



**Interim Consolidated Financial Statements**  
for the period ended June 30, 2021

**COLBÚN S.A. AND SUBSIDIARIES**  
Thousand of U.S. dollars

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This report contains the following:

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



EY Chile  
Avda. Presidente Riesco 5435, piso 4,  
Las Condes, Santiago

Tel: +56 (2) 2676 1000  
www.eychile.cl

## **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, 2021; the interim consolidated statements of comprehensive income for the six and three-month periods ended June 30, 2021 and 2020; the interim consolidated statements of changes in equity and cash flows for the six-month periods then ended, and; their corresponding notes to the interim 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).



## **Other Matters**

### **Consolidated statement of financial position as of December 31, 2020**

On January 26, 2021, we issued an unmodified opinion on the consolidated financial statements as of December 31, 2020 of Colbún S.A. and subsidiaries which includes the consolidated statement of financial position as of December 31, 2020, which is presented in the accompanying interim consolidated financial statements, in addition to its corresponding notes.

Santiago, July 27, 2021

A handwritten signature in blue ink, appearing to read 'M Borowski', is positioned above the printed name.

Marek Borowski  
EY Audit SpA

**Colbún S.A. and Subsidiaries**  
**Interim Consolidated Classified Statements of Financial Position**  
**as of June 30, 2021 (unaudited) and December 31, 2020**  
**(In thousands of U.S. dollars)**

<b>ASSETS</b>	<b>Note</b>	<b>June 30</b>	<b>December 31</b>
	<b>N°</b>	<b>2021</b>	<b>2020</b>
		<b>ThUS\$</b>	<b>ThUS\$</b>
<b>Current assets</b>			
Cash and cash equivalents	9	530,704	254,107
Other financial assets, current	10	227,209	714,655
Other non-financial assets, current	22	56,179	37,900
Trade and other receivables, current	11	263,769	201,171
Receivables due from related parties, current	13.b	2,210	75
Inventories, current	14	46,406	33,646
Current tax assets	21.a	33,032	17,630
<b>Total current assets other than non-current assets or groups of assets for disposal classified as held for sale or as held for distribution to owners</b>		<b>1,159,509</b>	<b>1,259,184</b>
Current assets other than non-current assets or groups of assets for disposal classified as held for sale or as held for distribution to owners	6	446,578	-
<b>Total current assets</b>		<b>1,606,087</b>	<b>1,259,184</b>
<b>Non-current assets</b>			
Other financial assets, non-current	10	3,092	10,283
Other non-financial assets, non-current	22	45,910	47,668
Trade and other receivables, non-current	11	3,998	109,282
Equity-accounted investees	17.a	24,074	26,849
Intangible assets other than goodwill	18	80,896	122,110
Goodwill	7	5,573	5,573
Property, plant and equipment	19	4,505,396	4,848,004
Right-of-use assets	20	119,373	123,491
Deferred tax assets	23.b	73,324	81,423
<b>Total non-current assets</b>		<b>4,861,636</b>	<b>5,374,683</b>
<b>TOTAL ASSETS</b>		<b>6,467,723</b>	<b>6,633,867</b>

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, 2021 (unaudited) and December 31, 2020**  
**(In thousands of U.S. dollars)**

LIABILITIES AND EQUITY	Note N°	June 30 2021 ThUS\$	December 31 2020 ThUS\$
<b>Current liabilities</b>			
Other financial liabilities, current	24.a	99,082	103,108
Short-term lease liabilities	25	9,892	9,308
Trade and other payables	26	184,098	117,728
Payables due to related parties, current	13.b	1,101	161
Other current provisions	27	18,241	29,370
Current tax liabilities	21.b	601	7
Current provisions for employee benefits	28	19,565	24,154
Other non-financial liabilities, current	29	16,246	22,696
<b>Total current liabilities other than those associated with groups of assets for disposal classified as held for sale</b>		<b>348,826</b>	<b>306,532</b>
Liabilities included in groups of assets for disposal classified as held for sale	6	78,334	-
<b>Total current liabilities</b>		<b>427,160</b>	<b>306,532</b>
<b>Non-current liabilities</b>			
Other financial liabilities, non-current	24.a	1,535,737	1,559,266
Long-term lease liabilities	25	120,835	125,449
Trade and other payables, non-current	26	12,953	12,952
Other provisions, non-current	27	47,479	46,785
Deferred tax liabilities	23.b	949,414	933,742
Provisions for employee benefits, non-current	28	33,324	42,998
Other non-financial liabilities, non-current	29	6,326	20,775
<b>Total non-current liabilities</b>		<b>2,706,068</b>	<b>2,741,967</b>
<b>Total liabilities</b>		<b>3,133,228</b>	<b>3,048,499</b>
<b>Equity</b>			
Share capital	30.a	1,282,793	1,282,793
Retained earnings	30.f	1,187,815	1,414,284
Share premium	30.c	52,595	52,595
Other reserves	30.e	689,906	709,779
<b>Equity attributable to the shareholders of the Parent</b>		<b>3,213,109</b>	<b>3,459,451</b>
Non-controlling interests	-	121,386	125,917
<b>Total equity</b>		<b>3,334,495</b>	<b>3,585,368</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>6,467,723</b>	<b>6,633,867</b>

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, 2021 and 2020 (unaudited)**  
**(In thousands of U.S. dollars)**

STATEMENTS OF COMPREHENSIVE INCOME BY NATURE	Note N°	January - June		April - June	
		2021 ThUS\$	2020 ThUS\$	2021 ThUS\$	2020 ThUS\$
Revenue	8 y 31	707,754	669,125	372,169	326,515
Raw materials and consumables	32	(352,750)	(299,430)	(189,502)	(150,306)
Employee benefit expenses	33	(42,813)	(31,066)	(21,545)	(15,963)
Depreciation and amortization expenses	34	(107,560)	(121,557)	(52,134)	(60,984)
Other expenses, by nature	-	(27,969)	(11,018)	(14,254)	(4,982)
Other gains (losses)	38	(44,329)	(38,848)	(22,791)	(9,427)
<b>Income from operations</b>	-	<b>132,333</b>	<b>167,206</b>	<b>71,943</b>	<b>84,853</b>
Finance income	35	2,416	8,000	1,125	2,965
Finance costs	35	(43,593)	(45,218)	(21,404)	(22,698)
Share of profit of equity-accounted investees and joint ventures	17 y 37	3,324	4,486	1,953	2,143
Foreign currency translation differences	36	(2,137)	93	664	4,907
<b>Profit before income taxes</b>	-	<b>92,343</b>	<b>134,567</b>	<b>54,281</b>	<b>72,170</b>
Tax expense (benefit) from continuing operations	23.a	(100,674)	(44,440)	(21,396)	(22,503)
<b>Profit (loss) from continuing operations</b>		<b>(8,331)</b>	<b>90,127</b>	<b>32,885</b>	<b>49,667</b>
<b>PROFIT (LOSS)</b>		<b>(8,331)</b>	<b>90,127</b>	<b>32,885</b>	<b>49,667</b>
<b>Net profit attributable to</b>					
Shareholders of the Parent	30.h	(3,800)	97,830	35,092	54,130
Non-controlling interests	-	(4,531)	(7,703)	(2,207)	(4,463)
<b>PROFIT (LOSS)</b>		<b>(8,331)</b>	<b>90,127</b>	<b>32,885</b>	<b>49,667</b>
<b>Earnings per share</b>					
Basic earnings per share - Continuing operations US\$/share	30.h	(0.00022)	0.00558	0.00200	0.00283
<b>Basic earnings per share</b>		<b>(0.00022)</b>	<b>0.00558</b>	<b>0.00200</b>	<b>0.00283</b>
Diluted earnings per share - Continuing operations US\$/ share	30.h	(0.00022)	0.00558	0.00200	0.00283
<b>Diluted earnings per share</b>		<b>(0.00022)</b>	<b>0.00558</b>	<b>0.00200</b>	<b>0.00283</b>

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, 2021 and 2020 (unaudited)**  
**(In thousands of U.S. dollars)**

STATEMENTS OF OTHER COMPREHENSIVE INCOME	Note	January - June		April - June	
		2021	2020	2021	2020
	N°	ThUS\$	ThUS\$	ThUS\$	ThUS\$
<b>Net profit</b>		<b>(8,331)</b>	<b>90,127</b>	<b>32,885</b>	<b>49,667</b>

**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	-	11,454	(4,195)	4,542	(4,275)
<b>Total other comprehensive (loss) income that will not be reclassified to profit or loss for the period, before taxes</b>	<b>-</b>	<b>11,454</b>	<b>(4,195)</b>	<b>4,542</b>	<b>(4,275)</b>

**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	17.a	(261)	(725)	(72)	277
Gain (loss) from cash flow hedges	-	(6,268)	(11,053)	(2,153)	29
Share of comprehensive income (loss) on associates and joint ventures using the equity	-	(219)	-	(363)	-
<b>Total other comprehensive income (loss) that will be reclassified to profit or loss for the period, before taxes</b>		<b>(6,748)</b>	<b>(11,778)</b>	<b>(2,588)</b>	<b>306</b>
<b>Other components of other comprehensive income (loss), before taxes</b>		<b>4,706</b>	<b>(15,973)</b>	<b>1,954</b>	<b>(3,969)</b>

**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	23.c	(3,093)	1,133	(1,227)	1,111
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**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	23.c	59	-	98	-
Income tax related to cash flow hedges	23.c	1,694	2,984	583	(8)
<b>Income tax related to components of other comprehensive income (loss)</b>		<b>(1,340)</b>	<b>4,117</b>	<b>(546)</b>	<b>1,103</b>
<b>Total other comprehensive income (loss)</b>		<b>3,366</b>	<b>(11,856)</b>	<b>1,408</b>	<b>(2,866)</b>
<b>Total comprehensive income (loss)</b>		<b>(4,965)</b>	<b>78,271</b>	<b>34,293</b>	<b>46,801</b>

**Comprehensive income (loss) attributable to:**

Shareholders of the Parent		(434)	85,974	36,500	51,264
Non-controlling interests		(4,531)	(7,703)	(2,207)	(4,463)
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(4,965)</b>	<b>78,271</b>	<b>34,293</b>	<b>46,801</b>

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, 2021 and 2020 (unaudited)**  
**(In thousands of U.S. dollars)**

STATEMENTS OF CASH FLOWS - DIRECT METHOD	Note N°	June 30 2021 ThUS\$	June 30 2020 ThUS\$
<b>Cash flows from (used in) operating activities</b>			
<b>Cash receipts from operating activities</b>			
Cash receipts from sale of goods and rendering of services	-	858,028	795,804
Cash receipts from premiums and services, annuities and other benefits of subscribed policies	-	-	511
Other cash receipts from operating activities	-	826	2,331
<b>Cash payments for operating activities</b>			
Cash payments to suppliers for goods and services	-	(481,183)	(395,470)
Cash payments to and on behalf of employees	-	(40,766)	(33,384)
Cash payments for premiums and services, annuities and other benefits of subscribed policies	-	(16,747)	(16,668)
Other cash payments for operating activities	-	(68,743)	(99,756)
<b>Cash generated from operating activities</b>	-	<b>251,415</b>	<b>253,368</b>
Dividends received	-	3,908	3,400
Interest received	-	2,166	8,568
Income taxes refunded (payments)	-	(35,190)	(67,170)
Other cash receipts (payments)	-	-	(4,835)
<b>Net cash flows from operating activities</b>		<b>222,299</b>	<b>193,331</b>
<b>Cash flows from (used in) investing activities</b>			
Acquisition of property, plant and equipment	-	(76,440)	(36,834)
Other cash receipts (payments)	-	487,226	470,535
<b>Net cash flows from (used in) investing activities</b>		<b>410,786</b>	<b>433,701</b>
<b>Cash flows from (used in) financing activities</b>			
<b>Proceeds from borrowings</b>			
Amounts proceeds from long-term loans	-	-	500,000
Amounts proceeds from short-term loans	-	-	46,800
Payment of lease liabilities	-	(5,642)	(4,384)
Payment of loans	-	(30,444)	(390,208)
Dividends paid	-	(248,509)	(161,667)
Interest paid	-	(38,684)	(40,432)
Other cash (payments) receipts	-	56	(44,181)
<b>Net cash used in financing activities</b>	9.c	<b>(323,223)</b>	<b>(94,072)</b>
<b>Net increase (decrease) in cash and cash equivalents before the effect of movements in exchange rates on cash held</b>		<b>309,862</b>	<b>532,960</b>
<b>Effects of movements in exchange rates on cash and cash equivalents</b>			
Effects of movements in exchange rates on cash and cash equivalents		(37)	(5,825)
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>309,825</b>	<b>527,135</b>
Cash and cash equivalents as of January 1		254,107	326,886
<b>Cash and cash equivalents as of June 30</b>	9	<b>563,932</b>	<b>854,021</b>

See the accompanying notes to the Interim Consolidated Financial Statements



**Colbún S.A. and Subsidiaries**  
**Interim Statements of Changes in Equity**  
**for the periods ended June 30 2021 and 2020 (unaudited)**  
**(In thousands of U.S. dollars)**

Statement of Changes in Equity	Note	Equity attributable to shareholders of the Parent										Non-controlling interests	Equity
		Share capital	Share premium	Changes in other reserves					Retained earnings (accumulated deficit)	Equity attributable to shareholders of the Parent			
				Translation difference reserve	Hedging reserve	Actuarial profit or loss reserve of defined benefit plans	Other miscellaneous reserves	Other reserves					
ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$			
Balance as of January 1, 2021		1,282,793	52,595	(256,115)	8,953	-	956,941	709,779	1,414,284	3,459,451	125,917	3,585,368	
Increase (decrease) of equity due an error		-	-	-	-	-	-	-	-	-	-	-	
Balance as of January 1, 2021, adjusted		1,282,793	52,595	(256,115)	8,953	-	956,941	709,779	1,414,284	3,459,451	125,917	3,585,368	
<b>Changes in equity</b>													
<b>Comprehensive income</b>													
Profit (loss) for the period									(3,800)	(3,800)	(4,531)	(8,331)	
Other comprehensive income				(261)	(4,734)	8,361	-	3,366	-	3,366	-	3,366	
Dividends									(245,908)	(245,908)	-	(245,908)	
Increase (decrease) from other changes		-	-	-	-	(8,361)	(14,878)	(23,239)	23,239	-	-	-	
Total changes in equity		-	-	(261)	(4,734)	-	(14,878)	(19,873)	(226,469)	(246,342)	(4,531)	(250,873)	
<b>Equity as of June 30, 2021</b>	<b>30</b>	<b>1,282,793</b>	<b>52,595</b>	<b>(256,376)</b>	<b>4,219</b>	<b>-</b>	<b>942,063</b>	<b>689,906</b>	<b>1,187,815</b>	<b>3,213,109</b>	<b>121,386</b>	<b>3,334,495</b>	

Statement of Changes in Equity	Note	Equity attributable to shareholders of the Parent										Non-controlling interests	Equity
		Share capital	Share premium	Changes in other reserves					Retained earnings (accumulated deficit)	Equity attributable to shareholders of the Parent			
				Translation difference reserve	Hedging reserve	Actuarial profit or loss reserve of defined benefit plans	Other miscellaneous reserves	Other reserves					
ThUS\$	ThUS\$	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	
<b>Changes in equity</b>													
<b>Comprehensive income</b>													
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)	
<b>Equity as of June 30, 2020</b>	<b>30</b>	<b>1,282,793</b>	<b>52,595</b>	<b>(257,356)</b>	<b>5,272</b>	<b>-</b>	<b>972,032</b>	<b>719,948</b>	<b>1,415,407</b>	<b>3,470,743</b>	<b>191,639</b>	<b>3,662,382</b>	

See the accompanying notes to the Interim Consolidated Financial Statements

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**COLBÚN S.A. AND SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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**COLBÚN S.A. AND SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
(In thousands of U.S. dollars)  
(Translation of the report originally issued in Spanish - See note 2)

**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, 2021, Colbún is a power generation company and the Parent of the Group (hereinafter, the Company, the Entity or Colbún), which is composed of eleven entities: Colbún S.A. and ten 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 (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%), y Jorge Gabriel Larraín Matte, Taxpayer ID 10.031.620-K (2,56%).
- Eliodoro Matte Larraín, Taxpayer ID 4.336.502-2 (7,22%) and his children Eliodoro Matte Capdevila, Taxpayer ID 13.921.597-4 (3,26%); Jorge Matte Capdevila, Taxpayer ID 14.169.037-K (3,26%), y 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%), y 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, 2021, 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
<b>Total ownership interest</b>	<b>8,761,439,346</b>	<b>49.96</b>

## 2. Business description

### Corporate purpose of the Company

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

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

### 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 "Ovejera" (9MW) located in Tiltill in the Metropolitan Region of Chile was commissioned.

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## 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 2021 are: CGE Distribución S.A. and Enel Distribución Chile S.A.

The main unregulated customers supplied during 2021 are: Codelco for its divisions Salvador, Andina, Ventanas and El Teniente, Compañía Minera Zaldivar SpA, Cartulinas CMPC.S.A., CMPC Pulp S.A., CMPC Maderas S.A., Cementos Polpaico S.A., Walmart Chile S.A., Bio-Bío Cementos S.A., Cementos Bio Bio del sur S.A., Comercial ECCSA S.A (Ripley Store), Grupo Camanchaca (Camanchaca Cultivos Sur S.A., Camanchaca Pesca Sur S.A., Compañía Pesquera Camanchaca S.A. and Salmones Camanchaca S.A.), Sociedad Contractual Minera Franke, Minera Meridian Ltda, Molibdenos y Metales S.A., Inacal S.A., Concha y Toro S.A., Nuevo Sur S.A., Sonda S.A., Atacama Kozan and Essbio S.A.

## The Electricity Market

The Chilean power sector has a regulatory framework of almost 3 decades of operations. Such framework allowed developing a highly dynamic industry with significant private equity interest. This sector has been able to comply with the increasing power demand, which has grown at an annual average rate of approximately 2.4% 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 13% in power generation.

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

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

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

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

Note that the regulation allows users with connection power between 500 KW and 5,000 KW to select between

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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**

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

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

Fenix has capacity of 573 MW, which results in a market share of approximately 8% in the SEIN.

### **Main customers**

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

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

Unregulated customers: Pamolsa, Austral, Minera Luren, B Braun, Garment, Del Ande, Grupo Patio, UTP, Chavimochic, Fabricaciones Rema, Logística AQP, Laboratorio Portugal, Modipsa, Idat, Fibraforte, Océano Seafood, Cetus y Pesquera Altair, Induamerica, Cerámicos Lambayeque, Tejidos San Jacinto and Koplast and Grupo Patio Oficinas.

### **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 30, 2021, 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 2021 was approximately 26.6 TWh, concentrated in the mining and residential sectors. In 2020, the system demand was 49.2 TWh.

### 3. Significant Accounting policies

#### 3.1 Accounting policies

These Interim Consolidated Financial Statements of Colbún S.A. and subsidiaries as of June 30, 2021, have been prepared in accordance with International Financial Standards (IFRS) as issued by International Accounting Standards Board (IASB).

These Interim Consolidated Financial Statements have been prepared assuming that the company will continue as a going concern and were approved by the Board of Directors for issue at their Meeting held on July 27, 2021.

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:

- Statements of Financial Position as of June 30, 2021 and December 31, 2020.
- Statement of Comprehensive Income for the six-month periods ended June 30, 2021 and 2020.
- Statement of Cash Flows for the six-month periods ended June 30, 2021 and 2020.
- Statements of Changes in Equity for the six-month periods ended June 30, 2021 June 30, 2021 and 2020.
- Notes to the Financial Statements.

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

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

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

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

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



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

The detail of subsidiaries is as follows:

Consolidated company	Country	Funcional currency	Tax ID No.	Ownership % as of				
				06.30.2021			06.30.2020	12.31.2020
				Direct	Indirect	Total	Total	Total
Termoeléctrica Nehuenco S.A., in liquidation <sup>(1)</sup>	Chile	US\$	76.528.870-3	-	-	-	100	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\$	0-E	100	-	100	100	100
Inversiones de Las Canteras S.A.	Peru	US\$	0-E	-	51	51	51	51
Fenix Power Perú S.A.	Peru	US\$	0-E	-	51	51	51	51
Desaladora del Sur S.A. <sup>(3)</sup>	Peru	PEN	0-E	-	51	51	-	51
Efizity Ingeniería SpA. <sup>(2)</sup>	Chile	Ch\$	76.362.527-3	100	-	100	-	100
Efizity SpA	Chile	Ch\$	76.236.821-8	-	100	100	-	100
Efizity S.A.C.	Peru	PEN	0-E	-	100	100	-	100

### Variations in the consolidation perimeter

During the 2021 period, we can see the following variations in the consolidation perimeter:

<sup>(1)</sup> On February 12, 2021, the liquidation of the company was carried out.

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

<sup>(2)</sup> On September 3, 2020, Colbún S.A. acquired 100% of the shares of Sociedad Efizity Ingeniería SpA, a joint-stock company incorporated in accordance with the Chilean laws.

a) Efizity SpA is a joint stock company constituted in accordance with the Chilean laws, Efizity Ingeniería SpA is the only and exclusive owner of all the shares.

b) Efizity S.A.C is a closed stock company organized in accordance with the laws of the Republic of Peru, Efizity Ingeniería SpA and Colbún Perú S.A. are owners of all its shares.

<sup>(3)</sup> On October 27, 2020, Fenix Power Perú S.A. and Colbún Perú S.A. constituted Sociedad Desaladora del Sur SA, a stock company incorporated in accordance with the laws of Peru, whose objective is the desalination of sea water, purification, conduction, marketing and provision of drinking water supply services to the Potable Water Service and Sewerage of Lima (SEDAPAL for its Spanish acronym) or to third parties.

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

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

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

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

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

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

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

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

**b.2 Non-controlling interest** - The value of non-controlling interest in subsidiaries' equity and comprehensive income is presented under captions "Total Equity: Non-controlling interest" of the 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. N° .3,024, the Ministry of Justice grants legal personality and approves the Colbún Foundation's bylaws (hereinafter the "Foundation"). Main objectives of the Foundation address the following:

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

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

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

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

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

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

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

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

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

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

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

Relationship	Company	Country	Funcional currency	Tax ID N°	Ownership % as of		
					06.30.2021	06.30.2020	12.31.2020
					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	06.30.2021	06.30.2020	12.31.2020
Chilean pesos	727.76	821.23	710.95
Euros	0.8440	0.8900	0.8141
Peruvian soles	3.8660	3.5410	3.6240
Inflation adjusted units	0.0245	0.0286	0.0245

**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.

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## 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 deducted. Equity instruments issued by Colbun S.A. are recognized at the amount of the consideration received, net of direct costs of issuance. Currently, the Company only issues single series shares.

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

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

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

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

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

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

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

Hedges are classified as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**n.2 Dismantling** - Future disbursements by the Company related to the closure of its facilities are included at the asset amount at fair value, recognizing the related provision for dismantling or remediation at the commencement of the plant's operations. The Company assesses on an annual basis its estimate on future disbursements indicated above, increasing or decreasing the asset value based on the results of such estimate (see Note 27 c).

