Interim Consolidated Financial Statements

for the period ended June 30, 2023

COLBÚN S.A. AND SUBSIDIARIES

Thousand of U.S. dollars

This report contains the following:

- **Interim report of the independent auditors**
- **Interim Consolidated Financial Statements**
- **Notes to the Interim Consolidated Financial Statement**

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.

Result of the review of the interim consolidated financial information

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, 2023, and the corresponding interim consolidated statements of comprehensive income for the six and three-month periods ended June 30, 2023 and 2022, the interim consolidated statements of changes in equity and cash flows for the six-month periods ended on these dates, and the corresponding notes to the interim consolidated financial statements (collectively referred to as interim consolidated financial information).

Based on our review, we are not aware of any significant modification that would need to be made to the accompanying interim consolidated financial information to bring it into compliance with IAS 34, “Interim Financial Reporting” incorporated into International Financial Reporting Standards.

Basis for interim review results

We conducted our review in accordance with Chilean Generally Accepted Auditing Standards applicable to reviews of interim financial information. A review of interim financial information consists primarily of applying analytical procedures and making inquiries of persons responsible for accounting and financial matters. A review of interim financial information is substantially smaller in scope than an audit performed in accordance with Generally Accepted Auditing Standards in Chile, whose objective is the expression of an opinion on the interim financial information as a whole. Therefore, we do not express such type of opinion. According to the relevant ethical requirements for our review, we are required to be independent of Colbún S.A. and comply with other ethical responsibilities in accordance with such relevant requirements. We believe that the results of the review procedures provide us with a reasonable basis for our conclusion.

Management's responsibility for interim consolidated financial information

The management of Colbún S.A. is responsible for the preparation and fair presentation of interim consolidated financial information in accordance with IAS 34, “Interim Financial Reporting” incorporated into International Financial Reporting Standards. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of interim consolidated financial information that is free from material misstatements, whether due to fraud or error.

Other matters – Consolidated statement of financial position as of December 31, 2022

On January 31, 2023, we issued an unmodified opinion on the consolidated financial statements as of December 31, 2022 and 2021 of Colbún S.A. and subsidiaries, which includes the consolidated statement of financial position as of December 31, 2022, which is presented in the accompanying interim consolidated financial statements, in addition to its corresponding notes.

Santiago, July 25, 2023

Marek Borowski
EY Audit Ltda.

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

ASSETS	Note N°	June 30, 2023 ThUS$	December 31, 2022 ThUS$
Current assets			
Cash and cash equivalents	8	282,699	198,063
Other financial assets, current	9	667,035	937,777
Other non-financial assets, current	21	16,177	36,129
Trade and other receivables, current	10	330,975	329,100
Receivables due from related parties, current	12.b	69	18
Inventories, current	13	97,379	95,028
Current tax assets	20.a	93,309	92,192
Total current assets		**1,487,643**	**1,688,307**
Non-current assets			
Other financial assets, non-current	9	7	19,971
Other non-financial assets, non-current	21	41,286	42,962
Trade and other receivables, non-current	10	112,026	62,000
Equity-accounted investees	16.a	17,276	16,385
Intangible assets other than goodwill	17	63,112	65,198
Goodwill	6	5,573	5,573
Property, plant and equipment	18	4,681,749	4,517,284
Right-of-use assets	19	114,096	120,559
Deferred tax assets	22.b	76,426	67,735
Total non-current assets		**5,111,551**	**4,917,667**
TOTAL ASSETS		**6,599,194**	**6,605,974**

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

Colbún S.A. and Subsidiaries

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

LIABILITIES AND EQUITY	Note N°	June 30, 2023 ThUS$	December 31, 2022 ThUS$
Current liabilities			
Other financial liabilities, current	23.a	80,042	95,557
Short-term lease liabilities	24	10,506	11,074
Trade and other payables	25	197,667	294,367
Payables due to related parties, current	12.b	92	32,509
Other current provisions	26	42,985	46,717
Current tax liabilities	20.b	26,405	3,321
Current provisions for employee benefits	27	23,194	27,983
Other non-financial liabilities, current	28	15,736	31,136
Total current liabilities		**396,627**	**542,664**
Non-current liabilities			
Other financial liabilities, non-current	23.a	1,918,184	1,925,613
Long-term lease liabilities	24	121,558	125,026
Trade and other payables, non-current	25	224	441
Other provisions, non-current	26	60,063	58,624
Deferred tax liabilities	22.b	951,388	961,543
Provisions for employee benefits, non-current	27	37,686	33,078
Other non-financial liabilities, non-current	28	6,053	6,108
Total non-current liabilities		**3,095,156**	**3,110,433**
Total liabilities		**3,491,783**	**3,653,097**
Equity			
Share capital	29.a	1,335,388	1,282,793
Retained earnings	29.f	1,136,453	959,285
Share premium	29.c	-	52,595
Other reserves	29.e	520,532	522,907
Equity attributable to the shareholders of the Parent		2,992,373	2,817,580
Non-controlling interests	-	115,038	135,297
Total equity		**3,107,411**	**2,952,877**
TOTAL LIABILITIES AND EQUITY		**6,599,194**	**6,605,974**

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

Colbún S.A. and Subsidiaries

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

STATEMENTS OF COMPREHENSIVE INCOME BY NATURE	Note	January - June		April - June	
		2023	2022	2023	2022
	N°	ThUS$	ThUS$	ThUS$	ThUS$
Revenue	7 and 30	1,100,596	930,787	546,006	513,956
Raw materials and consumables	31	(693,606)	(564,131)	(370,002)	(326,463)
Employee benefit expenses	32	(45,577)	(41,425)	(23,363)	(21,183)
Depreciation and amortization expenses	33	(100,911)	(108,103)	(50,338)	(55,282)
Other expenses, by nature	-	(34,450)	(26,772)	(17,843)	(13,441)
Other gains (losses)	37	77,525	(32,296)	94,003	(16,080)
Income from operations	-	**303,577**	**158,060**	**178,463**	**81,507**
Finance income	34	31,817	6,754	16,452	4,229
Finance costs	34	(45,182)	(41,545)	(22,062)	(20,639)
Share of profit of equity-accounted investees and joint ventures	16 and 36	7,400	5,223	3,373	2,608
Foreign currency translation differences	35	(2,152)	(9,482)	(3,109)	(10,970)
Profit before income taxes	-	**295,460**	**119,010**	**173,117**	**56,735**
Tax expense (benefit) from continuing operations	22.a	(72,262)	(25,416)	(41,914)	(19,027)
Profit (loss) from continuing operations		**223,198**	**93,594**	**131,203**	**37,708**
PROFIT (LOSS)		**223,198**	**93,594**	**131,203**	**37,708**
Net profit attributable to					
Shareholders of the Parent	29.h	221,837	86,469	133,917	38,834
Non-controlling interests	-	1,361	7,125	(2,714)	(1,126)
PROFIT (LOSS)		**223,198**	**93,594**	**131,203**	**37,708**
Earnings per share					
Basic earnings per share - Continuing operations US$/share	29.h	0.01265	0.00493	0.00764	0.00221
Basic earnings per share		**0.01265**	**0.00493**	**0.00764**	**0.00221**
Diluted earnings per share - Continuing operations US$/ share	29.h	0.01265	0.00493	0.00764	0.00221
Diluted earnings per share		**0.01265**	**0.00493**	**0.00764**	**0.00221**

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

Colbún S.A. and Subsidiaries

Interim Consolidated Statements of Income for the Period and Interim Other Comprehensive Income (continued)

for the periods ended June 30, 2023 and 2022 (unaudited)

(In thousands of U.S. dollars)

(Translation of the report originally issued in Spanish – See note 2)

STATEMENTS OF OTHER COMPREHENSIVE INCOME	Note N°	January - June 2023 ThUS$	January - June 2022 ThUS$	April - June 2023 ThUS$	April - June 2022 ThUS$
Net profit		**223,198**	**93,594**	**131,203**	**37,708**
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	-	(459)	(365)	150	(1,209)
Total other comprehensive (loss) income that will not be reclassified to profit or loss for the period, before taxes	-	**(459)**	**(365)**	**150**	**(1,209)**
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	-	52	(19)	1	(72)
Gain (loss) from cash flow hedges	-	16,108	(18,023)	824	(51,222)
Total other comprehensive income (loss) that will be reclassified to profit or loss for the period, before taxes		**16,160**	**(18,042)**	**825**	**(51,294)**
Other components of other comprehensive income (loss), before taxes		**15,701**	**(18,407)**	**975**	**(52,503)**
Income taxes related to components of other comprehensive income that will not be reclassified to income for the period					
Income tax related to new measurements of defined benefit plans	22.c	124	99	(40)	327
Income taxes related to components of other comprehensive income that will be reclassified to the result of the period					
Income tax related to cash flow hedges	22.c	(4,349)	4,867	(222)	13,830
Income tax related to components of other comprehensive income (loss)		**(4,225)**	**4,966**	**(262)**	**14,157**
Total other comprehensive income (loss)		**11,476**	**(13,441)**	**713**	**(38,346)**
Total comprehensive income (loss)		**234,674**	**80,153**	**131,916**	**(638)**
Comprehensive income (loss) attributable to:					
Shareholders of the Parent		233,313	73,028	134,630	488
Non-controlling interests		1,361	7,125	(2,714)	(1,126)
TOTAL COMPREHENSIVE INCOME		**234,674**	**80,153**	**131,916**	**(638)**

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

Colbún S.A. and Subsidiaries

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

STATEMENT OF CASH FLOW - DIRECT METHOD	Note N°	June 30, 2023 ThUS$	June 30, 2022 ThUS$
Cash flows from (used in) operating activities			
Cash receipts from operating activities			
Cash receipts from sale of goods and rendering of services	-	1,294,937	940,463
Cash receipts for premiums and services, annuities and other benefits of subscribed policies	-	6,800	18
Other cash receipts from operating activities	-	7,283	2,986
Cash payments for operating activities			
Cash payments to suppliers for goods and services	-	(960,539)	(699,868)
Cash payments to and on behalf of employees	-	(45,053)	(41,829)
Cash payments for premiums and services, annuities and other benefits of subscribed policies	-	(22,292)	(17,743)
Other cash payments for operating activities	-	(87,929)	(70,372)
Cash generated from operating activities	-	**193,207**	**113,655**
Dividends received	-	6,509	3,930
Interest received	-	39,647	10,066
Income taxes refunded (payments)	-	(81,955)	(145,122)
Other cash receipts (payments)	-	(870)	8,800
Net cash flows from operating activities		**156,538**	**(8,671)**
Cash flows from (used in) investing activities			
Cash flows used in the purchase of non-controlling interests	-	(6,155)	-
Resources from sales of other long-term assets, classified as investing activities	-	118,686	5,237
Acquisition of property, plant and equipment	-	(269,197)	(94,643)
Other cash receipts (payments)	-	289,326	209,945
Net cash flows from (used in) investing activities		**132,660**	**120,539**
Cash flows from (used in) financing activities			
Cash receipt from loans	-	**5,000**	**-**
Cash receipt from short-term loans	-	5,000	-
Payment of lease liabilities	-	(6,274)	(5,538)
Payment of loans	-	(18,675)	(194,595)
Dividends paid	-	(141,825)	(71,701)
Interest paid	-	(43,131)	(33,825)
Other cash (payments) receipts	-	5	(18,466)
Net cash used in financing activities	**8.c**	**(204,900)**	**(324,125)**
Net increase (decrease) in cash and cash equivalents before the effect of movements in exchange rates on cash held		**84,298**	**(212,257)**
Effects of movements in exchange rates on cash and cash equivalents			
Effects of movements in exchange rates on cash and cash equivalents		338	(2,755)
Net increase (decrease) in cash and cash equivalents		**84,636**	**(215,012)**
Cash and cash equivalents as of January 1		198,063	392,418
Cash and cash equivalents as of June 30	8	**282,699**	**177,406**

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

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

Statement of Changes in Equity	Note	Equity attributable to shareholders of the Parent											
				Changes in other reserves									
		Share capital	Share premium	Translation difference reserve	Hedging reserve	Actuarial profit or loss reserve of defined benefit plans	Accumulated other comprehensive income	Other reserves	Total other reserves	Retained earnings (accumulated deficit)	Equity attributable to shareholders of the Parent	Non-controlling interests	Equity
		ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Balance as of January 1, 2023		1,282,793	52,595	(253,120)	(13,690)	-	(266,810)	789,717	522,907	959,285	2,817,580	135,297	2,952,877
Increase (decrease) of equity due an error		-	-	-	-	-	-	-	-	-	-	-	-
Balance as of January 1, 2023, adjusted		1,282,793	52,595	(253,120)	(13,690)	-	(266,810)	789,717	522,907	959,285	2,817,580	135,297	2,952,877
Changes in equity													
Comprehensive income													
Profit (loss) for the period										221,837	221,837	1,361	223,198
Other comprehensive income				52	11,759	(335)	11,476	-	11,476	-	11,476	-	11,476
Dividends										(58,520)	(58,520)	-	(58,520)
Increase (decrease) from other changes		52,595	(52,595)	-	-	335	335	(14,186)	(13,851)	13,851	-	(21,620)	(21,620)
Total changes in equity		**52,595**	**(52,595)**	**52**	**11,759**	**-**	**11,811**	**(14,186)**	**(2,375)**	**177,168**	**174,793**	**(20,259)**	**154,534**
Equity as of June 30, 2023	**29**	**1,335,388**	**-**	**(253,068)**	**(1,931)**	**-**	**(254,999)**	**775,531**	**520,532**	**1,136,453**	**2,992,373**	**115,038**	**3,107,411**

