	-
99.520.000-7	Compañía de Petróleos de Chile Copec S.A.	Chile	Director and controlling shareholder	Ch$	Diesel supply service	5,657	(4,754)	8,722	(7,329)	4,473	(3,759)	1,668	(1,401)
96.806.980-2	Entel PCS Telecomunicaciones S.A.	Chile	Common group	Ch$	Telephone services	129	(108)	167	(140)	51	(42)	84	(70)
96.697.410-9	Entel Telefonía Local S.A.	Chile	Common director	Ch$	Telephone services	10	(8)	35	(29)	2	(1)	10	(8)
96.925.430-1	Sercor S.A.	Chile	Common director	Ch$	Stock administration service	62	(52)	72	(60)	34	(28)	37	(31)
90.844.000-5	Kupfer Hermanos S.A	Chile	Common director	Ch$	Purchase of personal protective equipment	85	(71)	175	(147)	72	(60)	9	(8)
					Sale of energy and capacity	99	83	46	39	50	42	29	25
76.351.385-8	Orion Power S.A.	Chile	Common group	Ch$	Operation and maintenance service	139	(117)	73	(61)	37	(31)	15	(12)
76.138.547-K	Mega Archivos S.A.	Chile	Common director	Ch$	Document storage service	12	(10)	14	(12)	8	(7)	9	(8)
93.628.000-5	Molibdenos y Metales S.A.	Chile	Common group	Ch$	Sale of energy and capacity	2,614	2,197	335	282	1,553	1,305	335	282
79.943.600-0	Forsac SpA.	Chile	Common group	Ch$	Sale of energy and capacity	191	161	152	128	85	72	85	72
95.304.000-K	CMPC Maderas SpA	Chile	Common group	Ch$	Sale of energy and capacity	6,093	5,120	5,885	4,945	2,722	2,287	2,975	2,500
91.440.000-7	Forestal Mininco SpA	Chile	Common group	Ch$	Sale of energy and capacity	85	72	90	76	38	33	49	42

(1) 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%).

(2) Dividends declared by Electrogas S.A.

- 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.

(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. Key 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 June 30, 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.

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.

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 June 30, 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 - June						April - June					
		2020			2019			2020			2019		
		Colbún Board ThUS$	Variable remuneration [2] ThUS$	Directors Comittee ThUS$	Colbún Board ThUS$	Variable remuneration ThUS$	Directors Comittee ThUS$	Colbún Board ThUS$	Variable remuneration [2] ThUS$	Directors Comittee ThUS$	Colbún Board ThUS$	Variable remuneration ThUS$	Directors Comittee ThUS$
Hernán Rodríguez Wilson [1]	Chairman	52	131	-	49	43	-	23	131	-	30	43	-
Vivianne Blanlot Soza [1]	Deputy-chairwoma	26	79	-	37	106	-	10	79	-	18	106	-
Bernardo Larraín Matte [1]	Director	26	79	-	37	106	-	10	79	-	18	106	-
Luz Granier Bulnes [1]	Director	26	79	8	37	106	12	10	79	3	18	106	6
Juan Eduardo Correa García [1]	Director	26	105	-	62	212	-	10	105	-	25	212	-
Francisco Matte Izquierdo [1]	Director	26	79	8	37	106	12	10	79	3	18	106	6
Andrés Lehuedé Bromley [1]	Director	26	79	-	37	106	-	10	79	-	18	106	-
María Emilia Correa [1]	Director	26	52	8	12	-	6	10	52	3	12	-	6
Rodrigo José Donoso Munita [1]	Director	26	52	-	12	-	-	10	52	-	12	-	-
Jorge Matte Capdevila	Director	-	26	-	25	106	-	1	26	-	6	106	-
Arturo Mackenna Íñiguez	Director	-	-	-	-	61	-	-	-	-	-	61	-
María Ignacia Benítez Pereira	Director	-	13	-	12	-	4	-	13	-	-	-	-
TOTAL		**260**	**774**	**24**	**357**	**952**	**34**	**104**	**774**	**9**	**175**	**952**	**18**

[1] Current Directors as of June 30, 2020.

e.2 Board Counseling Expenses

For the periods ended March 31, 2020 and 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 Heutz 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 - June		April - June	
	2020 ThUS$	2019 ThUS$	2020 ThUS$	2019 ThUS$
Short-term employee benefits	2,069	2,453	1,076	1,230
Other long-term benefits	370	411	194	200
Termination benefits	278	330	191	(141)
Total	**2,717**	**3,194**	**1,461**	**1,289**

e.4 Receivables and payables and other transactions

As of June 30, 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 June 30, 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 June 30, 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.

11. Inventories

As of June 30, 2020, and December 31, 2019, this caption is composed of the following:

Inventory	06.30.2020 ThUS$	12.31.2019 ThUS$
Spare parts for maintenance	21,027	22,647
Coal	28,571	29,135
Inventory in transit	21	16
Oil	3,774	4,062
Gas Line Pack	387	519
Allowance for obsolescence [1]	(7,820)	(7,820)
Total	**45,960**	**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 June 30, 2020, and 2019, the use of inventory recognized as expenses is detailed as follows:

Inventory Cost	January - June		April - June	
	2020 ThUS$	2019 ThUS$	2020 ThUS$	2019 ThUS$
Warehouse consumption	3,166	3,735	(5,867)	(5,727)
Oil (ver nota 30)	7,242	11,291	2,943	2,146
Gas (ver nota 30)	138,181	202,737	69,674	95,389
Coal (ver nota 30)	41,980	51,282	21,184	25,330
Total	**190,569**	**269,045**	**87,934**	**117,138**

12. 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 June 30, 2020, the Company classified all its hedges as "Cash flow hedges".

13.1 Hedging instruments

As of June 30, 2020, and December 31, 2019, this caption includes the valuation of financial instruments for such periods, detailed as follows:

Hedging assets		Current		Non-current	
		06.30.2020 ThUS$	12.31.2019 ThUS$	06.30.2020 ThUS$	12.31.2019 ThUS$
Currency hedging instrument	Cash flow hedges	1,036	2,249	-	1,836
Fuel price hedge	Cash flow hedges	111	-	-	-
	Total (see note nota 8)	**1,147**	**2,249**	**-**	**1,836**

Hedging liabilities		Current		Non-current	
		06.30.2020 ThUS$	12.31.2019 ThUS$	06.30.2020 ThUS$	12.31.2019 ThUS$
Currency hedging instrument	Cash flow hedges	3,475	1,837	18,181	-
Interest rate hedging instrument	Cash flow hedges	-	-	-	-
	Total (see note 22.a)	**3,475**	**1,837**	**18,181**	**-**
Hedginig intruments, net		**(2,328)**	**412**	**(18,181)**	**1,836**

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
	06.30.2020 ThUS$	12.31.2019 ThUS$			
Currency forwards	973	2,249	Financial Investments	Exchange rate	Cash flow
Cross Currency Swaps	(21,593)	(1)	Bonds payable	Exchange rate and interest rate	Cash flow
Coal options	111	-	Oil and gas purchases	Coal price	Cash flow
Total	**(20,509)**	**2,248**			

As of June 30, 2020, the Company determined no gains or losses associated with ineffective cash flow hedges that should be recognized in profit or loss.

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

14. Investment in subsidiaries

The interim consolidated financial statements include the financial statements of the Parent and subsidiaries. Information on subsidiaries as of June 30, 2020, and December 31, 2019, is detailed below.

Subsidiary	06.30.2020						
	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.	40,235	384,513	4,024	102,899	295,754	44,024	22,071
Colbún Desarrollo SpA	11	149	-	-	160	-	-
Santa Sofía SpA	-	161	-	180	(26)	-	6
Colbún Perú S.A.	21,024	199,461	248	-	220,237	-	(7,628)
Inversiones de Las Canteras S.A.	838	391,695	822	611	406,821	-	(15,720)
Fenix Power Perú S.A.	91,276	841,633	112,647	430,640	405,236	72,472	15,613

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)

15. Equity-accounted investees

a. Equity-accounted investees

The detail of equity-accounted investees and its movements as of June 30, 2020, and December 31, 2019 is described below.

Relationship	Company	Number of shares	Ownership percentage 06.30.2020	Balance as of 01.01.2020	Accrued profit or loss	Dividends	Equity Reserve: Foreign currency transaction difference	Equity Reserve: Reserve in hedge derivatives	Settlement	Other increase (decrease)	Total 06.30.2020
			%	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Associate	Electrogas S.A.	175,076	42.5%	16,572	4,274	(5,774)	-	(13)	-	-	15,059
Joint Venture	Transmisora Eléctrica de Quillota Ltda.	-	50.0%	8,146	212	-	(725)	-	-	-	7,633
			Total	**24,718**	**4,486**	**(5,774)**	**(725)**	**(13)**	**-**	**-**	**22,692**

Relationship	Sociedad	Number of shares	Ownership percentage 12.31.2019	Balance as of 01.01.2019	Accrued profit or loss	Dividends	Equity Reserve: Foreign currency transaction difference	Equity Reserve: Reserve in hedge derivatives	Settlement	Other increase (decrease)	Total 12.31.2019
			%	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
			Total	**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 June 30, 2020, and December 31, 2019, is as follows:

Relationship	Company	06.30.2020							
		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.	12,092	44,054	9,779	10,934	35,433	18,556	(1,297)	10,317
Joint venture	Transmisora Eléctrica de Quillota Ltda.	4,624	12,761	213	1,906	15,266	1,482	(367)	424

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

Additional information

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.