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

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

Revenue is classified in the following categories:

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

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

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

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



- Unregulated customers - Connection capacity exceeding 5,000 KW in Chile and between 200 KW and 2,500 KW in Peru: Revenue from the sale of power for these customers is recorded based on the physical delivery of energy and capacity, at fees established in the related contracts.
- Spot market customers: Revenue from the sale of power is recorded based on the physical delivery of energy and capacity to other power-generation companies at the marginal cost of energy and capacity. The spot market is legally organized through Delivery Centers (CEN in Chile and COES in Peru) where energy and capacity surplus and deficit is traded. Energy and capacity surpluses are recognized as revenue, and deficits are recorded as costs in the consolidated statement of comprehensive income.

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

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

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

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

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

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

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

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

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

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

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

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

**t. Leases** - The implementation of IFRS 16 implies that, for lessees, most of the leases are recognized in the balance sheet, which significantly changes the companies' financial statements and related ratios. Colbun 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.

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All transactions are performed under the market terms and conditions.

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

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

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

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

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

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

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

**y. Non-current assets held for sale** - Non-current assets or groups of assets for their disposal are classified as available for sale when their book value will be recovered mainly through a sale transaction and the sale is considered highly probable within the next 12 months. These assets are recorded at book value or at fair value less the costs necessary to carry out their sale, whichever is lower, in accordance with IFRS 5.

### 3.2 New accounting pronouncements

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2021. Those that may be relevant for the Group are indicated below:

### 3.2.1. Standards effective from January 1, 2021

Adopted Standards		Mandatory application date
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2	January 1, 2021
IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021	April 1, 2021

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

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

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

This standard is effective as of January 1, 2021.

**Covid-19-Related Rent Concessions beyond 30 June 2021:** 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 due to 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 who makes 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.

In March 2021, the IASB issued an amendment to IFRS 16 Leases to extend the availability of the practical solution that considers the assessment of Covid-19 related rent decreases for one more year.

The practical solution of 2021 applies to rental concessions where the reduction in the lease corresponds only to payments that are originally due before June 30, 2022, provided that the other conditions established for the application of the practical solution are met. The amendment will apply to annual periods beginning on or after April 1, 2021.

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 tenant applies the amendment for the first time. The lessee is not required to disclose the information required by paragraph 28 (f) of IAS 8.

### 3.2.2. Accounting pronouncements effective starting from January 1, 2022 and thereafter:

Standards issued by the IASB yet to be adopted		Mandatory application date
IFRS 3	Reference to the Conceptual Framework	January 1, 2022
IAS 16	Property, Plant and Equipment - Proceeds before Intended Use	January 1, 2022
IAS 37	Onerous Contracts - Costs of Fulfilling a Contract	January 1, 2022
IFRS 17	Insurance Contracts	January 1, 2023
IAS 1	Classification of Liabilities as Current or Non-Current	January 1, 2023
IAS 1	Material accounting policies	January 1, 2023
IAS 8	Definition of an accounting estimate	January 1, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
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

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

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

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

**Property, Plant and Equipment: Proceeds before Intended Use (Amendment to IAS 16):** The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss in accordance with the applicable standards. The amendment will be effective for annual periods beginning on or after 1 January 2022. The amendment must be applied retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

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

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

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

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

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

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

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

**Disclosure of Accounting Policies (Amendment IAS 1 Presentation of Financial Statements):** In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement No. 2 Make materiality judgments, in which it provides guidance and examples to help entities apply material judgments to accounting policy disclosures.

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

- Replace the requirement that entities disclose their "significant" accounting policies with the requirement to disclose their "material" accounting policies.
- Include guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

When evaluating the relative importance of information on accounting policies, entities should consider both the size of the transactions and other events or conditions and the nature of these.

The amendment will be effective for annual periods beginning on or after January 1, 2023.

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

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

The amendment will be effective for annual periods beginning on or after January 1, 2023.

**Deferred tax related to assets and liabilities arising from a single transaction (Amendment to IAS 12 Income Taxes):** The amendment establishes that the main change in deferred tax related to assets and liabilities arising from a single transaction (amendments to the IAS 12) is an exemption from initial recognition of the exemption provided for in IAS 12.15 (b) and IAS 12.24. Consequently, the initial recognition of the exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. This is also explained in the newly inserted paragraph IAS 12.22A.

The amendment will be effective for annual periods beginning on or after January 1, 2023.

**Sale or Contributions of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28):** The amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) address a recognized inconsistency between the requirements of IFRS 10 and those of IAS 28 (2011) in the treatment of the sale or contribution of assets between an investor and its associate or joint venture. The amendments, issued in September 2014, establish that when the transaction involves a business (whether it is in a subsidiary or not), all the profit or loss generated is recognized. A partial gain or loss is recognized when the transaction involves assets that do not constitute a business, even when the assets are in a subsidiary. The mandatory application date of these amendments is yet to be determined as the IASB is awaiting the results of its research project on accounting under the equity method. These amendments must be applied retrospectively, and early adoption is allowed, which must be disclosed.

This modification does not have significant effects for the Company.

### **3.3 Responsibility for the information and estimates made**

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

The preparation of the interim consolidated financial statements requires the use of judgments, estimates and assumptions that affect assets and liabilities at the reporting date, and income and expense amounts during the reporting period. These estimates are based on the best knowledge of Management on the reported amounts, events, 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 consolidated financial statements, in conformity with IAS 8.

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## 4. Risk management

### 4.1 Risk management policy

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

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

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

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



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

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

#### **c. Fuel supply risk**

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

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

With respect to purchases of coal for Santa María thermal power plant, the Company conducts tender processes (the most recent conducted in March 2021), inviting significant international suppliers and awarding such supply to competitive, financially stable companies. This is performed in accordance with an early purchase policy and an inventory management policy to substantially mitigate the risk of fuel unavailability.

#### **d. Equipment malfunction and maintenance risk**

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

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

#### **e. Project construction risk**

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

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

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

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

#### **Chile**

In the context of the constitutional process originated from the commitment called "Agreement for Peace and the New Constitution" ("Acuerdo por la Paz y la Nueva Constitución"), and the subsequent approval by plebiscite of a new Constitution, on May 15 and 16, 2021, the election of the 155 constituents in charge of its drafting, and the installation of the Constituent Convention on July 4.

The constitutional process may result in changes to the institutional framework applicable to business activity in the country.

On Wednesday June 30, 2021, due to the outbreak of COVID-19 that affects the country, the approval of the National Congress was communicated to the request made by the President of the Republic, in order to extend until September 30, 2021 the validity of the State of Constitutional Exception of Catastrophe.

In this context, within the framework of the serious health crisis affecting the country, on January 5, 2021, Law No. 21,301 was enacted, which extending the effects of Law No. 21,249, which provides for exceptional measures in favor of the end users of health services, electricity and gas network that establishes the prohibition of the cut for non-payment of basic services and allows prorating bad debts. This initiative extends the term of benefits to end users, which were in force until November 2020. Additionally, at the beginning of May another parliamentary initiative was passed into law that once again extends the effects of Law No. 21,249, extending the terms of the non-cut of supply due to late payment and the accumulation of debts with distribution companies until December 31, 2021. This rule also increases the maximum number of installments in which the debt payment can be prorated from 36 to 48 installments and expands the universe of beneficiaries to 80% vulnerability according to the Social Registry of Households. In response to the debt problem that has been accumulating among users of basic services, on June 17, 2021, the Chamber of Deputies presented a draft Resolution that requests the President of the Republic to establish a financing mechanism to solve the debt of basic services for residential users and micro, small and medium-sized enterprises.

Additionally, the Chamber of Deputies sent the Senate to its second constitutional process the Bill that seeks to advance the decommissioning of coal-fired plants that was generally approved by the Chamber. This bill, initiated by a parliamentary motion, seeks to prohibit the installation and operation of coal-fired thermoelectric generation plants throughout the national territory as of January 1, 2026. Despite the presentations made by the Ministries of Energy and the Environment, the CNE and the National Electric Coordinator to the the Commission on Environment and Natural Resources of the Chamber to expose the inconvenience of advancing the closure of the coal-fired power plants through legal means, the initiative was finally voted and approved by the Chamber with the same original text, rejecting the indications that were presented. It is important to remember that in 2019 the generators signed a voluntary agreement with the government, by which they committed not to build new coal-fired plants and agreed to the progressive closure of the coal-fired plants along with reviews every 5 years in conjunction with the regulator. The Bill will now be discussed in the Energy and Mining Commission.

Recently, a parliamentary motion that regulates the construction, installation and operation, its environmental impact and the inspection of Wind Turbine Complexes entered the Chamber of Deputies. The Bill, which establishes requirements in the design of projects, defines compensation for neighboring communities and includes an amendment to the law on general environmental bases, has no urgency and the Chamber agreed that this be known by the Commission of Environment and then by the Chamber's Mining and Energy Commission.

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

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

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

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

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

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

- a. In the context of the Flexibility Strategy, in particular with regard to the measures related to the improvement of the adequacy remuneration mechanism and the introduction of long-term market signals that encourage investment in technologies that provide flexibility to the electricity system, in October of last year, the Ministry of Energy and the National Energy Commission began a process to improve the Power Transfer Regulations to address these measures. This process is being developed through a Consultative Worktable, which is a participation instance whose purpose is to capture the different opinions of the industry in order to prepare a proposed regulation and then submit it to a public consultation.

Although the December 30, 2020, the Ministry released a conceptual proposal for the new power transfer regulations, on which the industry made its observations during the last months, additional discussion sessions have been held and on July 9, 2021, the Ministry released a summary with the main provisions that would finally be included in the draft that will be submitted to Public Consultation. The final proposal considers modifications such as the redefinition of peak hours of the system, the use of a probabilistic methodology for the recognition of power, the incorporation of a cost-efficiency signal within the recognition of Power, the modification of the theoretical power reserve margin, a transitory regime for its application, among others.

In accordance with the Ministry's schedule, the new regulation will be submitted to Public Consultation during the month of July 2021.

- b. LNG Technical Standard. Within the framework of the process of elaboration of Technical Standards that is defined in the Regulation for the Issuance of Technical Standards and the 2020 Annual Regulatory Plan, the CNE convened a Regulatory Advisory Committee with the main purpose of reviewing the aspects associated with the condition of supply (flexible and inflexible) of the current technical standard, whose committee was made up of 24 members, including representatives of companies (including Colbun) and trade associations (technical experts), who presented their opinion on the standard and proposals during the months of November and December 2020.

After this process, on June 14, 2021, the CNE released the draft of the technical standard for scheduling and coordinating the operation of units that use regasified LNG, the document of which was in Public Consultation until July 12. In general terms, this proposal assigns to the Coordinator the responsibility of determining the quantities of gas that will be required for the system in the following year and that will be the maximum volumes that will have the possibility of being declared inflexibly. Studies indicate that the limitation on gas imports, which can be declared inflexible in the terms indicated in the CNE's proposal, would result in higher system operating costs (and higher energy prices) and higher greenhouse gas emissions. and local pollutants. The safety of the system's operation would also be compromised, which is particularly complex in a scenario of the retirement of coal-fired plants. Colbun sent observations to the CNE proposal that seek to avoid these adverse consequences.

- c. On June 22, Exempt Resolution No. 198 was published on the CNE website for the so-called Final Technical Report on the Determination of investment costs and fixed operating costs of the top unit of the national electricity system and the systems medium.
- d. On June 18, 2021, the CNE published Exempt Resolution No. 194 of the Final Technical Report of the Average Node Price for the second half of 2021. This report includes a projection on the accumulation of balances owed to generators due to the stabilization mechanism of prices that was established in Law 21,185, corresponding to the Stabilized Price for Regulated Clients (PEC), projecting a debt of 1,070 MMUSD as of December 2021.

## Peru

After Luz del Sur filed a complaint against the Ministry of Energy, due to the fact that - in the opinion of the electricity company - Decree 043-2017-EM, which is related to the declaration of fuel prices by generating plants, had both legal and constitutional infractions, the Supreme Court declared that this Decree is void and ordered the Ministry of Energy to establish new provisions based on the already existing Decree 039-2017-EM.

In this context, the regulator (OSINERGMIN) established that all the costs of the supply chain be used to determine the variable costs of gas, that is, cost of gas supply, transportation and distribution, a scheme that will begin to fully govern as of July 1, 2021. On May 4, 2021, the Resolution of the Board of Directors of the Supervisory Body of Investment in Energy and Mining OSINERGMIN N ° 092-2021-OS / CD was published in the Official Gazette El Peruano, which modifies the Technical Procedure of COES No. 31 "Calculation of Variable Costs of Generation Units", making the change in the methodology for calculating Marginal Costs in the short-term market official.

On the other hand, on May 19, 2021, Supreme Decree No. 012-2021-EM was published in the Official Gazette El Peruano, which (i) approves the Regulations to optimize the use of Natural Gas and creates the Gas Manager; and (ii) modifies and incorporates new provisions to the Regulation of the Natural Gas Secondary Market, approved by Supreme Decree No. 046-2010-EM. However, to start the operation of the Natural Gas Secondary Market requires the issuance of operating procedures by the Ministry of Energy and Mines, which should be issued in September 2021.

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

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

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

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

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

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

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

Regarding the impact of COVID19 on energy demand, there is still uncertainty about how and for how long this contingency will extend. Energy demand in Chile has grown about 6.1% during 2Q21 compared to 2Q20, while Peru has experienced an increase of approximately 31.1% compared to 2Q20.

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

#### **4.2.2 Financial risks**

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

##### **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, 2021, 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, 2021, 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 12.b to these Consolidated Financial Statements.

#### **d. Liquidity risk**

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

As of June 30, 2021, Colbún has cash surpluses of approximately US\$1.028 million, invested in time deposits for an average of 65 days (including time deposits with maturities exceeding 90 days, where the latter are recorded as "Other financial assets, current" in the Consolidated Financial Statements), and in short-term mutual fund deposits maturing in less than 90 days.

Likewise, to date, the Company has the following additional sources of liquidity available: (i) three line of bonds registered with the local market, two for UF 7 million as a whole and one for UF 7 million, and (ii) uncommitted credit revolving facilities for approximately US\$150 million. For its part, Fenix Power has committed credit lines for a total of US \$25 million, with a one-year term, contracted with two local banks. In addition, Fenix Power has uncommitted lines for a total of US \$24 million, contracted with three local banks.

Within the next twelve months, the Company will have to disburse approximately US\$111 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, 2021, Colbún has the following local risk ratings: AA by Fitch Ratings and Feller Rate, with stable outlook. At international level, the Company's ratings are Baa2 by Moody's, BBB by S&P and BBB+ by Fitch Ratings, all with stable outlooks.

As of June 30, 2021, Fenix Power risk ratings are 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 24.c.2 of the Financial Statements.

### 4.3 Risk measurement

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

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

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

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

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

The accounting mismatch exposure is mitigated by applying a policy of maximum mismatch between assets and liabilities for structural items in the Balance Sheet denominated in currencies other than U.S. dollar. As of June 30, 2021, the Company's exposure to this risk relates to a potential impact of approximately US\$4.2 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 33%. 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 34% in terms of notional value.

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

## 5. Critical Accounting policies

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

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

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

Estimated useful lives as of June 30, 2021 are as follows:

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

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

Classes of property, plant and equipment	Useful life (years)	Average remaining useful life (years)
Buildings	10 - 65	32
Machinery	4 - 20	10
Transport equipment	5 - 15	6
Office equipment	5 - 12	9
IT equipment	3 - 10	6
Power-generating asset	2 - 100	42
Transmission line operation and maintenance	20	13
Right-of-use assets	2 - 14	12
Other property, plant and equipment	10 - 43	25

Additional detail per class of plants is presented below

Classes of plants	Useful life (years)	Average remaining useful life (years)
<b>Power-generating facilities</b>		
Hydroelectric power plants		
Civil works	10 - 100	71
Electromechanical equipment	2 - 100	21
Thermal power plants		
Civil works	10 - 60	22
Electromechanical equipment	2 - 60	16
Solar power plant		
Electromechanical equipment	5 - 25	21
Civil works	25	23



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

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

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

Intangible assets	Useful life (years)	Average remaining useful life (years)
Customer contractual relationships	2 - 15	11
Software	1 - 15	6
Rights and concessions	1 - 10	4

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 Colbun, as applicable, for most recent long-term budgets or estimates approved, considering the regulation and expectations for market development per the available sector forecasts and the historical experience on price evolution and volumes produced.

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

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

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

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

- a) Assets and liabilities comprising such unit have not significantly changed since the latest recoverable amount calculation.
- b) The latest recoverable amount calculation resulted in an amount that significantly exceeded the unit's carrying amount; and
- c) Based on an analysis performed on the events and circumstances that had changed since the latest recoverable amount was calculated, it is unlikely that the current recoverable amount determination will be less than the unit's current carrying amount.

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

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

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

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

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

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

### **c. Fair value of derivatives and other financial instruments**

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

## 6. Non-current assets classified as held for sale

On March 30, 2021, Colbún S.A., together with its subsidiary Colbún Desarrollo SpA, entered into with Alfa Desarrollo SpA, 80% controlled by APG Energy and Infra Investments, S.L. (part of APG, Dutch pension fund) and 20% by Celeo Redes, S.L.U. (subsidiary of Celeo, Concesiones e Inversiones S.L.), a Purchase Price Agreement for the transfer to the last one, all the shares of the company Colbún Transmission S.A. (the “Transaction”). The closing of the Transaction and the transfer of the shares of Colbún Transmission S.A. was subject to certain usual conditions for this type of operations, including the approval that the National Economic Prosecutor’s Office must grant in accordance with the provisions of D.L. 211 of 1973.

The price of the Transaction is USD 1,295 million, which may experience variations due to the application of the adjustments stipulated in the respective contract, which are usual for this type of transaction. This operation is estimated to have a positive effect on results for Colbún S.A. in 2021, before taxes, of USD 930 million, considering a probable scenario for the aforementioned adjustments.

The company Colbún Transmission S.A. operates and owns of 899 kilometers of transmission lines and 27 electrical substations, divided into 37% of “national” assets, 8% of “zonal” and 55% of “dedicated” in the National Electric System (SEN).

As of June 30, 2021, Colbún Transmission S.A. represents 3% of the consolidated revenues presented in the Statement of Comprehensive Income and belongs to the Transmission segment as indicated in note 8.

The group of assets and liabilities that, as of June 30, 2021, is available for sale, is presented below:

ASSETS	June 30 2021 ThUS\$
<b>Current assets</b>	
Cash and cash equivalents	33,228
Other non-financial assets, current	583
Trade and other receivables, current	14,262
Inventories, current	1,042
Current tax assets	462
<b>Total current assets</b>	<b>49,577</b>
<b>Non-current assets</b>	
Intangible assets other than goodwill	39,413
Property, plant and equipment	357,360
Right-of-use assets	228
<b>Total non-current assets</b>	<b>397,001</b>
<b>TOTAL ASSETS</b>	<b>446,578</b>

<b>LIABILITIES</b>	<b>June 30 2021 ThUS\$</b>
<b>Current liabilities</b>	
Short-term lease liabilities	208
Trade and other payables	1,999
Other current provisions	1,220
Other non-financial liabilities, current	3,514
<b>Total current liabilities</b>	<b>6,941</b>
<b>Non-current liabilities</b>	
Long-term lease liabilities	30
Deferred tax liabilities	57,821
Other non-financial liabilities, non-current	13,542
<b>Total non-current liabilities</b>	<b>71,393</b>
<b>TOTAL LIABILITIES</b>	<b>78,334</b>

## 7. Goodwill

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

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

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

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

## 8. Segment reporting

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

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

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

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

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

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

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

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

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

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

The Transmission segment is a new operating segment since 2019. The decision to provide more focus on this segment was made after the reorganization of these type of assets within Colbún, in which all of the Transmission Assets were transferred to Colbún 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 Colbún's investors and the financial markets in general.