Statement of Changes in Equity	Note	Equity attributable to shareholders of the Parent											
				Changes in other reserves									
		Share capital	Share premium	Translation difference reserve	Hedging reserve	Actuarial profit or loss reserve of defined benefit plans	Accumulated other comprehensive income	Other reserves	Total other reserves	Retained earnings (accumulated deficit)	Equity attributable to shareholders of the Parent	Non-controlling interests	Equity
		ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Balance as of January 1, 2022		1,282,793	52,595	(253,174)	(14,524)	-	(267,698)	819,757	552,059	833,180	2,720,627	120,799	2,841,426
Increase (decrease) of equity due an error		-	-	-	-	-	-	-	-	-	-	-	-
Balance as of January 1, 2022, adjusted		1,282,793	52,595	(253,174)	(14,524)	-	(267,698)	819,757	552,059	833,180	2,720,627	120,799	2,841,426
Changes in equity													
Comprehensive income													
Profit (loss) for the period										86,469	86,469	7,125	93,594
Other comprehensive income				(19)	(13,156)	(266)	(13,441)	-	(13,441)		(13,441)	-	(13,441)
Dividends										(49,810)	(49,810)	-	(49,810)
Increase (decrease) from other changes		-	-	-	-	266	266	(14,633)	(14,367)	14,367	-	(15)	(15)
Total changes in equity		**-**	**-**	**(19)**	**(13,156)**	**-**	**(13,175)**	**(14,633)**	**(27,808)**	**51,026**	**23,218**	**7,110**	**30,328**
Equity as of June 30, 2022	**29**	**1,282,793**	**52,595**	**(253,193)**	**(27,680)**	**-**	**(280,873)**	**805,124**	**524,251**	**884,206**	**2,743,845**	**127,909**	**2,871,754**

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

Contents page

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

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

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

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

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

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

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

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

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

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

2. Business description

Corporate purpose of the Company

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

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

Description of business in Chile

Main assets

The power generation matrix is composed of hydroelectric power plants (reservoir and run-of-the-river) and coal-fired, diesel and gas power plants (combined and conventional cycles), and renewable energies from variable sources, which in total provide an installed capacity of 3,461 MW to the National Power System ("SEN" for its Spanish acronym).

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

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

Regarding our solar power plants, during the month of January 2023, the Machicura Solar photovoltaic park (9 MW) came into commercial operation, located in the Colbún commune in the Maule Region. Previously, in 2022, the Diego de Almagro Sur photovoltaic park (230 MW) was incorporated, located in the Diego de Almagro commune in the Atacama Region, and in 2018, the Ovejería photovoltaic park (9 MW) located in the commune of Tiltil, Metropolitan Region.

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

Business policy

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

Main customers

The client portfolio is composed of regulated and unregulated customers.

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

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

The Power Market

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

Chile has three interconnected systems and Colbún operates in the largest, the National Power System (SEN), which comprises Arica in the north and Isla Grande de Chiloé in the south. The consumption in this zone represents 99% of total power demand in Chile. Colbún has a market share of approximately 17% in power generation.

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

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

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

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

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

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

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

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

Description of business in Peru

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

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

Fenix has capacity of 573 MW, which results in a market share of approximately 5% in the SEIN in energy production.

Main customers

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

Generation customers: CELEPSA.

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

The Power Market

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

The Peruvian power market has at national level as of June 2023, a installed capacity of 15.7 GW, of which 13.7 GW corresponds to the capacity installed in the National Interconnected Power System (SEIN), Of this last figure, about 55% is thermal capacity, 38% hydraulic, and the remaining 5% based on renewable energies. Accordingly, natural gas is critical at the domestic thermal power generation level, because of its significant reserves and exploration wells, being Camisea the main deposit with approximately 10.1 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 energy demand to the second quarter of 2023 was approximately 14.6 TWh, concentrated in the mining and residential sectors. In the same second quarter of 2022, the system´s demand was 13.6 TWh.

3. Significant Accounting policies

3.1 Accounting policies

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

These Interim Consolidated Financial Statements have been prepared assuming that the company will continue as a going concern and were approved by the Board of Directors for issue at their Meeting held on July 25, 2023.

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

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

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

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

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

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

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

Control is established as the base for determining which entities are consolidated in the 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				
				06.30.2023			06.30.2022	12.31.2022
				Direct	Indirect	Total	Total	Total
Colbún Desarrollo SpA	Chile	US$	76.442.095-0	100	-	100	100	100
Santa Sofía SpA	Chile	US$	76.487.616-4	100	-	100	100	100
Colbún Perú S.A.	Peru	US$	0-E	100	-	100	100	100
Inversiones de Las Canteras S.A. (1)	Peru	US$	0-E	-	58.6	58.6	51	51
Fenix Power Perú S.A.	Peru	US$	0-E	-	58.6	58.6	51	51
Desaladora del Sur S.A.	Peru	PEN	0-E	-	58.6	58.6	51	51
Efizity Ingeniería SpA. (2)	Chile	Ch$	76.362.527-3	-	-	-	100	100
Efizity SpA	Chile	Ch$	76.236.821-8	100	-	100	100	100
Efizity S.A.C. (3)	Peru	PEN	0-E	-	-	-	100	100

Variations in the consolidation perimeter

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Relationship	Company	Country	Funcional currency	Tax ID N°	Ownership % as of		
					06.30.2023	06.30.2022	12.31.2022
					Direct	Direct	Direct
Associate	Electrogas S.A.	Chile	US$	96.806.130-5	42.5	42.5	42.5

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

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

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

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

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

Exchange rate	06.30.2023	06.30.2022	12.31.2022
Chilean pesos	801.66	932.08	855.86
Euros	0.9164	0.9549	0.9344
Peruvian soles	3.6330	3.8300	3.8200
Inflation adjusted units	0.0222	0.0282	0.0244

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

- Finance cost of loans intended to finance assets under construction is capitalized during the construction period.
- Personnel expenses directly related to assets under construction.
- Costs of extensions, modernization or improvements representing an increase in the productivity, capacity or efficiency or lengthening of the useful lives of assets, are capitalized as higher cost of the related assets.
- Substitutions or renovations of assets that increase their useful lives, or their economic capacity, are recorded as the higher value of the respective assets, with the consequent accounting derecognition of the substituted or renovated assets.
- Dismantling, removal and restoration costs of property, plant and equipment are recognized based on the legal obligation of each project (note 3.n.2).

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

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

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

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

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

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

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

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

h. Financial instruments

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

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

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

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

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

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

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

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

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

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

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

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

h.2. Financial liabilities

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

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

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

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

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

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

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

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

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

Hedges are classified as follows:

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

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

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

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

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

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

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

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

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

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

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

l. Income tax - The Company 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 26 c).

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

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

Revenue is classified in the following categories:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3.2 New accounting pronouncements

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

3.2.1. Amendments effective from January 1, 2023

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

International Tax Reform: Pillar Two Model Rules (Amendment to IAS 12 Income Taxes): This amendment is related to income taxes arising from the tax law enacted or substantially enacted to implement the Pillar Two model rules published by the Organization for Economic Co-operation and Development (OECD), including the tax law that implements the qualified national minimum supplementary taxes described in those rules. Said tax law, and the income taxes derived from it, will hereinafter be referred to as "second pillar legislation" and "second pillar income taxes". As an exception to the requirements of this amendment, an entity shall not recognize or disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

An entity shall disclose that it has applied the exception to the recognition and disclosure of information on deferred tax assets and liabilities related to Pillar Two income taxes as indicated in the previous paragraph. In addition, an entity shall separately disclose its current tax expense (income) related to Pillar Two income taxes.

In periods when Pillar Two legislation is enacted or has been enacted but has not yet entered into force, an entity shall disclose known or reasonably estimable information that helps users of financial statements understand the entity's exposure to tax. to Pillar Two gains arising from that legislation.

To meet the disclosure objective in the preceding paragraph, an entity shall disclose qualitative and quantitative information about its Pillar Two income tax exposure at the end of the reporting period. This information does not have to reflect all the specific requirements of the Pillar Two legislation and can be provided in the form of an indicative range.

To the extent that the information is not known or reasonably estimable, an entity shall instead disclose a statement to that effect and disclose information about the entity's progress in assessing its exposure.

For the purposes of applying this amendment, an entity have to:

(a) apply the first two paragraphs of this section immediately after the issuance of this amendment and retrospectively in accordance with IAS 8; and

(b) apply the following three paragraphs for annual reporting periods beginning on or after January 1, 2023. An entity is not required to disclose the information required by these paragraphs for any interim reporting period ending on or after January 1, 2023. December 31, 2023.

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

Amendments issued by the IASB yet to be adopted		Mandatory application date
IAS 1	Classification of non-current liabilities with restrictions	January 1, 2024
IFRS 16	Pasivos por arrendamientos relacionados a ventas con arrendamiento posterior	January 1, 2024
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

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

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

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

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

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

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

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

This modification does not have significant effects for the Company.

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

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

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

This modification does not have significant effects for the Company.

3.3 Responsibility for the information and estimates made

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

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

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

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

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

4. Risk management

4.1 Risk management policy

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

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

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

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

4.2 Risk factors

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

4.2.1 Electric business risks

a. Hydrological risk

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

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

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

b. Fuel price risk

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

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

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

c. Fuel supply risk

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

On the other hand, on May 19, Colbún signed an interruptible contract with Gas Andes until April 30, 2024. The objective of this contract is to facilitate the transportation of 4,100,000 m3 of gas per day, from the gas reception point Chile/Argentina border to the delivery point “city gate Chena”.

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

With respect to purchases of coal for Santa María thermal power plant, the Company conducts tender processes (the most recent conducted in june 2022), inviting significant international suppliers and awarding the supply to established suppliers who have both physical and financial support. This is performed in accordance with an early purchases policy and an inventory management policy to substantially mitigate the risk of fuel unavailability.

d. Equipment malfunction and maintenance risk

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

e. Project construction risk

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

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

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

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

f. Regulatory risks

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

Chile

On December 12, 2022, the "Agreement for Chile" was signed, a new draft constituent process that was dispatched by the National Congress for the signature of the President of the Republic on January 11, 2023. This process It has three incumbent bodies, the Constitutional Council, the Expert Commission, and the Technical Admissibility Committee. These bodies will be in charge of drafting a new draft constitution, which must be ratified or rejected by the public through a plebiscite with a mandatory vote. The process will end on November 26, 2023 with the ratification plebiscite, and its result will be fundamental since it could result in changes to the institutional framework applicable to business activity in the country. The Expert Commission is currently developing the draft that it will propose to the Constitutional Council, a body that has not yet been voted on by the population.

Enacted Laws

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

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

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

The regulation that establishes the rules that regulate the operation of the Tariff Stabilization Fund of the Ministry of Finance is currently pending, it was withdrawn from the Comptroller's Office in May. However, the Ministry of Finance can already issue payment documents in the name of the suppliers.

Main Developments in Bills in Processing

On July 11, 2023, the Executive presented the Energy Transition Bill in the Senate, whose main objective is to achieve an enabling electricity sector to be a carbon neutral country by 2050 and to boost the country's local economies.

The bill is based on three pillars, which include measures aimed at strengthening transmission, but also with some measures focused on promoting competition in the sector.

- Electricity sector and climate change: Enabling infrastructure, territorial energy planning and operation of a low-emission electrical system.

- Transmission infrastructure: Tender and new mechanisms for expansion works.

- Promotion of competition and promotion of storage: Regulation according to current conditions market.

Currently the project is in the first legislative process with great urgency under the review of the mining and energy commission of the senate.

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

- Increase the goals of large-scale renewable generation, forcing the generation companies to commercialize at least 60% of NCRE by 2030 and, in addition, to commercialize at least 40% of NCRE by 2030 in each temporary block within the day, promoting the management of energy from variable sources through storage systems.

- Establish a traceability system of the renewable nature of the energy that is marketed, for which it obliges the National Electricity Coordinator to have information systems for the follow-up and record of traceability of the energy trade. The methodology will be determined by regulation.

- Promote distributed generation, through the definition of terms and costs of connection to the distribution network. It also considers an increase in the injection limit capacity of residential customers, from 300 to 500 kW, and the possibility that municipalities act as coordinators of residential generation facilities.