16. Intangible assets other than goodwill

a. Detail by classes of intangible assets

The detail, as of June 30, 2020, and December 31, 2019, is as follows:

Intangible assets, net		06.30.2020 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	57,970	58,060
	Intangible assets related to customers	35,422	37,010
Licenses	Software	2,571	2,072
	Total	**123,183**	**124,362**

Intangible assets, gross		06.30.2020 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	59,735	59,738
	Intangible assets related to customers	46,815	46,815
Licenses	Software	16,125	15,095
	Total	**149,940**	**148,913**

Accumulated amortization		06.30.2020 ThUS$	12.31.2019 ThUS$
Derechos no generados internamente	Concessions	(26)	(26)
	Water rights	(19)	(19)
	Easements	(1,765)	(1,678)
	Intangible assets related to customers	(11,393)	(9,805)
Licenses	Software	(13,554)	(13,023)
	Total	**(26,757)**	**(24,551)**

b. Movements in intangible assets

As of June 30, 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	Concessions	Water rights	Easements	Intangible assets related to customers	Software	
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance as of 01.01.2020	9,582	202	17,436	58,060	37,010	2,072	124,362
Additions	-	-	-	8	-	1,030	1,038
Increase (decrease) resulting from other movements	-	-	-	(11)	-	-	(11)
Disposals	-	-	-	-	-	-	-
Accumulated depreciation of disposals	-	-	-	-	-	-	-
Transport from assets under construction	-	-	-	-	-	-	-
Transport between assets	-	-	-	-	-	-	-
Amortization expenses (see Note 32)	-	-	-	(87)	(1,588)	(531)	(2,206)
Closing balance as of 06.30.2020	**9,582**	**202**	**17,436**	**57,970**	**35,422**	**2,571**	**123,183**

Movements for the period 2019	Rights not internally generated					Licenses	Intangibles assets, net
	Emission rights for particulate matter	Concessions	Water rights	Easements	Intangible assets related to customers	Software	
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance as of 01.01.2019	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.

17. Property, plant and equipment

a. Detail of property, plant and equipment

As June 30, 2020, and December 31, 2019, the caption property, plant and equipment is detailed as follows:

Property, plant and equipment, net	06.30.2020 ThUS$	12.31.2019 ThUS$
Land	306,383	306,436
Building, construction and facilities	109,190	111,202
Machinery	1,075	1,135
Transport equipment	423	484
Office equipment	1,030	1,133
IT equipment	2,037	1,154
Power-generating assets	3,954,118	4,025,981
Assets under construction	316,946	310,640
Other property, plant and equipment	421,822	413,685
Total	**5,113,024**	**5,171,850**

Property, plant and equipment, gross	06.30.2020 ThUS$	12.31.2019 ThUS$
Land	306,383	306,436
Building, construction and facilities	137,675	137,675
Machinery	1,806	1,770
Transport equipment	1,627	1,627
Office equipment	6,851	6,916
IT equipment	10,511	9,342
Power-generating assets	5,878,956	5,847,341
Assets under construction	450,687	444,381
Other property, plant and equipment	542,754	528,667
Total	**7,337,250**	**7,284,155**

Accumulated depreciation and impairment of property, plant and equipment	06.30.2020 ThUS$	12.31.2019 ThUS$
Building, construction and facilities	(28,485)	(26,473)
Machinery	(731)	(635)
Transport equipment	(1,204)	(1,143)
Office equipment	(5,821)	(5,783)
IT equipment	(8,474)	(8,188)
Power-generating assets	(1,924,838)	(1,821,360)
Assets under construction	(133,741)	(133,741)
Other property, plant and equipment	(120,932)	(114,982)
Total	**(2,224,226)**	**(2,112,305)**

b. Movements in property, plant and equipment

As of June 30, 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	-	-	-	-	-	297	-	45,346	9	45,652
Increase (decrease) resulting from other movements	(53)	-	-	-	-	-		-	11,411	11,358
Disposals	-	-	-	-	(89)	(42)	(3,102)	(682)	-	(3,915)
Accumulated depreciation of disposals	-	-	-	-	89	39	943	-	-	1,071
Impairment losses recognized in other comprehensive income	-	-	-	-	-	-	-	-	-	-
Transport from assets under construction	-	-	36	-	24	914	34,717	(38,358)	2,667	-
Transport between assets	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation, transport between assets	-	-	-	-	-	-	-	-	-	-
Depreciation expenses (see Note 32)		(2,012)	(96)	(61)	(127)	(325)	(104,421)		(5,950)	(112,992)
Total movements	**(53)**	**(2,012)**	**(60)**	**(61)**	**(103)**	**883**	**(71,863)**	**6,306**	**8,137**	**(58,826)**
Closing balance as of 06.30.2020	**306,383**	**109,190**	**1,075**	**423**	**1,030**	**2,037**	**3,954,118**	**316,946**	**421,822**	**5,113,024**

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		(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 June 30, 2020, and December 31, 2019, the Company had commitments associated with the acquisition of property, plant and equipment for construction agreements for ThUS$20,259 and ThUS$23,026, respectively. The companies with which it operates are: Andritz Hydro S.R.L, Ingeniería Agrosonda Ltda., Accenture Chile Asesorías y Servicios, GE Global Parts & Products GmbH y General Electric Global Services GM, among others.

iii) As of June 30, 2020, there are no accumulated capitalized interest costs (IAS 23).

iv) Operating leases - Lessor

As of June 30, 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:

June 30, 2020	0-1 year ThUS$	1-5 years ThUS$	Over 5 years ThUS$	Total ThUS$
Minimum lease payments under operating non-cancellable leases	119,281	493,197	2,222,047	2,834,525
Total	**119,281**	**493,197**	**2,222,047**	**2,834,525**

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	06.30.2020 ThUS$	12.31.2019 ThUS$
Assets under construction	35,112	78,559
Total	**35,112**	**78,559**

2. Assets fully depreciated still in use

Assets fully depreciated still in use, gross	06.30.2020 ThUS$	12.31.2019 ThUS$
Building, construction and facilities	1,378	1,327
Machinery	31	41
Transport equipment	552	552
Office equipment	4,395	4,350
IT equipment	7,334	7,057
Power-generating assets	32,856	31,460
Other property, plant and equipment	1,506	1,423
Total	**48,052**	**46,210**

Assets fully depreciated still in use, accumulated depreciation	06.30.2020 ThUS$	12.31.2019 ThUS$
Building, construction and facilities	(1,378)	(1,327)
Machinery	(31)	(41)
Transport equipment	(550)	(550)
Office equipment	(4,395)	(4,350)
IT equipment	(7,334)	(7,057)
Power-generating assets	(32,610)	(31,214)
Other property, plant and equipment	(1,506)	(1,423)
Total	**(47,804)**	**(45,962)**

vi) Detail of other property, plant and equipment:

As of June 30, 2020, and December 31, 2019, this caption comprises the following:

Other property, plant and equipment, net	06.30.2020 ThUS$	12.31.2019 ThUS$
Substations	152,124	153,612
Transmission lines	132,103	133,803
Spare parts classified as property, plant and equipment	130,044	118,632
Other property, plant and equipment	7,551	7,638
Other property, plant and equipment, net	**421,822**	**413,685**
Other property, plant and equipment, gross	**06.30.2020** ThUS$	**12.31.2019** ThUS$
Substations	230,634	228,416
Transmission lines	170,425	170,130
Spare parts classified as property, plant and equipment	130,044	118,632
Other property, plant and equipment	11,651	11,489
Other property, plant and equipment, gross	**542,754**	**528,667**
Accumulated depreciation and impairment of other property plant and equipment	**06.30.2020** ThUS$	**12.31.2019** ThUS$
Substations	(78,510)	(74,804)
Transmission lines	(38,322)	(36,327)
Other property, plant and equipment	(4,100)	(3,851)
Total depreciation and impairment	**(120,932)**	**(114,982)**

vii) Detail of power-generating assets

Power-generating assets, net		06.30.2020 ThUS$	12.31.2019 ThUS$
Power-generating civil works	Hydropower	1,644,791	1,657,363
	Coal-fired thermal power	266,429	272,272
	Oil and gas-fired thermal power	35,921	36,683
	Solar power	149	152
Power-generating equipment and machinery	Hydropower	580,485	600,036
	Coal-fired thermal power	444,548	455,074
	Oil and gas-fired thermal power	973,286	995,680
	Solar power	8,509	8,721
Balance of power-generating assets, net		**3,954,118**	**4,025,981**

Power-generating assets, gross		06.30.2020 ThUS$	12.31.2019 ThUS$
Power-generating civil works	Hydropower	2,229,127	2,228,161
	Coal-fired thermal power	359,046	358,815
	Oil and gas-fired thermal power	47,812	47,813
	Solar power	162	162
Power-generating equipment and machinery	Hydropower	938,343	933,147
	Coal-fired thermal power	630,518	628,030
	Oil and gas-fired thermal power	1,664,522	1,641,795
	Solar power	9,426	9,418
Total Activos Generadores de Energía, Bruto		**5,878,956**	**5,847,341**

Accumulated depreciation and impairment of power-generating assets		06.30.2020 ThUS$	12.31.2019 ThUS$
Power-generating civil works	Hydropower	(584,336)	(570,798)
	Coal-fired thermal power	(92,617)	(86,543)
	Oil and gas-fired thermal power	(11,891)	(11,130)
	Solar power	(13)	(10)
Power-generating equipment and machinery	Hydropower	(357,858)	(333,111)
	Coal-fired thermal power	(185,970)	(172,956)
	Oil and gas-fired thermal power	(691,236)	(646,115)
	Solar power	(917)	(697)
Total depreciation and impairment		**(1,924,838)**	**(1,821,360)**