Before 2019, the majority of the transmission assets were part of Colbún'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 06.30.2021	January - June 2021						April - June 2021					
	Chile Generation	Chile Transmission	Peru Generation	Operating segments	Elimination of intersegment revenue	Total operating segments	Chile Generation	Chile Transmission	Peru Generation	Operating segments	Elimination of intersegment revenue	Total operating segments
<b>Revenue</b>												
Revenue	607,088	22,841	77,825	707,754	-	707,754	320,360	11,944	39,865	372,169	-	372,169
Revenue from transactions with other operating segments	3,642	16,924	-	20,566	(20,566)	-	1,900	8,553	-	10,453	(10,453)	-
<b>Total revenue from third parties and transactions with other operating segments</b>	<b>610,730</b>	<b>39,765</b>	<b>77,825</b>	<b>728,320</b>	<b>(20,566)</b>	<b>707,754</b>	<b>322,260</b>	<b>20,497</b>	<b>39,865</b>	<b>382,622</b>	<b>-</b>	<b>372,169</b>
Raw materials and consumables	(328,186)	(5,614)	(39,516)	(373,316)	20,566	(352,750)	(174,796)	(3,080)	(22,079)	(199,955)	10,453	(189,502)
Employee benefit expenses	(39,497)	-	(3,316)	(42,813)	-	(42,813)	(20,070)	-	(1,475)	(21,545)	-	(21,545)
Interest expenses	(30,572)	(176)	(12,845)	(43,593)	-	(43,593)	(15,097)	(88)	(6,219)	(21,404)	-	(21,404)
Interest income	2,301	4	111	2,416	-	2,416	1,069	2	54	1,125	-	1,125
Depreciation and amortization expenses	(87,060)	(5,580)	(17,733)	(110,373)	2,813	(107,560)	(43,348)	(2,814)	(8,785)	(54,947)	2,813	(52,134)
Share of profit or loss of equity-accounted associates and joint ventures	28,601	-	-	28,601	(25,277)	3,324	15,469	-	-	15,469	(13,516)	1,953
Income tax expense from continuing operations	(84,119)	(7,652)	(8,143)	(99,914)	(760)	(100,674)	(14,084)	(3,290)	(3,262)	(20,636)	(760)	(21,396)
Other significant items other than cash	-	-	-	-	-	-	-	-	-	-	-	-
Profit (loss) before taxes	90,351	28,267	(998)	117,620	(25,277)	92,343	54,455	14,534	(1,192)	67,797	(13,516)	54,281
<b>Profit (loss) from continuing operations</b>	<b>6,232</b>	<b>20,615</b>	<b>(9,141)</b>	<b>17,706</b>	<b>(26,037)</b>	<b>(8,331)</b>	<b>40,371</b>	<b>11,244</b>	<b>(4,454)</b>	<b>47,161</b>	<b>(12,756)</b>	<b>32,885</b>
<b>Profit (loss)</b>	<b>6,232</b>	<b>20,615</b>	<b>(9,141)</b>	<b>17,706</b>	<b>(26,037)</b>	<b>(8,331)</b>	<b>40,371</b>	<b>11,244</b>	<b>(4,454)</b>	<b>47,161</b>	<b>(12,756)</b>	<b>32,885</b>
Assets	5,758,846	437,900	736,042	6,932,788	(465,065)	6,467,723						
Equity-accounted investees	489,139	-	-	489,139	(465,065)	24,074						
Incorporation of non-current assets other than financial instruments, deferred tax assets, assets related to defined benefit plans and rights arising from insurance contracts	113,956	-	2,824	116,780	-	116,780						
Liabilities	2,550,045	93,600	489,583	3,133,228	-	3,133,228						
<i>Equity</i>						3,334,495						
<i>Liabilities and equity</i>						6,467,723						
Impairment losses recognized in profit or loss for the year	(83)	-	-	(83)	-	(83)						
Cash flows from (used in) operating activities	151,686	38,276	32,337	222,299	-	222,299	69,053	24,144	17,176	110,373	-	110,373
Cash flows from (used in) investing activities	437,564	(25,207)	(1,571)	410,786	-	410,786	248,792	(24,107)	(1,068)	223,617	-	223,617
Cash flows from (used in) financing activities	(303,365)	8,489	(28,347)	(323,223)	-	(323,223)	(297,300)	16,492	(4,900)	(285,708)	-	(285,708)

Continued

Segment operating results as of 06.30.2020	January - June 2020						April - June 2020					
	Chile Generation	Chile Transmission	Peru Generation	Operating segments	Elimination of intersegment revenue	Total operating segments	Chile Generation	Chile Transmission	Peru Generation	Operating segments	Elimination of intersegment revenue	Total operating segments
<b>Revenue</b>												
Revenue	561,519	32,134	72,472	666,125	3,000	669,125	271,752	17,720	34,790	324,262	2,252	326,514
Revenue from transactions with other operating segments	203	11,890	-	12,093	(12,093)	-	203	3,623	-	3,826	(3,826)	-
<b>Total revenue from third parties and transactions with other operating segments</b>	<b>561,722</b>	<b>44,024</b>	<b>72,472</b>	<b>678,218</b>	<b>(9,093)</b>	<b>669,125</b>	<b>271,955</b>	<b>21,343</b>	<b>34,790</b>	<b>328,088</b>	<b>(1,573)</b>	<b>326,515</b>
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)	(14,383)	-	(1,526)	(15,909)	-	(15,909)
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)	2,751
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)	72,778
<b>Profit (loss) from continuing operations</b>	<b>113,702</b>	<b>22,071</b>	<b>(15,613)</b>	<b>120,160</b>	<b>(30,033)</b>	<b>90,127</b>	<b>63,312</b>	<b>11,988</b>	<b>(9,030)</b>	<b>66,270</b>	<b>(15,995)</b>	<b>50,275</b>
<b>Profit (loss)</b>	<b>113,702</b>	<b>22,071</b>	<b>(15,613)</b>	<b>120,160</b>	<b>(30,033)</b>	<b>90,127</b>	<b>63,312</b>	<b>11,988</b>	<b>(9,030)</b>	<b>66,270</b>	<b>(15,995)</b>	<b>50,275</b>
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	-	-	-	-	-	-
<i>Equity</i>												
<b>Liabilities and equity</b>						<b>6,702,663</b>						
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 12.31.2020	Chile Generation	Chile Transmission	Peru Generation	Operating segments	Elimination of intersegment revenue	Total operating segments
<b>Revenue</b>						
Revenue	1,134,028	51,400	159,440	1,344,868	4,000	1,348,868
Revenue from transactions with other operating segments	250	28,818	-	29,068	(29,068)	-
<b>Total revenue from third parties and transactions with other operating segments</b>	<b>1,134,278</b>	<b>80,218</b>	<b>159,440</b>	<b>1,373,936</b>	<b>(25,068)</b>	<b>1,348,868</b>
Raw materials and consumables	(502,075)	(12,283)	(86,506)	(600,864)	25,068	(575,796)
Employee benefit expenses	(59,295)	-	(6,062)	(65,357)	-	(65,357)
Interest expenses	(63,507)	(110)	(26,842)	(90,459)	-	(90,459)
Interest income	10,431	94	717	11,242	-	11,242
Depreciation and amortization expenses	(188,996)	(11,047)	(46,572)	(246,615)	-	(246,615)
Share of profit or loss of equity-accounted associates and joint ventures	172,429	-	-	172,429	(162,479)	9,950
Income tax expense from continuing operations	16,157	(15,519)	(43,389)	(42,751)	-	(42,751)
Profit (loss) before taxes	430,298	57,426	(193,026)	294,698	(162,479)	132,219
<b>Profit (loss) from continuing operations</b>	<b>446,455</b>	<b>41,907</b>	<b>(236,415)</b>	<b>251,947</b>	<b>(162,479)</b>	<b>89,468</b>
<b>Profit (loss)</b>	<b>446,455</b>	<b>41,907</b>	<b>(236,415)</b>	<b>251,947</b>	<b>(162,479)</b>	<b>89,468</b>
Assets	5,907,891	417,727	757,215	7,082,833	(448,966)	6,633,867
Equity-accounted investees	475,815	-	-	475,815	(448,966)	26,849
Incorporation of non-current assets other than financial instruments, deferred tax assets, assets related to defined benefit plans and rights arising from insurance contracts	23,577	12,633	28,562	64,772	-	64,772
Liabilities	2,452,878	94,005	501,616	3,048,499	-	3,048,499
<i>Equity</i>						3,585,368
<b>Liabilities and equity</b>						<b>6,633,867</b>
Impairment losses recognized in profit or loss for the year	(4,517)	-	(179,615)	(184,132)	-	(184,132)
Cash flows from (used in) operating activities	422,775	39,347	63,502	525,624	-	525,624
Cash flows from (used in) investing activities	(318,587)	(11,994)	(30,013)	(360,594)	-	(360,594)
Cash flows from (used in) financing activities	(184,778)	(36,290)	(25,293)	(246,361)	-	(246,361)



## Information about products and services

Sales in the main geographical markets	January - June		April - June	
	2021 ThUS\$	2020 ThUS\$	2021 ThUS\$	2020 ThUS\$
<b>Chile Generation</b>				
Energy sales	459,818	426,548	254,119	201,007
Power sales	62,423	63,918	29,794	24,687
Other income	88,489	71,256	38,347	46,261
<b>Subtotal</b>	<b>610,730</b>	<b>561,722</b>	<b>322,260</b>	<b>271,955</b>
<b>Chile Transmission</b>				
Sales from tolls	39,765	44,024	20,497	21,343
<b>Subtotal</b>	<b>39,765</b>	<b>44,024</b>	<b>20,497</b>	<b>21,343</b>
<b>Peru</b>				
Energy sales	54,697	49,811	28,246	23,180
Power sales	20,387	19,927	10,374	10,156
Other income	2,741	2,734	1,245	1,454
<b>Subtotal</b>	<b>77,825</b>	<b>72,472</b>	<b>39,865</b>	<b>34,790</b>
<b>Total reportable segments</b>	<b>728,320</b>	<b>678,218</b>	<b>382,622</b>	<b>328,088</b>
<b>Elimination of inter-segment revenue</b>	<b>(20,566)</b>	<b>(9,093)</b>	<b>(10,453)</b>	<b>(1,573)</b>
<b>Total sales</b>	<b>707,754</b>	<b>669,125</b>	<b>372,169</b>	<b>326,515</b>

## Information on sales to main customers

Main customers	January - June				April - June			
	2021		2020		2021		2020	
	ThUS\$	%	ThUS\$	%	ThUS\$	%	ThUS\$	%
<b>Chile Generation</b>								
Corporación Nacional del Cobre Chile	233,943	32%	254,121	37%	98,921	26%	151,928	48%
CGE Distribución S.A.	50,321	7%	98,044	14%	22,028	6%	51,321	16%
Enel Distribución Chile S.A.	30,889	4%	59,689	9%	11,978	3%	30,217	9%
Anglo American S.A.	531	0%	32,122	5%	470	0%	15,830	5%
Sociedad Austral del Sur S.A.	1,007	0%	1,373	0%	540	0%	671	0%
Colbún Transmisión S.A.	3,642	2%	203	0%	1,900	0%	54	0%
Others	290,397	39%	116,170	17%	186,423	49%	21,934	7%
<b>Subtotal</b>	<b>610,730</b>	<b>84%</b>	<b>561,722</b>	<b>82%</b>	<b>322,260</b>	<b>84%</b>	<b>271,955</b>	<b>85%</b>
<b>Chile Transmission</b>								
Colbún S.A.	16,924	2%	11,890	2%	8,553	2%	3,623	1%
Corporación Nacional del Cobre Chile	5,069	1%	5,858	1%	2,675	1%	2,373	1%
Anglo American S.A.	2,114	0%	1,548	0%	1,015	0%	1,086	0%
Others	15,658	2%	24,728	4%	8,254	2%	14,261	4%
<b>Subtotal</b>	<b>39,765</b>	<b>5%</b>	<b>44,024</b>	<b>7%</b>	<b>20,497</b>	<b>5%</b>	<b>21,343</b>	<b>6%</b>
<b>Peru</b>								
Luz del Sur S.A.A.	38,872	5%	38,018	6%	18,374	5%	17,443	5%
Enel Distribución Perú S.A.A.	9,995	1%	10,032	0%	4,833	1%	4,645	1%
Comité de Operación Económica del Sistema Interconectado Nacional	3,064	0%	4,476	1%	1,519	1%	2,117	1%
Compañía Electrica El Platanal	4,200	1%	4,373	1%	2,155	1%	2,194	0%
Atria Energía S.A.C.	3,950	1%	4,173	1%	1,868	1%	1,867	0%
Electro Oriente S.A.	2,394	0%	-	0%	1,170	0%	-	0%
Kallpa Generacion S.A	1,345	0%	-	0%	906	0%	-	0%
Others	14,005	3%	11,400	2%	9,040	2%	6,524	2%
<b>Subtotal</b>	<b>77,825</b>	<b>11%</b>	<b>72,472</b>	<b>11%</b>	<b>39,865</b>	<b>11%</b>	<b>34,790</b>	<b>9%</b>
<b>Total reportable segments</b>	<b>728,320</b>	<b>100%</b>	<b>678,218</b>	<b>100%</b>	<b>382,622</b>	<b>100%</b>	<b>328,088</b>	<b>100%</b>
<b>Elimination of inter-segment revenue</b>	<b>(20,566)</b>		<b>(9,093)</b>		<b>(10,453)</b>		<b>(1,573)</b>	
<b>Total sales</b>	<b>707,754</b>		<b>669,125</b>		<b>372,169</b>		<b>326,515</b>	

## 9. Cash and cash equivalents

### a. Detail

As of June 30, 2021, and December 31, 2020, this caption is composed of the following:

Cash and cash equivalents	06.30.2021 ThUS\$	12.31.2020 ThUS\$
Cash on hand	295	45
Cash in banks	257,280	192,327
Time deposits	243,099	22,208
Other cash equivalents	30,030	39,527
<b>Total cash and cash equivalents from continuing operations</b>	<b>530,704</b>	<b>254,107</b>
Cash and cash equivalents of assets classified as held for sale <sup>(1)</sup>	33,228	-
<b>Total cash and cash equivalents</b>	<b>563,932</b>	<b>254,107</b>

<sup>(1)</sup>Corresponds to cash and cash equivalents of Colbún Transmission S.A. held for sale as indicated in Note 6.

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

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

As of June 30, 2021, and December 31, 2020, 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 10.

### b. Detail by currency

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

Currency	06.30.2021		12.31.2020	
	Currency ThUS\$	Currency with derivative <sup>(1)</sup> ThUS\$	Currency ThUS\$	Currency with derivative <sup>(1)</sup> ThUS\$
EUR	1,262	1,262	2,042	2,042
CLP	154,740	92,740	79,005	79,005
PEN	5,824	5,824	7,124	7,124
USD	368,878	430,878	165,936	165,936
<b>Total</b>	<b>530,704</b>	<b>530,704</b>	<b>254,107</b>	<b>254,107</b>

<sup>(1)</sup> Considers the subscribed exchange rate forward effect to re-denominate in U.S. dollars certain term deposits in Chilean pesos.

### c. Reconciliation of liabilities arising from financial activities

Liabilities arising from financing activities	Balance as of 01.01.2021 ThUS\$	Cash flow ThUS\$	Changes that do not represent cash flows				Balance as of 06.30.2021 ThUS\$
			Dividends	Interests	Valuation	Other	
			ThUS\$	ThUS\$	ThUS\$	ThUS\$	
Finance lease liabilities <sup>(1)</sup>	134,757	(10,882)	-	5,310	570	972	130,727
Banks payable	25,531	(355)	-	344	(478)	-	25,042
Bonds Payable <sup>(2)</sup>	1,635,985	(63,477)	-	45,927	(8,785)	-	1,609,650
Dividends payable	254	(248,509)	249,298	-	-	-	1,043
<b>Total</b>	<b>1,796,527</b>	<b>(323,223)</b>	<b>249,298</b>	<b>51,581</b>	<b>(8,693)</b>	<b>972</b>	<b>1,766,462</b>

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

<sup>(1)</sup> See note 25.a

<sup>(2)</sup> See note 24.a

### 10. Other financial assets

As of June 30, 2021, and December 31, 2020, this caption is composed of the following:

	Current		Non-current	
	06.30.2021	12.31.2020	06.30.2021	12.31.2020
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Time deposits <sup>(1)</sup>	226,067	713,293	-	-
Hedge derivative instruments <sup>(2)</sup> (see note 15.1)	1,142	1,362	3,008	10,199
Investment for share offering	-	-	84	84
<b>Total</b>	<b>227,209</b>	<b>714,655</b>	<b>3,092</b>	<b>10,283</b>

<sup>(1)</sup> As of June 30, 2021, investments in term deposits that were classified in this caption have an original average investment term less than six months and the remaining average maturity term was 80 days. Cash flows related to these investments are presented in the statements of cash flows as cash flows from investing activities in other cash receipts (payments).

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

### 11. Trade and other receivables

As of June 30, 2021, and December 31, 2020, this caption is composed of the following:

Caption	Current		Non-current	
	06.30.2021	12.31.2020	06.30.2021	12.31.2020
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Trade receivables by contract	256,527	191,740	3,998	109,282
Other receivables <sup>(1)</sup>	7,242	9,431	-	-
<b>Total</b>	<b>263,769</b>	<b>201,171</b>	<b>3,998</b>	<b>109,282</b>

<sup>(1)</sup> As of June 30, 2021, the current balance comprises recoverable taxes for ThUS\$ 2,194 and other minor items for ThUS\$ 5,048. (ThUS\$ 6,582 and ThUS\$ 2,849 as of December 31, 2020, 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 as of December 31, 2020, corresponds mainly to accounts receivable, whose accounting treatment is derived from the application of Law No. 21,185, which creates a temporary price stabilization mechanism (PEC).

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

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

Impairment	06.30.2021 ThUS\$	12.31.2020 ThUS\$
Opening balance	2,750	974
Increase (decrease) in the allowance	(939)	2,331
Impairment losses	-	(37)
Reversal of impairment losses	(32)	(518)
<b>Closing balance</b>	<b>1,779</b>	<b>2,750</b>

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

As of June 30, 2021, and December 31, 2020, the analysis of trade receivables is as follows:

a) Aging of trade receivables portfolio

Invoiced	Balance as of 06.30.2021					
	Current ThUS\$	1-30 days ThUS\$	31-60 ThUS\$	61-90 ThUS\$	Over 91 days ThUS\$	Total ThUS\$
Trade receivables, regulated	4,545	1,083	3	1	269	5,901
Trade receivables, unregulated	17,330	1,241	77	60	1,407	20,115
Other receivables	20,901	1,033	29	63	416	22,441
Allowance for impairment losses	(1,701)	(2)	-	-	(76)	(1,779)
<b>Subtotal</b>	<b>41,075</b>	<b>3,354</b>	<b>109</b>	<b>124</b>	<b>2,016</b>	<b>46,678</b>
Invoices to be issued	Balance as of 06.30.2021					
	Current ThUS\$	1-30 days ThUS\$	31-60 ThUS\$	61-90 ThUS\$	Over 91 days ThUS\$	Total ThUS\$
Trade receivables, regulated	64,295	-	-	-	-	64,295
Trade receivables, unregulated	51,311	-	-	-	-	51,311
Other receivables	94,243	-	-	-	-	94,243
<b>Subtotal</b>	<b>209,849</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>209,849</b>
<b>Total Trade Receivables</b>	<b>250,924</b>	<b>3,354</b>	<b>109</b>	<b>124</b>	<b>2,016</b>	<b>256,527</b>
<b>No. of customers (unaudited)</b>	<b>394</b>	<b>69</b>	<b>34</b>	<b>28</b>	<b>105</b>	

Invoiced	Balance as of 12.31.2020					
	Current ThUS\$	1-30 days ThUS\$	31-60 ThUS\$	61-90 ThUS\$	Over 91 days ThUS\$	Total ThUS\$
Trade receivables, regulated	3,997	2,452	1	-	979	7,429
Trade receivables, unregulated	14,111	195	82	125	1,622	16,135
Other receivables	2,201	284	11	52	1,385	3,933
Allowance for impairment losses	(2,718)	-	-	-	(32)	(2,750)
<b>Subtotal</b>	<b>17,591</b>	<b>2,931</b>	<b>94</b>	<b>177</b>	<b>3,954</b>	<b>24,747</b>

  

Invoices to be issued	Balance as of 12.31.2020					
	Current ThUS\$	1-30 days ThUS\$	31-60 ThUS\$	61-90 ThUS\$	Over 91 days ThUS\$	Total ThUS\$
Trade receivables, regulated	29,894	-	-	-	-	29,894
Trade receivables, unregulated	78,131	-	-	-	-	78,131
Other receivables	58,968	-	-	-	-	58,968
<b>Subtotal</b>	<b>166,993</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>166,993</b>
<b>Total Trade Receivables</b>	<b>184,584</b>	<b>2,931</b>	<b>94</b>	<b>177</b>	<b>3,954</b>	<b>191,740</b>
<b>No. of customers (unaudited)</b>	<b>332</b>	<b>71</b>	<b>40</b>	<b>22</b>	<b>349</b>	

## b) Customers in legal collection

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

## 12. 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, 2021	Amortized cost	Fair value	Total
	ThUS\$	ThUS\$	ThUS\$
Cash on hand and cash in banks (see Note 9)	-	257,575	257,575
Time deposits and other cash equivalents (see Note 9)	243,099	30,030	273,129
Trade and other receivables <sup>(1)</sup> (see Note 11)	261,575	-	261,575
Trade receivables due from related parties (see Note 13.b.1)	2,210	-	2,210
Derivative financial instruments (see Note 15.1)	-	4,150	4,150
Other financial assets (see Note 10)	226,067	-	226,067
<b>Total</b>	<b>732,951</b>	<b>291,755</b>	<b>1,024,706</b>

  

December 31, 2020	Amortized cost	Fair value	Total
	ThUS\$	ThUS\$	ThUS\$
Cash on hand and cash in banks (see Note 9)	-	192,372	192,372
Time deposits and other cash equivalents (see Note 9)	22,208	39,527	61,735
Trade and other receivables <sup>(1)</sup> (see Note 11)	194,589	-	194,589
Trade receivables due from related parties (see Note 13.b.1)	75	-	75
Derivative financial instruments (see Note 15.1)	-	11,561	11,561
Other financial assets (see Note 10)	713,293	-	713,293
<b>Total</b>	<b>930,165</b>	<b>243,460</b>	<b>1,173,625</b>

<sup>(1)</sup> As of June 30, 2021, recoverable taxes for ThUS\$ 2,194 are not considered. As of December 31, 2020, the balance related to current recoverable taxes amounted to ThUS\$ 6,582.

## a.2 Liabilites

June 30, 2021	Amortized cost	Fair value	Total
	ThUS\$	ThUS\$	ThUS\$
Interest-bearing borrowings (see Note 24.c.1 and c.2)	1,634,692	-	1,634,692
Lease liabilities (see Note 25)	130,727	-	130,727
Derivative financial instruments (see Note 15.1)	-	127	127
Trade and other payables (see Note 26)	197,051	-	197,051
Payables due to related parties (see Note 13.b.2)	1,101	-	1,101
<b>Total</b>	<b>1,963,571</b>	<b>127</b>	<b>1,963,698</b>

  

December 31, 2020	Amortized cost	Fair value	Total
	ThUS\$	ThUS\$	ThUS\$
Interest-bearing borrowings (see Note 24.c.1 and c.2)	1,661,516	-	1,661,516
Lease liabilities (see Note 25)	134,757	-	134,757
Derivative financial instruments (see Note 15.1)	-	858	858
Trade and other payables (see Note 26)	130,680	-	130,680
Payables due to related parties (see Note 13.b.2)	161	-	161
<b>Total</b>	<b>1,927,114</b>	<b>858</b>	<b>1,927,972</b>

## b. Credit quality of financial assets

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

Credit quality of financial assets	06.30.2021 ThUS\$	12.31.2020 ThUS\$
<b>Customers with local risk rating</b>		
AAA	53,945	65,679
AA+	29,064	17,979
AA	1,038	289
AA-	12,195	33,875
A+	33,174	3,894
A	2,918	2,754
A-	261	26
<b>Total</b>	<b>132,595</b>	<b>124,496</b>
<b>Customers with no local risk rating</b>		
<b>Total</b>	<b>123,932</b>	<b>67,244</b>
<b>Cash in banks and bank short-term deposits, local market</b>		
AAA	331,982	661,639
AA	44,076	198
A+ or lower	128	-
<b>Total</b>	<b>376,186</b>	<b>661,837</b>
<b>Cash in banks and bank short-term deposits, international market <sup>(*)</sup></b>		
AA-	10,762	-
A+ or lower	369,823	266,036
<b>Total</b>	<b>380,585</b>	<b>266,036</b>
<b>Counterparty derivative financial assets, national market</b>		
AAA	5,840	10,429
AA	168	24
<b>Total</b>	<b>6,008</b>	<b>10,453</b>
<b>Counterparty derivative financial assets, international market <sup>(*)</sup></b>		
AA-	(1,795)	817
A+ or lower	(63)	291
<b>Total</b>	<b>(1,858)</b>	<b>1,108</b>

<sup>(\*)</sup> Foreign Risk classification

### 13. Related parties disclosures

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

#### a. Controlling interests

As of June 30, 2021, the distribution of ownership interest is as follows:

Shareholders	Ownership %
Minera Valparaíso S.A. <sup>(*)</sup>	35.17
Forestal Cominco S.A. <sup>(*)</sup>	14.00
Antarchile S.A.	9.58
AFP Habitat S.A. <sup>(**)</sup>	4.63
AFP Cuprum S.A. <sup>(**)</sup>	3.05
Banco de Chile por cuenta de State Street	2.96
Banco Santander - JP Morgan	2.90
Banco de Chile por cuenta de terceros	1.69
Banco de Chile por cuenta de Citi N.A New York	1.56
Otros accionistas	24.46
<b>Total</b>	<b>100.00</b>

<sup>(\*)</sup> Entities owned by Parent Group (Matte Group).

<sup>(\*\*)</sup> It relates to the consolidated interest for each Pension Fund Administrator.