One of the main risks of this project is that the energy generated by reservoirs will not be counted for ERNC quotas.

Agenda for a Second Time of the Energetic Transition

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

The initiatives are summarized in 4 topics:

- Storage promotion.

- Mitigation of risks to suppliers.

- Operational flexibility.

- General measures (political and regulatory actions and urgent works).

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

- Green Tax Compensation Adjustment: Removed the "Type B Compensation" through an administrative act of the National Energy Commission. This measure will be implemented for the calculation that will be carried out in the year 2024, but which considers the taxes for the year 2023.

- Modernization of the supply tender: During the month of July, the definitive bases corresponding to the year 2023 were issued. Among the novelties of the document, a segmentation into 3 zonal blocks is incorporated, an increase in the duration of the supply contract to 20 years, possibility of transferring the systemic costs of the short-term market, and a direct incentive to storage or generation projects with non-variable renewable energies.

- Review and adjustment of technical minimums: The Coordinator launched a campaign to detect spaces for flexibility in thermal power plants, consistent with the update of the emissions standard. Colbún will participate collaboratively in this process.

- Open Call for Urgent Works: During the month of May the National Energy Commission launched a call to present works in the context of Art. 102. July 10 was the deadline for the Coordinators to send proposals to the Commission.

Storage and Electromobility Law

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

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

- Power Regulation: Establish the power recognition regime of storage systems.

- Coordination and Operation Regulations: Define the dispatch criteria and modes of operation.

- Regulation of Small Generation Means: Define the participation and pricing of storage systems in this type of power plants.

Green Hydrogen Action Plan

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

Short Term Market

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

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

Subsequently, on June 1, 2023, the company Copihue Energía SpA, a subsidiary of Mainstream Renewable Power, was withdrawn from the short-term market, for reporting that it was unable to comply with its obligations derived from the regulated supply contract awarded in the tender for the year 2015.

Finally, on July 12, 2023, the Coordinator informed by letter of the reincorporation of Ibereólica Cabo Leones II S.A. to the Short-Term market (withdrawn in October 2022), since it meets the requirements established in the regulation.

News Rationing Decree

On March 16, through decree 12, the Ministry of Energy extended the preventive rationing decree (DS No. 51/2021) until September 30, 2023.

Additionally, due to the storm that occurred in the center-south of the country at the end of June, and the spillage condition that it generated in various reservoirs of the electrical system, on July 4 the Ministry of Energy modified the preventive decree of rationing (DS No. 51/2021) with the objective of giving the Coordinator greater flexibility in hydrological considerations for the programming of the operation.

Peru

Enacted Laws

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

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

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

Main Developments in Bills in Processing

Law to ensure the efficient development of Electricity Generation

Through Ministerial Resolution No. 227-2022-MINEM dated June 24, 2022, the Ministry of Energy and Mines ("MINEM") ordered the publication of the proposed legislative initiative "Law that modifies Law 28832, Law to ensure the efficient development of Electricity Generation” along with its explanatory statement in order to receive contributions and/or comments from interested parties and citizens, within a period of 30 calendar days.

As indicated in the Bill, its purpose is to guarantee the safe, reliable and efficient supply of electricity, and to promote the diversification of the energy matrix. This proposal considered the following relevant matters:

- Contracts and new rules for bidding processes: Contracting of Power and/or Energy, modality by hourly blocks and short, medium and long term tenders.

- Complementary Services (SS.CC): New agent: Providers of SS.CC.

- Tender for Isolated Systems: Tender with renewable generation requirement and COES in charge of coordinating the operation.

- Transmission Plan: Option of a sectorial procedure of concurrence and Assistance from the COES to the MINEM – PROINVERSION.

- Bar rate: The bar rate is a weighted average of free and regulated prices.

At the end of the first semester of 2023, the initiative has not shown any progress or response to the comments sent by the interest groups.

However, in line with the objective of promoting investments in renewable energies, the following bill initiatives have been presented: PdL 2139/2021, 3662/2022 and 4565/2022, the first 2 being promoted by Congress and the last by the Executive Branch.

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

- Complementary Services: Complementary service providers are included as market agents. Likewise, the operation and administration of this market will be regulated by the MINEM. The entry of the complementary services market will be on January 1, 2026 and the responsibility for payment is given to those who generate the instability. This complementary services market does not exclude any agent.

- Regulated Market Tenders: The purchase of energy blocks or power and energy separately or jointly is contemplated, under the conditions established by the regulations. The bidding terms are established, categorized as short, medium and long term, with the maximum term to be contracted 15 years. In addition, bilateral contracts will have a maximum term of 2 years.

- Bar Rate Prices: The bar price set by Osinergmin may not differ by more than 10% from the weighted average of free and regulated prices, taking March 31 of each year as the cut-off date.

- Tenders in Isolated Systems: Renewable generation is prioritized in MINEM tenders.

- Coexistence of Contracts: Distribution of the energy and/or power consumed that respects the terms and conditions of the current contracts.

This project is awaiting debate in the plenary session of Congress at the end of June 2023.

The Bill that establishes measures to promote the mass use of natural gas is the result of multiple bills: PdL 679, PdL 1453, PdL 523, PdL 817 and PdL 1939 that were presented during 2021 and 2022 in the Commission of Energy and Mines, were later unified under Opinion 15 and likewise on June 23, 2023 it had its approval in plenary session of Congress. The main proposals are detailed below:

- Promotion of natural gas distribution projects: The increase in natural gas distribution infrastructure through pipelines is sought through projects promoted by MINEM in those departments or provinces that do not have such infrastructure. Financing for these projects will be provided by the Social Energy Inclusion Fund (FISE), or the Hydrocarbons Energy Security System (SISE).

- Creation of the Compensation Mechanism for Decentralized Access to Natural Gas: It seeks to create a compensation mechanism to level the prices of Natural Gas for users of distribution concessions. The reference prices are the final prices of the tariff categories where the greatest concentration of demand is found in natural gas distribution concessions connected to the pipeline transportation system. The compensation mechanism is applied through a rate discount in the monthly billing of beneficiary users. For NGV users, the mechanism is applied regardless of whether consumption is through pipelines or another modality. This mechanism is financed by the FISE in the first instance, or by the surcharge on the natural gas transportation service through pipelines for customers who make use of it if the FISE funds do not cover the compensation amounts. In the case of generators, a surcharge is made to the connection toll to the main transmission system.

- Creation of the Fuel Inventories Agency: Its main function is to manage, provide and dispose of hydrocarbon storage facilities considered strategic by the Peruvian State, in order to guarantee the continuous supply of fuels, LPG and other hydrocarbons.

At the end of June 2023, the Bill is awaiting the autograph.

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

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

- 25% for district municipalities.

- 25% for provincial municipalities.

- 50% for populated centers or peasant or native communities.

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

The Bill that promotes the use of Hydrogen, referring to PdL 3267/2022, PdL 3272/2022 and PdL 4374/2022. On June 20, 2023, it was approved under Opinion 34 of the Energy and Mines Commission. The proposal considers the following relevant points:

- Policy and Planning: The Minem formulates sectoral energy policies and plans for the development of the green hydrogen value chain. Likewise, mention is made of the granting of economic and tax benefits and the establishment of short, medium and long-term goals.

- Certification of Green Origin: The Minem establishes in the regulation the necessary requirements to obtain the certification of green origin of green hydrogen, for which it coordinates with the sectors involved.

- Declaration of National Interest: the declaration of national interest in research, development, production, transformation, storage, conditioning, transportation, distribution, marketing, export, and use of green hydrogen as fuel is promulgated. and as an energy vector.

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

- National Interest: The promotion of the use of electric and hybrid vehicles and the implementation of the necessary charging infrastructure are declared of national interest, with the objective of reducing greenhouse gas (GHG) emissions and reducing imports. of liquid fuels.

- Policy and Planning: The Minem formulates sectoral energy policies and plans for the promotion of electromobility, which must be aligned with the policies of the Ministry of Transportation and Communications (MTC) and the Ministry of Economy and Finance (MEF), which include: Economic incentives for the acquisition of electric and hybrid vehicles for fleet renewal purposes vehicular by electric and hybrid vehicles, and implementation of charging infrastructure for its energy supply granting of economic and tax benefits for the manufacture, assembly or import of electric and hybrid vehicles.

- Charging Infrastructure: The service provided at charging stations qualifies as a commercial activity, is carried out under competitive conditions and is publicly accessible. The owners of the charging stations report the service rates to Osinergmin, so that said rates are published.

The **Bill that promotes Lithium**, associated with PdL 4775, PdL 5288 and PdL 4184. On May 18, 2023, it was approved under opinion 26 of the Energy and Mining Commission. Among the main initiatives is the declaration of national interest for the creation, construction and implementation of the National Plant of Lithium for the production of batteries, batteries and other products, to serve and supply the national and international market.

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

The main measures of this bill are the following:

- A surcharge will be applied that will be applicable to the charges for energy and power of Free Users in the period of validity of the Tariff Balance Program. The purpose of the unit surcharge for is to ensure that, up to the end of 2030, the Price at the Generation Level at the Generation Busbar level differs by a maximum of 10% from the Average Price of the Free Market published by OSINERGMIN.

- To set the Tariff Balance Surcharge, OSINERGMIN considers the maximum values of 3.5 USD/MWh until 2023, an increase of 10% from 2024 and a maximum excess of 7 USD/MWh from 2029 to 2030.

- The Rate Balance Surcharge is set quarterly by OSINERGMIN based on the projection of the number of Users who are beneficiaries of the Rate Balance Program.

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

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

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

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

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

The demand for energy in Chile has had a decrease of approximately 0.1% during 2Q23 compared to 2Q22, while Peru has experienced an increase of approximately 7% compared to 2Q22.

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

4.2.2 Financial risks

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

a. Exchange rate risk

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

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

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

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

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

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

b. Interest rate risk

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

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

c. Credit risk

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

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

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

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

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

d. Liquidity risk

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

As of June 30, 2023, Colbún has cash surpluses of approximately US$950 million, invested in interest-bearing checking accounts, time deposits and Mutual funds with an average duration of 50 days (it includes time deposits with a duration of less than and greater than 90 days, where the latter are recorded as "Other financial assets, current" in the Consolidated Financial Statements) and fixed-income investments with a term of 0 to 1 year that are estimated to be held until maturity.

Likewise, the Company has the following additional sources of liquidity available: (i) three line of bonds registered with the local market, two for UF 7 million as a whole and one for UF 7 million, and (ii) uncommitted credit revolving facilities for approximately US$150 million. For its part, Fenix Power has uncommitted lines for a total of US$60 million.

Within the next twelve months, the Company will have to disburse approximately US$101 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, 2023, Colbún has the following local risk ratings: AA by Fitch Ratings and Feller Rate, with stable outlook. At international level, the Company's ratings are Baa2 by Moody’s, BBB by S&P and BBB+ by Fitch Ratings, all with stable outlooks.

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

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

4.3 Risk measurement

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

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

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

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

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

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

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

At the closing date, the financial institution which accounts for the highest share of cash surpluses has 35%. For existing derivatives, the Company's foreign counterparties have risk ratings equivalent to BBB+ or higher and domestic counterparties have local ratings of BBB+ or higher. It should be noted that in derivatives, none of the counterparty concentrates more than 44% in notional terms.