18. Right-of-use assets

a. Detail Right-of-Use assets

The right-of-use assets recognized as of June 30, 2020 and December 31, 2019 are as follows:

Right-of-use assets, Net	06.30.2020 ThUS$	12.31.2019 ThUS$
Transmission line operation and maintenance	9,442	9,814
Right-of-use office equipment	16	30
Right-of-use facilities	5,252	5,983
Right-of-use vehicles	783	1,250
Right-of-use Calidda gas pipeline	113,774	118,325
Right-of-use IT equipment	419	424
Total	**129,686**	**135,826**
Right-of-use assets, Gross	**06.30.2020** ThUS$	**12.31.2019** ThUS$
Transmission line operation and maintenance	15,154	15,154
Right-of-use office equipment	58	58
Right-of-use facilities	7,745	7,620
Right-of-use vehicles	2,182	2,182
Right-of-use Calidda gas pipeline	127,427	127,427
Right-of-use IT equipment	602	509
Total	**153,168**	**152,950**
Accumulated depreciation right-of-use assets	**06.30.2020** ThUS$	**12.31.2019** ThUS$
Transmission line operation and maintenance	(5,712)	(5,340)
Right-of-use office equipment	(42)	(28)
Right-of-use facilities	(2,493)	(1,637)
Right-of-use vehicles	(1,399)	(932)
Right-of-use Calidda gas pipeline	(13,653)	(9,102)
Right-of-use IT equipment	(183)	(85)
Total	**(23,482)**	**(17,124)**

Currently, Colbún S.A. records leases related to its offices, warehouse, parking lots, vehicles, computers and printers.

The subsidiary Fenix maintains contracts entered 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 14 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 14 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 June 30, 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	-	-	126	-	-	93	219
Depreciation expenses (see Note 32)	(372)	(14)	(857)	(467)	(4,551)	(98)	(6,359)
Total movements	**(372)**	**(14)**	**(731)**	**(467)**	**(4,551)**	**(5)**	**(6,140)**
Closing balance as of 06.30.2020	**9,442**	**16**	**5,252**	**783**	**113,774**	**419**	**129,686**

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	(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 June 30, 2020, and December 31, 2019, the present value of future payments arising from contracts recognized as leases are detailed as follows:

June 30, 2020	0-1 year ThUS$	1-5 years ThUS$	Over 5 years ThUS$	Total ThUS$
Gross	20,548	86,845	121,896	**229,289**
Interests	(11,093)	(59,722)	(19,099)	**(89,914)**
Present value (see note 23.a)	9,455	27,123	102,797	**139,375**

31 de diciembre de 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**

19. Current taxes

As of June 30, 2020, and December 31, 2019, this caption comprises the following:

a. Current tax assets

	Current	
	06.30.2020 ThUS$	12.31.2019 ThUS$
Recoverable taxes from previous years	12,899	13,488
Recoverable taxes for the year (see Note 21.a.1)	12,020	3,421
Other recoverable taxes	-	231
Total	**24,919**	**17,140**

b. Current tax liabilities

	Current	
	06.30.2020 ThUS$	12.31.2019 ThUS$
Payable taxes for the year (see Note 21.a.1)	13	32,146
Total	**13**	**32,146**

20. Other non-financial assets

As of June 30, 2020, and December 31, 2019, this caption comprises the following:

	Current		Non-current	
	06.30.2020 ThUS$	12.31.2019 ThUS$	06.30.2020 ThUS$	12.31.2019 ThUS$
Insurance premium for facilities and civil responsibility	9,665	14,384	-	-
Prepayments (1)	6,596	6,170	34,133	35,506
Patent for non-use of water rights (2)	-	-	7,926	3,906
Other miscellaneous assets	133	129	1,004	1,082
Total	**16,394**	**20,683**	**43,063**	**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 June 30, 2020, no impairment has been recognized. As of December 31, 2019, the Company recognized impairment charges for ThUS$4,508. 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.

21. Income taxes

a. Income tax benefit (expense)

Income tax benefit (expense)	January - June		April - June	
	2020 ThUS$	2019 ThUS$	2020 ThUS$	2019 ThUS$
Current income tax (expense) benefit				
Current income taxes	(32,031)	(46,431)	(20,881)	(22,064)
Adjustments to prior-year current income tax expense	177	753	264	982
Total current income tax expense, net	**(31,854)**	**(45,678)**	**(20,617)**	**(21,082)**
Deferred income tax (expense) benefit				
Deferred income tax benefit arising from temporary differences	(12,586)	6,616	(1,886)	2,048
Total deferred income tax benefit, net	**(12,586)**	**6,616**	**(1,886)**	**2,048**
Income tax benefit (expense)	**(44,440)**	**(39,062)**	**(22,503)**	**(19,034)**

As of June 30, 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 - June		April - June	
	2020 ThUS$	2019 ThUS$	2020 ThUS$	2019 ThUS$
Domestic current income tax (expense) benefit	(31,817)	(43,559)	(20,726)	(19,938)
Foreign current income tax (expense) benefit	(38)	(2,119)	108	(1,144)
Total current income tax (expense) benefit, net	**(31,855)**	**(45,678)**	**(20,618)**	**(21,082)**
Domestic deferred income tax benefit (expense)	(4,956)	1,357	(8)	75
Foreign deferred income tax benefit (expense)	(7,629)	5,259	(1,877)	1,973
Total deferred income tax benefit (expense)	**(12,585)**	**6,616**	**(1,885)**	**2,048**
Income tax expense charged to profit or loss	**(44,440)**	**(39,062)**	**(22,503)**	**(19,034)**

a.1 Reconciliation of current taxes

As of June 30, 2020 and December 31, 2019, the reconciliation of current taxes to income tax is as follows:

Current tax reconciliation	06.30.2020						
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.	(23,442)	2,218	28,414	922	(48)	8,064	-
Colbún Transmisión S.A.	(8,441)	-	10,701	-	-	2,260	-
Colbún Perú S.A.	(100)	-	87	-	-	-	(13)
Fenix Power S.A.	-	-	656	1,040	-	1,696	-
Total	**(31,983)**	**2,218**	**39,858**	**1,962**	**(48)**	**12,020**	**(13)**

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	-
Total	**(101,031)**	**(1,050)**	**69,781**	**3,634**	**(59)**	**3,421**	**(32,146)**

As of June 30, 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$ 13 and recoverable taxes for ThUS$ 12,020.

In the case of the foreign subsidiary Fenix Power Perú S.A., as of June 30, 2020, it recognizes accumulated tax losses of ThUS$ 179,577, 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 - June				April - June			
	2020		2019		2020		2019	
	Amount ThUS$	Rate %	Amount ThUS$	Rate %	Amount ThUS$	Rate %	Amount ThUS$	Rate %
Profit before income taxes	134,567		166,851		72,170		80,409	
Tax expense using the legal rate [1]	**(36,333)**	**27.0%**	**(45,050)**	**27.0%**	**(19,486)**	**27.0%**	**(21,711)**	**27.0%**
Differences between US dollars and tax financial accounting in local currency through deferred taxes [2]	(9,300)	6.9%	3,000	-1.8%	(3,900)	5.4%	400	-0.5%
Other differences	1,193	-0.9%	2,988	-1.8%	883	-1.2%	2,277	-2.8%
Income tax expense	**(44,440)**	**33.0%**	**(39,062)**	**23.4%**	**(22,503)**	**31.2%**	**(19,034)**	**23.7%**

[1] As of June 30, 2020, and December 31, 2019, the income tax expense was calculated using the legal tax rate of 27% (Law No. 20.780) for the Chilean operations and the legal tax rate of 29.5% for the Peruvian operations (Legislative Decree No. 1261) for operations in Peru.

[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. 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	06.30.2020 ThUS$	12.31.2019 ThUS$
Deferred taxes related to tax losses	53,047	48,104
Deferred taxes related to provisions	17,075	21,303
Deferred taxes related to obligations for post-employment benefits	10,125	9,836
Deferred taxes related to anticipated income	6,326	6,234
Deferred taxes related to investments in associates [1]	4,735	4,735
Deferred taxes related to hedging instruments	2,379	667
Deferred taxes related to rights-of-use	1,540	1,061
Deferred taxes related to inventory	771	1,490
Deferred taxes related to contingencies	475	46
Deferred taxes related to unrealized gain or loss	292	292
Deferred tax assets	**96,765**	**93,768**
Deferred tax liabilities	**06.30.2020 ThUS$**	**12.31.2019 ThUS$**
Deferred taxes related to depreciation	(960,337)	(952,387)
Deferred taxes related to finance costs	(20,081)	(13,840)
Deferred taxes related to intangible assets	(12,190)	(12,696)
Deferred tax liabilities	**(992,608)**	**(978,923)**
Total deferred tax assets and liabilities, net	**(895,843)**	**(885,155)**