#### b. Balances and transactions with related parties

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

##### b. 1. Trade receivables due from related parties

Tax ID N°	Company	Country	Relationship	Currency	Current	
					06.30.2021 ThUS\$	12.31.2020 ThUS\$
96.806.130-5	Electrogas S.A.	Chile	Associate	US\$	2,180	16
96.853.150-6	Papeles Cordillera S.A.	Chile	Common business group	Ch\$	18	47
77.017.930-0	Transmisora Eléctrica de Quillota Ltda.	Chile	Joint venture	Ch\$	12	12
<b>Total</b>					<b>2,210</b>	<b>75</b>

##### b. 2. Trade payables due from related parties

Tax ID N°	Company	Country	Relationship	Currency	Current	
					06.30.2021 ThUS\$	12.31.2020 ThUS\$
99.520.000-7	Compañía de Petróleos de Chile Copec S.A.	Chile	Director and controlling shareholder	Ch\$	1,081	15
97.080.000-K	Banco Bice	Chile	Common group	Ch\$	6	-
96.806.980-2	Entel PCS Telecomunicaciones S.A.	Chile	Common group	Ch\$	14	16
90.412.000-6	Minera Valparaíso S.A.	Chile	Controlling shareholder	US\$	-	89
79.621.850-9	Forestal Cominco S.A.	Chile	Controlling shareholder	US\$	-	36
96.806.130-5	Electrogas S.A.	Chile	Associate	US\$	-	5
<b>Total</b>					<b>1,101</b>	<b>161</b>

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

### b. 3 Disclosures of transactions with related parties

TAX ID N°	Company	Country	Relationship	Currency	Transaction	January - June				April - June			
						2021		2020		2021		2020	
						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	35	(29)	1,162	(976)	(150)	(184)	335	(281)
				UF	Revenue for services rendered	72	31	60	50	36	2	30	25
				US\$	Gas transport service	3,973	(3,339)	4,809	(4,041)	1,747	(1,468)	2,417	(2,031)
96.806.130-5	Electrogas S.A.	Chile	Associate	US\$	Diesel transport service	-	-	71	(60)	-	-	-	-
				US\$	Dividend declared <sup>(1)</sup>	5,988	-	5,787	-	(0)	-	5,754	-
				US\$	Dividend received <sup>(2)</sup>	3,825	-	3,400	-	3,825	-	3,400	-
97.080.000-K	Banco Bice	Chile	Common group	Ch\$	Expenses for services received	12	(10)	16	(13)	10	(8)	9	(7)
96.731.890-6	Cartulinas CMPC S.A.	Chile	Parent common director	Ch\$	Easements	549	461	572	481	275	231	384	323
				Ch\$	Sale of energy and capacity	5,959	5,007	4,732	3,977	3,384	2,844	2,487	2,089
96.532.330-9	CMPC Celulosa S.A.	Chile	Common group	Ch\$	Sale of energy and capacity and energy transport	17,429	14,646	16,365	13,752	7,802	6,556	6,826	5,736
79.621.850-9	Forestal Cominco S.A.	Chile	Controlling Shareholder	US\$	Dividend paid <sup>(3)</sup>	34,464	-	22,485	-	34,464	-	22,485	-
90.412.000-6	Minera Valparaíso S.A.	Chile	Controlling Shareholder	US\$	Dividend paid <sup>(3)</sup>	86,583	-	56,489	-	86,583	-	56,489	-
99.520.000-7	Compañía de Petróleos de Chile Copec S.A.	Chile	Director and controlling shareholder	Ch\$	Diesel supply service	21,386	(17,971)	5,657	(4,754)	9,681	(8,135)	4,473	(3,759)
96.806.980-2	Entel PCS Telecomunicaciones S.A.	Chile	Common group	Ch\$	Telephone services	59	(50)	129	(108)	44	(37)	51	(42)
96.697.410-9	Entel Telefonía Local S.A.	Chile	Common director	Ch\$	Telephone services	-	-	10	(8)	-	-	2	(1)
96.925.430-1	Sercor S.A.	Chile	Common director	Ch\$	Stock administration service	74	(62)	62	(52)	38	(32)	34	(28)
90.844.000-5	Kupfer Hermanos S.A.	Chile	Common director	Ch\$	Purchase of personal protective equipment	15	(13)	85	(71)	11	(10)	72	(60)
				Ch\$	Sale of energy and capacity	116	96	99	83	48	39	50	42
76.351.385-8	Orion Power S.A.	Chile	Common group	Ch\$	Operation and maintenance service	86	(72)	139	(117)	44	(37)	37	(31)
76.138.547-K	Mega Archivos S.A.	Chile	Common director	Ch\$	Document storage service	15	(13)	12	(10)	8	(7)	8	(7)
93.628.000-5	Molibdenos y Metales S.A.	Chile	Common group	Ch\$	Sale of energy and capacity	2,337	1,964	2,614	2,197	1,225	1,029	1,553	1,305
79.943.600-0	Forsac SpA.	Chile	Common group	Ch\$	Sale of energy and capacity	208	175	191	161	107	90	85	72
95.304.000-K	CMPC Maderas SpA	Chile	Common group	Ch\$	Sale of energy and capacity	6,435	5,408	6,093	5,120	3,560	2,992	2,722	2,287
91.440.000-7	Forestal Mininco SpA	Chile	Common group	Ch\$	Sale of energy and capacity	85	72	85	72	42	36	38	33

- (1) Dividends declared by Electrogas S.A.
- In March 2021, Electrogas declared a provisional dividend charged to the profits of the year 2020 for ThUS\$ 14,090, of which to Colbún corresponds to ThUS\$ 5,988 (42,5%).
- (2) Dividends paid by Electrogas S.A.
- In May 2021, a dividend payment of ThUS \$ 3,825 is received, leaving a balance pending collection of ThUS \$ 2,163.
- (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 29, 2021 and paid on May 12, 2021.
  - Corresponds to the final dividend agreed at the Shareholders' Meeting dated April 30, 2020 and paid on May 12, 2020.



### **c. Management personnel and senior management**

Members of senior management and other individuals that are considered members of the Company's Management, as well as the shareholders or natural persons or legal entities they represent have entered into no unusual and/or significant transactions as of June 30, 2021 and December 31, 2020.

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

At the Ordinary Shareholders' Meeting held on April 29, 2021, the Company's Board of Directors was renewed, resulting in the election of Vivianne Blanlot Soza, María Emilia Correa Pérez and Marcela Angulo González, Rodrigo Donoso Munita, Bernardo Larraín Matte, Andrés Lehuedé Bromley, Bernardo Larraín Matte, Juan Carlos Altmann Martín and Hernán Rodríguez Wilson. Mrs. María Emilia Correa Pérez and Marcela Angulo González were elected as independent directors.

On April 29, 2021, in an Extraordinary Session of the Board of Directors, Hernán Rodríguez Wilson was appointed as Chairman of the Board and Bernardo Larraín Matte as Vice Chairman.

### **d. Board of Directors' Committee**

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

On April 29, 2021, in an Extraordinary Board Meeting, Mr. Rodrigo Donoso Munita was appointed as members of the Directors' Committee, Mrs. María Emilia Correa Pérez and Mrs. Marcela Angulo Gonzalez.

### **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, 2021, and 2020, 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					
		2021			2020			2021			2020		
		Colbún Board ThUS\$	Variable remuneration ThUS\$	Directors Committee ThUS\$	Colbún Board ThUS\$	Variable remuneration ThUS\$	Directors Committee ThUS\$	Colbún Board ThUS\$	Variable remuneration <sup>(2)</sup> ThUS\$	Directors Committee ThUS\$	Colbún Board ThUS\$	Variable remuneration <sup>(2)</sup> ThUS\$	Directors Committee ThUS\$
Hernán Rodríguez Wilson <sup>(1)</sup>	Chairman	74	100	-	52	131	-	38	100	-	23	131	-
Vivianne Blanlot Soza <sup>(1)</sup>	Deputy-chairwoman	37	50	-	26	79	-	19	50	-	10	79	-
Bernardo Larraín Matte <sup>(1)</sup>	Director	37	50	-	26	79	-	19	50	-	10	79	-
Luz Granier Bulnes	Director	24	50	8	26	79	8	6	50	2	10	79	3
Juan Eduardo Correa García	Director	24	50	-	26	105	-	6	50	-	10	105	-
Francisco Matte Izquierdo	Director	-	33	-	26	79	8	-	33	-	10	79	3
Andrés Lehuédé Bromley <sup>(1)</sup>	Director	37	50	-	26	79	-	19	50	-	10	79	-
María Emilia Correa <sup>(1)</sup>	Director	37	50	12	26	52	8	19	50	6	10	52	3
Rodrigo José Donoso Munita <sup>(1)</sup>	Director	37	50	12	26	52	-	19	50	6	10	52	-
Jorge Matte Capdevila	Director	-	-	-	-	26	-	-	-	-	1	26	-
Bernardo Matte Larraín <sup>(1)</sup>	Director	37	17	-	-	-	-	-	17	-	-	-	-
Marcela Alejandra Angulo González <sup>(1)</sup>	Director	12	-	4	-	-	-	-	-	-	-	-	-
Juan Carlos Altmann Martín <sup>(1)</sup>	Director	12	-	-	-	-	-	-	-	-	-	-	-
María Ignacia Benítez Pereira	Director	-	-	-	-	13	-	-	-	-	-	13	-
<b>TOTAL</b>		<b>368</b>	<b>500</b>	<b>36</b>	<b>260</b>	<b>774</b>	<b>24</b>	<b>145</b>	<b>500</b>	<b>14</b>	<b>104</b>	<b>774</b>	<b>9</b>

<sup>(1)</sup> Current Directors as of June 30, 2021.

## e.2 Board Counseling Expenses

For the periods ended June 30, 2021 and December 31, 2020, 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	Chief Executive Officer
Juan Eduardo Vásquez Moya	Business and Energy Manager
Gustavo Adolfo Gomez Ceron	Generation Manager
Sebastián Moraga Zúñiga	Finance and Administration Manager
Eduardo Lauer Rodríguez	Engineering and Project Manager
Rodrigo Pérez Stieповic	Legal Affair Manager
Paula Martínez Osorio	Organization and People Manager
Olivia Heuts Goen	Development Manager
Heraldo Alvarez Arenas	Internal Audit Manager
Daniel Gordon Adam	Environmental Manager
Pedro Vial Lyon	Public Affair Manager
Luis Le Fort Pizarro	Transmission Manager

The remuneration earned by key management personnel amounts to:

Concept	January - June		April - June	
	2021 ThUS\$	2020 ThUS\$	2021 ThUS\$	2020 ThUS\$
Short-term employee benefits	2,224	2,069	1,157	1,076
Other long-term benefits	425	370	211	194
Termination benefits	41	278	7	191
<b>Total</b>	<b>2,690</b>	<b>2,717</b>	<b>1,375</b>	<b>1,461</b>

### e.4 Receivables and payables and other transactions

As of June 30, 2021, and December 31, 2020, 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, 2021, and December 31, 2020, 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, 2021, and December 31, 2020, 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.

## 14. Inventories

As of June 30, 2021, and December 31, 2020, this caption is composed of the following:

Inventory	06.30.2021 ThUS\$	12.31.2020 ThUS\$
Spare parts for maintenance	16,420	19,204
Coal	29,479	14,054
Oil	3,589	3,732
Gas Line Pack	892	630
Allowance for obsolescence <sup>(1)</sup>	(3,974)	(3,974)
<b>Total</b>	<b>46,406</b>	<b>33,646</b>

<sup>(1)</sup> 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, 2021, and 2020, the use of inventory recognized as expenses is detailed as follows:

Inventory Cost	January - June		April - June	
	2021 ThUS\$	2020 ThUS\$	2021 ThUS\$	2020 ThUS\$
Warehouse consumption	3,566	3,166	2,342	(5,867)
Oil (see note 32)	24,331	7,242	7,624	2,943
Gas (see note 32)	160,388	138,181	94,117	69,674
Coal (see note 32)	46,293	41,980	25,186	21,184
<b>Total</b>	<b>234,578</b>	<b>190,569</b>	<b>129,269</b>	<b>87,934</b>

## 15. 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, 2021, the Company classified all its hedges as "Cash flow hedges".

## 15.1 Hedging instruments

As of June 30, 2021, and December 31, 2020, this caption includes the valuation of financial instruments for such periods, detailed as follows:

Hedging assets		Current		Non-current	
		06.30.2021 ThUS\$	12.31.2020 ThUS\$	06.30.2021 ThUS\$	12.31.2020 ThUS\$
Currency hedging instrument	Cash flow hedges	1,142	1,355	3,008	10,199
Fuel price hedge	Cash flow hedges	-	7	-	-
<b>Total (see note 10)</b>		<b>1,142</b>	<b>1,362</b>	<b>3,008</b>	<b>10,199</b>

  

Hedging liabilities		Current		Non-current	
		06.30.2021 ThUS\$	12.31.2020 ThUS\$	06.30.2021 ThUS\$	12.31.2020 ThUS\$
Currency hedging instrument	Cash flow hedges	127	858	-	-
Interest rate hedging instrument	Cash flow hedges	-	-	-	-
<b>Total (see note 24.a)</b>		<b>127</b>	<b>858</b>	<b>-</b>	<b>-</b>

  

Hedging instruments, net		06.30.2021 ThUS\$	12.31.2020 ThUS\$	06.30.2021 ThUS\$	12.31.2020 ThUS\$
		<b>1,015</b>	<b>504</b>	<b>3,008</b>	<b>10,199</b>

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

Hedging instrument	Fair value Hedging instrument		Underlying asset hedged	Hedged risk	Type of hedge
	06.30.2021 ThUS\$	12.31.2020 ThUS\$			
Currency forwards	-	24	Future Project Disbursements	Exchange rate	Cash flow
Currency forwards	239	(763)	Customers	Exchange rate	Cash flow
Currency forwards	903	1,355	Financial Investments	Exchange rate	Cash flow
Cross Currency Swaps	2,881	10,080	Bonds payable	Exchange rate and interest rate	Cash flow
Coal options	-	7	Oil and gas purchases	Coal price	Cash flow
<b>Total</b>	<b>4,023</b>	<b>10,703</b>			

As of June 30, 2021, the Company determined no gains or losses associated with ineffective cash flow hedges that should be recognized in profit or loss.

## 15.2 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, 2021, the calculation of fair value of all financial instruments subject to measurement, has been determined based on Level 2 of the hierarchy.

## 16. Investment in subsidiaries

The interim consolidated financial statements include the financial statements of the Parent and subsidiaries. Information on subsidiaries as of June 30, 2021, and December 31, 2020, is detailed below.

Subsidiary	06.30.2021						
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Revenue	Net profit (loss)
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Colbún Transmisión S.A.	43,719	394,189	6,733	86,838	344,337	39,765	20,615
Colbún Desarrollo SpA	11	149	-	-	160	-	-
Santa Sofía SpA	-	161	-	180	(19)	-	5
Colbún Perú S.A.	21,372	126,340	1,040	-	146,672	-	(5,301)
Inversiones de Las Canteras S.A.	941	248,254	839	630	247,726	-	(9,247)
Fenix Power Perú S.A.	76,529	659,514	95,928	393,656	246,459	77,825	(9,141)
Desaladora Del Sur S.A.	250	-	-	-	250	-	-
Efizity Ingeniería SpA	920	491	502	-	909	1,417	(158)

Subsidiary	12.31.2020						
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Revenue	Net profit (loss)
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Termoeléctrica Nehuenco S.A., in liquidation	7	-	-	41	(34)	-	-
Colbún Transmisión S.A.	39,073	378,653	7,233	86,771	323,722	80,218	41,907
Colbún Desarrollo SpA	11	149	-	-	160	-	-
Santa Sofía SpA	-	156	-	180	(24)	-	2
Colbún Perú S.A.	21,023	131,056	107	-	151,972	-	(75,893)
Inversiones de Las Canteras S.A.	794	257,534	684	671	256,973	-	(149,848)
Fenix Power Perú S.A.	74,502	682,714	91,142	410,474	255,600	159,440	(149,636)
Desaladora Del Sur S.A.	250	-	-	-	250	-	-
Efizity Ingeniería SpA	907	520	1,134	248	45	641	(180)

## 17. Equity-accounted investees

### a. Equity-accounted investees

The detail of equity-accounted investees and its movements as of June 30, 2021, and December 31, 2020, is described below.

Relationship	Company	Number of shares	Ownership percentage 06.30.2021 %	Balance as of 01.01.2021 ThUS\$	Accrued profit or loss ThUS\$	Dividends ThUS\$	Equity Reserve		Settlement ThUS\$	Other increase (decrease) ThUS\$	Total 06.30.2021 ThUS\$
							Foreign currency transaction difference	Reserve in hedge derivatives			
							ThUS\$	ThUS\$			
Associate	Electrogas S.A.	175,076	42.5%	16,368	3,496	(5,988)	-	160	-	-	14,036
Joint Venture	Transmisora Eléctrica de Quillota Ltda.	-	50.0%	10,481	(172)	-	(271)	-	-	-	10,038
<b>Totales</b>				<b>26,849</b>	<b>3,324</b>	<b>(5,988)</b>	<b>(271)</b>	<b>160</b>	<b>-</b>	<b>-</b>	<b>24,074</b>

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

## 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, 2021, and December 31, 2020, is as follows:

Relationship	Company	06.30.2021							
		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.	11,295	38,961	8,559	8,672	33,025	16,153	(1,612)	8,226
Joint venture	Transmisora Eléctrica de Quillota Ltda.	10,700	13,346	2,060	1,910	20,076	5,135	(402)	3,070

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



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, Enel Generación 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.

## 18. Intangible assets other than goodwill

### a. Detail by classes of intangible assets

The detail, as of June 30, 2021, and December 31, 2020, is as follows:

Intangible assets, net		06.30.2021 ThUS\$	12.31.2020 ThUS\$
<b>Rights not internally generated</b>	Emission rights for particulate matter	9,582	9,582
	Concessions	202	202
	Water rights	17,436	17,436
	Easements	19,100	58,288
	Intangible assets related to customers	32,246	33,834
<b>Licenses</b>	Software	2,330	2,768
<b>Total</b>		<b>80,896</b>	<b>122,110</b>
Intangible assets, gross		06.30.2021 ThUS\$	12.31.2020 ThUS\$
<b>Rights not internally generated</b>	Emission rights for particulate matter	9,582	9,582
	Concessions	228	228
	Water rights	17,455	17,455
	Easements	21,024	60,140
	Intangible assets related to customers	46,815	46,815
<b>Licenses</b>	Software	17,069	17,069
<b>Total</b>		<b>112,173</b>	<b>151,289</b>
Accumulated amortization		06.30.2021 ThUS\$	12.31.2020 ThUS\$
<b>Rights not internally generated</b>	Concessions	(26)	(26)
	Water rights	(19)	(19)
	Easements	(1,924)	(1,852)
	Intangible assets related to customers	(14,569)	(12,981)
<b>Licenses</b>	Software	(14,739)	(14,301)
<b>Total</b>		<b>(31,277)</b>	<b>(29,179)</b>

## b. Movements in intangible assets

As of June 30, 2021, and December 31, 2020, this caption comprises the following:

Movements for the period 2021	Rights not internally generated					Licenses	Intangibles assets, net ThUS\$
	Emission rights for particulate matter ThUS\$	Concessions ThUS\$	Water rights ThUS\$	Easements ThUS\$	Intangible assets related to customers ThUS\$	Software ThUS\$	
Opening balance as of 01.01.2021	9,582	202	17,436	58,288	33,834	2,768	122,110
Additions	-	-	-	312	-	-	312
Acquisition made through business combinations (see note 7)	-	-	-	-	-	-	-
Increase (decrease) resulting from other movements	-	-	-	-	-	-	-
Decrease due to classification as held for sale	-	-	-	(39,428)	-	-	(39,428)
Disposals	-	-	-	-	-	-	-
Accumulated depreciation of disposals	-	-	-	-	-	-	-
Transport from assets under construction	-	-	-	-	-	-	-
Amortization expenses (see Note 34)	-	-	-	(72)	(1,588)	(438)	(2,098)
<b>Closing balance as of 06.30.2021</b>	<b>9,582</b>	<b>202</b>	<b>17,436</b>	<b>19,100</b>	<b>32,246</b>	<b>2,330</b>	<b>80,896</b>

  

Movements for the period 2020	Rights not internally generated					Licenses	Intangibles assets, net ThUS\$
	Emission rights for particulate matter ThUS\$	Concessions ThUS\$	Water rights ThUS\$	Easements ThUS\$	Intangible assets related to customers ThUS\$	Software ThUS\$	
Opening balance as of 01.01.2020	9,582	202	17,436	58,060	37,010	2,072	124,362
Additions	-	-	-	1,714	-	1,030	2,744
Acquisition made through business combinations (see note 7)	-	-	-	-	-	13	13
Increase (decrease) resulting from other movements	-	-	-	(296)	-	-	(296)
Disposals	-	-	-	(1,280)	-	-	(1,280)
Accumulated depreciation of disposals	-	-	-	-	-	-	-
Transport from assets under construction	-	-	-	264	-	930	1,194
Amortization expenses	-	-	-	(174)	(3,176)	(1,277)	(4,627)
<b>Closing balance as of 12.31.2020</b>	<b>9,582</b>	<b>202</b>	<b>17,436</b>	<b>58,288</b>	<b>33,834</b>	<b>2,768</b>	<b>122,110</b>

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.