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

5. Critical Accounting policies

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

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

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

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

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

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

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

Additional detail per class of plants is presented below

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

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

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

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

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

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

(iii) Intangible assets with indefinite useful lives:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

c. Fair value of derivatives and other financial instruments

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

6. Goodwill

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

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

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

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

7. Segment reporting

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

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

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

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

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

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

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

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

The table below presents information by operating segment:

Segment operating results as of 06.30.2023	January - June					April - June				
	Chile Generation	**Peru Generation**	Operating segments	Elimination of intersegment revenue	Total operating segments	**Chile Generation**	**Peru Generation**	Operating segments	Elimination of intersegment revenue	Total operating segments
Revenue										
Revenue	977,370	123,226	1,100,596	-	1,100,596	482,331	63,675	546,006	-	546,006
Revenue from transactions with other operating segments	-	-	-	-	-	-	-	-	-	-
Total revenue from third parties and transactions with other operating segments	**977,370**	**123,226**	**1,100,596**	**-**	**1,100,596**	482,331	63,675	**546,006**	-	**546,006**
Raw materials and consumables	(604,328)	(89,278)	(693,606)	-	(693,606)	(310,669)	(59,333)	(370,002)	-	(370,002)
Employee benefit expenses	(40,830)	(4,747)	(45,577)	-	(45,577)	(21,134)	(2,229)	(23,363)	-	(23,363)
Interest expenses	(33,647)	(11,535)	(45,182)	-	(45,182)	(16,418)	(5,644)	(22,062)	-	(22,062)
Interest income	30,785	1,032	31,817	-	31,817	15,997	455	16,452	-	16,452
Depreciation and amortization expenses	(83,420)	(17,491)	(100,911)	-	(100,911)	(41,810)	(8,528)	(50,338)	-	(50,338)
Share of profit or loss of equity-accounted associates and joint ventures	8,349	-	8,349	(949)	7,400	51	-	51	3,322	3,373
Income tax expense from continuing operations	(78,991)	6,729	(72,262)	-	(72,262)	(49,252)	7,338	(41,914)	-	(41,914)
Profit (loss) before taxes	301,277	(4,868)	296,409	(949)	295,460	183,647	(13,852)	169,795	3,322	173,117
Profit (loss) from continuing operations	222,286	1,861	224,147	(949)	223,198	134,395	(6,514)	127,881	3,322	131,203
Profit (loss)	**222,286**	**1,861**	**224,147**	**(949)**	**223,198**	134,395	(6,514)	**127,881**	**3,322**	**131,203**
Assets	6,049,040	691,443	6,740,483	(141,289)	6,599,194	-	-	-	-	-
Equity-accounted investees	158,565	-	158,565	(141,289)	17,276	-	-	-	-	-
Incorporation of non-current assets other than financial instruments, deferred tax assets, assets related to defined benefit plans and rights arising from insurance contracts	232,744	25,355	258,099	-	258,099	-	-	-	-	-
Liabilities	3,077,377	414,406	3,491,783	-	3,491,783	-	-	-	-	-
Equity					3,107,411					-
Liabilities and equity					**6,599,194**					**-**
Cash flows from (used in) operating activities	140,813	15,725	156,538	-	156,538	85,177	(558)	84,619	-	84,619
Cash flows from (used in) investing activities	139,884	(7,224)	132,660	-	132,660	159,873	(4,274)	155,599	-	155,599
Cash flows from (used in) financing activities	(175,559)	(29,341)	(204,900)	-	(204,900)	(152,853)	(5,274)	(158,127)	-	(158,127)

Continued

Segment operating results as of 06.30.2022	January - June					April - June				
	Chile Generation	Peru Generation	Operating segments	Elimination of intersegment revenue	Total operating segments	Chile Generation	Peru Generation	Operating segments	Elimination of intersegment revenue	Total operating segments
Revenue										
Revenue	822,677	108,110	930,787	-	930,787	460,965	52,991	513,956	-	513,956
Revenue from transactions with other operating segments	-	-	-	-	-	-	-	-	-	-
Total revenue from third parties and transactions with other operating segments	**822,677**	**108,110**	**930,787**	**-**	**930,787**	**460,965**	**52,991**	**513,956**	**-**	**513,956**
Raw materials and consumables	(510,709)	(53,422)	(564,131)	-	(564,131)	(298,745)	(27,718)	(326,463)	-	**(326,463)**
Employee benefit expenses	(37,163)	(4,262)	(41,425)	-	(41,425)	(19,529)	(1,654)	(21,183)	-	**(21,183)**
Interest expenses	(29,439)	(12,106)	(41,545)	-	(41,545)	(14,810)	(5,829)	(20,639)	-	**(20,639)**
Interest income	6,576	178	6,754	-	6,754	4,138	91	4,229	-	**4,229**
Depreciation and amortization expenses	(90,398)	(17,705)	(108,103)	-	(108,103)	(46,399)	(8,883)	(55,282)	-	**(55,282)**
Share of profit or loss of equity-accounted associates and joint ventures	12,691	-	12,691	(7,468)	5,223	1,452	-	1,452	1,156	**2,608**
Income tax expense from continuing operations	(27,288)	1,872	(25,416)	-	(25,416)	(13,465)	(5,562)	(19,027)	-	**(19,027)**
Profit (loss) before taxes	113,706	12,772	126,478	(7,468)	119,010	52,282	3,297	55,579	1,156	**56,735**
Profit (loss) from continuing operations	86,418	14,644	101,062	(7,468)	93,594	38,817	(2,265)	36,552	1,156	37,708
Profit (loss)	**86,418**	**14,644**	**101,062**	(7,468)	**93,594**	**38,817**	**(2,265)**	**36,552**	1,156	**37,708**
Assets	5,805,311	712,077	6,517,388	(132,594)	6,384,794	-	-	-	-	**-**
Equity-accounted investees	148,082	-	148,082	(132,594)	15,488	-	-	-		**-**
Incorporation of non-current assets other than financial instruments, deferred tax assets, assets related to defined benefit plans and rights arising from insurance contracts	221,709	7,934	229,643	-	229,643	-	-	-	-	**-**
Liabilities	3,060,951	452,089	3,513,040	-	3,513,040	-	-	-	-	-
Equity					2,871,754					
Liabilities and equity					**6,384,794**					
Cash flows from (used in) operating activities	(51,576)	42,905	(8,671)	-	(8,671)	(87,630)	22,684	(64,946)	-	(64,946)
Cash flows from (used in) investing activities	124,395	(3,856)	120,539	-	120,539	114,622	(1,677)	112,945	-	112,945
Cash flows from (used in) financing activities	(295,127)	(28,998)	(324,125)	-	(324,125)	(82,064)	(5,025)	(87,089)	-	(87,089)

Continued

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

Information about products and services

Sales in the main geographical markets	January - June 2023 ThUS$	January - June 2022 ThUS$	April - June 2023 ThUS$	April - June 2022 ThUS$
Chile Generation				
Energy sales	785,024	683,730	383,564	392,113
Power sales	104,317	73,323	51,635	36,280
Other income	88,029	65,624	47,132	32,572
Subtotal	**977,370**	**822,677**	**482,331**	**460,965**
Peru Generation				
Energy sales	93,652	81,280	48,238	40,847
Power sales	23,974	20,942	12,082	10,381
Other income	5,600	5,888	3,355	1,763
Subtotal	**123,226**	**108,110**	**63,675**	**52,991**
Total reportable segments	**1,100,596**	**930,787**	**546,006**	**513,956**
Elimination of inter-segment revenue	-	-	-	-
Total sales	**1,100,596**	**930,787**	**546,006**	**513,956**

Information on sales to main customers

Main customers	January - June				April - June			
	2023		2022		2023		2022	
	ThUS$	%	ThUS$	%	ThUS$	%	ThUS$	%
Chile Generation								
Corporación Nacional del Cobre Chile	298,910	27%	247,675	27%	151,368	28%	123,400	24%
Minera Escondida Ltda.	112,006	10%	90,554	10%	76,078	14%	55,718	11%
CGE Distribución S.A.	109,232	10%	83,632	9%	59,414	11%	51,123	10%
Enel Generación Chile S.A.	96,184	9%	79,663	9%	64,259	12%	33,994	7%
ENGIE Energía Chile S.A.	54,486	5%	47,557	5%	38,807	7%	10,319	2%
Enel Distribución Chile S.A.	78,275	7%	40,264	4%	46,450	9%	21,496	4%
Minera Spence S.A.	48,983	4%	14,357	2%	31,269	6%	5,992	1%
Others	179,294	18%	218,975	25%	14,686	3%	158,923	31%
Subtotal	**977,370**	**90%**	**822,677**	**91%**	**482,331**	**90%**	**460,965**	**91%**
Peru Generation								
Luz del Sur	49,576	5%	49,956	5%	18,415	3%	24,719	5%
Inland Energy S.A.C.	14,555	1%	-	0%	7,869	1%	-	0%
Enel Distribución Perú S.A.A.	13,582	1%	13,663	1%	7,534	1%	6,800	1%
ENEL Generación Perú S.A.A.	2,740	0%	2,778	0%	59	0%	846	0%
Electro Oriente S.A.	2,896	0%	2,853	0%	1,751	0%	1,355	0%
Compañía Eléctrica El Platanal	3,406	0%	2,016	0%	2,892	1%	1,084	0%
Electricidad Del Peru Electroperu	6,897	1%	3,662	0%	6,400	1%	1,998	0%
Empresa De Generación Huallaga S.A.	2,292	0%	246	0%	2,259	0%	202	0%
Others	27,282	3%	32,936	3%	16,496	3%	15,987	3%
Subtotal	**123,226**	**10%**	**108,110**	**9%**	**63,675**	**10%**	**52,991**	**9%**
Total reportable segments	**1,100,596**	**100%**	**930,787**	**100%**	**546,006**	**100%**	**513,956**	**100%**
Elimination of inter-segment revenue	**-**		**-**		**-**		**-**	
Total sales	**1,100,596**		**930,787**		**546,006**		**513,956**	

8. Cash and cash equivalents

a. Detail

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

Cash and cash equivalents	06.30.2023 ThUS$	12.31.2022 ThUS$
Cash on hand	14	55
Cash in banks	89,771	83,112
Time deposits	148,307	109,993
Other cash equivalents	44,607	4,903
Total cash and cash equivalents	**282,699**	**198,063**

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

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

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

b. Detail by currency

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

Currency	06.30.2023	12.31.2022
	Currency ThUS$	Currency ThUS$
EUR	777	964
CLP	152,640	103,479
PEN	22,758	8,844
USD	106,524	84,776
Total	**282,699**	**198,063**

c. Reconciliation of liabilities arising from financial activities

Liabilities arising from financing activities	Balance as of 01.01.2023	Cash flow	Changes that do not represent cash flows				Balance as of 06.30.2023
			Dividends	Interests	Valuation	Other	
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Finance lease liabilities [1]	136,100	(10,745)	-	5,103	1,606	-	132,064
Banks payable	184,849	(5,374)	-	5,901	-	187	185,563
Bonds Payable [2]	1,816,977	(46,956)	-	32,788	-	4,384	1,807,193
Dividends payable	6,111	(141,825)	-	-	-	-	(135,714)
Total	**2,144,037**	**(204,900)**	**-**	**43,792**	**1,606**	**4,571**	**1,989,106**

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

[1] See note 24
[2] See note 23.a

9. Other financial assets

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

	Current		Non-current	
	06.30.2023	12.31.2022	06.30.2023	12.31.2022
	ThUS$	ThUS$	ThUS$	ThUS$
Time deposits [1]	621,896	857,244	-	-
Hedge derivative instruments [2] (see note 14.1)	5	1,368	-	-
Investment for share offering	-	-	7	6
Bonds fixed-income investments	45,134	79,165	-	19,965
Total	**667,035**	**937,777**	**7**	**19,971**

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

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

10. Trade and other receivables

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

Caption	Current		Non-current	
	06.30.2023	12.31.2022	06.30.2023	12.31.2022
	ThUS$	ThUS$	ThUS$	ThUS$
Trade receivables by contract	315,134	317,194	112,026	62,000
Other receivables [1]	15,841	11,906	-	-
Total	**330,975**	**329,100**	**112,026**	**62,000**

[1] As of June 30, 2023, the current balance comprises recoverable taxes for ThUS$ 1,877 and other minor items for ThUS$ 13,964. (ThUS$ 749 and ThUS$ 11,157 as of December 31, 2022, respectively). Company believes these assets are recoverable within 12 months.

The average collection period is 30 days.

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

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

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

Impairment	Current		Non-current	
	06.30.2023 ThUS$	12.31.2022 ThUS$	06.30.2023 ThUS$	12.31.2022 ThUS$
Opening balance	5,061	2,344	-	-
Increase (decrease) in the allowance	(1,249)	2,712	3,992	3,092
Impairment losses	13	5	-	-
Closing balance	**3,825**	**5,061**	**3,992**	**3,092**

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

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

a) Aging of trade receivables portfolio

Invoiced	Balance as of 06.30.2023					
	Current ThUS$	1-30 days ThUS$	31-60 ThUS$	61-90 ThUS$	Over 91 days ThUS$	Total ThUS$
Trade receivables, regulated	-	1,444	63	-	54	1,561
Trade receivables, unregulated	37,034	56,559	1,688	301	5,721	101,303
Other receivables	22,864	637	563	1,666	317	26,047
Allowance for impairment losses	(3,684)	(104)	-	(12)	(25)	(3,825)
Subtotal	**56,214**	**58,536**	**2,314**	**1,955**	**6,067**	**125,086**
Invoices to be issued	**Balance as of 06.30.2023**					
	Current ThUS$	1-30 days ThUS$	31-60 ThUS$	61-90 ThUS$	Over 91 days ThUS$	Total ThUS$
Trade receivables, regulated	43,972	-	-	-	-	43,972
Trade receivables, unregulated	129,478	-	-	-	-	129,478
Other receivables	16,598	-	-	-	-	16,598
Subtotal	**190,048**	**-**	**-**	**-**	**-**	**190,048**
Total Trade Receivables	**246,262**	**58,536**	**2,314**	**1,955**	**6,067**	**315,134**
No. of customers (unaudited)	**332**	**208**	**55**	**33**	**151**	

Invoiced	Balance as of 12.31.2022					
	Current ThUS$	1-30 days ThUS$	31-60 ThUS$	61-90 ThUS$	Over 91 days ThUS$	Total ThUS$
Trade receivables, regulated	345	216	-	-	1	562
Trade receivables, unregulated	28,163	2,859	770	65	1,386	33,243
Other receivables	48,319	677	66	218	556	49,836
Allowance for impairment losses	(4,805)	(205)	-	-	(51)	(5,061)
Subtotal	**72,022**	**3,547**	**836**	**283**	**1,892**	**78,580**

Invoices to be issued	Balance as of 12.31.2022					
	Current ThUS$	1-30 days ThUS$	31-60 ThUS$	61-90 ThUS$	Over 91 days ThUS$	Total ThUS$
Trade receivables, regulated	81,015	-	-	-	-	81,015
Trade receivables, unregulated	123,190	-	-	-	-	123,190
Other receivables	34,409	-	-	-	-	34,409
Subtotal	**238,614**	**-**	**-**	**-**	**-**	**238,614**
Total Trade Receivables	**310,636**	**3,547**	**836**	**283**	**1,892**	**317,194**
No. of customers (unaudited)	**390**	**65**	**30**	**22**	**136**	

b) Customers in legal collection

As of June 30, 2023, the Company has a customer in judicial collection for a total of ThCh$72,042, equivalent to ThUS$90.