Movimientos en Impuestos Diferidos	06.30.2020 ThUS$	12.31.2019 ThUS$
Deferred taxes as of January 1	**(885,155)**	**(922,739)**
Tax losses	4,943	(3,803)
Hedging instruments	1,712	568
Intangible assets	506	786
Rights-of-use assets	479	1,061
Contingencies	429	(617)
Obligations for post-employment benefits	289	2,333
Unearned revenue	92	2,471
Investments in associates [1]	-	4,735
Inventory	(719)	(428)
Provisions	(4,228)	1,408
Finance costs	(6,241)	1,921
Property, plant and equipment	(7,950)	27,149
Closing balance	**(895,843)**	**(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**	
	06.30.2020 ThUS$	**12.31.2019 ThUS$**	**06.30.2020 ThUS$**	**12.31.2019 ThUS$**
Fenix Power Perú S.A.	29,982	37,654	-	-
Santa Sofía SpA	161	154	-	-
Inversiones de Las Canteras S.A.	-	-	(611)	(652)
Colbún Transmisión S.A.	-	-	(57,847)	(58,106)
Colbún S.A.	-	-	(867,528)	(864,205)
Subtotal	**30,143**	**37,808**	**(925,986)**	**(922,963)**
		Net deferred taxes	**(895,843)**	**(885,155)**

c. Income taxes in other comprehensive income

	January - June		April - June	
	2020 ThUS$	**2019** ThUS$	**2020** ThUS$	**2019** ThUS$
Related to cash flow hedges	2,984	(1,307)	(8)	(449)
Related to defined benefit plans	1,133	1,369	1,111	895
Income tax related to components of other comprehensive income	**4,117**	**62**	**1,103**	**446**
Related to share of other comprehensive profit or loss on equity-accounted associates and joint ventures using the equity method	-	13	-	6
Income tax related to components of other comprehensive income	**4,117**	**75**	**1,103**	**452**

22. Other financial liabilities

As of June 30, 2020, and December 31, 2019, this caption comprises the following:

a. Obligations with financial institutions

Other financial liabilities	Current		Non-current	
	06.30.2020 ThUS$	12.31.2019 ThUS$	06.30.2020 ThUS$	12.31.2019 ThUS$
Interest-Bearing Loans	25,085	-	-	-
Bonds payable and bills of exchange [(1)]	68,592	70,455	1,555,186	1,464,336
Hedging derivatives [(2)]	3,475	1,837	18,181	-
Total	**97,152**	**72,292**	**1,573,367**	**1,464,336**

[(1)] Interest accrued for bonds payable have been determined using the effective rate.
[(2)] See note 13.1

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	06.30.2020 ThUS$	12.31.2019 ThUS$
U.S. Dollar	1,617,145	1,472,598
Inflation-adjusted units	53,374	64,030
Total	**1,670,519**	**1,536,628**

c. Maturity and currency of the obligations with financial institutions

c.1 Bank borrowings

As of 06.30.2020		
Debtor's ID number	0-E	0-E
Debtor's name	Fenix Power Perú S.A.	Fenix Power Perú S.A.
Debtor's country	Peru	Peru
Creditor's ID number	0-E	0-E
Creditor's name	Banco de Credito del Perú	Scotiabank
Creditor's country	Perú	Perú
Currency or inflation-adjusted unit	US$	US$
Amortization frequency	Quaterly	Quaterly
Interest type	Fixed	Fixed
Basis	-	-
Effective rate	2.92%	2.80%
Nominal rate	2.92%	2.80%

Nominal amounts	**ThUS$**		**Total**
Up to 90 days	-	-	**-**
90 days to 1 year	10,025	15,060	**25,085**
1-3 years	**-**	**-**	**-**
1-2 years	**-**	**-**	**-**
2-3 years	**-**	**-**	**-**
3-5 years	**-**	**-**	**-**
3-4 years	**-**	**-**	**-**
4-5 years	**-**	**-**	**-**
Over 5 years	**-**	**-**	**-**
Subtotal nominal amounts	**10,025**	**15,060**	**25,085**

Carrying amounts	**MUS$**		**Totales**
Up to 90 days	-	-	**-**
90 days to 1 year	10,025	15,060	**25,085**
Current Interest-Bearing Loans	**10,025**	**15,060**	**25,085**
1-3 years	**-**	**-**	**-**
1-2 years	**-**	**-**	**-**
2-3 years	**-**	**-**	**-**
3-5 years	**-**	**-**	**-**
3-4 years	**-**	**-**	**-**
4-5 years	**-**	**-**	**-**
Over 5 years	**-**	**-**	**-**
Non-current Interest-Bearing Loans	**-**	**-**	**-**
Total Interest-Bearing Loans	**10,025**	**15,060**	**25,085**

c.2 Bonds payable

As of June 30, 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	0-E	
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	Peru	
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	12,766	**21,099**
90 days to 1 year	7,385	14,594	9,741	4,334	-	-	12,000	**48,054**
1-3 years	**3,750**	**27,952**	**19,058**	**-**	**-**	**-**	**53,000**	**103,760**
1-2 years	3,750	13,976	9,529	-	-	-	25,500	52,755
2-3 years	-	13,976	9,529	-	-	-	27,500	51,005
3-5 years	**-**	**27,952**	**19,058**	**-**	**157,410**	**-**	**46,000**	**250,420**
3-4 years	-	13,976	9,529	-	-	-	26,000	49,505
4-5 years	-	13,976	9,529	-	157,410	-	20,000	200,915
Over 5 years	**-**	**41,929**	**38,117**	**500,000**	**-**	**500,000**	**194,000**	**1,274,046**
Subtotal nominal amounts	**11,135**	**112,427**	**85,974**	**504,334**	**160,755**	**504,988**	**317,766**	**1,697,379**
Carrying amounts				**ThUS$**				**Total ThUS$**
Up to 90 days	-	-	-	-	3,345	4,988	12,766	**21,099**
90 days to 1 year	7,307	14,251	9,601	4,334	-	-	12,000	**47,493**
Current performance bonds	**7,307**	**14,251**	**9,601**	**4,334**	**3,345**	**4,988**	**24,766**	**68,592**
1-3 years	**3,710**	**27,266**	**18,778**	**-**	**-**	**-**	**51,850**	**101,604**
1-2 years	3,710	13,633	9,389	-	-	-	24,905	51,637
2-3 years	-	13,633	9,389	-	-	-	26,945	49,967
3-5 years	**-**	**27,266**	**18,778**	**-**	**156,061**	**-**	**45,024**	**247,129**
3-4 years	-	13,633	9,389	-	-	-	25,491	48,513
4-5 years	-	13,633	9,389	-	156,061	-	19,533	198,616
Over 5 years	**-**	**40,902**	**37,557**	**465,284**	**-**	**470,205**	**192,505**	**1,206,453**
Non-current performance bonds	**3,710**	**95,434**	**75,113**	**465,284**	**156,061**	**470,205**	**289,379**	**1,555,186**
Total performance bonds	**11,017**	**109,685**	**84,714**	**469,618**	**159,406**	**475,193**	**314,145**	**1,623,778**

Bonds payable (continued)

As of December 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	0-E	
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	PerU	
Creditor's ID number	234	499	538	-	-	-	
Serie	Serie C	Serie F	Serie I	144A/RegS	144A/RegS	144A/RegS	
Maturity date	10-15-2021	05-01-2028	06-10-2029	10-10-2027	07-10-2024	09-20-2027	
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 06.30.2020		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$	3,841	71,092	314,000	09-20-2027	6,778	6,583	23,646	19,038	18,888	74,933	388,933
Series C Bond	UF	5	17	414	04-15-2021	-	18	4	-	-	22	436
Series F Bond	UF	18	441	3,400	05-01-2028	-	105	169	115	71	459	3,859
Series I Bond	UF	6	513	2,591	06-10-2029	-	106	176	127	109	519	3,110
Bond 144A/RegS 2014	US$	3,345	28,531	157,410	07-10-2024	3,542	3,542	14,167	10,625	-	31,876	189,286
Bond 144A/RegS 2017	US$	4,334	242,541	500,000	10-11-2027	-	19,750	39,500	39,500	148,125	246,875	746,875
Bond 144A/RegS 2020	US$	4,988	73,763	500,000	03-06-2030	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	09-20-2027	6,972	6,778	24,747	20,160	23,247	81,904	404,904
Series C Bond	UF	6	30	414	04-15-2021	-	25	11	-	-	36	450
Series F Bond	UF	19	497	3,400	05-01-2028	-	111	182	128	95	516	3,916
Series I Bond	UF	6	570	2,591	06-10-2029	-	112	188	140	136	576	3,167
Bond 144A/RegS 2014	US$	10,625	101,875	500,000	07-10-2024	11,250	11,250	45,000	45,000	-	112,500	612,500
Bond 144A/RegS 2017	US$	4,334	232,666	500,000	10-11-2027	-	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$ 36 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.

23. Lease liabilities

As of June 30, 2020 and December 31, 2019, this caption comprises the following:

Lease liabilities	Current		Non-current	
	06.30.2020 ThUS$	12.31.2019 ThUS$	06.30.2020 ThUS$	12.31.2019 ThUS$
Lease liabilities	9,453	9,482	129,922	134,390
Total	**9,453**	**9,482**	**129,922**	**134,390**