## 19. Property, plant and equipment

### a. Detail of property, plant and equipment

As of June 30, 2021, and December 31, 2020, the caption property, plant and equipment is detailed as follows:

Property, plant and equipment, net	06.30.2021 ThUS\$	12.31.2020 ThUS\$
Land	303,690	306,647
Building, construction and facilities	84,398	86,064
Machinery	-	1,052
Transport equipment	363	363
Office equipment	836	918
IT equipment	1,823	2,127
Power-generating assets	3,629,183	3,721,350
Assets under construction	251,734	280,406
Other property, plant and equipment	233,369	449,077
<b>Total</b>	<b>4,505,396</b>	<b>4,848,004</b>
Property, plant and equipment, gross	06.30.2021 ThUS\$	12.31.2020 ThUS\$
Land	303,690	306,647
Building, construction and facilities	143,456	143,438
Machinery	825	1,877
Transport equipment	1,678	1,631
Office equipment	6,894	6,894
IT equipment	10,337	10,328
Power-generating assets	5,898,877	5,897,608
Assets under construction	386,214	414,886
Other property, plant and equipment	365,987	578,399
<b>Total</b>	<b>7,117,958</b>	<b>7,361,708</b>
Accumulated depreciation and impairment of property, plant and equipment	06.30.2021 ThUS\$	12.31.2020 ThUS\$
Building, construction and facilities	(59,058)	(57,374)
Machinery	(825)	(825)
Transport equipment	(1,315)	(1,268)
Office equipment	(6,058)	(5,976)
IT equipment	(8,514)	(8,201)
Power-generating assets	(2,269,694)	(2,176,258)
Assets under construction	(134,480)	(134,480)
Other property, plant and equipment	(132,618)	(129,322)
<b>Total</b>	<b>(2,612,562)</b>	<b>(2,513,704)</b>

## b. Movements in property, plant and equipment

As of June 30, 2021, and December 31, 2020, the caption property, plant and equipment, net is composed of the following:

Movements for the period 2021	Land	Building, construction and facilities	Machinery	Transport equipment	Office equipment	IT equipment	Power-generating assets	Assets under construction	Other property, plant and equipment	Property, plant and equipment, net
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance as of 01.01.2021	306,647	86,064	1,052	363	918	2,127	3,721,350	280,406	449,077	4,848,004
Additions	-	1	-	46	-	2	-	62,625	52,358	115,032
Acquisition made through business combinations (see note 7)	-	-	-	-	-	-	-	-	-	-
Increase (decrease) resulting from other movements	(319)	(1)	(2)	1	-	7	(1,228)	-	3	(1,539)
Decrease due to classification as held for sale	(2,638)	-	-	-	-	-	-	(89,832)	(264,773)	(357,243)
Disposals	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-	-
Impairment losses recognized in other comprehensive income	-	-	-	-	-	-	-	-	-	-
Transport from assets under construction	-	-	-	-	-	-	1,465	(1,465)	-	-
Transport between assets	-	18	(1,050)	-	-	-	1,032	-	-	-
Accumulated depreciation, transport between assets	-	-	-	-	-	-	-	-	-	-
Depreciation expenses (see Note 34)	-	(1,684)	-	(47)	(82)	(313)	(93,436)	-	(3,296)	(98,858)
<b>Total movements</b>	<b>(2,957)</b>	<b>(1,666)</b>	<b>(1,052)</b>	<b>-</b>	<b>(82)</b>	<b>(304)</b>	<b>(92,167)</b>	<b>(28,672)</b>	<b>(215,708)</b>	<b>(342,608)</b>
<b>Closing balance as of 06.30.2021</b>	<b>303,690</b>	<b>84,398</b>	<b>-</b>	<b>363</b>	<b>836</b>	<b>1,823</b>	<b>3,629,183</b>	<b>251,734</b>	<b>233,369</b>	<b>4,505,396</b>

Movements for the period 2020	Land	Building, construction and facilities	Machinery	Transport equipment	Office equipment	IT equipment	Power-generating assets	Assets under construction	Other property, plant and equipment	Property, plant and equipment, net
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance as of 01.01.2020	306,436	111,202	1,135	484	1,133	1,154	4,025,981	310,640	413,685	5,171,850
Additions	211	-	-	-	-	348	81	61,087	9	61,736
Acquisition made through business combinations (see note 7)	-	-	3	4	6	32	-	-	31	76
Increase (decrease) resulting from other movements	-	30	(1)	-	-	-	9,904	-	41,416	51,349
Disposals	-	(12)	-	-	(89)	(834)	(23,441)	(9,984)	(3)	(34,363)
Accumulated depreciation of disposals	-	-	-	-	89	818	5,000	-	3	5,910
Impairment losses recognized in other comprehensive income	-	(26,661)	-	(10)	(34)	(64)	(148,384)	(739)	(2,232)	(178,124)
Transport from assets under construction	-	5,420	105	-	61	1,369	64,170	(80,598)	8,279	(1,194)
Transport between assets	-	325	-	-	-	122	(447)	-	-	-
Accumulated depreciation, transport between assets	-	(20)	-	-	-	(27)	47	-	-	-
Depreciation expenses	-	(4,220)	(190)	(115)	(248)	(791)	(211,561)	-	(12,111)	(229,236)
<b>Total movements</b>	<b>211</b>	<b>(25,138)</b>	<b>(83)</b>	<b>(121)</b>	<b>(215)</b>	<b>973</b>	<b>(304,631)</b>	<b>(30,234)</b>	<b>35,392</b>	<b>(323,846)</b>
<b>Closing balance as of 12.31.2020</b>	<b>306,647</b>	<b>86,064</b>	<b>1,052</b>	<b>363</b>	<b>918</b>	<b>2,127</b>	<b>3,721,350</b>	<b>280,406</b>	<b>449,077</b>	<b>4,848,004</b>

### 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, 2021, and December 31, 2020, the Company had commitments associated with the acquisition of property, plant and equipment for construction agreements for ThUS\$ 133,329 and ThUS\$ 40,751, respectively. The companies with which it operates are Trina Solar (Chile) Spa, Ing. y Construcción Sigdo Koppers S.A., Ingeniería Agrosonda Ltda., Zimmerman Pv Tracker GmbH, Zimmermann Solar Chile SpA, Semi Chile Spa, among others.

iii) As of June 30, 2021, and December 31, 2020, the accrued capitalized interest costs (IAS 23), are as follows:

Concept	January - June		April - June	
	2021 ThUS\$	2020 ThUS\$	2021 ThUS\$	2020 ThUS\$
<b>Interest costs</b>				
Capitalized interest costs	1,016	-	691	-
Interest expenses	-	-	-	-
Total interest costs incurred	<b>1,016</b>	-	<b>691</b>	-
Cost capitalization rate for loans eligible for capitalization	0.08%	-	0.08%	-

### iv) Operating leases - Lessor

As of June 30, 2021, and December 31, 2020, 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, 2021	0-1 year ThUS\$	1-5 years ThUS\$	Over 5 years ThUS\$	Total ThUS\$
Minimum lease payments under operating non-cancellable leases	126,384	505,523	2,090,098	2,722,005
<b>Total</b>	<b>126,384</b>	<b>505,523</b>	<b>2,090,098</b>	<b>2,722,005</b>
December 31, 2020	0-1 year ThUS\$	1-5 years ThUS\$	Over 5 years ThUS\$	Total ThUS\$
Minimum lease payments under operating non-cancellable leases	124,328	497,299	2,116,330	2,737,957
<b>Total</b>	<b>124,328</b>	<b>497,299</b>	<b>2,116,330</b>	<b>2,737,957</b>

v) Additional information required for XBRL taxonomy.

1. Disbursements recognized during the construction

<b>Disbursements recognized during the construction, gross</b>	<b>06.30.2021</b> ThUS\$	<b>12.31.2020</b> ThUS\$
Assets under construction	76,440	100,403
<b>Total</b>	<b>76,440</b>	<b>100,403</b>

2. Assets fully depreciated still in use

<b>Assets fully depreciated still in use, gross</b>	<b>06.30.2021</b> ThUS\$	<b>12.31.2020</b> ThUS\$
Building, construction and facilities	1,408	1,407
Machinery	-	156
Transport equipment	678	676
Office equipment	5,068	5,035
IT equipment	7,204	6,762
Power-generating assets	132,663	124,468
Other property, plant and equipment	1,543	1,506
<b>Total</b>	<b>148,564</b>	<b>140,010</b>

  

<b>Assets fully depreciated still in use, accumulated depreciation</b>	<b>06.30.2021</b> ThUS\$	<b>12.31.2020</b> ThUS\$
Building, construction and facilities	(1,408)	(1,407)
Machinery	-	(156)
Transport equipment	(676)	(676)
Office equipment	(5,067)	(5,035)
IT equipment	(7,204)	(6,762)
Power-generating assets	(117,187)	(110,475)
Other property, plant and equipment	(1,543)	(1,506)
<b>Total</b>	<b>(133,085)</b>	<b>(126,017)</b>

vi) Detail of other property, plant and equipment:

As of June 30, 2021, and December 31, 2020, this caption comprises the following:

Other property, plant and equipment, net	06.30.2021 ThUS\$	12.31.2020 ThUS\$
Substations	7,537	153,230
Transmission lines	7,937	130,106
Spare parts classified as property, plant and equipment	212,412	160,050
Other property, plant and equipment	5,483	5,691
<b>Other property, plant and equipment, net</b>	<b>233,369</b>	<b>449,077</b>
Other property, plant and equipment, gross	06.30.2021 ThUS\$	12.31.2020 ThUS\$
Substations	42,022	235,615
Transmission lines	39,728	170,425
Spare parts classified as property, plant and equipment	212,412	160,050
Other property, plant and equipment	10,077	10,077
<b>Other property, plant and equipment, gross</b>	<b>304,239</b>	<b>576,167</b>
Accumulated depreciation and impairment of other property plant and equipment	06.30.2021 ThUS\$	12.31.2020 ThUS\$
Substations	(34,485)	(82,385)
Transmission lines	(31,791)	(40,319)
Other property, plant and equipment	(4,594)	(4,386)
<b>Total depreciation and impairment</b>	<b>(70,870)</b>	<b>(127,090)</b>



vii) Detail of power-generating assets

Power-generating assets, net		06.30.2021 ThUS\$	12.31.2020 ThUS\$
Power-generating civil works	Hydropower	1,620,774	1,634,448
	Coal-fired thermal power	254,392	260,519
	Oil and gas-fired thermal power	45,524	46,451
	Solar power	141	145
Power-generating equipment and machinery	Hydropower	548,582	568,974
	Coal-fired thermal power	418,510	432,248
	Oil and gas-fired thermal power	733,192	770,277
	Solar power	8,068	8,288
<b>Balance of power-generating assets, net</b>		<b>3,629,183</b>	<b>3,721,350</b>

  

Power-generating assets, gross		06.30.2021 ThUS\$	12.31.2020 ThUS\$
Power-generating civil works	Hydropower	2,232,362	2,232,362
	Coal-fired thermal power	359,193	359,193
	Oil and gas-fired thermal power	59,404	59,404
	Solar power	162	162
Power-generating equipment and machinery	Hydropower	952,347	952,033
	Coal-fired thermal power	632,120	632,120
	Oil and gas-fired thermal power	1,653,863	1,652,908
	Solar power	9,426	9,426
<b>Balance of power-generating assets, gross</b>		<b>5,898,877</b>	<b>5,897,608</b>

  

Accumulated depreciation and impairment of power-generating assets		06.30.2021 ThUS\$	12.31.2020 ThUS\$
Power-generating civil works	Hydropower	(611,588)	(597,914)
	Coal-fired thermal power	(104,801)	(98,674)
	Oil and gas-fired thermal power	(13,880)	(12,953)
	Solar power	(21)	(17)
Power-generating equipment and machinery	Hydropower	(403,765)	(383,059)
	Coal-fired thermal power	(213,610)	(199,872)
	Oil and gas-fired thermal power	(920,671)	(882,631)
	Solar power	(1,358)	(1,138)
<b>Total depreciation and impairment</b>		<b>(2,269,694)</b>	<b>(2,176,258)</b>

## 20. Right-of-use assets

### a. Detail Right-of-Use assets

The right-of-use assets recognized as of June 30, 2021 and December 31, 2020, are as follows:

Right-of-use assets, Net	06.30.2021 ThUS\$	12.31.2020 ThUS\$
Transmission line operation and maintenance	9,872	9,067
Right-of-use office equipment	212	59
Right-of-use facilities	3,514	4,458
Right-of-use vehicles	883	364
Right-of-use Calidda gas pipeline	104,672	109,223
Right-of-use IT equipment	220	320
<b>Total</b>	<b>119,373</b>	<b>123,491</b>
Right-of-use assets, Gross	06.30.2021 ThUS\$	12.31.2020 ThUS\$
Transmission line operation and maintenance	18,081	16,853
Right-of-use office equipment	378	239
Right-of-use facilities	7,860	7,860
Right-of-use vehicles	3,656	2,247
Right-of-use Calidda gas pipeline	127,427	127,427
Right-of-use IT equipment	603	603
<b>Total</b>	<b>158,005</b>	<b>155,229</b>
Accumulated depreciation right-of-use assets	06.30.2021 ThUS\$	12.31.2020 ThUS\$
Transmission line operation and maintenance	(8,209)	(7,786)
Right-of-use office equipment	(166)	(180)
Right-of-use facilities	(4,346)	(3,402)
Right-of-use vehicles	(2,773)	(1,883)
Right-of-use Calidda gas pipeline	(22,755)	(18,204)
Right-of-use IT equipment	(383)	(283)
<b>Total</b>	<b>(38,632)</b>	<b>(31,738)</b>

As of June 30, 2021, and December 31, 2020, the company maintain in its records leases related to its offices, warehouse, parking lots, vehicles, computers and printers.

The subsidiary Fenix maintains contracts with:

1. Consorcio Transmantaro S.A. (hereinafter CTM), in which CTM is obliged to provide maintenance and operating services to the 8-km transmission line between the substation Chilca and the thermoelectric power plant Fenix. Such contract has a term of 20 years (with 13 years remaining) and accrues an annual interest of 12%. Additionally, CTM is obliged to build facilities for the rendering of transmission line services.
2. Contract entered into with Gas Natural de Lima y Callao (Calidda), by which Calidda agrees to provide the gas distribution service from the City Gate located in the city of Chilca, for which a regulation and control plant has been installed (ERC, for its acronym in Spanish), which is an iron pipeline. Such contract is effective for 20 years (with 13 years remaining), per a volume of 84.1 MMpcd. It includes a Take or Pay of 100% equivalent to 84.1MMpcd which should be paid in the month the service is rendered. The interest rate associated with the finance lease amounts to 7% per year.

## b. Movements of right-of-use assets

The composition and movement of assets by right of use, net as of June 30, 2021, and December 31, 2020, has been as follows:

Movements for the period 2021	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 01.01.2021	9,067	59	4,458	364	109,223	320	123,491
Additions	-	27	-	1,409	-	-	1,436
Increase (decrease) resulting from other movements	1,228	167	1	-	-	-	1,396
Decrease due to classification as held for sale	-	-	(97)	(235)	-	-	(332)
Disposals	-	(58)	-	(60)	-	-	(118)
Accumulated depreciation of disposals	-	58	-	46	-	-	104
Acquisition made through business combinations (see note 6)	-	-	-	-	-	-	-
Depreciation expenses (see Note 34)	(423)	(41)	(848)	(641)	(4,551)	(100)	(6,604)
<b>Total movements</b>	<b>805</b>	<b>153</b>	<b>(944)</b>	<b>519</b>	<b>(4,551)</b>	<b>(100)</b>	<b>(4,118)</b>
<b>Closing balance as of 06.30.2021</b>	<b>9,872</b>	<b>212</b>	<b>3,514</b>	<b>883</b>	<b>104,672</b>	<b>220</b>	<b>119,373</b>

  

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
Additions	-	-	201	-	-	91	292
Acquisition made through business combinations (see note 6)	-	75	-	50	-	-	125
Depreciation expenses	(747)	(46)	(1,726)	(936)	(9,102)	(195)	(12,752)
<b>Total movements</b>	<b>(747)</b>	<b>29</b>	<b>(1,525)</b>	<b>(886)</b>	<b>(9,102)</b>	<b>(104)</b>	<b>(12,335)</b>
<b>Closing balance as of 12.31.2020</b>	<b>9,067</b>	<b>59</b>	<b>4,458</b>	<b>364</b>	<b>109,223</b>	<b>320</b>	<b>123,491</b>

As of June 30, 2021, and December 31, 2020, the present value of future payments arising from contracts recognized as leases are detailed as follows:

June 30, 2021	0-1 year ThUS\$	1-5 years ThUS\$	Over 5 years ThUS\$	Total ThUS\$
Gross	20,484	91,082	99,881	211,447
Interests	(10,593)	(53,535)	(16,592)	(80,720)
Present value (see note 24.a)	9,892	37,546	83,289	130,727

  

December 31, 2020	0-1 year ThUS\$	1-5 years ThUS\$	Over 5 years ThUS\$	Total ThUS\$
Gross	20,352	73,371	126,235	219,958
Interests	(11,044)	(36,296)	(37,861)	(85,201)
Present value (see note 24.a)	9,308	37,075	88,374	134,757

## 21. Current taxes

The balance of current taxes receivable and payable presented in current assets and liabilities as of June 30, 2021, and December 31, 2020, respectively, are detailed below:

### a. Current tax assets

	Current	
	06.30.2021 ThUS\$	12.31.2020 ThUS\$
Taxes for recovering previous years	1,248	991
Taxes recoverable for the year (See note 23.a.1)	23,928	16,639
Other taxes to be recovered	7,856	-
<b>Total</b>	<b>33,032</b>	<b>17,630</b>

### b. Current tax liabilities

	Current	
	06.30.2021 ThUS\$	12.31.2020 ThUS\$
Payable taxes for the year (See note 23.a.1)	601	7
<b>Total</b>	<b>601</b>	<b>7</b>

## 22. Other non-financial assets

As of June 30, 2021, and December 31, 2020, this caption comprises the following:

	Current		Non-current	
	06.30.2021 ThUS\$	12.31.2020 ThUS\$	06.30.2021 ThUS\$	12.31.2020 ThUS\$
Insurance premium for facilities and civil responsibility	10,415	15,191	-	-
Prepayments <sup>(1)</sup>	45,604	22,451	40,962	41,519
Patent for non-use of water rights <sup>(2)</sup>	-	-	3,226	4,366
Other miscellaneous assets	160	258	1,722	1,783
<b>Total</b>	<b>56,179</b>	<b>37,900</b>	<b>45,910</b>	<b>47,668</b>

<sup>(1)</sup> Corresponds to advance payments to domestic and foreign suppliers.

<sup>(2)</sup> Credit under Article No.129 bis 20 of the Chilean Water Code, Decree Law No.1.122. 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.

## 23. Income taxes

### a. Income tax benefit (expense)

Income tax benefit (expense)	January - June		April - June	
	2021 ThUS\$	2020 ThUS\$	2021 ThUS\$	2020 ThUS\$
<b>Current income tax (expense) benefit</b>				
Current income taxes	(21,572)	(32,031)	(13,976)	(20,881)
Adjustments to prior-year current income tax expense	(96)	177	(96)	264
<b>Total current income tax expense, net</b>	<b>(21,668)</b>	<b>(31,854)</b>	<b>(14,072)</b>	<b>(20,617)</b>
<b>Deferred income tax (expense) benefit</b>				
Deferred income tax benefit arising from temporary differences	(79,006)	(12,586)	(7,324)	(1,886)
<b>Total deferred income tax benefit, net</b>	<b>(79,006)</b>	<b>(12,586)</b>	<b>(7,324)</b>	<b>(1,886)</b>
<b>Income tax benefit (expense)</b>	<b>(100,674)</b>	<b>(44,440)</b>	<b>(21,396)</b>	<b>(22,503)</b>

As of June 30, 2021, and 2020, income tax benefit (expense) and deferred taxes from foreign and domestic parties is detailed as follows:

Income tax benefit (expense)	January - June		April - June	
	2021 ThUS\$	2020 ThUS\$	2021 ThUS\$	2020 ThUS\$
Domestic current income tax (expense) benefit	(21,008)	(31,817)	(13,412)	(20,726)
Foreign current income tax (expense) benefit	(660)	(38)	(660)	108
<b>Total current income tax (expense) benefit, net</b>	<b>(21,668)</b>	<b>(31,855)</b>	<b>(14,072)</b>	<b>(20,618)</b>
Domestic deferred income tax benefit (expense)	(70,903)	(4,956)	(4,083)	(8)
Foreign deferred income tax benefit (expense)	(8,103)	(7,629)	(3,241)	(1,877)
<b>Total deferred income tax benefit (expense)</b>	<b>(79,006)</b>	<b>(12,585)</b>	<b>(7,324)</b>	<b>(1,885)</b>
<b>Income tax expense charged to profit or loss</b>	<b>(100,674)</b>	<b>(44,440)</b>	<b>(21,396)</b>	<b>(22,503)</b>

## a.1 Reconciliation of current taxes

As of June 30, 2021, and December 31, 2020, the reconciliation of current taxes to income tax is as follows:

Current tax reconciliation		06.30.2021					
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.	(12,497)	1,184	33,828	446	-	22,961	-
Efizity Ingeniería SpA. <sup>(1)</sup>	-	-	7	12	-	19	-
Efizity Ingeniería SpA.	-	-	5	7	-	12	-
Efizity Perú SAC	-	-	1	-	-	1	-
Colbún Perú S.A.	(660)	-	59	-	-	-	(601)
Inversiones Las Canteras S.A.	-	-	4	-	-	4	-
Fenix Power S.A.	-	-	931	-	-	931	-
<b>Total</b>	<b>(13,157)</b>	<b>1,184</b>	<b>34,835</b>	<b>465</b>	<b>-</b>	<b>23,928</b>	<b>(601)</b>

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

<sup>(1)</sup> Current tax result corresponds to balances recorded in the takeover balance sheet (See note 7).

As of June 30, 2021, Colbún S.A., together with its subsidiaries, it generated tax profits, for which a recovered tax was recorded, regarding the Provision for Consolidated Income Tax, net of monthly provisional payments (PPM) and credits for ThUS\$ 23,928.

In the case of the foreign subsidiary Fenix Power Perú S.A., as of June 30, 2021, it recognizes accumulated tax losses of ThUS\$ 195,142, 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			
	2021		2020		2021		2020	
	Amount ThUS\$	Rate %	Amount ThUS\$	Rate %	Amount ThUS\$	Rate %	Amount ThUS\$	Rate %
Profit before income taxes	92,343		134,567		54,281		72,170	
<b>Tax expense using the legal rate <sup>(1)</sup></b>	<b>(24,933)</b>	<b>27.0%</b>	<b>(36,333)</b>	<b>27.0%</b>	<b>(14,656)</b>	<b>27.0%</b>	<b>(19,486)</b>	<b>27.0%</b>
Differences between US dollars and tax financial accounting in local currency through deferred taxes <sup>(2)</sup>	(9,058)	9.8%	(9,300)	6.9%	(3,858)	7.1%	(3,900)	5.4%
Other differences <sup>(3)</sup>	(66,683)	72.2%	1,193	-0.9%	(2,882)	5.3%	883	-1.2%
<b>Income tax expense</b>	<b>(100,674)</b>	<b>109.0%</b>	<b>(44,440)</b>	<b>33.0%</b>	<b>(21,396)</b>	<b>39.4%</b>	<b>(22,503)</b>	<b>31.2%</b>

<sup>(1)</sup> As of June 30, 2021, and December 31, 2020, the income tax expense was calculated using the tax rate of 27% (Law No. 20.780) that applies in Chile. Regarding the differences in tax rates with foreign subsidiaries (29.5%), they are presented in other differences.

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

<sup>(3)</sup> As of June 30, 2021, deferred taxes associated with the Investment in Colbún Transmisión are recognized after the announcement of the company's sale for ThUS\$ (67,494) and other effects for ThUS\$ 811.

## b. Deferred taxes

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

Deferred tax assets	06.30.2021 ThUS\$	12.31.2020 ThUS\$
Deferred taxes related to tax losses	57,771	57,162
Deferred taxes related to provisions	22,984	24,857
Deferred taxes related to obligations for post-employment benefits	9,394	12,152
Deferred taxes related to anticipated income	1,756	5,938
Deferred taxes related to rights-of-use	2,381	1,998
Deferred taxes related to investments in subsidiaries and associates	-	4,735
Deferred taxes related to contingencies	739	535
Deferred taxes related to unrealized gain or loss	292	292
<b>Deferred tax assets</b>	<b>95,317</b>	<b>107,669</b>
Deferred tax liabilities	06.30.2021 ThUS\$	12.31.2020 ThUS\$
Deferred taxes related to depreciation <sup>(1)</sup>	(874,898)	(928,422)
Deferred taxes related to investments in subsidiaries and associates <sup>(2)</sup>	(67,494)	-
Deferred taxes related to finance costs	(17,854)	(19,044)
Deferred taxes related to intangible assets	(10,359)	(11,787)
Deferred taxes related to inventory	(1,093)	(518)
Deferred taxes related to hedging instruments	291	(217)
<b>Deferred tax liabilities</b>	<b>(971,407)</b>	<b>(959,988)</b>
<b>Total deferred tax assets and liabilities, net</b>	<b>(876,090)</b>	<b>(852,319)</b>

<sup>(1)</sup> As of June 30, 2021, includes deferred tax for impairment in fixed assets.