11. 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, 2023	Amortized cost ThUS$	Fair value ThUS$	Total ThUS$
Cash on hand and cash in banks (see Note 8)	-	89,785	89,785
Time deposits and other cash equivalents (see Note 8)	148,307	44,607	192,914
Trade and other receivables [1] (see Note 10)	329,098	-	329,098
Trade receivables due from related parties (see Note 12.b.1)	69	-	69
Derivative financial instruments (see Note 14.1)	-	5	5
Other financial assets (see Note 9)	667,030	-	667,030
Total	**1,144,504**	**134,397**	**1,278,901**

December 31, 2022	Amortized cost ThUS$	Fair value ThUS$	Total ThUS$
Cash on hand and cash in banks (see Note 8)	-	83,167	83,167
Time deposits and other cash equivalents (see Note 8)	109,993	4,903	114,896
Trade and other receivables [1] (see Note 10)	328,351	-	328,351
Trade receivables due from related parties (see Note 12.b.1)	18	-	18
Derivative financial instruments (see Note 14.1)	-	1,368	1,368
Other financial assets (see Note 9)	956,374	-	956,374
Total	**1,394,736**	**89,438**	**1,484,174**

(1) As of June 30, 2023, recoverable taxes for ThUS$ 1,877 are not considered. As of December 31, 2022, the balance related to current recoverable taxes amounted to ThUS$ 749.

a.2 Liabilites

June 30, 2023	Amortized cost ThUS$	Fair value ThUS$	Total ThUS$
Interest-bearing borrowings (see Note 23.c.1 and c.2)	1,992,756	-	1,992,756
Lease liabilities (see Note 24)	132,064	-	132,064
Derivative financial instruments (see Note 14.1)	-	5,470	5,470
Trade and other payables (see Note 25)	197,891	-	197,891
Payables due to related parties (see Note 12.b.2)	92	-	92
Total	**2,322,803**	**5,470**	**2,328,273**

December 31, 2022	Amortized cost ThUS$	Fair value ThUS$	Total ThUS$
Interest-bearing borrowings (see Note 23.c.1 and c.2)	2,001,826	-	2,001,826
Lease liabilities (see Note 24)	136,100	-	136,100
Derivative financial instruments (see Note 14.1)	-	19,344	19,344
Trade and other payables (see Note 25)	294,808	-	294,808
Payables due to related parties (see Note 12.b.2)	32,509	-	32,509
Total	**2,465,243**	**19,344**	**2,484,587**

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	06.30.2023 ThUS$	12.31.2022 ThUS$
Customers with local risk rating		
AAA	141,023	110,733
AA+	9,082	28,853
AA	48,110	54,336
AA-	22,321	28,909
A+	7,325	9,790
Total	**227,861**	**232,621**
Customers with no local risk rating		
Total	**87,273**	**84,573**
Cash in banks and bank short-term deposits, local market		
AAA	510,217	847,547
AA+	299,206	42,416
AA		31
Total	**809,423**	**889,994**
Cash in banks and bank short-term deposits, international market (*)		
AA-	2,678	2,380
A+or less	92,494	162,933
Total	**95,172**	**165,313**
Cash in international fixed-income investments (*)		
A	6,740	19,162
BBB+	18,469	36,307
BBB or less	19,925	43,661
Total	**45,134**	**99,130**
Counterparty derivative financial assets, national market		
A+or less	-	12
Total	**-**	**12**
Counterparty derivative financial assets, international market (*)		
AA-	5	452
A+or less		904
Total	**5**	**1,356**

(*) Foreign Risk classification

12. Related parties disclosures

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

a. Controlling interests

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

Shareholders	Ownership %
Minera Valparaíso S.A. (*)	35.17
Forestal Cominco S.A. (*)	14.00
Antarchile S.A.	9.58
AFP Habitat S.A. (**)	5.96
AFP Capital S.A. (**)	3.80
AFP Cuprum S.A. (**)	3.40
AFP Provida S.A. (**)	3.37
Banco de Chile por cuenta de State Street	3.30
Banco Santander - JP Morgan	2.73
Banco de Chile por cuenta de Citi N.A. New York	1.84
Larraín Vial S.A. Corredora de Bolsa	1.73
Banchile Corredores de Bolsa S.A	1.60
Other shareholders	13.52
Total	**100.00**

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

b. Balances and transactions with related parties

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

b. 1. Trade receivables due from related parties

Tax ID N°	Company	Country	Relationship	Currency	Current 06.30.2023 ThUS$	Current 12.31.2022 ThUS$
65.027.584-5	Fundación Colbún	Chile	Special purpose entity	Ch$	69	18
				Total	**69**	**18**

b. 2. Trade payables due from related parties

Tax ID N°	Company	Country	Relationship	Currency	Current 06.30.2023 ThUS$	Current 12.31.2022 ThUS$
99.520.000-7	Compañía de Petróleos de Chile Copec S.A.	Chile	Director and controlling shareholder	Ch$	36	666
90.412.000-6	Minera Valparaíso S.A.	Chile	Controlling shareholder	US$	-	22,776
79.621.850-9	Forestal Cominco S.A.	Chile	Controlling shareholder	US$	-	9,067
65.027.584-5	Fundación Colbún	Chile	Special purpose entity	Ch$	56	-
				Total	**92**	**32,509**

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			
						2023		2022		2023		2022	
						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$
96.806.130-5	Electrogas S.A.	Chile	Associate	US$	Gas transport service	6,193	(5,204)	3,871	(3,253)	2,366	(1,988)	2,326	(1,955)
					Diesel transport service	302	(254)	43	(36)	89	(75)	20	(17)
				US$	Dividend received [1]	6,509	-	3,930	-	6,509	-	3,930	-
97.080.000-K	Banco Bice	Chile	Common group	Ch$	Expenses for services received	63	(53)	54	(45)	24	(20)	3	(2)
96.731.890-6	Cartulinas CMPC S.A.	Chile	Parent common director	Ch$	Sale of energy and capacity	6,461	5,429	5,464	4,592	3,047	2,560	2,847	2,392
96.532.330-9	CMPC Pulp SpA.	Chile	Common group	Ch$	Sale of energy and capacity and energy transport	18,355	15,424	15,623	13,128	9,047	7,602	7,157	5,984
79.621.850-9	Forestal Cominco S.A.	Chile	Controlling shareholder	US$	Dividends [2]	19,539	-	10,162	-	19,539	-	10,162	-
90.412.000-6	Minera Valparaíso S.A.	Chile	Controlling shareholder	US$	Dividends [2]	49,088	-	25,531	-	49,088	-	25,531	-
99.520.000-7	Compañía de Petróleos de Chile Copec S.A.	Chile	Director and controlling shareholder	Ch$	Diesel supply service	4,546	(3,149)	30,392	(19,950)	2,766	(1,846)	22,802	(14,018)
96.806.980-2	Entel PCS Telecomunicaciones S.A.	Chile	Common group	Ch$	Telephone services	109	(92)	66	(55)	27	(23)	38	(31)
96.925.430-1	Sercor S.A.	Chile	Common director	Ch$	Stock administration service	76	(64)	49	(41)	48	(40)	31	(26)
90.844.000-5	Kupfer Hermanos S.A	Chile	Common director	Ch$	Purchase of personal protective equipment	35	(29)	43	(36)	13	(11)	11	(9)
					Sale of energy and capacity	117	98	87	72	60	50	49	41
76.351.385-8	Orion Power S.A.	Chile	Common group	Ch$	Operation and maintenance service	-	-	47	(39)	-	-	32	(26)
76.138.547-K	Mega Archivos S.A.	Chile	Common director	Ch$	Document storage service	18	(15)	12	(10)	11	(9)	6	(5)
93.628.000-5	Molibdenos y Metales S.A.	Chile	Common group	Ch$	Sale of energy and capacity	167	140	1,864	1,567	-	-	967	813
79.943.600-0	Forsac SpA.	Chile	Common group	Ch$	Sale of energy and capacity	248	208	201	169	141	118	106	89
95.304.000-K	CMPC Maderas SpA	Chile	Common group	Ch$	Sale of energy and capacity	7,589	6,377	6,511	5,472	4,013	3,372	3,224	2,710
91.440.000-7	Forestal Mininco SpA	Chile	Common group	Ch$	Sale of energy and capacity	128	108	99	83	72	61	50	42

[1] Dividends paid by Electrogas S.A

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

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

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

c. Management personnel and senior management

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

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

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

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

d. Board of Directors' Committee

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

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

e. Compensation and other benefits

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

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

e.1 Board of Directors' remuneration

Name	Position	January - June						April - June					
		2023			2022			2023			2022		
		Colbún Board ThUS$	Variable remuneration ThUS$	Directors Comittee ThUS$	Colbún Board ThUS$	Variable remuneration ThUS$	Directors Comittee ThUS$	Colbún Board ThUS$	Variable remuneration ThUS$	Directors Comittee ThUS$	Colbún Board ThUS$	Variable remuneration ThUS$	Directors Comittee ThUS$
Hernán Rodríguez Wilson [1]	Chairman	80	380	-	74	680	-	40	380	-	38	680	-
Bernardo Larraín Matte [1]	Deputy-chairman	40	190	-	34	340	-	20	190	-	16	340	-
Vivianne Blanlot Soza [1]	Director	40	190	-	34	340	-	20	190	-	16	340	-
María Emilia Correa [1]	Director	40	190	13	34	340	9	20	190	7	16	340	5
Rodrigo José Donoso Munita [1]	Director	40	190	13	34	340	9	20	190	7	16	340	5
Marcela Alejandra Angulo González [1]	Director	40	190	13	34	226	9	20	-	-	16	226	-
Juan Carlos Altmann Martin [1]	Director	40	190	-	34	226	-	20	190	-	16	226	-
Jaime Maluk Valencia [1]	Director	40	90	-	-	-	-	20	90	-	-	-	-
Francisco Matte Izquierdo [1]	Director	40	20	-	-	-	-	-	-	-	-	-	-
Bernardo Matte Larraín	Director	-	180	-	34	340	-	-	180	-	16	340	-
Andrés Lehuedé Bromley	Director	-	90	-	34	340	-	-	90	-	16	340	-
Luz Granier Bulnes	Director	-	-	-	-	114	-	-	-	-	-	114	-
Juan Eduardo Correa García	Director	-	-	-	-	114	-	-	-	-	-	114	-
TOTAL		**400**	**1,900**	**39**	**346**	**3,400**	**27**	**180**	**1,690**	**14**	**166**	**3,400**	**10**

[1] Current Directors as June 30, 2023.

e.2 Board Counseling Expenses

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

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

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

The remuneration earned by key management personnel amounts to:

Concept	January - June		April - June	
	2023 ThUS$	2022 ThUS$	2023 ThUS$	2022 ThUS$
Short-term employee benefits	2,599	1,980	1,290	812
Other long-term benefits	931	391	340	161
Termination benefits	140	(504)	(39)	(775)
Total	**3,670**	**1,867**	**1,591**	**198**

e.4 Receivables and payables and other transactions

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

e.5 Other transactions

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

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

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

e.7 Incentive plans for Senior Executives and Managers

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

e.8 Indemnities paid to Senior Executives and Managers

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

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

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

e.10 Consideration plans associated with shares' quote.

The Company has no such operations.