a. Lease obligation

As of June 30, 2020													
Debtor's Tax ID No.	96505760-9	96505760-9	96505760-9	96505760-9	96505760-9	96505760-9	0-E	0-E	0-E	0-E	0-E	0-E	
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.	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	Peru	Peru	Peru	Peru	Peru	Peru	
Creditor's Tax ID No.	96656410-5	96860250-0	96565580-8	96587380-5	76497459-k	7065425-3	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	Jorge Rocco Pizarro	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	Peru	Peru	Peru	Peru	Peru	Peru	
Currency or inflation-adjusted unit	UF	UF	UF	UF	UF	UF	US$	US$	US$	US$	US$	US$	
Amortization frequency	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	
Basis	-	-	-	-	-	-	-	-	-	-	-	-	
Effective rate	5.00%	5.00%	5.00%	5.00%	0.40%	1.70%	5.50%	5.50%	4.10%	4.00%	7.00%	12.00%	
Nominal rate	5.00%	5.00%	5.00%	5.00%	0.40%	1.70%	5.50%	5.50%	4.10%	4.00%	7.00%	12.00%	
Nominal amounts	ThUS$												**Total ThUS$**
Up to 90 days	209	172	240	12	110	10	26	6	8	5	1,512	139	**2,449**
90 days to 1 year	613	529	426	35	127	29	4	25	14	17	4,746	439	**7,004**
1-3 years	**1,747**	**1,506**	**-**	**97**	**171**	**70**	**26**	**7**	**-**	**65**	**13,861**	**1,383**	**18,933**
1-2 years	852	735	-	48	171	40	9	7	-	35	6,696	650	9,243
2-3 years	895	771	-	49	-	30	17	-	-	30	7,165	733	9,690
3-5 years	**77**	**66**	**-**	**26**	**-**	**-**	**93**	**-**	**-**	**-**	**15,868**	**1,735**	**17,865**
3-4 years	77	66	-	26	-	-	32	-	-	-	7,666	826	8,693
4-5 years	-	-	-	-	-	-	61	-	-	-	8,202	909	9,172
Over 5 years	**-**	**-**	**-**	**-**	**-**	**-**	**158**	**-**	**-**	**-**	**82,765**	**10,201**	**93,124**
Subtotal nominal amounts	**2,646**	**2,273**	**666**	**170**	**408**	**109**	**307**	**38**	**22**	**87**	**118,752**	**13,897**	**139,375**
Carrying amounts	ThUS$												**Total ThUS$**
Up to 90 days	209	172	240	12	110	10	26	6	8	5	1,512	139	**2,449**
90 days to 1 year	613	529	426	35	127	29	4	25	14	17	4,746	439	**7,004**
Liabilities under lease agreements, current	**822**	**701**	**666**	**47**	**237**	**39**	**30**	**31**	**22**	**22**	**6,258**	**578**	**9,453**
1-3 years	**1,747**	**1,506**	**-**	**97**	**171**	**70**	**26**	**7**	**-**	**65**	**13,861**	**1,383**	**18,933**
1-2 years	852	735	-	48	171	40	9	7	-	35	6,696	650	9,243
2-3 years	895	771	-	49	-	30	17	-	-	30	7,165	733	9,690
3-5 years	**77**	**66**	**-**	**26**	**-**	**-**	**93**	**-**	**-**	**-**	**15,868**	**1,735**	**17,865**
3-4 years	77	66	-	26	-	-	32	-	-	-	7,666	826	8,693
4-5 years	-	-	-	-	-	-	61	-	-	-	8,202	909	9,172
Over 5 years	**-**	**-**	**-**	**-**	**-**	**-**	158	**-**	**-**	**-**	**82,765**	**10,201**	**93,124**
Liabilities under lease agreements, non-current	**1,824**	**1,572**	**-**	**123**	**171**	**70**	**277**	**7**	**-**	**65**	**112,494**	**13,319**	**129,922**
Total liabilities under lease agreements	**2,646**	**2,273**	**666**	**170**	**408**	**109**	**307**	**38**	**22**	**87**	**118,752**	**13,897**	**139,375**

[1] See note 18.v.2

Lease obligation (continued)

As of 12.31.2019											
Debtor's Tax ID No.	96505760-9	96505760-9	96505760-9	96505760-9	96505760-9	0-E	0-E	0-E	0-E	0-E	
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	Peru	Peru	Peru	Peru	Peru	
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	Peru	Peru	Peru	Peru	Peru	
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**

24. Trade and other payables

As of June 30, 2020, and December 31, 2019, trade and other payables are composed of the following:

	Current		Non-current	
	06.30.2020 ThUS$	**12.31.2019** ThUS$	**06.30.2020** ThUS$	**12.31.2019** ThUS$
Trade payables	140,716	146,974	-	-
Dividends payable	822	658	-	-
Other payables	274	188	17,949	17,936
Total	**141,812**	**147,820**	**17,949**	**17,936**

The main suppliers or creditors, with their respective representativeness percentages as of June 30, 2020 are:

Main creditors	**%**
GE Global Parts & Products, GmbH	16.25%
Enap Refinerías S.A.	10.21%
Transportadora de Gas del Perú S.A.	6.86%
Pan American Energy Llc S. Arg	5.86%
Siemens Energy, Inc.	5.24%
Gas Natural de Lima y Callao S.A.	4.00%
Transelec S.A.	3.05%
Luz del Sur S.A.A.	2.96%
CMC - Coal Marketing DAC	2.93%
Glencore International AG	2.92%
Otros	39.72%
	100.00%

Aging of the portfolio of trade and other payables:

Concept	Balance as of 06.30.2020	
	Current ThUS$	Total ThUS$
Goods	34,336	34,336
Services	102,482	102,482
Others	3,898	3,898
Subtotal	**140,716**	**140,716**

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 June 30, 2020, the amounts payable for invoices receivable for goods and services amount to ThUS$98,579; as of December 31, 2019, 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.

25. Other provisions

a. Description of provisions

As of June 30, 2020, and December 31, 2019, this caption comprises the following:

Provisions	Current		Non-current	
	06.30.2020 ThUS$	12.31.2019 ThUS$	06.30.2020 ThUS$	12.31.2019 ThUS$
From legal proceedings	3,565	1,976	-	-
Decommissioning, restoration and rehabilitation costs	-	-	35,954	35,259
Related to the environment	17,049	24,718	-	-
Total	**20,614**	**26,694**	**35,954**	**35,259**

b. Movements in provisions during the period

As of June 30, 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	1,589	695	13,098	15,382
Provision used, other provisions	-	-	(20,767)	(20,767)
Balance as of 06.30.2020	**3,565**	**35,954**	**17,049**	**56,568**

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 37.c)
(2) Corresponds to the provision for tax expense that is levied on the emissions on thermoelectric plants (Law 20.780).

c. Dismantling

The non-current balance corresponds to the disbursement related to the closure 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. Litigation

As of June 30, 2020, and December 31, 2019, the Company recognized provisions for litigation in accordance with IAS 37 (see note 37, letter c).

26. 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 June 30, 2020, and December 31, 2019, this caption comprises the following:

Employee benefits	Current		Non-current	
	06.30.2020 ThUS$	12.31.2019 ThUS$	06.30.2020 ThUS$	12.31.2019 ThUS$
Accrued vacations, current	3,870	3,842	-	-
Performance bonus, current	4,847	10,358	-	-
Other benefits	237	373	1,640	3,796
Provision for severance indemnity payments	5,591	5,259	34,518	31,780
Total	**14,545**	**19,832**	**36,158**	**35,576**

b. Movements in provision during the period

As of June 30, 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	161	4,819	237	332	5,549
Provision used, other provisions	(133)	(10,330)	(373)		(10,836)
Balance as of 06.30.2020	**3,870**	**4,847**	**237**	**5,591**	**14,545**

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 June 30, 2020, the Company has updated some indicators to better reflect the current market conditions.

i) The detail of provision for employee benefits - As of June 30, 2020 and December 31, 2019, this caption comprises the following:

Provision for employee benefits	06.30.2020 ThUS$	12.31.2019 ThUS$
Severance indemnity payments	40,109	37,039
Total	**40,109**	**37,039**

Present value of the obligation for defined benefit plans	06.30.2020 ThUS$	12.31.2019 ThUS$
Opening balance as of January 1	37,039	32,813
Cost of current service	2,465	4,371
Interest cost	91	93
Foreign currency translation differences	(3,270)	(2,022)
Actuarial gain (loss)	4,167	5,279
Payments	(383)	(3,495)
Closing balance	**40,109**	**37,039**

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

Actuarial basis used		06.30.2020	12.31.2019
Discount rate		-0.02%	0.66%
Expected rate of salary increases		1.62%	1.62%
Turnover rate	Voluntary	3.20%	3.30%
	Dismissal	4.30%	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 June 30, 2020. The source of the reference rate is Bloomberg.

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	
	06.30.2020 %	12.31.2019 %	06.30.2020 ThUS$	12.31.2019 ThUS$
Period rate	-0.02	0.66	40,109	37,039
Rate decrease by 50 b.p.	-0.52	0.16	43,379	39,971
Rate increased by 50 b.p.	0.48	1.16	37,176	34,402

27. Other non-financial liabilities

As of June 30, 2020, and December 31, 2019, this caption comprises the following:

	Current		Non-current	
	06.30.2020 ThUS$	12.31.2019 ThUS$	06.30.2020 ThUS$	12.31.2019 ThUS$
Withholdings	14,748	22,504	-	-
Unearned revenue (1)	1,721	1,592	20,866	20,957
Total	**16,469**	**24,096**	**20,866**	**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$7,837 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$6,649 (expiration of the contract in 2028). As of December 31, 2019, such balance amounted to ThUS$20,957.