<sup>(2)</sup> As of June 30, 2021, deferred taxes related to the Investment Colbún Transmisión are recognized after the announcement of the company's sale (see note 6).

Deferred taxes movements	06.30.2021 ThUS\$	12.31.2020 ThUS\$
<b>Deferred taxes as of January 1</b>	<b>(852,319)</b>	<b>(885,155)</b>
Tax losses	609	9,058
Hedging instruments	508	(884)
Intangible assets	1,428	909
Rights-of-use assets	383	937
Contingencies	204	489
Obligations for post-employment benefits	(2,758)	2,316
Unearned revenue	(4,182)	(296)
Investments in associates <sup>(1)</sup>	(72,229)	-
Inventory	(575)	(2,008)
Provisions	(1,873)	3,554
Finance costs	1,190	(5,204)
Property, plant and equipment	53,524	23,965
<b>Closing balance</b>	<b>(876,090)</b>	<b>(852,319)</b>

<sup>(1)</sup> 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	
	06.30.2021 ThUS\$	12.31.2020 ThUS\$	06.30.2021 ThUS\$	12.31.2020 ThUS\$
Fenix Power Perú S.A.	72,979	81,122	-	-
Santa Sofía SpA.	161	156	-	-
Efizity SpA.	81	63	-	-
Efizity Ingeniería SpA.	73	49	-	-
Efizity Perú SAC	30	33	-	-
Inversiones de Las Canteras S.A.	-	-	(530)	(570)
Colbún Transmisión S.A.	-	-	-	(57,193)
Colbún S.A.	-	-	(948,884)	(875,979)
<b>Subtotal</b>	<b>73,324</b>	<b>81,423</b>	<b>(949,414)</b>	<b>(933,742)</b>
<b>Net deferred taxes</b>			<b>(876,090)</b>	<b>(852,319)</b>



### c. Income taxes in other comprehensive income

	January - June		April - June	
	2021 ThUS\$	2020 ThUS\$	2021 ThUS\$	2020 ThUS\$
Related to cash flow hedges	1,694	2,984	583	(8)
Related to defined benefit plans	(3,093)	1,133	(1,227)	1,111
<b>Income tax related to components of other comprehensive income</b>	<b>(1,399)</b>	<b>4,117</b>	<b>(644)</b>	<b>1,103</b>
Related to share of other comprehensive profit or loss on equity-accounted associates and joint ventures using the equity method	59	-	98	-
<b>Income tax related to components of other comprehensive income</b>	<b>(1,340)</b>	<b>4,117</b>	<b>(546)</b>	<b>1,103</b>

### 24. Other financial liabilities

As of June 30, 2021, and December 31, 2020, this caption comprises the following:

#### a. Obligations with financial institutions

Other financial liabilities	Current		Non-current	
	06.30.2021 ThUS\$	12.31.2020 ThUS\$	06.30.2021 ThUS\$	12.31.2020 ThUS\$
Interest-Bearing Loans	25,042	25,313	-	218
Bond payables (Bonds, bills of exchange) <sup>(1)</sup>	73,913	76,937	1,535,737	1,559,048
Hedging derivatives <sup>(2)</sup>	127	858	-	-
<b>Total</b>	<b>99,082</b>	<b>103,108</b>	<b>1,535,737</b>	<b>1,559,266</b>

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

<sup>(2)</sup> See note 15.1

#### b. Financial debt by currency

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

Financial debt by currency	06.30.2021 ThUS\$	12.31.2020 ThUS\$
U.S. Dollar	1,586,363	1,606,384
Inflation-adjusted units	48,456	55,571
Pesos	-	419
<b>Total</b>	<b>1,634,819</b>	<b>1,662,374</b>

### c. Maturity and currency of the obligations with financial institutions

#### c.1 Bank borrowings

As of June 30, 2021		
Debtor's Tax ID No.	0-E	0-E
Debtor's name	Fenix Power Perú S.A.	Fenix Power Perú S.A.
Debtor's country	Perú	Perú
Creditor's ID number	0-E	0-E
Creditor's name	Banco de Credito del Perú	Scotiabank
Country of the creditor company	Peru	Peru
Currency or inflation-adjusted unit	US\$	US\$
Amortization frequency	Annual	Annual
Interest type	Variable	Fixed
Basis	-	-
Effective rate	2.02%	3.65%
Nominal rate	2.02%	3.65%
<b>Nominal amounts</b>	<b>ThUS\$</b>	<b>Total</b>
Up to 90 days	-	-
90 days to 1 year	10,001	15,041
<b>1-3 years</b>	-	-
1-2 years	-	-
2-3 years	-	-
<b>3-5 years</b>	-	-
3-4 years	-	-
4-5 years	-	-
<b>Over 5 years</b>	-	-
<b>Subtotal nominal amounts</b>	<b>10,001</b>	<b>15,041</b>
<b>Carrying amounts</b>	<b>ThUS\$</b>	<b>Total</b>
Up to 90 days	-	-
90 days to 1 year	10,001	15,041
<b>Current Interest-Bearing Loans</b>	<b>10,001</b>	<b>15,041</b>
<b>1-3 years</b>	-	-
1-2 years	-	-
2-3 years	-	-
<b>3-5 years</b>	-	-
3-4 years	-	-
4-5 years	-	-
<b>Over 5 years</b>	-	-
<b>Non-current Interest-Bearing Loans</b>	-	-
<b>Total Interest-Bearing Loans</b>	<b>10,001</b>	<b>15,041</b>

**Bank borrowings (continued)**

As of December 31, 2020						
Debtor's Tax ID No.	0-E	0-E	76.362.527-3	76.236.821-8	76.236.821-8	
Debtor's name	Fenix Power Perú S.A.	Fenix Power Perú S.A.	Efizity Ingenieria SPA	Efizity SPA	Efizity SPA	
Debtor's country	Peru	Peru	Chile	Chile	Chile	
Creditor's ID number	0-E	0-E	97006000-6	97006000-6	97030000-7	
Creditor's name	Banco de Credito del Perú	Scotiabank	BCI	BCI	Estado	
Country of the creditor company	Peru	Peru	Chile	Chile	Chile	
Currency or inflation-adjusted unit	US\$	US\$	Ch\$	Ch\$	UF	
Amortization frequency	Annual	Annual	Monthly	Monthly	Monthly	
Interest type	Variable	Fixed	Fixed	Fixed	Fixed	
Basis	-	-	-	-	-	
Effective rate	2.02%	3.65%	6.36%	3.48%	4.80%	
Nominal rate	2.02%	3.65%	6.36%	3.48%	4.80%	
<b>Nominal amounts</b>	<b>ThUS\$</b>					<b>Total</b>
Up to 90 days	-	-	25	24	20	<b>69</b>
90 days to 1 year	10,025	15,067	79	73	-	<b>25,244</b>
<b>1-3 years</b>	-	-	<b>83</b>	<b>135</b>	-	<b>218</b>
1-2 years	-	-	83	101	-	184
2-3 years	-	-	-	34	-	34
<b>3-5 years</b>	-	-	-	-	-	-
3-4 years	-	-	-	-	-	-
4-5 years	-	-	-	-	-	-
<b>Over 5 years</b>	-	-	-	-	-	-
<b>Subtotal nominal amounts</b>	<b>10,025</b>	<b>15,067</b>	<b>187</b>	<b>232</b>	<b>20</b>	<b>25,531</b>
<b>Carrying amounts</b>	<b>ThUS\$</b>					<b>Total</b>
Up to 90 days	-	-	25	24	20	<b>69</b>
90 days to 1 year	10,025	15,067	79	73	-	<b>25,244</b>
<b>Current Interest-Bearing Loans</b>	<b>10,025</b>	<b>15,067</b>	<b>104</b>	<b>97</b>	<b>20</b>	<b>25,313</b>
<b>1-3 years</b>	-	-	<b>83</b>	<b>135</b>	-	<b>218</b>
1-2 years	-	-	83	101	-	184
2-3 years	-	-	-	34	-	34
<b>3-5 years</b>	-	-	-	-	-	-
3-4 years	-	-	-	-	-	-
4-5 years	-	-	-	-	-	-
<b>Over 5 years</b>	-	-	-	-	-	-
<b>Non-current Interest-Bearing Loans</b>	-	-	<b>83</b>	<b>135</b>	-	<b>218</b>
<b>Total Interest-Bearing Loans</b>	<b>10,025</b>	<b>15,067</b>	<b>187</b>	<b>232</b>	<b>20</b>	<b>25,531</b>

## c.2 Bonds payable

As of June 30, 2021								
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%	
<b>Nominal amounts</b>	<b>ThUS\$</b>						<b>Total ThUS\$</b>	
Up to 90 days	-	-	-	-	3,345	4,988	15,514	<b>23,847</b>
90 days to 1 year	4,444	16,959	11,352	4,334	-	-	13,500	<b>50,589</b>
<b>1-3 years</b>	-	<b>32,654</b>	<b>22,264</b>	-	-	-	<b>53,500</b>	<b>108,418</b>
1-2 years	-	16,327	11,132	-	-	-	27,500	54,959
2-3 years	-	16,327	11,132	-	-	-	26,000	53,459
<b>3-5 years</b>	-	<b>32,654</b>	<b>22,264</b>	-	<b>157,410</b>	-	<b>37,000</b>	<b>249,328</b>
3-4 years	-	16,327	11,132	-	157,410	-	20,000	204,869
4-5 years	-	16,327	11,132	-	-	-	17,000	44,459
<b>Over 5 years</b>	-	<b>32,650</b>	<b>33,395</b>	<b>500,000</b>	-	<b>500,000</b>	<b>177,000</b>	<b>1,243,045</b>
<b>Subtotal nominal amounts</b>	<b>4,444</b>	<b>114,917</b>	<b>89,275</b>	<b>504,334</b>	<b>160,755</b>	<b>504,988</b>	<b>296,514</b>	<b>1,675,227</b>
<b>Carrying amounts</b>	<b>ThUS\$</b>						<b>Total ThUS\$</b>	
Up to 90 days	-	-	-	-	3,345	4,988	15,514	<b>23,847</b>
90 days to 1 year	4,414	16,615	11,203	4,334	-	-	13,500	<b>50,066</b>
<b>Current performance bonds</b>	<b>4,414</b>	<b>16,615</b>	<b>11,203</b>	<b>4,334</b>	<b>3,345</b>	<b>4,988</b>	<b>29,014</b>	<b>73,913</b>
<b>1-3 years</b>	-	<b>31,966</b>	<b>21,966</b>	-	-	-	<b>52,438</b>	<b>106,370</b>
1-2 years	-	15,983	10,983	-	-	-	26,946	53,912
2-3 years	-	15,983	10,983	-	-	-	25,492	52,458
<b>3-5 years</b>	-	<b>31,966</b>	<b>21,966</b>	-	<b>156,352</b>	-	<b>36,091</b>	<b>246,375</b>
3-4 years	-	15,983	10,983	-	156,352	-	19,533	202,851
4-5 years	-	15,983	10,983	-	-	-	16,558	43,524
<b>Over 5 years</b>	-	<b>31,965</b>	<b>32,949</b>	<b>469,369</b>	-	<b>472,742</b>	<b>175,967</b>	<b>1,182,992</b>
<b>Non-current performance bonds</b>	-	<b>95,897</b>	<b>76,881</b>	<b>469,369</b>	<b>156,352</b>	<b>472,742</b>	<b>264,496</b>	<b>1,535,737</b>
<b>Total performance bonds</b>	<b>4,414</b>	<b>112,512</b>	<b>88,084</b>	<b>473,703</b>	<b>159,697</b>	<b>477,730</b>	<b>293,510</b>	<b>1,609,650</b>

**Bonds payable (continued)**

As of 12.31.2020								
Debtor's Tax ID No.	96.505.760-9	96.505.760-9	96.505.760-9	96.505.760-9	96.505.760-9	96.505.760-9	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%	
<b>Nominal amounts</b>	<b>ThUS\$</b>						<b>Total ThUS\$</b>	
Up to 90 days	-	-	-	-	3,345	4,988	15,657	<b>23,990</b>
90 days to 1 year	8,793	17,031	11,384	4,334	-	-	12,000	<b>53,542</b>
<b>1-3 years</b>	-	<b>32,706</b>	<b>22,300</b>	-	-	-	<b>55,000</b>	<b>110,006</b>
1-2 years	-	16,353	11,150	-	-	-	27,000	54,503
2-3 years	-	16,353	11,150	-	-	-	28,000	55,503
<b>3-5 years</b>	-	<b>32,706</b>	<b>22,300</b>	-	<b>157,410</b>	-	<b>40,000</b>	<b>252,416</b>
3-4 years	-	16,353	11,150	-	157,410	-	24,000	208,913
4-5 years	-	16,353	11,150	-	-	-	16,000	43,503
<b>Over 5 years</b>	-	<b>40,883</b>	<b>39,025</b>	<b>500,000</b>	-	<b>500,000</b>	<b>186,000</b>	<b>1,265,908</b>
<b>Subtotal nominal amounts</b>	<b>8,793</b>	<b>123,326</b>	<b>95,009</b>	<b>504,334</b>	<b>160,755</b>	<b>504,988</b>	<b>308,657</b>	<b>1,705,862</b>
<b>Carrying amounts</b>	<b>ThUS\$</b>						<b>Total ThUS\$</b>	
Up to 90 days	-	-	-	-	3,345	4,988	15,657	<b>23,990</b>
90 days to 1 year	8,712	16,674	11,227	4,334	-	-	12,000	<b>52,947</b>
<b>Current performance bonds</b>	<b>8,712</b>	<b>16,674</b>	<b>11,227</b>	<b>4,334</b>	<b>3,345</b>	<b>4,988</b>	<b>27,657</b>	<b>76,937</b>
<b>1-3 years</b>	-	<b>31,992</b>	<b>21,986</b>	-	-	-	<b>53,892</b>	<b>107,870</b>
1-2 years	-	15,996	10,993	-	-	-	26,424	53,413
2-3 years	-	15,996	10,993	-	-	-	27,468	54,457
<b>3-5 years</b>	-	<b>31,992</b>	<b>21,986</b>	-	<b>156,215</b>	-	<b>39,061</b>	<b>249,254</b>
3-4 years	-	15,996	10,993	-	156,215	-	23,513	206,717
4-5 years	-	15,996	10,993	-	-	-	15,548	42,537
<b>Over 5 years</b>	-	<b>39,993</b>	<b>38,479</b>	<b>467,301</b>	-	<b>471,411</b>	<b>184,740</b>	<b>1,201,924</b>
<b>Non-current performance bonds</b>	-	<b>103,977</b>	<b>82,451</b>	<b>467,301</b>	<b>156,215</b>	<b>471,411</b>	<b>277,693</b>	<b>1,559,048</b>
<b>Total performance bonds</b>	<b>8,712</b>	<b>120,651</b>	<b>93,678</b>	<b>471,635</b>	<b>159,560</b>	<b>476,399</b>	<b>305,350</b>	<b>1,635,985</b>

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

Liability	Currency	Interests as of 06.30.2021		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 Peru)	US\$	9,943	51,628	293,000	09-20-2027	6,324	6,065	21,315	17,182	10,685	61,571	354,571
Series C Bond	UF	2	2	107	10-15-2021	-	4	-	-	-	4	111
Series F Bond	UF	15	339	2,800	05-01-2028	-	91	142	88	34	355	3,155
Series I Bond	UF	5	407	2,182	06-10-2029	-	94	152	103	64	413	2,595
Bond 144A/RegS 2014	US\$	3,345	21,447	157,410	07-10-2024	3,542	3,542	14,167	3,542	-	24,793	182,203
Bond 144A/RegS 2017	US\$	4,334	124,041	500,000	10-11-2027	-	19,750	39,500	39,500	29,625	128,375	628,375
Bond 144A/RegS 2020	US\$	4,988	136,763	500,000	03-06-2030	7,875	7,875	31,500	31,500	63,000	141,750	641,750

  

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

#### 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\$ 24 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.

#### 25. Lease Liabilities

As of June 30, 2021, and December 31, 2020, this caption comprises the following:

Lease liabilities	Current		Non-current	
	06.30.2021 ThUS\$	12.31.2020 ThUS\$	06.30.2021 ThUS\$	12.31.2020 ThUS\$
Lease liabilities	9,892	9,308	120,835	125,449
<b>Total</b>	<b>9,892</b>	<b>9,308</b>	<b>120,835</b>	<b>125,449</b>

## Lease obligation

As of June 30, 2021													
Debtor's Tax ID No.	96505760-9	96505760-9	96505760-9	96505760-9	96505760-9	76362527-3	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.	Efizity Ingenieria SPA	Fenix Power Peru S.A.	Fenix Power Peru S.A.	Fenix Power Peru S.A.	Fenix Power Peru S.A.	Fenix Power Peru S.A.	Fenix Power Peru S.A.	
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	79812610-5	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	Inmobiliaria Arturo Prat Ltda.	Laila Fatima Gaber B.	Renta Equipos SA	Ricoh del Perú SAC	Inversiones Nuevo Capital Perú	Calidda <sup>(1)</sup>	Consorcio Transmataro 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	U.F.	US\$	US\$	US\$	US\$	US\$	US\$	
Amortization frequency	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Quarterly	
Interest type	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	
Basis	-	-	-	-	-	Annual	-	-	-	-	-	-	
Effective rate	5.00%	5.00%	5.00%	5.00%	0.40%	1.31%	5.50%	3.40%	3.40%	4.00%	7.00%	12.00%	
Nominal rate	5.00%	5.00%	5.00%	5.00%	0.40%	1.31%	5.50%	3.40%	3.40%	4.00%	7.00%	12.00%	
<b>Nominal amounts</b>	<b>ThUS\$</b>												<b>Total ThUS\$</b>
Up to 90 days	209	181	243	(50)	54	13	29	7	2	8	1,617	155	2,468
90 days to 1 year	643	555	405	36	128	20	5	25	5	29	5,078	495	7,424
<b>1-3 years</b>	<b>972</b>	<b>837</b>	-	<b>74</b>	-	-	<b>49</b>	<b>117</b>	<b>17</b>	<b>28</b>	<b>14,831</b>	<b>1,559</b>	<b>18,484</b>
1-2 years	894	771	-	49	-	-	17	47	11	28	7,165	733	9,715
2-3 years	78	66	-	25	-	-	32	70	6	-	7,666	826	8,769
<b>3-5 years</b>	-	-	-	-	-	-	<b>139</b>	<b>56</b>	-	-	<b>16,980</b>	<b>1,887</b>	<b>19,062</b>
3-4 years	-	-	-	-	-	-	60	56	-	-	8,203	909	9,228
4-5 years	-	-	-	-	-	-	79	-	-	-	8,777	978	9,834
<b>Over 5 years</b>	-	-	-	-	-	-	<b>78</b>	-	-	-	<b>73,988</b>	<b>9,223</b>	<b>83,289</b>
<b>Subtotal nominal amounts</b>	<b>1,824</b>	<b>1,573</b>	<b>648</b>	<b>60</b>	<b>182</b>	<b>51</b>	<b>300</b>	<b>205</b>	<b>24</b>	<b>65</b>	<b>112,494</b>	<b>13,319</b>	<b>130,727</b>
<b>Carrying amounts</b>	<b>ThUS\$</b>												<b>Total ThUS\$</b>
Up to 90 days	209	181	243	(50)	54	13	29	7	2	8	1,617	155	2,468
90 days to 1 year	643	555	405	36	128	20	5	25	5	29	5,078	495	7,424
<b>Liabilities under lease agreements, current</b>	<b>852</b>	<b>736</b>	<b>648</b>	<b>(14)</b>	<b>182</b>	<b>33</b>	<b>34</b>	<b>32</b>	<b>7</b>	<b>37</b>	<b>6,695</b>	<b>650</b>	<b>9,892</b>
<b>1-3 years</b>	<b>972</b>	<b>837</b>	-	<b>74</b>	-	-	<b>49</b>	<b>117</b>	<b>17</b>	<b>28</b>	<b>14,831</b>	<b>1,559</b>	<b>18,484</b>
1-2 years	894	771	-	49	-	-	17	47	11	28	7,165	733	9,715
2-3 years	78	66	-	25	-	-	32	70	6	-	7,666	826	8,769
<b>3-5 years</b>	-	-	-	-	-	-	<b>139</b>	<b>56</b>	-	-	<b>16,980</b>	<b>1,887</b>	<b>19,062</b>
3-4 years	-	-	-	-	-	-	60	56	-	-	8,203	909	9,228
4-5 years	-	-	-	-	-	-	79	-	-	-	8,777	978	9,834
<b>Over 5 years</b>	-	-	-	-	-	-	<b>78</b>	-	-	-	<b>73,988</b>	<b>9,223</b>	<b>83,289</b>
<b>Liabilities under lease agreements, non-current</b>	<b>972</b>	<b>837</b>	-	<b>74</b>	-	-	<b>266</b>	<b>173</b>	<b>17</b>	<b>28</b>	<b>105,799</b>	<b>12,669</b>	<b>120,835</b>
<b>Total liabilities under lease agreements</b>	<b>1,824</b>	<b>1,573</b>	<b>648</b>	<b>60</b>	<b>182</b>	<b>33</b>	<b>300</b>	<b>205</b>	<b>24</b>	<b>65</b>	<b>112,494</b>	<b>13,319</b>	<b>130,727</b>