13. Inventories

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

Inventory	06.30.2023 ThUS$	12.31.2022 ThUS$
Spare parts for maintenance	23,681	21,267
Coal	67,786	65,581
Oil	7,951	9,827
Gas Line Pack	1,117	1,509
Allowance for obsolescence (1)	(3,156)	(3,156)
Total	**97,379**	**95,028**

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

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

Inventory costs recognized as expense

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

Inventory Cost	January - June		April - June	
	2023 ThUS$	2022 ThUS$	2023 ThUS$	2022 ThUS$
Warehouse consumption	10,142	4,622	6,558	2,637
Oil (see note 31)	16,076	57,853	8,709	50,794
Gas (see note 31)	342,548	269,542	163,919	150,176
Coal (see note 31)	101,346	63,010	55,676	31,993
Total	**470,112**	**395,027**	**234,862**	**235,600**

14. Derivative instruments

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

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

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

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

14.1 Hedging instruments

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

Hedging assets		Current		Non-current	
		06.30.2023 ThUS$	12.31.2022 ThUS$	06.30.2023 ThUS$	12.31.2022 ThUS$
Currency hedging instrument	Cash flow hedges	-	12	-	-
Fuel price hedge	Cash flow hedges	5	1,356	-	-
	Total (see note 9)	**5**	**1,368**	**-**	**-**

Hedging liabilities		Current		Non-current	
		06.30.2023 ThUS$	12.31.2022 ThUS$	06.30.2023 ThUS$	12.31.2022 ThUS$
Currency hedging instrument	Cash flow hedges	5,470	19,344	-	-
	Total (see note 23.a)	**5,470**	**19,344**	-	-
Hedging instruments, net		**(5,465)**	**(17,976)**	-	-

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

Hedging instrument	Fair value Hedginig instrument		Underlying asset hedged	Hedged risk	Type of hedge
	06.30.2023 ThUS$	12.31.2022 ThUS$			
Currency forwards	(5,419)	(15,649)	Future Project Disbursements	Exchange rate	Cash flow
Currency forwards	(4)	(1,204)	Customers	Exchange rate	Cash flow
Currency forwards	(47)	(2,479)	Financial Investments	Exchange rate	Cash flow
Coal options	5	1,356	Oil and gas purchases	Coal price	Cash flow
Total	**(5,465)**	**(17,976)**			

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

14.2 Fair value hierarchy

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

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

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

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

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

15. Investment in subsidiaries

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

Subsidiary	06.30.2023						
	Current assets ThUS$	Non-current assets ThUS$	Current liabilities ThUS$	Non-current liabilities ThUS$	Equity ThUS$	Revenue ThUS$	Net profit (loss) ThUS$
Colbún Desarrollo SpA.	160	-	1	-	159	-	-
Santa Sofía SpA.	-	13,252	183	-	13,069	-	123
Colbún Perú S.A.	15,354	162,954	391	-	177,917	-	600
Inversiones de Las Canteras S.A.	1,838	278,281	1,776	467	277,876	-	1,757
Fenix Power Perú S.A.	75,242	616,201	99,444	314,962	277,037	123,226	1,861
Desaladora Del Sur S.A.	243	3	9	-	237	-	(1)
Efizity SpA.	3,199	635	4,546	-	(712)	2,561	(431)

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

16. Equity-accounted investees

a. Equity-accounted investees

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

Relationship	Company	Number of shares	Ownership percentage 06.30.2023	Balance as of 01.01.2023	Accrued profit or loss	Dividends	Equity Reserve: Foreign currency transaction difference	Equity Reserve: Reserve in hedge derivatives	Settlement	Other increase (decrease)	Total 06.30.2023
			%	MUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Associate	Electrogas S.A.	175,076	42.5%	16,385	7,400	(6,509)	-	-	-	-	17,276
			Total	**16,385**	**7,400**	**(6,509)**	**-**	**-**	**-**	**-**	**17,276**

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

b. Financial information about investments in associates and joint ventures

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

Relationship	Company	06.30.2023							
		Current assets ThUS$	Non-current assets ThUS$	Current liabilities ThUS$	Non-current liabilities ThUS$	Equity ThUS$	Revenue ThUS$	Operating costs ThUS$	Retained earnings (accumulated deficit) ThUS$
Associate	Electrogas S.A.	20,031	31,145	4,096	6,431	40,649	27,931	(2,223)	17,412

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

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 Enel Generación Chile S.A., Colbún S.A., Empresa de Gas Quinta Región (Gasvalpo), Energas S.A. and Enap Refinerías Concón.

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

17. Intangible assets other than goodwill

a. Detail by classes of intangible assets

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

Intangible assets, net		06.30.2023 ThUS$	12.31.2022 ThUS$
Rights not internally generated	Emission rights for particulate matter	9,582	9,582
	Concessions	202	202
	Water rights	10,074	10,074
	Easements	15,597	15,763
	Intangible assets related to customers	25,894	27,482
Licenses	Software	1,763	2,095
	Total	**63,112**	**65,198**

Intangible assets, gross		06.30.2023 ThUS$	12.31.2022 ThUS$
Rights not internally generated	Emission rights for particulate matter	9,582	9,582
	Concessions	228	228
	Water rights	10,093	10,093
	Easements	16,779	16,945
	Intangible assets related to customers	46,815	46,815
Licenses	Software	17,916	17,901
	Total	**101,413**	**101,564**

Accumulated amortization		06.30.2023 ThUS$	12.31.2022 ThUS$
Rights not internally generated	Concessions	(26)	(26)
	Water rights	(19)	(19)
	Easements	(1,182)	(1,182)
	Intangible assets related to customers	(20,921)	(19,333)
Licenses	Software	(16,153)	(15,806)
	Total	**(38,301)**	**(36,366)**

b. Movements in intangible assets

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

Movements for the period 2023	Rights not internally generated					Licenses	Intangibles assets, net
	Emission rights for particulate matter	Concessions	Water rights	Easements	Intangible assets related to customers	Software	
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance as of 01.01.2023	9,582	202	10,074	15,763	27,483	2,095	65,199
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	(313)	-	-	(313)
Transport from assets under construction	-	-	-	147	-	14	161
Amortization expenses (see Note 33)	-	-	-	-	(1,589)	(346)	(1,935)
Closing balance as of 06.30.2023	**9,582**	**202**	**10,074**	**15,597**	**25,894**	**1,763**	**63,112**

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

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

18. Property, plant and equipment

a. Detail of property, plant and equipment

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

Property, plant and equipment, net	06.30.2023 ThUS$	12.31.2022 ThUS$
Land	299,823	300,750
Building, construction and facilities	81,266	82,853
Machinery	-	-
Transport equipment	211	252
Office equipment	5,868	6,394
IT equipment	10,071	10,940
Power-generating assets	3,495,078	3,575,793
Assets under construction	446,415	269,802
Other property, plant and equipment	343,017	270,500
Total	**4,681,749**	**4,517,284**

Property, plant and equipment, gross	06.30.2023 ThUS$	12.31.2022 ThUS$
Land	299,823	300,750
Building, construction and facilities	148,017	147,864
Machinery	825	825
Transport equipment	1,369	1,379
Office equipment	9,330	9,311
IT equipment	16,371	15,853
Power-generating assets	6,116,627	6,112,492
Assets under construction	709,823	533,210
Other property, plant and equipment	478,589	405,005
Total	**7,780,774**	**7,526,689**

Accumulated depreciation and impairment of property, plant and equipment	06.30.2023 ThUS$	12.31.2022 ThUS$
Building, construction and facilities	(66,751)	(65,011)
Machinery	(825)	(825)
Transport equipment	(1,158)	(1,127)
Office equipment	(3,462)	(2,917)
IT equipment	(6,300)	(4,913)
Power-generating assets	(2,621,549)	(2,536,699)
Assets under construction	(263,408)	(263,408)
Other property, plant and equipment	(135,572)	(134,505)
Total	**(3,099,025)**	**(3,009,405)**

b. Movements in property, plant and equipment

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

Movements for the period 2023	Land ThUS$	Building, construction and facilities ThUS$	Machinery ThUS$	Transport equipment ThUS$	Office equipment ThUS$	IT equipment ThUS$	Power-generating assets ThUS$	Assets under construction ThUS$	Other property, plant and equipment ThUS$	Property, plant and equipment, net ThUS$
Opening balance as of 01.01.2023	300,750	82,853	-	252	6,394	10,940	3,575,793	269,802	270,500	4,517,284
Additions	-	-	-	-	-	6	61	184,299	73,283	257,649
Increase (decrease) resulting from other movements	(927)	-	-	2	-	2	19,081	-	(1)	18,157
Disposals	-	-	-	(12)	-	(77)	(353)	-	-	(442)
Accumulated depreciation of disposals	-	-	-	-	-	77	301	-	-	378
Impairment losses recognized in other comprehensive income	-	-	-	-	-	-	-	-	-	-
Transport from assets under construction	-	153	-	-	19	629	6,464	(7,686)	260	(161)
Transport between assets	-	-	-	-	-	(42)	(21,118)	-	42	(21,118)
Accumulated depreciation, transport between assets	-	-	-	-	-	10	2,060	-	(10)	2,060
Depreciation expenses (see Note 33)		(1,740)	-	(31)	(545)	(1,474)	(87,211)		(1,057)	(92,058)
Total movements	**(927)**	**(1,587)**	**-**	**(41)**	**(526)**	**(869)**	**(80,715)**	**176,613**	**72,517**	**164,465**
Closing balance as of 06.30.2023	**299,823**	**81,266**	**-**	**211**	**5,868**	**10,071**	**3,495,078**	**446,415**	**343,017**	**4,681,749**

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

c. Other disclosures

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

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

ii) As of June 30, 2023, and December 31, 2022, the Company had commitments associated with the acquisition of property, plant and equipment for construction agreements for ThUS$ 415,823 and ThUS$ 647,328, respectively. The companies with which it operates are Enercon Gmbh, Strabag SpA, Enercon Chile SpA, Ing.Y Construccion Sigdo Koppers S.A., among others.

iii) As of June 30, 2023, and 2022, the accrued capitalized interest costs (IAS 23), are as follows:

Concept	January - June		April - June	
	2023 ThUS$	2022 ThUS$	2023 ThUS$	2022 ThUS$
Interest costs				
Capitalized interest costs	4,763	7,358	3,058	3,289
Total interest costs incurred	**4,763**	**7,358**	**3,058**	**3,289**
Cost capitalization rate for loans eligible for capitalization	9.54%	15.05%	2.67%	13.75%

iv) Additional information required for XBRL taxonomy

1. **Disbursements recognized during the construction**

Disbursements recognized during the construction, gross	06.30.2023 ThUS$	12.31.2022 ThUS$
Assets under construction	269,197	274,430
Total	**269,197**	**274,430**

2. Assets fully depreciated still in use

Assets fully depreciated still in use, gross	06.30.2023 ThUS$	12.31.2022 ThUS$
Building, construction and facilities	5,738	6,941
Transport equipment	625	358
Office equipment	1,107	1,005
IT equipment	1,635	925
Power-generating assets	395,449	370,844
Other property, plant and equipment	1,941	1,396
Total	**406,495**	**381,469**

Assets fully depreciated still in use, accumulated depreciation	06.30.2023 ThUS$	12.31.2022 ThUS$
Building, construction and facilities	(5,738)	(6,293)
Transport equipment	(623)	(355)
Office equipment	(1,107)	(1,000)
IT equipment	(1,635)	(922)
Power-generating assets	(357,140)	(333,580)
Other property, plant and equipment	(1,941)	(1,396)
Total	**(368,184)**	**(343,546)**

v) Detail of other property, plant and equipment:

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

Other property, plant and equipment, net	06.30.2023 ThUS$	12.31.2022 ThUS$
Substations	24,785	25,245
Transmission lines	9,138	9,418
Spare parts classified as property, plant and equipment	302,445	229,201
Other property, plant and equipment	6,649	6,636
Other property, plant and equipment, net	**343,017**	**270,500**

Other property, plant and equipment, gross	06.30.2023 ThUS$	12.31.2022 ThUS$
Substations	59,997	59,997
Transmission lines	41,920	41,920
Spare parts classified as property, plant and equipment	302,445	229,201
Other property, plant and equipment	15,499	15,219
Other property, plant and equipment, gross	**419,861**	**346,337**

Accumulated depreciation and impairment of other property plant and equipment	06.30.2023 ThUS$	12.31.2022 ThUS$
Substations	(35,212)	(34,752)
Transmission lines	(32,782)	(32,502)
Other property, plant and equipment	(8,850)	(8,583)
Total depreciation and impairment	**(76,844)**	**(75,837)**

vi) Detail of power-generating assets

Power-generating assets, net		06.30.2023 ThUS$	12.31.2022 ThUS$
Power-generating civil works	Hydropower	1,571,100	1,589,882
	Coal-fired thermal power	221,160	233,437
	Oil and gas-fired thermal power	33,659	42,178
	Solar power	23,555	4,987
Power-generating equipment and machinery	Hydropower	471,094	488,104
	Coal-fired thermal power	364,976	376,900
	Oil and gas-fired thermal power	664,441	692,230
	Solar power	145,093	148,075
Balance of power-generating assets, net		**3,495,078**	**3,575,793**