28. 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 June 30, 2020, and December 31, 2019, this caption comprises the following:

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$
Única	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	06.30.2020	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 No. of shareholders

As of June 30, 2020, the number of shareholders is 2,872.

b. Share capital

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

c. Share premium

As of June 30, 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 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 Shareholders' Meeting on April 30, 2020, it was approved to distribute a final dividend of US$ 110,629,686.79 corresponding to US$ 0.00631 per share, and an eventual dividend charged to accumulated earnings of previous years for US$ 50,000,000.00, 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 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 US$156,114,002.88, corresponding to US$0.00890 per share, and a provisional dividend recognized in retained earnings from prior periods of US$100,000,000, corresponding to US$0.00570 per share, which was paid starting from 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	06.30.2020 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	407,611	413,304
Revaluation of deferred taxes	(110,281)	(111,658)
Merger reserve	184,477	193,993
Affiliate translation effects	(41,899)	(41,174)
Subsidiaries' reserve	(12,051)	(12,051)
Hedging reserve	5,126	13,194
Affiliate hedging effects	145	145
Total	**719,948**	**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 June 30, 2020, and December 31, 2019, changes in reserves for retained earnings are detailed as follows:

Distributable retained earnings	06.30.2020 ThUS$	12.31.2019 ThUS$
Opening balance as of January 1	1,458,332	1,550,677
Profit or loss for the year	97,830	203,047
Effect of actuarial profit (loss)	(3,062)	(4,248)
Dividends	(151,524)	(321,551)
Realized retained earnings	13,831	30,407
Total distributable retained earnings	**1,415,407**	**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 June 30, 2020, and December 31, 2019, the indebtedness level is as follows:

	06.30.2020 ThUS$	12.31.2019 ThUS$
Total liabilities	**3,040,281**	**2,969,715**
Total current liabilities	300,079	338,298
Total non-current liabilities	2,740,202	2,631,417
Total equity	**3,662,382**	**3,735,635**
Equity attributable to the Parent	3,470,743	3,536,293
Non-controlling interest	191,639	199,342
Indebtedness ratio	**0.83**	**0.79**

The Company should report the compliance of commitments entered with financial institutions on a quarterly basis. As of June 30, 2020, the Company complies with all the financial indicators required in such contracts (See note 38).

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.

	06.30.2020	06.30.2019	12.31.2019
Profit (loss) attributable to shareholders of the Parent (ThUS$)	97,830	125,720	203,047
Profit (loss) available for common shareholders, basic (ThUS$)	97,830	125,720	203,047
Weighted average number of shares, basic (No. of shares)	17,536,167,720	17,536,167,720	17,536,167,720
Basic earnings per share (U.S. dollars per share)	**0.00558**	**0.00717**	**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)	06.30.2020 ThUS$	06.30.2019 ThUS$	12.31.2019 ThUS$
Shareholders of the Parent	**97,830**	**125,720**	**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	**97,830**	**125,720**	**203,047**
Mandatory minimum dividend	**-**	**-**	**101,524**

29. Revenue

For the periods ended June 30, 2020, and 2019, this caption comprises the following:

	January - June		April - June	
	2020 ThUS$	2019 ThUS$	2020 ThUS$	2019 ThUS$
Regulated customer sales	210,344	297,510	95,656	149,526
Unregulated customer sales	340,743	311,919	172,205	147,833
Toll charges	34,445	47,724	19,305	37,292
Spot market sales	68,904	100,566	31,003	47,949
Other income	14,689	15,886	8,346	7,869
Total	**669,125**	**773,605**	**326,515**	**390,469**

30. Raw materials and consumable

For the periods ended June 30, 2020, and 2019, this caption comprises the following:

	January - June		April - June	
	2020 ThUS$	2019 ThUS$	2020 ThUS$	2019 ThUS$
Oil consumption (see Note 12)	(7,242)	(11,291)	(2,943)	(2,146)
Gas consumption (see Note 12)	(138,181)	(202,727)	(69,674)	(95,379)
Coal consumption (see Note 12)	(41,980)	(51,282)	(21,184)	(25,330)
Purchase of energy and capacity	(22,557)	(15,945)	(7,049)	(13,185)
Toll charges	(48,160)	(67,275)	(26,610)	(34,297)
Third-party work and supplies	(41,310)	(40,618)	(22,846)	(21,037)
Total	**(299,430)**	**(389,138)**	**(150,306)**	**(191,374)**

31. Employee benefits expenses

For the periods ended June 30, 2020, and 2019, this caption comprises the following (see note 3.1.m. and 3.1.o.):

	January - June		April - June	
	2020 ThUS$	2019 ThUS$	2020 ThUS$	2019 ThUS$
Salaries and wages	(23,787)	(28,499)	(12,109)	(14,154)
Short-term employee benefits	(2,445)	(3,041)	(1,238)	(1,526)
Severance indemnity payments	(2,906)	(2,403)	(1,970)	(1,624)
Other personnel expenses	(1,928)	(2,902)	(645)	(1,395)
Total	**(31,066)**	**(36,845)**	**(15,963)**	**(18,699)**

32. Depreciation and amortization expenses

For the periods ended June 30, 2020, and 2019, this caption comprises the following:

	January - June		April - June	
	2020 ThUS$	2019 ThUS$	2020 ThUS$	2019 ThUS$
Depreciation (see Note 17.b)	(112,992)	(117,394)	(56,687)	(59,383)
Depreciation right-of-use assets (see note 18.b)	(6,359)	(6,201)	(3,189)	(5,388)
Amortization of intangible assets (see Note 16.b)	(2,206)	(2,397)	(1,108)	(1,202)
Total	**(121,557)**	**(125,992)**	**(60,984)**	**(65,973)**

33. Total finance income and finance cost

For the periods ended June 30, 2020, and 2019, this caption comprises the following:

Income (loss) from investments	January - June		April - June	
	2020 ThUS$	2019 ThUS$	2020 ThUS$	2019 ThUS$
Income on cash and other cash equivalents	8,000	11,280	2,965	4,896
Total finance income	**8,000**	**11,280**	**2,965**	**4,896**
Finance cost	**January - June**		**April - June**	
	2020 ThUS$	2019 ThUS$	2020 ThUS$	2019 ThUS$
Expenses on bonds	(32,842)	(34,404)	(16,397)	(16,490)
Interest expense for lease liabilities (1)	(4,552)	(4,797)	(2,274)	(4,629)
Expense incurred for financial provisions	(4,733)	(4,246)	(2,535)	(2,124)
Borrowing costs	(1,251)	(1,070)	(696)	(1,070)
Income/expense on the valuation of net financial derivatives	(1,352)	(823)	(527)	(465)
Other expenses (bank expenses)	(191)	(220)	(122)	(111)
Other expenses (commissions)	(297)	(60)	(147)	(60)
Total finance cost	**(45,218)**	**(45,620)**	**(22,698)**	**(24,949)**
Total finance income and finance costs	**(37,218)**	**(34,340)**	**(19,733)**	**(20,053)**

(1) Leases recognized under 16

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

For the periods ended June 30, 2020, and 2019, this caption comprises the following:

Foreign currency translation difference	Currency	January - June		April - June	
		2020 ThUS$	2019 ThUS$	2020 ThUS$	2019 ThUS$
Cash and cash equivalents	Ch$	(5,043)	3,585	(832)	610
Cash and cash equivalents	PEN	(791)	629	(157)	175
Trade and other receivables	Ch$	(5,733)	4,156	(805)	1,197
Trade and other receivables	PEN	(731)	147	(690)	109
Current tax assets	Ch$	2,584	(525)	13,201	16
Current tax assets	PEN	(891)	343	(294)	84
Other non-financial assets, non-current	Ch$	39	356	765	156
Other non-financial assets, non-current	PEN	(643)	(12)	(384)	(53)
Foreign currency translation difference - assets		**(11,209)**	**8,679**	**10,804**	**2,294**
Other financial liabilities, current	UF	5,691	(2,821)	(2,537)	(1,009)
Other financial liabilities, current	PEN	209	(37)	32	(9)
Trade and other payables	Ch$	577	(1,853)	(1,885)	403
Trade and other payables	PEN	13	(24)	(2)	(10)
Other non-financial liabilities	Ch$	49	(62)	(84)	(12)
Provisions for employee benefits	Ch$	4,763	(1,760)	(1,421)	(797)
Foreign currency translation difference - liabilities		**11,302**	**(6,557)**	**(5,897)**	**(1,434)**
Total foreign currency translation difference		**93**	**2,122**	**4,907**	**860**

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

For the periods ended June 30, 2020, and 2019, this caption comprises the following:

Net interest in affiliates' income	January - June		April - June	
	2020 ThUS$	2019 ThUS$	2020 ThUS$	2019 ThUS$
Electrogas S.A.	4,274	4,384	2,170	2,271
Transmisora Eléctrica de Quillota Ltda.	212	524	(27)	293
Total	**4,486**	**4,908**	**2,143**	**2,564**

36. Other gains (losses)

For the periods ended June 30, 2020, and 2019, this caption comprises the following:

Other gains	January - June		April - June	
	2020 ThUS$	2019 ThUS$	2020 ThUS$	2019 ThUS$
Other income	4,370	2,362	3,995	218
Total other gains	**4,370**	**2,362**	**3,995**	**218**

Other losses	January - June		April - June	
	2020 ThUS$	2019 ThUS$	2020 ThUS$	2019 ThUS$
Emissions of thermoelectric plants [1]	(8,094)	(7,731)	(3,743)	(3,888)
Commission for prepayment of Bond 2024 [2]	(17,391)	-	-	-
Disposal of property, plant and equipment	(739)	(3,532)	(739)	(3,293)
Donations and community contributions	(2,103)	-	(1,243)	-
Dismantling costs	(670)	(669)	(336)	(669)
Impairment of other projects	(8)	-	(6)	-
Loss from derivative contracts	(143)	(647)	(43)	(359)
Litigation-related legal fees	(415)	(351)	(138)	(181)
Write-offs and fines	(54)	(131)	(53)	(1)
Allowance for doubtful customers	(1,102)	(201)	(874)	(121)
Other	(12,499)	(4,371)	(6,247)	(2,463)
Total other losses	**(43,218)**	**(17,633)**	**(13,422)**	**(10,975)**
Total other gains (losses)	**(38,848)**	**(15,271)**	**(9,427)**	**(10,757)**

[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$14,3 and adjustments for capitalized expenses of the 2024 Bond for US$3.084.

37. Guarantees with third parties and contingent assets and liabilities

a. Guarantees with third parties

a.1 Direct guarantees: As of June 30, 2020, the Company has provided performance bonds of ThUS$46,509.