<sup>(1)</sup> See note 20.a.2



## Lease obligation (continued)

As of December 31, 2020																			
Debtor's Tax ID No.	96505760-9	96505760-9	96505760-9	96505760-9	96505760-9	76218856-2	76218856-2	76218856-2	76362527-3	76236821-8	76236821-8	76236821-8	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 Transmisión S.A.	Colbún Transmisión S.A.	Colbún Transmisión S.A.	Efizity Ingeniería SPA	Efizity SPA	Efizity SPA	Efizity SPA	Fenix Power Peru S.A.	Fenix Power Peru S.A.	Fenix Power Peru S.A.	Fenix Power Peru S.A.	Fenix Power Peru S.A.	Fenix Power Peru S.A.	
Debtor's country	Chile	Chile	Chile	Chile	Chile	Chile	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	96565580-8	7065425-3	88723500-7	79812610-5	97006000-6	97006000-6	97006000-6	0-E	0-E	0-E	0-E	0-E	0-E	
Creditor's name	Bice Vida Compania De Seguros S.A.	B.Raices Santa Lucia SA	Cia. De Leasing Tattersall S.A.	Vigatec S.A.	Nuevo Capital Leasing SpA	Cia. De Leasing Tattersall S.A.	Jorge Rocco Pizarro	Constructora Costa Brava Ltda.	Inmobiliaria Arturo Prat Ltda.	BCI Leasing	BCI Leasing	BCI Leasing	Laila Fatima Gaber B.	Arrendamiento Operativo CIB S.A.	T-COPIA	Inversiones Nuevo Capital Perú	Calidda (1)	Consorcio Transmataro S.A.	
Creditor's country	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Peru	Peru	Peru	Peru	Peru	Peru	
Currency or inflation-adjusted unit	UF	UF	UF	UF	UF	UF	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	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Quarterly	
Interest type	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	
Basis	-	-	-	-	-	-	-	-	Annual	Annual	Annual	Annual	-	-	-	-	-	-	
Effective rate	5.00%	5.00%	5.00%	5.00%	0.40%	5.00%	1.70%	0.00%	1.31%	7.37%	11.75%	8.27%	5.50%	5.50%	4.10%	4.00%	7.00%	12.00%	
Nominal rate	5.00%	5.00%	5.00%	5.00%	0.40%	5.00%	1.70%	0.00%	1.31%	7.37%	11.75%	8.27%	5.50%	5.50%	4.10%	4.00%	7.00%	12.00%	
<b>Nominal amounts</b>	<b>ThUS\$</b>																		<b>Total ThUS\$</b>
Up to 90 days	205	176	140	12	82	36	10	6	19	1	1	1	1	8	6	6	1,617	146	<b>2,473</b>
90 days to 1 year	628	542	-	36	128	-	29	18	45	2	4	5	6	17	-	22	4,852	467	<b>6,801</b>
<b>1-3 years</b>	<b>1,402</b>	<b>1,209</b>	-	<b>98</b>	<b>85</b>	-	<b>50</b>	-	-	-	<b>8</b>	<b>10</b>	<b>35</b>	-	-	<b>50</b>	<b>14,329</b>	<b>1,468</b>	<b>18,744</b>
1-2 years	873	753	-	48	85	-	40	-	-	-	7	8	12	-	-	45	6,922	690	9,483
2-3 years	529	456	-	50	-	-	10	-	-	-	1	2	23	-	-	5	7,407	778	9,261
<b>3-5 years</b>	-	-	-	-	-	-	-	-	-	-	-	-	<b>127</b>	-	-	-	<b>16,405</b>	<b>1,800</b>	<b>18,332</b>
3-4 years	-	-	-	-	-	-	-	-	-	-	-	-	44	-	-	-	7,925	877	8,846
4-5 years	-	-	-	-	-	-	-	-	-	-	-	-	83	-	-	-	8,480	923	9,486
<b>Over 5 years</b>	-	-	-	-	-	-	-	-	-	-	-	-	<b>109</b>	-	-	-	<b>78,527</b>	<b>9,736</b>	<b>88,372</b>
<b>Subtotal nominal amounts</b>	<b>2,235</b>	<b>1,927</b>	<b>140</b>	<b>146</b>	<b>295</b>	<b>36</b>	<b>89</b>	<b>24</b>	<b>64</b>	<b>3</b>	<b>13</b>	<b>16</b>	<b>278</b>	<b>25</b>	<b>6</b>	<b>78</b>	<b>115,730</b>	<b>13,617</b>	<b>134,722</b>
<b>Carrying amounts</b>	<b>ThUS\$</b>																		<b>Total ThUS\$</b>
Up to 90 days	205	176	140	12	82	36	10	6	19	2	2	1	1	8	6	6	1,617	146	<b>2,475</b>
90 days to 1 year	628	542	-	36	128	-	29	18	45	3	6	7	33	17	-	22	4,852	467	<b>6,833</b>
<b>Liabilities under lease agreements, current</b>	<b>833</b>	<b>718</b>	<b>140</b>	<b>48</b>	<b>210</b>	<b>36</b>	<b>39</b>	<b>24</b>	<b>64</b>	<b>5</b>	<b>8</b>	<b>8</b>	<b>34</b>	<b>25</b>	<b>6</b>	<b>28</b>	<b>6,469</b>	<b>613</b>	<b>9,308</b>
<b>1-3 years</b>	<b>1,402</b>	<b>1,209</b>	-	<b>98</b>	<b>85</b>	-	<b>50</b>	-	-	-	<b>8</b>	<b>10</b>	<b>35</b>	-	-	<b>50</b>	<b>14,329</b>	<b>1,468</b>	<b>18,744</b>
1-2 years	873	753	-	48	85	-	40	-	-	-	7	7	12	-	-	45	6,922	690	9,482
2-3 years	529	456	-	50	-	-	10	-	-	-	1	3	23	-	-	5	7,407	778	9,262
<b>3-5 years</b>	-	-	-	-	-	-	-	-	-	-	-	-	<b>127</b>	-	-	-	<b>16,405</b>	<b>1,800</b>	<b>18,332</b>
3-4 years	-	-	-	-	-	-	-	-	-	-	-	-	44	-	-	-	7,925	877	8,846
4-5 years	-	-	-	-	-	-	-	-	-	-	-	-	83	-	-	-	8,480	923	9,486
<b>Over 5 years</b>	-	-	-	-	-	-	-	-	-	-	-	-	<b>110</b>	-	-	-	<b>78,527</b>	<b>9,736</b>	<b>88,373</b>
<b>Liabilities under lease agreements, non-current</b>	<b>1,402</b>	<b>1,209</b>	-	<b>98</b>	<b>85</b>	-	<b>50</b>	-	-	-	<b>8</b>	<b>10</b>	<b>272</b>	-	-	<b>50</b>	<b>109,261</b>	<b>13,004</b>	<b>125,449</b>
<b>Total liabilities under lease agreements</b>	<b>2,235</b>	<b>1,927</b>	<b>140</b>	<b>146</b>	<b>295</b>	<b>36</b>	<b>89</b>	<b>24</b>	<b>64</b>	<b>5</b>	<b>16</b>	<b>18</b>	<b>306</b>	<b>25</b>	<b>6</b>	<b>78</b>	<b>115,730</b>	<b>13,617</b>	<b>134,757</b>

## 26. Trade and other payables

As of June 30, 2021, and December 31, 2020, trade and other payables are composed of the following:

	Current		Non-current	
	06.30.2021 ThUS\$	12.31.2020 ThUS\$	06.30.2021 ThUS\$	12.31.2020 ThUS\$
Trade payables	178,710	108,776	-	-
Dividends payable	1,043	942	-	-
Other payables	4,345	8,010	12,953	12,952
<b>Total</b>	<b>184,098</b>	<b>117,728</b>	<b>12,953</b>	<b>12,952</b>

The main suppliers or creditors, with their respective representativeness percentages as of June 30, 2021, are:

Principales Acreedores Comerciales	%
Zimmerman PV Tracker GmbH	11.52%
Siemens Energy, Inc.	4.80%
GE Global Parts & Products GmbH	4.16%
Interocean Coal Sales, LLC	2.62%
LS Cable & System Ltd.	2.35%
Comité de Operación Económica del Sist. Intercon. Nac	2.11%
Rimac Seguros y Reaseguros	2.09%
Gas Natural de Lima y Callao S.A.	2.05%
Pluspetrol Perú Corporation S.A.	2.03%
Transportadora de Gas del Perú S.A.	1.82%
Promet Servicios SpA	1.42%
Trina Solar (Chile) SpA	1.40%
Otros	61.63%
	<b>100.00%</b>

Aging of the portfolio of trade and other payables:

Concept	Balance as of 06.30.2021	
	Current ThUS\$	Total ThUS\$
Goods	95,807	95,807
Services	79,980	79,980
Others	2,923	2,923
<b>Subtotal</b>	<b>178,710</b>	<b>178,710</b>

  

Concept	Balance as of 12.31.2020	
	Current ThUS\$	Total ThUS\$
Goods	29,545	29,545
Services	74,631	74,631
Others	4,600	4,600
<b>Subtotal</b>	<b>108,776</b>	<b>108,776</b>

As of June 30, 2021, the amounts payable for invoices receivable for goods and services amount to ThUS\$ 139,999; as of December 31, 2020, it amounted to ThUS\$ 74,446.

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.

## 27. Other provisions

### a. Description of provisions

As of June 30, 2021, and December 31, 2020, this caption comprises the following:

Provisions	Current		Non-current	
	06.30.2021 ThUS\$	12.31.2020 ThUS\$	06.30.2021 ThUS\$	12.31.2020 ThUS\$
From legal proceedings	2,565	3,785	-	-
Decommissioning, restoration and rehabilitation costs	-	-	47,479	46,785
Related to the environment	15,676	25,585	-	-
<b>Total</b>	<b>18,241</b>	<b>29,370</b>	<b>47,479</b>	<b>46,785</b>

### b. Movements in provisions during the period

As of June 30, 2021, and December 31, 2020, this caption comprises the following:

Movements in provisions	From legal proceedings <sup>(1)</sup>	Decommissioning, restoration and rehabilitation costs	Related to the environment <sup>(2)</sup>	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance as of 01.01.2021	3,785	46,785	25,585	76,155
Colbún Transmission company classified as held for sale	(1,220)	-	-	(1,220)
Increase in existing provisions, other provisions	-	694	16,098	16,792
Provisions used, other provisions	-	-	(26,007)	(26,007)
<b>Balance as of 06.30.2021</b>	<b>2,565</b>	<b>47,479</b>	<b>15,676</b>	<b>65,720</b>

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

<sup>(1)</sup> Provisions for differences and/or tax administrative contingencies (see note 39.c).

<sup>(2)</sup> Corresponds to the provision for tax expense that is levied on the emissions on thermoelectric plants (Law 20,780).

### c. Decommissioning

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

### d. Restructuring

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

## e. Litigations

As of June 30, 2021, and December 31, 2020, the Company recognized provisions for litigation in accordance with IAS 37 (see note 39, letter c).

## 28. 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, 2021, and December 31, 2020, this caption comprises the following:

Employee benefits	Current		Non-current	
	06.30.2021 ThUS\$	12.31.2020 ThUS\$	06.30.2021 ThUS\$	12.31.2020 ThUS\$
Accrued vacations, current	6,580	5,655	-	-
Performance bonus, current	6,111	11,439	-	-
Other benefits	232	-	2,248	2,398
Provision for severance indemnity payments	6,642	7,060	31,076	40,600
<b>Total</b>	<b>19,565</b>	<b>24,154</b>	<b>33,324</b>	<b>42,998</b>

### b. Movements in provision during the period

As of June 30, 2021, and December 31, 2020, 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 01.01.2021	5,655	11,439	-	7,060	24,154
Increase in existing provisions, other provisions	925	5,875	232	(418)	6,614
Provision used, other provisions	-	(11,203)	-	-	(11,203)
<b>Balance as of 06.30.2021</b>	<b>6,580</b>	<b>6,111</b>	<b>232</b>	<b>6,642</b>	<b>19,565</b>

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

### 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, 2021, 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, 2021, and December 31, 2020, this caption comprises the following:

Provision for employee benefits	06.30.2021 ThUS\$	12.31.2020 ThUS\$
Severance indemnity payments	37,718	47,660
<b>Total</b>	<b>37,718</b>	<b>47,660</b>
Present value of the obligation for defined benefit plans	06.30.2021 ThUS\$	12.31.2020 ThUS\$
Opening balance as of January 1	47,660	37,039
Cost of current service	3,629	5,086
Interest cost	252	151
Foreign currency translation differences	(1,101)	1,969
Actuarial gain (loss)	(11,543)	4,384
Payments	(1,179)	(969)
<b>Closing balance</b>	<b>37,718</b>	<b>47,660</b>

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

Actuarial basis used	06.30.2021	12.31.2020
Discount rate	2.12%	0.20%
Expected rate of salary increases	1.62%	1.62%
Turnover rate	Voluntary	2.90%
	Dismissal	2.20%
Retirement age	Men	2.70%
	Women	2.10%
Mortality rate	65	65
	60	60
	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, 2021. The source of the reference rate is Chilean Central Bank.

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

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

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

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

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

Sensitization	Rate		Amount of the obligation	
	06.30.2021 %	12.31.2020 %	06.30.2021 ThUS\$	12.31.2020 ThUS\$
Period rate	2.12	0.20	37,718	47,660
Rate decrease by 50 b.p.	1.62	-0.30	40,309	51,428
Rate increased by 50 b.p.	2.62	0.70	35,371	44,274

## 29. Other non-financial liabilities

As of June 30, 2021, and December 31, 2020, this caption comprises the following:

	Current		Non-current	
	06.30.2021 ThUS\$	12.31.2020 ThUS\$	06.30.2021 ThUS\$	12.31.2020 ThUS\$
Withholdings	15,234	21,375	-	-
Unearned revenue <sup>(1)</sup>	1,012	1,321	6,326	20,775
<b>Total</b>	<b>16,246</b>	<b>22,696</b>	<b>6,326</b>	<b>20,775</b>

<sup>(1)</sup> Corresponds to prepayments received related to the operations and maintenance services. Revenue is recognized when the service is rendered. Non-current balance includes ThUS\$ 6,326 corresponding to the recognition of the lease agreement entered into between the Company and Anglo American (expiration of the contract in 2030). As of December 31, 2020, such balance amounted to ThUS\$ 20,775.

## 30. 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, 2021, this caption comprises the following:

Number of shares			
Series	No. of shares subscribed	Number of shares fully paid	No. of shares with voting rights
Single	17,536,167,720	17,536,167,720	17,536,167,720
Capital (Amount in US\$)			
Series	Subscribed capital ThUS\$	Paid-in capital ThUS\$	
Single	1,282,793	1,282,793	

### a.1 Reconciliation of shares

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

Shares	06.30.2021	12.31.2020
No. of outstanding shares as of January 1	17,536,167,720	17,536,167,720
<b>Changes in outstanding shares</b>		
Increase (decrease) in outstanding shares	-	-
No. of outstanding shares at the end of the period	17,536,167,720	17,536,167,720

### a.2 N° of shareholders

As of June 30, 2021, the number of shareholders is 3,111.

### b. Share capital

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

### c. Share premium

As of June 30, 2021, and December 31, 2020, 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 29, 2021, established that the Company will distribute at least 50% of net profit. In accordance with IFRS, there is a legal and assumed obligation requiring the accounting for of a liability at each reporting date for the concept of the minimum legal dividend.

At the Shareholders' Meeting held on April 29, 2021, it was approved to distribute a final dividend in the amount of ThUS \$ 81,675 corresponding to US \$ 0.00465 per share, and an eventual dividend charged to accumulated earnings of previous years for ThUS \$ 164,580, corresponding to US \$ 0.00939 per share, which began to be paid on May 12, 2021.

At the Board of Directors' Meeting held on March 31, 2021, 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\$ 81,675 corresponding to US\$ 0.00465 per share, which in addition to a provisional dividend of ThUS\$ 81,217 corresponding to US\$ 0.00463 per share, would amount to Net Distributable Profit for 2020 of ThUS\$ 162,892; and (ii) Distribute a provisional dividend with a debit to prior year retained earnings of ThUS\$ 164,850, corresponding to US\$ 0.00939 per share.

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

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

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

#### e. Detail of Other reserves

This caption comprises the following:

Other reserves	06.30.2021 ThUS\$	12.31.2020 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	392,468	400,112
Revaluation of deferred taxes	(106,404)	(108,361)
Merger reserve	165,456	174,967
Affiliate translation effects	(40,919)	(40,658)
Subsidiaries' reserve	(12,051)	(12,051)
Hedging reserve	4,245	8,819
Associate hedging effects	291	131
<b>Total</b>	<b>689,906</b>	<b>709,779</b>

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, 2021, and December 31, 2020, changes in reserves for retained earnings are detailed as follows:

Distributable retained earnings	06.30.2021 ThUS\$	12.31.2020 ThUS\$
Opening balance as of January 1	1,414,284	1,458,332
Profit or loss for the year	(3,800)	162,893
Effect of actuarial profit (loss)	8,361	(2,893)
Dividends	(245,908)	(232,970)
Realized retained earnings	14,878	28,922
<b>Total distributable retained earnings</b>	<b>1,187,815</b>	<b>1,414,284</b>

#### 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, 2021, and December 31, 2020, the indebtedness level detailed is as follows:

	06.30.2021 ThUS\$	12.31.2020 ThUS\$
<b>Total liabilities</b>	<b>3,133,228</b>	<b>3,048,499</b>
Total current liabilities	427,160	306,532
Total non-current liabilities	2,706,068	2,741,967
<b>Total equity</b>	<b>3,334,495</b>	<b>3,585,368</b>
Equity attributable to the Parent	3,213,109	3,459,451
Non-controlling interest	121,386	125,917
<b>Indebtedness ratio</b>	<b>0.94</b>	<b>0.85</b>

The Company should report the compliance of commitments entered with financial institutions on a quarterly basis. As of June 30, 2021, the Company complies with all the financial indicators required in such contracts (See note 40).

#### 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.

	06.30.2021	06.30.2020	12.31.2020
Profit (loss) attributable to shareholders of the Parent (ThUS\$)	(3,800)	97,830	162,893
Profit (loss) available for common shareholders, basic (ThUS\$)	(3,800)	97,830	162,893
Weighted average number of shares, basic (No. of shares)	17,536,167,720	17,536,167,720	17,536,167,720
<b>Basic earnings per share (U.S. dollars per share)</b>	<b>(0.00022)</b>	<b>0.00558</b>	<b>0.00929</b>

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)	06.30.2021	06.30.2020	12.31.2020
	ThUS\$	ThUS\$	ThUS\$
<b>Shareholders of the Parent</b>	-	97,830	162,893
Cash flow for the year charged to prior years	-	-	-
Effect on unrealized finance income that generated no cash flows	-	-	-
<b>Net cash flow for the year</b>	-	-	-
<b>Net distributable profit</b>	-	97,830	162,893
<b>Mandatory minimum dividend</b>	-	-	81,447

### 31. Revenue

For the periods ended June 30, 2021 and 2020, this caption comprises the following:

	January - June		April - June	
	2021 ThUS\$	2020 ThUS\$	2021 ThUS\$	2020 ThUS\$
Regulated customer sales	222,627	210,344	114,877	95,656
Unregulated customer sales	335,060	340,743	168,305	172,205
Toll charges	39,116	34,445	13,094	19,305
Spot market sales	93,496	68,904	66,136	31,003
Other income	17,455	14,689	9,757	8,346
<b>Total</b>	<b>707,754</b>	<b>669,125</b>	<b>372,169</b>	<b>326,515</b>

### 32. Raw materials and consumable

For the periods ended June 30, 2021 and 2020, this caption comprises the following:

Inventories	January - June		April - June	
	2021 ThUS\$	2020 ThUS\$	2021 ThUS\$	2020 ThUS\$
Oil consumption (see Note 14)	(24,331)	(7,242)	(7,624)	(2,943)
Gas consumption (see Note 14)	(160,388)	(138,181)	(94,117)	(69,674)
Coal consumption (see Note 14)	(46,293)	(41,980)	(25,186)	(21,184)
Purchase of energy and capacity	(29,264)	(22,557)	(13,359)	(7,049)
Toll charges	(60,837)	(48,160)	(29,563)	(26,610)
Third-party work and supplies	(31,637)	(41,310)	(19,653)	(22,846)
<b>Total</b>	<b>(352,750)</b>	<b>(299,430)</b>	<b>(189,502)</b>	<b>(150,306)</b>

### 33. Employee benefits expenses

For the periods ended June 30, 2021 and 2020, this caption comprises the following (see note 3.1.m. and 3.1.o.):

	January - June		April - June	
	2021 ThUS\$	2020 ThUS\$	2021 ThUS\$	2020 ThUS\$
Salaries and wages	(32,513)	(23,787)	(15,461)	(12,109)
Short-term employee benefits	(3,241)	(2,445)	(1,591)	(1,238)
Severance indemnity payments	(4,788)	(2,906)	(3,504)	(1,970)
Other personnel expenses	(2,271)	(1,929)	(989)	(646)
<b>Total</b>	<b>(42,813)</b>	<b>(31,066)</b>	<b>(21,545)</b>	<b>(15,963)</b>

### 34. Depreciation and amortization expenses

For the periods ended June 30, 2021 and 2020, this caption comprises the following:

	January - June		April - June	
	2021 ThUS\$	2020 ThUS\$	2021 ThUS\$	2020 ThUS\$
Depreciation (see Note 19.b)	(98,858)	(112,992)	(47,721)	(56,687)
Depreciation right-of-use assets (see note 20.b)	(6,604)	(6,359)	(3,397)	(3,189)
Amortization of intangible assets (see Note 18.b)	(2,098)	(2,206)	(1,016)	(1,108)
<b>Total</b>	<b>(107,560)</b>	<b>(121,557)</b>	<b>(52,134)</b>	<b>(60,984)</b>

### 35. Total Financial income and financial cost

For the periods ended June 30, 2021 and 2020, this caption comprises the following:

Income (loss) from investments	January - June		April - June	
	2021 ThUS\$	2020 ThUS\$	2021 ThUS\$	2020 ThUS\$
Income on cash and other cash equivalents	2,416	8,000	1,125	2,965
<b>Total financial income</b>	<b>2,416</b>	<b>8,000</b>	<b>1,125</b>	<b>2,965</b>
Financial cost	January - June		April - June	
	2021 ThUS\$	2020 ThUS\$	2021 ThUS\$	2020 ThUS\$
Expenses on bonds	(32,589)	(32,842)	(16,074)	(16,397)
Interest expense for lease liabilities <sup>(1)</sup>	(4,303)	(4,552)	(2,161)	(2,274)
Expense incurred for financial provisions	(5,181)	(4,733)	(2,598)	(2,535)
Borrowing costs	(1,342)	(1,251)	(653)	(696)
Income/expense on the valuation of net financial derivatives	(598)	(1,352)	(282)	(527)
Other expenses (bank expenses)	(235)	(191)	(114)	(122)
Other expenses (commissions)	(361)	(297)	(213)	(147)
Capital financial expenses (see note 19.c.iv)	1,016	-	691	-
<b>Total financial cost</b>	<b>(43,593)</b>	<b>(45,218)</b>	<b>(21,404)</b>	<b>(22,698)</b>
<b>Total financial income and financial costs</b>	<b>(41,177)</b>	<b>(37,218)</b>	<b>(20,279)</b>	<b>(19,733)</b>