Power-generating assets, gross		06.30.2023 ThUS$	12.31.2022 ThUS$
Power-generating civil works	Hydropower	2,236,807	2,242,241
	Coal-fired thermal power	355,188	361,414
	Oil and gas-fired thermal power	50,562	59,395
	Solar power	24,144	5,086
Power-generating equipment and machinery	Hydropower	972,810	970,430
	Coal-fired thermal power	641,221	639,793
	Oil and gas-fired thermal power	1,700,082	1,698,820
	Solar power	153,183	152,737
Balance of power-generating assets, gross		**6,133,997**	**6,129,916**

Accumulated depreciation and impairment of power-generating assets		06.30.2023 ThUS$	12.31.2022 ThUS$
Power-generating civil works	Hydropower	(665,707)	(652,359)
	Coal-fired thermal power	(134,028)	(127,977)
	Oil and gas-fired thermal power	(16,903)	(17,217)
	Solar power	(589)	(99)
Power-generating equipment and machinery	Hydropower	(501,716)	(482,326)
	Coal-fired thermal power	(276,245)	(262,893)
	Oil and gas-fired thermal power	(1,035,641)	(1,006,590)
	Solar power	(8,090)	(4,662)
Total depreciation and impairment		**(2,638,919)**	**(2,554,123)**

vii) Temporarily Out of Service Assets

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

19. Right-of-use assets

a. Detail Right-of-Use assets

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

Right-of-use assets, Net	06.30.2023 ThUS$	12.31.2022 ThUS$
Transmission line operation and maintenance	8,180	8,603
Right-of-use office equipment	44	89
Right-of-use facilities	18,498	19,255
Right-of-use vehicles	577	1,100
Right-of-use Calidda gas pipeline	86,468	91,019
Right-of-use IT equipment	329	493
Total	**114,096**	**120,559**

Right-of-use assets, Gross	06.30.2023 ThUS$	12.31.2022 ThUS$
Transmission line operation and maintenance	18,081	18,081
Right-of-use office equipment	474	467
Right-of-use facilities	28,865	28,444
Right-of-use vehicles	5,613	5,586
Right-of-use Calidda gas pipeline	127,427	127,427
Right-of-use IT equipment	3,536	3,536
Total	**183,996**	**183,541**

Accumulated depreciation right-of-use assets	06.30.2023 ThUS$	12.31.2022 ThUS$
Transmission line operation and maintenance	(9,901)	(9,478)
Right-of-use office equipment	(430)	(378)
Right-of-use facilities	(10,367)	(9,189)
Right-of-use vehicles	(5,036)	(4,486)
Right-of-use Calidda gas pipeline	(40,959)	(36,408)
Right-of-use IT equipment	(3,207)	(3,043)
Total	**(69,900)**	**(62,982)**

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

The subsidiary Fenix maintains contracts with:

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

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

b. Movements of right-of-use assets

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

Movements for the period 2023	Transmission line operation and maintenance ThUS$	Right-of-use office equipment ThUS$	Right-of-use facilities ThUS$	Right-of-use vehicles ThUS$	Right-of-use Calidda gas pipeline ThUS$	Right-of-use IT equipment ThUS$	Right-of-use assets, Net ThUS$
Opening balance as of 01.01.2023	8,603	89	19,255	1,100	91,019	493	120,559
Additions	-	2	421	27	-	-	450
Contract modification	-	5	-	-	-	-	5
Finished contract	-	-	-	-	-	-	-
Depreciation expenses (see Note 33)	(423)	(52)	(1,178)	(550)	(4,551)	(164)	(6,918)
Total movements	**(423)**	**(45)**	**(757)**	**(523)**	**(4,551)**	**(164)**	**(6,463)**
Closing balance as of 03.31.2023	**8,180**	**44**	**18,498**	**577**	**86,468**	**329**	**114,096**

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

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

June 30, 2023	0-1 year ThUS$	1-5 years ThUS$	Over 5 years ThUS$	Total ThUS$
Gross	21,696	74,573	94,427	**190,696**
Interests	(11,190)	(29,545)	(17,897)	**(58,632)**
Present value (see note 24)	10,506	45,028	76,530	**132,064**

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

20. Current taxes

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

a. Current tax assets

	Current	
	06.30.2023 ThUS$	12.31.2022 ThUS$
Recoverable taxes from previous years	88,783	2
Recoverable taxes for the year (See note 22.a.1)	1,307	88,986
Other taxes to be recovered	3,219	3,204
Total	**93,309**	**92,192**

b. Current tax liabilities

	Current	
	06.30.2023 ThUS$	12.31.2022 ThUS$
Payable taxes for the year (See note 22.a.1)	26,405	3,062
Payable taxes previous years	-	259
Total	**26,405**	**3,321**

21. Other non-financial assets

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

	Current		Non-current	
	06.30.2023 ThUS$	12.31.2022 ThUS$	06.30.2023 ThUS$	12.31.2022 ThUS$
Insurance premium for facilities and civil responsibility	9,339	19,416	-	-
Prepayments [1]	6,674	16,555	40,465	41,902
Other miscellaneous assets	164	158	821	1,060
Total	**16,177**	**36,129**	**41,286**	**42,962**

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

22. Income taxes

a. Income tax benefit (expense)

Income tax benefit (expense)	January - June		April - June	
	2023 ThUS$	2022 ThUS$	2023 ThUS$	2022 ThUS$
Current income tax (expense) benefit				
Current income taxes	(90,792)	(22,416)	(53,235)	(7,852)
Adjustments to prior-year current income tax expense	(34)	212	198	212
Total current income tax expense, net	**(90,826)**	**(22,204)**	**(53,037)**	**(7,640)**
Deferred income tax (expense) benefit				
Deferred income tax benefit arising from temporary differences	18,564	(3,212)	11,123	(11,387)
Total deferred income tax benefit, net	**18,564**	**(3,212)**	**11,123**	**(11,387)**
Income tax benefit (expense)	**(72,262)**	**(25,416)**	**(41,914)**	**(19,027)**

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

Income tax benefit (expense)	January - June		April - June	
	2023 ThUS$	2022 ThUS$	2023 ThUS$	2022 ThUS$
Domestic current income tax (expense) benefit	(89,069)	(18,727)	(53,185)	(8,582)
Foreign current income tax (expense) benefit	(1,757)	(3,477)	148	942
Total current income tax (expense) benefit, net	**(90,826)**	**(22,204)**	**(53,037)**	**(7,640)**
Domestic deferred income tax benefit (expense)	10,116	(8,601)	3,794	(4,902)
Foreign deferred income tax benefit (expense)	8,448	5,389	7,329	(6,485)
Total deferred income tax benefit (expense)	**18,564**	**(3,212)**	**11,123**	**(11,387)**
Income tax expense charged to profit or loss	**(72,262)**	**(25,416)**	**(41,914)**	**(19,027)**

a.1 Reconciliation of current taxes

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

Current tax reconciliation	06.30.2023						
Company	Current taxes (profit or loss) ThUS$	Current taxes for equity adjustments ThUS$	Monthly provisional income tax payments ThUS$	Other credits ThUS$	Tax under Article No. 21 (profit or loss) ThUS$	Tax assets ThUS$	Tax liabilities ThUS$
Colbún S.A.	(89,229)	(4,351)	66,709	466	-	-	(26,405)
Efizity Ingeniería SpA.	-	-	-	-	-	-	-
Efizity SpA.	-	-	5	-	-	5	-
Colbún Perú S.A.	-	-	64	118	-	182	-
Inversiones Las Canteras S.A.	-	-	4	2	-	6	-
Fenix Power S.A.	(1,525)	-	2,639	-	-	1,114	-
Total	**(90,754)**	**(4,351)**	**69,421**	**586**	**-**	**1,307**	**(26,405)**

Current tax reconciliation	12.31.2022						
Company	Current taxes (profit or loss) ThUS$	Current taxes for equity adjustments ThUS$	Monthly provisional income tax payments ThUS$	Other credits ThUS$	Tax under Article No. 21 (profit or loss) ThUS$	Tax assets ThUS$	Tax liabilities ThUS$
Colbún S.A.	(59,528)	273	146,768	1,079	-	88,592	-
Efizity Ingeniería SpA.	-	-	4	-	-	4	-
Efizity SpA.	-	-	56	-	-	56	-
Efizity S.A.C.	-	-	1	-	-	1	-
Colbún Perú S.A.	-	-	243	80	-	323	-
Inversiones Las Canteras S.A.	-	-	7	3	-	10	-
Fenix Power S.A.	(8,405)	-	3,339	2,004	-	-	(3,062)
Total	**(67,933)**	**273**	**150,418**	**3,166**	**-**	**88,986**	**(3,062)**

As of June 30, 2023, Colbún S.A. together with its subsidiaries generated tax profits, registering a Tax payable, with respect to the Consolidated Income Tax Provision, net of monthly provisional payments (PPM) and credits, for ThUS$26,405.

In the case of the foreign subsidiary Fénix Power Perú S.A. records as of June 30, 2023 a tax to be recovered, net of Payments on Account, of ThUS$1,114. This company maintains a tax loss as of June 30, 2023 of ThUS$177,634.5, which is expected to be reversed in the future, therefore a deferred tax asset was recognized.

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

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

Income tax benefit (expense)	January - June				April - June			
	2023		2022		2023		2022	
	Amount ThUS$	Rate %	Amount ThUS$	Rate %	Amount ThUS$	Rate %	Amount ThUS$	Rate %
Profit before income taxes	295,460		119,010		173,117		56,735	
Tax expense using the legal rate (1)	**(79,774)**	**27.0%**	**(32,133)**	**27.0%**	**(46,741)**	**27.0%**	**(15,319)**	**27.0%**
Differences between US dollars and tax financial accounting in local currency through deferred taxes (2)	5,900	-2.0%	5,010	-4.2%	4,203	-2.4%	(5,500)	9.7%
Other differences (3)	1,612	-0.5%	1,707	-1.4%	624	-0.4%	1,792	-3.2%
Income tax expense	**(72,262)**	**24.5%**	**(25,416)**	**21.4%**	**(41,914)**	**24.2%**	**(19,027)**	**33.5%**

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

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

(3) As of June . 2023, the concept "Other Differences" corresponds to permanent differences for the recognition of the accrued results of associated companies.

b. Deferred taxes

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

Deferred tax assets	06.30.2023 ThUS$	12.31.2022 ThUS$
Deferred taxes related to tax losses	52,645	51,625
Deferred taxes related to provisions	29,662	33,493
Deferred taxes related to obligations for post-employment benefits	10,371	9,016
Deferred taxes related to anticipated income	3,739	2,216
Deferred taxes related to rights-of-use	4,147	3,481
Deferred taxes related to contingencies	4,932	2,772
Deferred taxes related to unrealized gain or loss	292	292
Deferred tax assets	**105,788**	**102,895**
Deferred tax liabilities	**06.30.2023 ThUS$**	**12.31.2022 ThUS$**
Deferred taxes related to depreciation	(956,549)	(970,277)
Deferred taxes related to finance costs	(15,447)	(16,405)
Deferred taxes related to intangible assets	(8,331)	(8,853)
Deferred taxes related to inventory	(423)	(1,165)
Deferred taxes related to hedging instruments	-	(3)
Deferred tax liabilities	**(980,750)**	**(996,703)**
Total deferred tax assets and liabilities, net	**(874,962)**	**(893,808)**

Deferred taxes movements	06.30.2023 ThUS$	12.31.2022 ThUS$
Deferred Taxes as of January 1	**(893,808)**	**(855,957)**
Tax loss	1,020	(5,507)
Hedge instruments	3	(1,587)
Right-of-use	666	996
Intangibles	522	715
Contingencias	2,160	-
Post-employment benefit	1,355	956
Anticipated income	1,523	442
Inventory	742	471
Provisions	(3,831)	4,248
Financial cost	958	1,841
Property, plant and equipment	13,728	(40,426)
Closing balance	**(874,962)**	**(893,808)**

[(1)] See note 3.1.c

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

Net deferred tax position by company				
Company	**Net position**			
	Non-current asset		**Non-current liability**	
	06.30.2023 ThUS$	**12.31.2022 ThUS$**	**06.30.2023 ThUS$**	**12.31.2022 ThUS$**
Fenix Power Perú S.A.	74,174	65,882	-	-
Santa Sofía SpA.	1,697	1,571	-	-
Colbún Perú S.A.	118	-		
Efizity SpA.	434	251	-	-
Efizity Ingeniería SpA.	-	7	-	-
Efizity S.A.C.	-	22	-	-
Desaladora del Sur S.A.	3	2	-	-
Inversiones de Las Canteras S.A.	-	-	(367)	(407)
Colbún S.A.	-	-	(951,021)	(961,136)
Total	**76,426**	**67,735**	**(951,388)**	**(961,543)**
		Net deferred taxes	**(874,962)**	**(893,808)**

c. Income taxes in other comprehensive income

	January - June		April - June	
	2023 ThUS$	2022 ThUS$	2023 ThUS$	2022 ThUS$
Cash flow hedges	(4,349)	4,867	(222)	13,830
Defined benefit plans	124	99	(40)	327
Income tax related to components of other comprehensive income	**(4,225)**	**4,966**	**(262)**	**14,157**
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	-	-	-	-
Income tax related to components of other comprehensive income	**(4,225)**	**4,966**	**(262)**	**14,157**