Assets committed			Outstanding balance	
Type of guarantee	Currency	Carrying amount	06.30.2020	12.31.2019
			ThUS$	ThUS$
Performance bond	Ch$	1,268,568,224	1,545	1,681
Performance bond	US$	21,787,038	21,787	20,347
Performance bond	UF	675,296	23,597	25,344
		Total	**46,929**	**47,372**

b. Third-party guarantees

b.1 Current guarantees denominated in U.S. dollars as of June 30, 2020

Depositado por	Relación con la sociedad	Total MUS$
GE Energy Parts Inc.	Proveedores	15,000
Enercon Gmbh	Proveedores	13,000
Ingeniería Agrosonda SpA	Proveedores	4,048
Tsgf SpA	Proveedores	4,049
Consorcio Isotron Sacyr S.A.	Proveedores	1,059
Rhona S.A.	Proveedores	239
TSEA Energía S.A.	Proveedores	181
Pine SpA	Proveedores	176
HMV Chile	Proveedores	169
Soc. Com. e Ingeniería y Gestión Ind. Ingher Ltda.	Proveedores	164
Generadores Mexicanos S.A. de C.V.	Proveedores	142
ABB S.A.	Proveedores	68
Ing. y Ases. en Computac. y Comunic. Neosecure S.A.	Proveedores	37
Siemens S.A.	Proveedores	34
Reliable Energy Ingeniería Ltda.	Proveedores	24
Tadeo Czerweny S.A.	Proveedores	21
	Total	**38,411**

b.2 Current guarantees denominated in Euros as of June 30, 2020

Depositor	Relationship	Total ThUS$
Andritz Hydro S.R.L.	Suppliers	377
Andritz Chile Ltda.	Suppliers	21
	Total	**398**

b.3 Current guarantees denominated in Chilean pesos as of June 30, 2020

Depositor	Relationship	Total ThUS$
Siemens S.A.	Suppliers	323
Constructora Andalien Ltda.	Suppliers	112
ODR Ingeniería y Montajes Ltda.	Suppliers	89
Serv. Logísticos Vizcal Ltda.	Suppliers	67
SG Ingeniería Eléctrica Ltda.	Suppliers	59
Poyry (Chile) Ltda.	Suppliers	38
Constructora Pesa Ltda.	Suppliers	28
ISS Facility Service S.A.	Suppliers	28
Soc. de Serv. Estructurales y Montaje Soldatec Ltda.	Suppliers	23
Konecranes Chile SpA	Suppliers	21
Dimetales SpA	Suppliers	19
XPE Consult SpA	Suppliers	18
Climatermic Ltda.	Suppliers	16
ST Ingeniería y Construcción SpA	Suppliers	13
Serv. de Ingeniería, Fabricación y Montaje Humberto F. Letelier	Suppliers	11
Vigaflow S.A.	Suppliers	10
Andritz Metaliza S.A.	Suppliers	8
Laboratorio Hidrolab S.A.	Suppliers	6
Rhona S.A.	Suppliers	6
Electro Andina Ltda.	Suppliers	6
Ximena Mariela Soto Orellana	Suppliers	4
Imahf S.A.	Suppliers	3
JC Ingeniería SpA	Suppliers	2
Maestranza Cantele Ltda.	Suppliers	2
Máximo E. Sanhueza Manríquez	Suppliers	2
Ingeniería Scada & Technologies Ltda.	Suppliers	1
Montajes del Pacífico S.A.	Suppliers	1
MV Servicios para la Construcción Ltda.	Suppliers	1
Serv. Industriales Cordillera SpA	Suppliers	1
Serv. Vortex SpA	Suppliers	1
VC Valdivia Clavería Ltda.	Suppliers	1
	Total	**920**

b.4 Current guarantees denominated in Inflation-adjusted units as of June 30, 2020

Depositor	Relationship	Total ThUS$
Contract Chile S.A.	Suppliers	1,317
Ingeniería Agrosonda SpA	Suppliers	294
Serv. Industriales Ltda.	Suppliers	214
Algoritmos y Mediciones Ambientales SpA	Suppliers	162
Andritz Chile Ltda.	Suppliers	87
Transportes Bretti Ltda.	Suppliers	69
Soc. Com. Camin Ltda.	Suppliers	52
Marcelo Javier Urrea Caro EIRL	Suppliers	46
AMS Consultores SpA	Suppliers	43
MV Servicios para la construcción Ltda.	Suppliers	40
OHL Serv. Ingesan S.A. Agencia en Chile	Suppliers	35
Latinomericana Serv. de Ingeniería y Construcción Ltda.	Suppliers	33
Constructora Javag SpA	Suppliers	31
Buses Ahumada Ltda.	Suppliers	24
AGEA Consultoría e Ingeniería SpA	Suppliers	24
Dragatec S.A.	Suppliers	24
Transportes José Carrasco Retamal EIRL	Suppliers	21
Serv. Emca SpA	Suppliers	20
Serv. de Mantenimiento Industrial José P.Muñoz EIRL	Suppliers	20
Integración de Tecnologías Ltda.	Suppliers	20
Ingesat Ing. y Serv. en Alta Tensión S.A.	Suppliers	17
MYA Chile Soluciones contra Incendios e Industrial	Suppliers	16
ISS Facility Services S.A.	Suppliers	16
Serv. Industriales Euroambiente Ltda.	Suppliers	14
Measwind América Ltda.	Suppliers	12
Soc. de Transporte, Turismo e Inversiones Kemelbus Ltda.	Suppliers	12
Vigatec S.A.	Suppliers	9
Siemens S.A.	Suppliers	8
Mantención de Jardines Arcoiris Ltda.	Suppliers	8
Constructora Gómez Salazar Ltda.	Suppliers	8
Soc. Comercial y de Invers. Conyser Ltda.	Suppliers	8
DPL Grout Construcciones Ltda.	Suppliers	7
Durán y Durán Cía. de Seguridad Ltda.	Suppliers	6
Securitas S.A.	Suppliers	6
Serv. Integrales de Mantenimientos Técnicos S.A.	Suppliers	6
Woss SpA	Suppliers	5
	Total	**2,734**

Fenix Power Perú S.A.

a. Current guarantees denominated in U.S. dollars as of June 30, 2020

Depositor	Relationship	Total ThUS$
JC Soluciones Técnicas SAC	Proveedores	9
	Total	**9**

b. Current guarantees denominated in Peruvian soles as of June 30, 2020

Depositor	Relationship	Total ThUS$
Empresa Regional de Serv. Público del Oriente S.A.	Proveedores	1,388
Busser SAC	Proveedores	30
People Intermediación SAC	Proveedores	4
	Total	**1,422**

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 interim 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 June 30, 2020, the detail of litigation in accordance with IAS 37 is as follows:

Chile

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.

Currently, the case is being challenged and 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.

Currently, the case is being challenged and 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.

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.

Currently, it corresponds to continue with the conciliation stage provided for in the arbitration rules, and then the beginning of the probationary period.

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.- Discrepancy on the 2019 Panel of Experts for Toll Recoveries.

Colbún is participating in the Discrepancy in the Panel of Experts for claims from Transmission Companies that maintain the illegality of the re-liquidation of tolls for the year 2019 ordered by the National Electric Coordinator (CEN).

As part of its functions, CEN ordered the payment of a re-settlement of tolls for the year 2019 from the transmission segment for the generation segment, which has been claimed by several transmission companies; without prejudice that it is a dispute of the whole system or general, in the particular case of Colbún S.A. and in connection with this procedure, two transmission companies (Celeo Redes and InterChile) have rejected their obligation to pay these reliquidations in favor of Colbún S.A. of the order of approximately US$11 million, precisely alleging that the dispute is being known by the Panel of Experts.

Based on the background and expert opinions available as of this date, the Administration reasonably estimates a favorable result and that ultimately the client should pay the re-liquidation of tolls that CEN has ordered.

38. 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 June 30, 2020, the Company complies with all the financial indicators required in such contracts, the detail of which are as follows:

Covenants	Status	06.30.2020		Term
Local market bonds				
EBITDA/Net finance costs	> 3,0	9.60		jun-2029
Indebtedness ratio	< 1,2	0.83		jun-2029
Minimum equity	> MUS$ 1.348.000	MUS$	3,470,743	jun-2029

Calculation methodologies

Concept	Account	Amount as of 06.30.2020	
Equity	Total equity	ThUS$	3,662,382
Net equity	Total equity - Non-controlling interests	ThUS$	3,470,743
Minimum equity	Total equity - Non-controlling interests	ThUS$	3,470,743
Total liabilitues	Total current liabilities + Total non-current liabilities	ThUS$	3,040,281
Indebtedness ratio	Total liabilities / Equity		0.83
Ebitda (*)	Revenue - Raw materials and consumables - Employee benefit expenses - other expenses by nature	ThUS$	689,265
Net financial costs (*)	Finance costs - Finance income	ThUS$	71,832

(*) 12 trailing months

39. Envoirnment

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:

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.