<sup>(1)</sup> Leases recognized under IFRS 16

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

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

#### a. Foreign currency translation difference

Foreign currency translation difference	Currency	January - June		April - June	
		2021 ThUS\$	2020 ThUS\$	2021 ThUS\$	2020 ThUS\$
Cash and cash equivalents	Ch\$	2,331	(5,043)	3,491	(832)
Cash and cash equivalents	PEN	(295)	(791)	49	(157)
Trade and other receivables	Ch\$	339	(5,733)	(1,139)	(805)
Trade and other receivables	PEN	(644)	(731)	(231)	(690)
Current tax assets	Ch\$	(918)	2,584	(446)	13,201
Current tax assets	PEN	(416)	(891)	(113)	(294)
Other non-financial assets, non-current	Ch\$	(505)	39	(40)	765
Other non-financial assets, non-current	PEN	-	(643)	-	(384)
<b>Foreign currency translation difference - assets</b>		<b>(108)</b>	<b>(11,209)</b>	<b>1,571</b>	<b>10,804</b>
Other financial liabilities, current	UF	(132)	5,691	715	(2,537)
Other financial liabilities, current	PEN	(51)	209	(59)	32
Trade and other payables	Ch\$	(985)	577	189	(1,885)
Trade and other payables	PEN	34	13	(6)	(2)
Other non-financial liabilities	Ch\$	(2,247)	49	(2,224)	(84)
Provisions for employee benefits	Ch\$	1,352	4,763	478	(1,421)
<b>Foreign currency translation difference - liabilities</b>		<b>(2,029)</b>	<b>11,302</b>	<b>(907)</b>	<b>(5,897)</b>
<b>Total foreign currency translation difference</b>		<b>(2,137)</b>	<b>93</b>	<b>664</b>	<b>4,907</b>

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

Income from investments accounted by equity method for the period ended June 30, 2021, and 2020, respectively, are presented in the following breakdown:

Net interest in affiliates' income	January - June		April - June	
	2021 ThUS\$	2020 ThUS\$	2021 ThUS\$	2020 ThUS\$
Electrogas S.A.	3,496	4,274	1,817	2,170
Transmisora Eléctrica de Quillota Ltda.	(172)	212	136	(27)
<b>Total</b>	<b>3,324</b>	<b>4,486</b>	<b>1,953</b>	<b>2,143</b>

### 38. Other gains (losses)

For the periods ended June 30, 2021 and 2020, this caption comprises the following:

Other gains	January - June		April - June	
	2021 ThUS\$	2020 ThUS\$	2021 ThUS\$	2020 ThUS\$
Other income	2,615	4,370	2,502	3,995
<b>Total other gains</b>	<b>2,615</b>	<b>4,370</b>	<b>2,502</b>	<b>3,995</b>
Other losses	January - June		April - June	
	2021 ThUS\$	2020 ThUS\$	2021 ThUS\$	2020 ThUS\$
Emissions of thermoelectric plants <sup>(1)</sup>	(6,930)	(8,094)	(4,050)	(3,743)
Comission for prepayment of Bond <sup>(2)</sup>	-	(17,391)	-	-
Disposal of property, plant and equipment	-	(739)	-	(739)
Impairment of unused water rights patents	(83)	-	(83)	-
Donations and community contributions	(4,550)	(2,103)	(4,184)	(1,243)
Decommissioning cost	(686)	(670)	(341)	(336)
Impairment of various projects	-	(8)	-	(6)
Financial cost for sale of portfolio associated with PEC <sup>(3)</sup>	(28,258)	-	(14,055)	-
Loss from derivative contracts	(135)	(143)	(36)	(43)
Litigation-related legal fees	(125)	(415)	(101)	(138)
Write-offs and fines	(79)	(54)	(79)	(53)
Allowance for doubtful customers	(965)	(1,102)	(354)	(874)
Others	(5,133)	(12,499)	(2,010)	(6,247)
<b>Total other losses</b>	<b>(46,944)</b>	<b>(43,218)</b>	<b>(25,293)</b>	<b>(13,422)</b>
<b>Total other gains (losses)</b>	<b>(44,329)</b>	<b>(38,848)</b>	<b>(22,791)</b>	<b>(9,427)</b>

<sup>(1)</sup> Corresponds to the provision for tax expense that is levied on the emissions of thermoelectric plants (Law 20.780).

<sup>(2)</sup> Corresponds to the prepaid tender premium of the 2024 Bond for ThUS\$ 14,306 and adjustments for capitalized expenses of the 2024 Bond for US\$ 3.084.

<sup>(3)</sup> Financial cost related with the sale of accounts receivables balances generated by the energy price stabilization mechanism ("PEC" in its Spanish acronym).

### 39. Guarantees with third parties and contingent assets and liabilities

#### a. Guarantees with third parties

a.1 **Direct guarantees:** As of June 30, 2021, the Company has provided direct guarantees for ThUS\$ 33,585.

Assets committed			Outstanding balance	
Type of guarantee	Currency	Carrying amount	06.30.2021	12.31.2020
			ThUS\$	ThUS\$
Performance bond	Ch\$	1,397,973,136	1,921	1,776
Performance bond	US\$	28,729,746	28,730	25,707
Performance bond	UF	98,519	2,927	21,165
Guarantee check	UF	167	7	7
<b>Total</b>			<b>33,585</b>	<b>48,655</b>

#### b. Third-party guarantees

b.1 **Current guarantees denominated in U.S. dollars as of June 30, 2021**

Deposited by	Relationship	Total ThUS\$
Trina Solar (Chile) SpA	Suppliers	7,194
Tsgf SpA	Suppliers	5,785
Abb Ltda.	Suppliers	594
Ingeniería Agrosonda SpA	Suppliers	528
LS Cable and System Ltd.	Suppliers	187
Rhona S.A.	Suppliers	179
Hmv Chile	Suppliers	169
Siemens Energy SpA	Suppliers	90
Siemens S.A.	Suppliers	45
Ing. y Ases. en Comp y Comunicación Neosecure S.A.	Suppliers	37
Greenpowermonitor Sistemas de Monitorizacion S.L.	Suppliers	20
Serv. de Respaldo de Energía Teknica Ltda.	Suppliers	18
Campbell Scientific Centro Caribe S.A.	Suppliers	18
Reliable Energy Ingeniería Ltda.	Suppliers	8
Sistemas Eléctricos Ingeniería y Servicios S.A.	Suppliers	6
Reivax S.A.	Suppliers	5
<b>Total</b>		<b>14,883</b>

b.2 **Current guarantees denominated in Euros as of June 30, 2021**

Deposited by	Relationship	Total ThUS\$
Zimmermann Solar Chile SpA	Suppliers	1,287
SMA Solar Technology AG	Suppliers	1,084
Zimmermann Pv-Stahlban GmbH	Suppliers	817
Siemens Energy SpA	Suppliers	521
Andritz Hydro S.R.L.	Suppliers	494
Andritz Chile Ltda.	Suppliers	22
<b>Total</b>		<b>4,225</b>

**b.3 Current guarantees denominated in Chilean pesos as of June 30, 2021**

<b>Deposited by</b>	<b>Relationship</b>	<b>Total ThUS\$</b>
Construcción Tecton SpA	Suppliers	101
Servicios Logísticos Vizcal Lda.	Suppliers	75
Prosing Ingeniería y Servicios Ltda.	Suppliers	50
Sodexo Chile SpA	Suppliers	28
Inmobiliaria e Inversiones Michel Chehade B.	Suppliers	26
Vigaflow S.A.	Suppliers	24
Servicios Empresariales Mol Ltda.	Suppliers	22
General Electric Energy Parts, Inc.	Suppliers	21
Resiter Industrial S.A.	Suppliers	16
Jaime Fuentes y Cía. Ltda.	Suppliers	15
Dimetales SpA	Suppliers	12
Serv. de Mantenim. Indust. José P. Muñoz EIRL	Suppliers	9
Constructora Javag SpA	Suppliers	7
Laboratorio Hidrolab S.A.	Suppliers	6
Ingeniería y Comercial San Andrés Ltda.	Suppliers	2
Hidrosimm SpA	Suppliers	1
	<b>Total</b>	<b>415</b>



**b.4 Current guarantees denominated in Inflation-adjusted units as of June 30, 2021**

Deposited by	Relationship	Total ThUS\$
Ingeniería Agrosonda SpA	Suppliers	2,975
Promet Servicios SpA	Suppliers	2,543
Contract Chile S.A.	Suppliers	349
DNV GL Chile Ltda.	Suppliers	296
Serv. Industriales Ltda.	Suppliers	251
Algoritmos y Mediciones Ambientales SpA	Suppliers	189
Securitas S.A.	Suppliers	93
Vigatec S.A.	Suppliers	83
WSP Ambiental S.A.	Suppliers	61
Universidad de Concepción	Suppliers	43
Soc. Comercial San Cristóbal Ltda.	Suppliers	42
Andritz Chile Ltda.	Suppliers	41
OHL Servicios Ingesan S.A. Agencia en Chile	Suppliers	41
Latinamericana Serv. de Ingeniería y Construcción Ltda.	Suppliers	39
Mario Francisco Segura Caballero	Suppliers	36
Sodexo Chile SpA	Suppliers	36
Constructora Javag SpA	Suppliers	36
Buses Ahumada Ltda.	Suppliers	28
Dragatec S.A.	Suppliers	28
Marcelo Javier Urrea Caro EIRL	Suppliers	26
Serv. Industriales Warner SpA	Suppliers	26
Soluciones de Ingeniería Control Ltda.	Suppliers	26
Transportes José Carrasco Retamal EIRL	Suppliers	24
Soc. Comercial Camin Ltda.	Suppliers	24
Serv. Emca SpA	Suppliers	24
Integración de Tecnologías Ltda.	Suppliers	23
MYA Chile Soluciones contra Incendio e Industriales Ltda.	Suppliers	19
ISS Facility Services S.A.	Suppliers	19
Serv. Industriales Euroambiente Ltda.	Suppliers	16
Esteyco Chile SpA	Suppliers	16
Soc. de Transportes Turismos e Invers.	Suppliers	14
Barlovento Chile Ltda.	Suppliers	13
Constructora Gómez Salazar Ltda.	Suppliers	10
Soc. Comercial y de Inversiones Conyser Ltda.	Suppliers	10
Mantenimiento de Jardines Arcoiris Ltda.	Suppliers	9
SGS Chile Ltda. Soc. de Control	Suppliers	8
Woss SpA	Suppliers	6
<b>Total</b>		<b>7,523</b>

**Fenix Power Perú S.A.**
**b.1 Current guarantees denominated in Peruvian soles as of June 30, 2021**

Deposited by	Relationship	Total ThUS\$
Empresa Regional de Serv. Público del Oriente S.A.	Suppliers	1,527
Unicontrol	Suppliers	50
Procarvi S.A.	Suppliers	38
Busser SAC	Suppliers	28
J&V Resguardo SAC	Suppliers	6
Laub & Quijandría Consultores	Suppliers	4
<b>Total</b>		<b>1,653</b>

**b.2 Current guarantees denominated in U.S. dollars as of June 30, 2021**

Deposited by	Relationship	Total ThUS\$
IDE Water Assets Lts/Hamatechet/Hasharon Industrial	Suppliers	128
Ingeniería y Construcción Sigdo Koppers Perú S.A.	Suppliers	123
Barlovento Renovables Latinoamérica SAC	Suppliers	97
VYT Contratistas SAC	Suppliers	5
<b>Total</b>		<b>353</b>

**c. Detail of litigation and others**

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

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

As of June 30, 2021, 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).

(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.

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

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

As of June 30, 2021, the case is pending judgment by the Supreme Court.

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

2.- The following charges were filed by the Superintendencia 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 Superintendencia 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 Superintendencia 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 June 30, 2020, the TAM rejected the case file, ordering the SMA to issue the corresponding resolution. The SMA filed a new appeal against this judgment on the Supreme Court, which was rejected as inadmissible. It would correspond, according to the procedural rules, to comply with the ruling of the TAV and the SMA should formulate, during the next months, charges again in this procedure. This process is expected to end in acquittal, compliance plan or fine, according to law.

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

### 3.- Arbitration proceeding for taxes levied on emissions

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

The Court summoned the parties to the conciliation stage provided for in the basis, but this was not achieved, and then the Court set the points of proof and suspended the probation period in accordance with the law in force. It is expected that the evidence will be rendered as of the next December. Based on the information and opinions from experts available to such date, Management reasonably believes that this lawsuit will have a favorable outcome for the Company, and that finally, the customer should reimburse the payments required.

As of June 30, 2021, the process is suspended in its evidence stage.

### 4.- Arbitration against CGE

On December 18, 2020, by filing the corresponding lawsuit, Colbún has initiated the arbitration procedure provided for in the Electricity Purchase Agreement with CGE, to resolve the difference between the parties, in the sense that this distributor discounted at its discretion and without legal or contractual basis, the invoices for April, May and July approximately Ch\$ 2,800 million, alleging that its final clients had not paid it as a consequence of the current pandemic. Based on the background and expert opinions available at this date, Management reasonably estimates a favorable result and that ultimately the client should pay all of the amounts involved.

As of June 30, 2021, the process is in its conciliation stage.

### 5. Invalidation of RCA Diego de Almagro Sur photovoltaic project

By Exempt Resolution of June 11, 2021, the SEA notified the request for invalidation of the RCA that approved the project's EIS, presented by a Colla-Diaguita indigenous community, represented by Wilfredo Cerda; based on the project's impact on this community due to the alleged existence of ceremonial sites, destruction of the Inca Trail, impact of Los Gemelos hill due to the extraction of stone material, among other issues.

As of June 30, 2021, the defense is being prepared, which seeks to defend the environmental assessment carried out, since the project did not generate significant impacts that could have justified an indigenous consultation; and to discredit the accusations made by the indigenous community, for which a legal report, one archaeological and the other anthropological, is being worked on. In parallel, the SEA was requested to extend the period of 15 business days (additional to the 10 originally granted) to present the defense, which has not yet been resolved.

## 40. 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, 2021, the Company complies with all the financial indicators required in such contracts, the detail of which are as follows:

Covenants	Status	06.30.2021	Term
<b>Local market bonds</b>			
EBITDA/Net finance costs	> 3,0	7.68	jun-2029
Indebtedness ratio	< 1,2	0.94	jun-2029
Minimum equity	> ThUS\$ 1.348.000	ThUS\$ 3,213,109	jun-2029

#### Calculation methodologies

Concept	Account	Amount as of 06.30.2021	
Equity	Total equity	ThUS\$	3,334,495
Net equity	Total equity - Non-controlling interests	ThUS\$	3,213,109
Minimum equity	Total equity - Non-controlling interests	ThUS\$	3,213,109
Total liabilities	Total current liabilities + Total non-current liabilities	ThUS\$	3,133,228
Indebtedness ratio	Total liabilities / Equity		0.94
Ebitda (*)	Revenue - Raw materials and consumables - Employee benefit expenses - other expenses by nature	ThUS\$	639,123
Net financial costs (*)	Finance costs - Finance income	ThUS\$	83,176

(\*) 12 trailing months

#### 41. Environment

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

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

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

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

The construction phase of the project began during the month of September with the closure of the perimeter and roads and has an advance of 53%.

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

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

Photovoltaic Solar Project Machicura: located in the Colbún area, at the foot of the Machicura reservoir, with an estimated power of 11.3 MW. The construction phase of the project is approximately 80% complete.

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, 2021, and June 30, 2020, the detail of the disbursements performed and to be performed in relation to environment regulations is the following:

**Accrued expenses as of 06.30.2021**

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS\$	Actual or estimated dates when the disbursement was or will be made
Colbún S.A.	Central Angostura	Environmental Management of Power Plant	Expense	Cost	94	jun-21
Colbún S.A.	Central Candelaria	Environmental Management of Power Plant	Expense	Cost	113	jun-21
Colbún S.A.	Central Canutillar	Environmental Management of Power Plant	Expense	Expense	35	jun-21
Colbún S.A.	Central Los Pinos	Environmental Management of Power Plant	Expense	Cost	116	jun-21
Colbún S.A.	Central Nehuenco	Environmental Management of Power Plant	Expense	Cost	202	jun-21
Colbún S.A.	Central Quilleco	Environmental Management of Power Plant	Expense	Cost	57	jun-21
Colbún S.A.	Central Rucúe	Environmental Management of Power Plant	Expense	Cost	15	jun-21
Colbún S.A.	Central Santa María	Environmental Management of Power Plant	Expense	Cost	217	jun-21
Colbún S.A.	Complejo Angostura	Environmental Management of Power Plant	Expense	Cost	155	jun-21
Colbún S.A.	Complejo Colbún	Environmental Management of Power Plant	Expense	Cost	45	jun-21
Colbún S.A.	Gestión Ambiental Corporativa	Environmental Management of Parent	Expense	Expense	124	jun-21
<b>Total</b>					<b>1,173</b>	

**Future expenses as of 06.30.2021**

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS\$	Actual or estimated dates when the disbursement was or will be made
Colbún S.A.	Central Angostura	Environmental Management of Power Plant	Expense	Cost	139	dic-21
Colbún S.A.	Central Candelaria	Environmental Management of Power Plant	Expense	Cost	118	dic-21
Colbún S.A.	Central Canutillar	Environmental Management of Power Plant	Expense	Cost	10	dic-21
Colbún S.A.	Central Los Pinos	Environmental Management of Power Plant	Expense	Cost	96	dic-21
Colbún S.A.	Central Nehuenco	Environmental Management of Power Plant	Expense	Cost	233	dic-21
Colbún S.A.	Central Quilleco	Environmental Management of Power Plant	Expense	Cost	39	dic-21
Colbún S.A.	Central Rucúe	Environmental Management of Power Plant	Expense	Cost	29	dic-21
Colbún S.A.	Central Santa María	Environmental Management of Power Plant	Expense	Cost	177	dic-21
Colbún S.A.	Complejo Angostura	Environmental Management of Power Plant	Expense	Cost	45	dic-21
Colbún S.A.	Complejo Colbún	Environmental Management of Power Plant	Expense	Cost	58	dic-21
Colbún S.A.	Gestión Ambiental Corporativa	Environmental Management of Parent	Expense	Expense	96	dic-21
Colbún S.A.	Central Carena	Environmental Management of Power Plant	Expense	Cost	4	dic-21
<b>Total</b>					<b>1,044</b>	

**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 1	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 Power Plant	Expense	Expense	34	jun-20
Colbún S.A.	Candelaria	Environmental Management of Parent	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
<b>Total</b>					<b>973</b>	

**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 1	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 Parent	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 Power Plant	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
<b>Total</b>					<b>879</b>	

## Disbursements in Peru

### Accrued expenses as of 06.30.2021

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	139	jun-21
<b>Total</b>					<b>139</b>	

### Future expenses as of 06.30.2021

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	150	dic-21
<b>Total</b>					<b>150</b>	

### 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
<b>Total</b>					<b>112</b>	

### 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
<b>Total</b>					<b>194</b>	



#### **42. Events occurred after the date of the financial position**

At a meeting held on July 27, 2021, the Board of Directors of Colbún S.A. approved the interim consolidated financial statements as of June 30, 2021, prepared in accordance with International Financial Reporting Standards (IFRS), issued by the IASB.

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

### 43. Foreign currency

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

Assets	Foreign currency	Currency	06.30.2021 ThUS\$	12.31.2020 ThUS\$
<b>Total current assets</b>				
Cash and cash equivalents	Ch\$	US\$	92,740	79,005
Cash and cash equivalents	EUR	US\$	1,262	2,042
Cash and cash equivalents	PEN	US\$	5,824	7,124
Other non-financial assets, current	Ch\$	US\$	49,467	19,802
Trade and other receivables, current	Ch\$	US\$	135,442	155,915
Trade and other receivables, current	PEN	US\$	24,007	24,992
Trade receivables due from related parties, current	Ch\$	US\$	12	12
Current tax assets	Ch\$	US\$	32	11
Current tax assets	PEN	US\$	995	3,910
<b>Total current assets</b>			<b>309,781</b>	<b>292,813</b>
<b>Non-current assets</b>				
Other non-financial assets, non-current	Ch\$	US\$	4,173	5,737
<b>Total non-current assets</b>			<b>4,173</b>	<b>5,737</b>
<b>Total assets</b>			<b>313,954</b>	<b>298,550</b>
Liabilities	Foreign currency	Currency	06.30.2021 ThUS\$	12.31.2020 ThUS\$
<b>Total current liabilities</b>				
Other financial liabilities, current	Ch\$	US\$	-	221
Other financial liabilities, current	UF	US\$	10,016	14,326
Lease liabilities, current	UF	US\$	2,404	1,988
Trade and other payables	Ch\$	US\$	148,601	102,546
Trade and other payables	PEN	US\$	8,911	12,552
Trade and other payables	EUR	US\$	26,586	2,630
Payables due to related parties, current	Ch\$	US\$	1,101	31
Other current provisions	Ch\$	US\$	18,241	29,370
Provisions for employee benefits, current	Ch\$	US\$	18,464	22,688
Provisions for employee benefits, current	PEN	US\$	1,101	1,319
Other non-financial liabilities, current	Ch\$	US\$	15,012	21,229
Other non-financial liabilities, current	PEN	US\$	1,234	1,382
<b>Total current liabilities</b>			<b>251,671</b>	<b>210,282</b>
<b>Non-current liabilities</b>				
Other financial liabilities, non-current	Ch\$	US\$	-	218
Other financial liabilities, non-current	UF	US\$	38,440	41,225
Lease liabilities, non-current	UF	US\$	1,883	2,844
Provisions for employee benefits, non-current	Ch\$	US\$	33,324	42,998
Other non-financial liabilities, non-current	Ch\$	US\$	6,326	9,952
<b>Total non-current liabilities</b>			<b>79,973</b>	<b>97,237</b>
<b>Total liabilities</b>			<b>331,644</b>	<b>307,519</b>

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 3', letter e).

Maturity profile of other financial liabilities in foreign currency

As of 06.30.2021	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\$	-	10,016	10,983	10,983	16,474	48,456
<b>Total</b>			<b>-</b>	<b>10,016</b>	<b>10,983</b>	<b>10,983</b>	<b>16,474</b>	<b>48,456</b>

As of 12.31.2020	Foreign currency	Currency	Up to 91 days ThUS\$	91 days to 1 year ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	Over 5 years ThUS\$	Total ThUS\$
Other financial liabilities	Ch\$	US\$	49	152	218	-	-	419
Other financial liabilities	UF	US\$	20	14,326	10,993	10,993	19,239	55,571
<b>Total</b>			<b>69</b>	<b>14,478</b>	<b>11,211</b>	<b>10,993</b>	<b>19,239</b>	<b>55,990</b>

44. Headcount (unaudited)

As of June 30, 2021, and December 31, 2020, this caption comprises the following:

	No. of employees					
	06.30.2021			12.31.2020		
	Chile	Peru	Total	Chile	Peru	Total
Managers and main executives	86	9	95	82	9	91
Professionals and technical staff	750	77	827	717	73	790
Other	243	21	264	244	21	265
<b>Total</b>	<b>1,079</b>	<b>107</b>	<b>1,186</b>	<b>1,043</b>	<b>103</b>	<b>1,146</b>
<b>Average of the year</b>	<b>1,065</b>	<b>106</b>	<b>1,171</b>	<b>1,029</b>	<b>95</b>	<b>1,124</b>

45. 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, 2021, and 2020, this caption comprises the following:

Concept	January - June		April - June	
	2021 ThUS\$	2020 ThUS\$	2021 ThUS\$	2020 ThUS\$
Audit services	11	67	1	4
Tax services	8	6	3	1
Other services	-	280	-	9
<b>Auditor's fees</b>	<b>19</b>	<b>353</b>	<b>4</b>	<b>14</b>

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