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 June 30, 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 06.30.2020

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	189	jun-20
Colbún S.A.	Nehuenco	Environmental Management of Power Plant	Expense	Cost	200	jun-20
Colbún S.A.	Angostura	Environmental Management of Power Plant	Expense	Cost	97	jun-20
Colbún S.A.	Zona Bio-Bio	Environmental Management of Power Plant	Expense	Expense	9	jun-20
Colbún S.A.	Quilleco	Environmental Management of Power Plant	Expense	Cost	60	jun-20
Colbún S.A.	Los Quilos	Environmental Management of Power Plant	Expense	Cost	90	jun-20
Colbún S.A.	Gestión Ambiental Corporativa	Environmental Management of Parent	Expense	Expense	34	jun-20
Colbún S.A.	Candelaria	Environmental Management of Power Plant	Expense	Cost	76	jun-20
Colbún S.A.	Colbún	Environmental Management of Power Plant	Expense	Cost	46	jun-20
Colbún S.A.	Los Pinos	Environmental Management of Power Plant	Expense	Cost	80	jun-20
Colbún S.A.	Rucúe	Environmental Management of Power Plant	Expense	Cost	40	jun-20
Colbún S.A.	Hornitos	Environmental Management of Power Plant	Expense	Expense	38	jun-20
Colbún S.A.	Canutillar	Environmental Management of Power Plant	Expense	Cost	14	jun-20
				Total	**973**	

Future expenses as of 06.30.2020

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	200	dic-20
Colbún S.A.	Angostura	Environmental Management of Power Plant	Expense	Cost	120	dic-20
Colbún S.A.	Colbún	Environmental Management of Power Plant	Expense	Cost	15	dic-20
Colbún S.A.	Candelaria	Environmental Management of Power Plant	Expense	Cost	62	dic-20
Colbún S.A.	Canutillar	Environmental Management of Power Plant	Expense	Cost	15	dic-20
Colbún S.A.	Nehuenco	Environmental Management of Power Plant	Expense	Cost	203	dic-20
Colbún S.A.	Gestión Ambiental Corporativa	Environmental Management of Parent	Expense	Expense	47	dic-20
Colbún S.A.	Los Quilos	Environmental Management of Power Plant	Expense	Cost	77	dic-20
Colbún S.A.	Quilleco	Environmental Management of Power Plant	Expense	Cost	44	dic-20
Colbún S.A.	Hornitos	Environmental Management of Power Plant	Expense	Expense	8	dic-20
Colbún S.A.	Los Pinos	Environmental Management of Power Plant	Expense	Cost	60	dic-20
Colbún S.A.	Rucúe	Environmental Management of Power Plant	Expense	Cost	28	dic-20
				Total	**879**	

Accrued expenses as of 06.30.2019

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.	Zona Bio-Bio	Environmental Management of Power Plant	Expense	Cost	218	may-19
Colbún S.A.	Sta María	Environmental Management of Power Plant	Expense	Cost	212	jun-19
Colbún S.A.	Angostura	Environmental Management of Power Plant	Expense	Cost	188	jun-19
Colbún S.A.	Nehuenco	Environmental Management of Power Plant	Expense	Cost	149	mar-19
Colbún S.A.	Zona Maule	Environmental Management of Power Plant	Expense	Cost	116	abr-19
Colbún S.A.	Colbún	Environmental Management of Power Plant	Expense	Cost	99	jun-19
Colbún S.A.	Candelaria	Environmental Management of Power Plant	Expense	Cost	95	jun-19
Colbún S.A.	Quilleco	Environmental Management of Power Plant	Expense	Cost	83	jun-19
Colbún S.A.	Gestión Ambiental Corporativa	Environmental Management of Parent	Expense	Cost	72	jun-19
Colbún S.A.	Los Pinos	Environmental Management of Power Plant	Expense	Cost	70	jun-19
Colbún S.A.	Los Quilos	Environmental Management of Parent	Expense	Cost	68	jun-19
Colbún S.A.	Hornitos	Environmental Management of Power Plant	Expense	Cost	63	jun-19
Colbún S.A.	Rucúe	Environmental Management of Power Plant	Expense	Cost	48	jun-19
Colbún S.A.	Antilhue	Environmental Management of Power Plant	Expense	Cost	39	jun-19
Colbún S.A.	Canutillar	Environmental Management of Power Plant	Expense	Cost	26	jun-19
				Total	**1,546**	

Future expenses as of 06.30.2019

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.	Angostura	Environmental Management of Power Plant	Expense	Cost	181	jun-19
Colbún S.A.	Nehuenco	Environmental Management of Power Plant	Expense	Cost	123	jun-19
Colbún S.A.	Sta María	Environmental Management of Power Plant	Expense	Cost	123	jun-19
Colbún S.A.	Candelaria	Environmental Management of Power Plant	Expense	Cost	95	abr-19
Colbún S.A.	Los Pinos	Environmental Management of Power Plant	Expense	Cost	63	jun-19
Colbún S.A.	Gestión Ambiental Corporativa	Environmental Management of Parent	Expense	Cost	51	may-19
Colbún S.A.	Quilleco	Environmental Management of Power Plant	Expense	Cost	51	jun-19
Colbún S.A.	Zona Bio-Bio	Environmental Management of Power Plant	Expense	Cost	51	abr-19
Colbún S.A.	Los Quilos	Environmental Management of Power Plant	Expense	Cost	43	jun-19
Colbún S.A.	Rucúe	Environmental Management of Power Plant	Expense	Cost	41	jun-19
Colbún S.A.	Colbún	Environmental Management of Power Plant	Expense	Cost	32	abr-19
Colbún S.A.	Zona Maule	Environmental Management of Power Plant	Expense	Cost	32	feb-19
Colbún S.A.	Hornitos	Environmental Management of Power Plant	Expense	Cost	18	mar-19
Colbún S.A.	Canutillar	Environmental Management of Power Plant	Expense	Cost	15	jun-19
Colbún S.A.	Antilhue	Environmental Management of Power Plant	Expense	Cost	9	may-19
				Total	**928**	

Disbursements in Peru

Accrued expenses as of 06.30.2020

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	112	jun-20
				Total	**112**	

Future expenses as of 06.30.2020

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	194	dic-20
				Total	**194**	

Accrued expenses as of 06.30.2019

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 Manager	Monitoring and Environmental Management	Expense	Cost	179	jun-19
				Total	**179**	

Future expenses as of 06.30.2019

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 Manager	Monitoring and Environmental Management	Expense	Cost	179	jun-19
				Total	**179**	

40. Events occurred after the date of the financial position

At the Board of Directors' Meeting held on July 28, 2020, the Company's Board approved the interim consolidated financial statements as of June 30, 2020, prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Between July 1, 2020 and the date of issuance of these interim consolidated financial statements, no other subsequent events have occurred.

41. Foreign currency

This caption comprises the following:

Assets	Foreign currency	Currency	06.30.2020 ThUS$	12.31.2019 ThUS$
Total current assets				
Cash and cash equivalents	Ch$	US$	88,550	44,043
Cash and cash equivalents	Euro	US$	795	332
Cash and cash equivalents	PEN	US$	8,251	6,363
Other non-financial assets, current	Ch$	US$	3,967	3,286
Trade and other receivables, current	Ch$	US$	119,629	189,016
Trade and other receivables, current	PEN	US$	23,763	27,136
Trade receivables due from related parties, current	Ch$	US$	31	11
Current tax assets	Ch$	US$	-	214
Current tax assets	PEN	US$	1,696	3,693
Total current assets			**246,682**	**274,094**
Non-current assets				
Other non-financial assets, non-current	Ch$	US$	8,531	21,736
Trade and other receivables, non-current	Ch$	US$	83,656	28,923
Total non-current assets			**92,187**	**50,659**
Total assets			**338,869**	**324,753**

Liabilities	Foreign currency	Currency	06.30.2020 ThUS$	12.31.2019 ThUS$
Total current liabilities				
Other financial liabilities, current	UF	US$	12,108	12,962
Lease liabilities, current	UF	US$	2,512	2,814
Trade and other payables	Ch$	US$	134,039	106,886
Trade and other payables	PEN	US$	7,773	12,899
Payables due to related parties, current	Ch$	US$	21	644
Other current provisions	Ch$	US$	20,614	804
Provisions for employee benefits, current	Ch$	US$	13,464	18,244
Provisions for employee benefits, current	PEN	US$	1,081	1,588
Other current non-financial assets	Ch$	US$	15,425	30,665
Other current non-financial assets	PEN	US$	1,044	572
Total current liabilities			**208,081**	**188,078**
Non-current liabilities				
Other financial liabilities, non-current	UF	US$	41,266	51,068
Lease liabilities, non-current	UF	US$	3,760	4,734
Provisions for employee benefits, non-current	Ch$	US$	36,158	35,576
Other non-financial liabilities, non-current	Ch$	US$	14,949	14,936
Total non-current liabilities			**96,133**	**106,314**
Total liabilities			**304,214**	**294,392**

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 28, letter e).

Maturity profile of other financial liabilities in foreign currency

As of June 30, 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	UF	US$	-	12,108	13,099	9,389	18,778	53,374
		Total	**-**	**12,108**	**13,099**	**9,389**	**18,778**	**53,374**

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$	-	12,962	18,074	10,152	22,842	64,030
		Total	**-**	**12,962**	**18,074**	**10,152**	**22,842**	**64,030**

42. Headcount (unaudited)

As of June 30, 2020, and 2019, this caption comprises the following:

	No. of employees					
	06.30.2020			12.31.2019		
	Chile	Perú	Total	Chile	Perú	Total
Managers and main executives	71	8	79	71	8	79
Professionals and technical staff	648	69	717	623	66	689
Other	250	17	267	255	18	273
Total	969	94	1,063	949	92	1,041
Average of the year	**967**	**93**	**1,060**	**970**	**90**	**1,060**

43. Exhibit 1 Additional information required for XBRL taxonomy

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

Fees for external auditors

As of June 30, 2020, and 2019, this caption comprises the following:

Concept	January - June		April - June	
	2020 ThUS$	2019 ThUS$	2020 ThUS$	2019 ThUS$
Audit services	67	77	4	3
Tax services	6	3	1	3
Other services	280	30	9	15
Auditor´s fees	**353**	**110**	**14**	**21**

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