23. Other financial liabilities

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

a. Obligations with financial institutions

Other financial liabilities	Current		Non-current	
	06.30.2023 ThUS$	12.31.2022 ThUS$	06.30.2023 ThUS$	12.31.2022 ThUS$
Interest-Bearing Loans	27,920	27,393	157,643	157,456
Bond payables (Bonds, bills of exchange) (1)	46,652	48,820	1,760,541	1,768,157
Hedging derivatives (2)	5,470	19,344	-	-
Total	**80,042**	**95,557**	**1,918,184**	**1,925,613**

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

(2) See note 14.1

b. Financial debt by currency

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

Financial debt by currency	06.30.2023 ThUS$	12.31.2022 ThUS$
U.S. Dollar	1,986,393	2,001,826
Euros	11,390	19,008
Inflation-adjusted units	443	336
Total	**1,998,226**	**2,021,170**

c. Maturity and currency of the obligations with financial institutions

c.1 Bank borrowings

As of 06.30.2023				
Debtor's Tax ID No.	96505760-9	0-E	0-E	
Debtor's name	Colbún S.A.	Fenix Power Perú S.A.	Fenix Power Perú S.A.	
Debtor's country	Chile	Peru	Peru	
Creditor's ID number	0-E	0-E	0-E	
Creditor´s name	Sumitomo Mitsui Banking	Banco de Credito del Perú	Scotiabank	
Country of the creditor company	USA	Peru	Peru	
Currency or inflation-adjusted unit	US$	US$	US$	
Amortization frequency	Bullet	Annual	Annual	
Interest type	Variable	Fixed	Fixed	
Basis	Sofr 3M	-	-	
Effective rate	6.69%	6.90%	3.00%	
Nominal rate	6.45%	6.90%	3.00%	
Nominal amounts		**ThUS$**		**Total ThUS$**
Up to 90 days	2,588	-	15,182	**17,770**
90 days to 1 year	-	10,150	-	**10,150**
1-3 years	**-**	**-**	**-**	**-**
1-2 years	-	-	-	-
2-3 years	-	-	-	-
3-5 years	**-**	**-**	**-**	**-**
3-4 years	-	-	-	-
4-5 years	-	-	-	-
Over 5 years	**160,000**	**-**	**-**	**160,000**
Subtotal nominal amounts	**162,588**	**10,150**	**15,182**	**187,920**
Nominal amounts		**ThUS$**		**Total ThUS$**
Up to 90 days	2,588	-	15,182	**17,770**
90 days to 1 year	-	10,150	-	**10,150**
Current Interest-Bearing Loans	**2,588**	**10,150**	**15,182**	**27,920**
1-3 years	**-**	**-**	**-**	**-**
1-2 years	-	-	-	-
2-3 years	-	-	-	-
3-5 years	**-**	**-**	**-**	**-**
3-4 years	-	-	-	-
4-5 years	-	-	-	-
Over 5 years	**157,643**	**-**	**-**	**157,643**
Non-current Interest-Bearing Loans	**157,643**	**-**	**-**	**157,643**
Total Interest-Bearing Loans	**160,231**	**10,150**	**15,182**	**185,563**

Bank borrowings (continued)

As of 12.31.2022			
Debtor's Tax ID No.	96505760-9	0-E	0-E
Debtor's name	Colbún S.A.	Fenix Power Perú S.A.	Fenix Power Perú S.A.
Debtor's country	Chile	Peru	Peru
Creditor's ID number	0-E	0-E	0-E
Creditor´s name	Sumitomo Mitsui Banking	Banco de Credito del Perú	Scotiabank
Country of the creditor company	USA	Peru	Peru
Currency or inflation-adjusted unit	US$	US$	US$
Amortization frequency	Bullet	Annual	Annual
Interest type	Variable	Fixed	Fixed
Basis	Sofr 3M	-	-
Effective rate	5.68%	2.30%	3.00%
Nominal rate	5.45%	2.30%	3.00%

Nominal amounts		**ThUS$**		**Total ThUS$**
Up to 90 days	2,106	-	-	**2,106**
90 days to 1 year	-	10,205	15,082	**25,287**
1-3 years	**-**	**-**	**-**	**-**
1-2 years	-	-	-	**-**
2-3 years	-	-	-	**-**
3-5 years	-	-	-	**-**
3-4 years	-	-	-	**-**
4-5 years	-	-	-	**-**
Over 5 years	160,000	-	-	**160,000**
Subtotal nominal amounts	**162,106**	**10,205**	**15,082**	**187,393**

Carrying amounts		**ThUS$**		**Total ThUS$**
Up to 90 days	2,106	-	-	**2,106**
90 days to 1 year	-	10,205	15,082	**25,287**
Current Interest-Bearing Loans	**2,106**	**10,205**	**15,082**	**27,393**
1-3 years	**-**	**-**	**-**	**-**
1-2 years	-	-	-	**-**
2-3 years	-	-	-	**-**
3-5 years	-	-	-	**-**
3-4 years	-	-	-	**-**
4-5 years	-	-	-	**-**
Over 5 years	**157,456**	-	-	**157,456**
Non-current Interest-Bearing Loans	**157,456**	**-**	**-**	**157,456**
Total Interest-Bearing Loans	**159,562**	**10,205**	**15,082**	**184,849**

c.2 Bonds payable

As of 06.30.2023					
Debtor's Tax ID No.	96.505.760-9	96.505.760-9	96.505.760-9	0-E	
Debtor's name	Colbún S.A.	Colbún S.A.	Colbún S.A.	Fenix Power Peru S.A.	
Debtor's country	Chile	Chile	Chile	Peru	
Creditor's ID number	-	-	-	-	
Serie	144A/RegS	144A/RegS	144A/RegS	144A/RegS	
Maturity date	10-10-2027	03-06-2030	01-19-2032	09-20-2027	
Currency or inflation-adjusted unit	US$	US$	US$	US$	
Amortization frequency	Bullet	Bullet	Bullet	Biannual	
Interest type	Fixed	Fixed	Fixed	Fixed	
Basis	Fixed	Fixed	Fixed	Fixed	
Effective rate	5.11%	3.89%	3.33%	4.57%	
Nominal rate	3.95%	3.15%	3.15%	4.32%	
Nominal amounts	**ThUS$**				**Total ThUS$**
Up to 90 days	-	-	8,453	16,878	**25,331**
90 days to 1 year	4,334	4,988	-	12,000	**21,322**
1-3 years	**-**	**-**	**-**	**37,000**	**37,000**
1-2 years	-	-	-	20,000	20,000
2-3 years	-	-	-	17,000	17,000
3-5 years	**500,000**	**-**	**-**	**177,000**	**677,000**
3-4 years	-	-	-	27,000	27,000
4-5 years	500,000	-	-	150,000	650,000
Over 5 years	**-**	**500,000**	**600,000**	**-**	**1,100,000**
Subtotal nominal amounts	**504,334**	**504,988**	**608,453**	**242,878**	**1,860,653**
Carrying amounts	**ThUS$**				**Total ThUS$**
Up to 90 days	-	-	8,453	16,877	**25,330**
90 days to 1 year	4,334	4,988	-	12,000	**21,322**
Current performance bonds	**4,334**	**4,988**	**8,453**	**28,877**	**46,652**
1-3 years	**-**	**-**	**-**	**36,091**	**36,091**
1-2 years	-	-	-	19,533	19,533
2-3 years	-	-	-	16,558	16,558
3-5 years	**478,142**	**-**	**-**	**176,065**	**654,207**
3-4 years	-	-	-	26,582	26,582
4-5 years	478,142	-	-	149,483	627,625
Over 5 years	**-**	**478,242**	**592,001**	**-**	**1,070,243**
Non-current performance bonds	**478,142**	**478,242**	**592,001**	**212,156**	**1,760,541**
Total performance bonds	**482,476**	**483,230**	**600,454**	**241,033**	**1,807,193**

Bonds payable (continued)

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

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

Liability	Currency	Interests as of 06.30.2023		Capital	Maturity date	Maturity					Total interests	Total debt
		Accrued	Forecasted			Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years		
Bond 144A/RegS 2017 (Fenix Power Perú)	US$	2,878	35,047	240,000	09-20-2027	5,180	4,878	17,182	10,685	-	37,925	277,925
Bond 144A/RegS 2017	US$	4,334	84,541	500,000	10-11-2027	-	19,750	39,500	29,625	-	88,875	588,875
Bond 144A/RegS 2020	US$	4,988	105,262	500,000	03-06-2030	7,875	7,875	31,500	31,500	31,500	110,250	610,250
Bond 144A/RegS 2021	US$	8,452	161,648	600,000	01-19-2032	9,450	9,450	37,800	37,800	75,600	170,100	770,100
Loan SMBC	US$	2,588	68,879	160,000	10-05-2029	2,738	8,275	21,967	21,997	16,490	71,467	231,467

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

d. Committed and uncommitted revolving credit facilities

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

Fenix Power has credit lines for a total of US$60 million with 5 banks, of which US$25 million are contracted with two local banks with a one-year term.

Other Lines:

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

24. Lease Liabilities

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

Lease liabilities	Current		Non-current	
	06.30.2023 ThUS$	12.31.2022 ThUS$	06.30.2023 ThUS$	12.31.2022 ThUS$
Lease liabilities	10,506	11,074	121,558	125,026
Total	**10,506**	**11,074**	**121,558**	**125,026**

Lease obligation

Debtor's Tax ID No.	Debtor's name	Debtor's country	Creditor's name	Currency or inflation-adjusted unit	Amortization frequency	Effective rate	Nominal rate	Up to 90 days	90 days to 1 year	Liabilities under lease agreements, current	1 to 3 years	3 to 5 years	Over 5 years	Liabilities under lease agreements, non-current	Total liabilities under lease agreements
96505760-9	Colbún S.A.	Chile	Bice Vida Compania De Seguros S.A.	UF	Monthly	6.35%	6.35%	87	-	**87**	-	-	-	**-**	**87**
96505760-9	Colbún S.A.	Chile	Inmobiliaria Las Cruces SpA	UF	Monthly	2.85%	2.85%	161	325	**486**	702	-	-	**702**	**1,188**
96505760-9	Colbún S.A.	Chile	Inmobiliaria Playa Blanca S.A.	UF	Monthly	2.85%	2.85%	20	-	**20**	-	-	-	**-**	**20**
96505760-9	Colbún S.A.	Chile	Cia. De Leasing Tattersall S.A.	UF	Monthly	5.57%	5.57%	30	57	**87**	284	-	-	**284**	**371**
96505760-9	Colbún S.A.	Chile	Renta Nueva Sta. Maria SpA	UF	Monthly	3.30%	3.30%	35	25	**60**	85	85	185	**355**	**415**
96505760-9	Colbún S.A.	Chile	Nuevo Capital Leasing SpA	UF	Monthly	6.07%	6.07%	103	225	**328**	69	-	-	**69**	**397**
96505760-9	Colbún S.A.	Chile	Ministerio de Bienes Nacionales	UF	Annual	3.45%	3.45%	-	104	**104**	136	136	1,763	**2,035**	**2,139**
96505760-9	Colbún S.A.	Chile	Ministerio de Bienes Nacionales	UF	Annual	3.45%	3.45%	-	107	**107**	140	140	1,809	**2,089**	**2,196**
96505760-9	Colbún S.A.	Chile	Ministerio de Bienes Nacionales	UF	Annual	3.45%	3.45%	-	547	**547**	1,186	1,186	11,263	**13,635**	**14,182**
76362527-3	Efizity Ingenieria SPA	Chile	Inmobiliaria Arturo Prat Ltda.	UF	Monthly	5.25%	5.25%	24	16	**40**	-	-	-	**-**	**40**
0-E	Fenix Power Peru S.A.	Peru	Laila Fatima Gaber B.	US$	Monthly	5.50%	5.50%	6	53	**59**	176	42	-	**218**	**277**
0-E	Fenix Power Peru S.A.	Peru	Renta Equipos SA	US$	Monthly	3.40%	3.40%	15	55	**70**	56	-	-	**56**	**126**
0-E	Fenix Power Peru S.A.	Peru	Renta Equipos SA	US$	Monthly	4.00%	4.00%	1	5	**6**	12	-	-	**12**	**18**
0-E	Fenix Power Peru S.A.	Peru	Renta Equipos SA	US$	Monthly	6.02%	6.02%	1	4	**5**	20	5	-	**25**	**30**
0-E	Fenix Power Peru S.A.	Peru	Ricoh del Perú SAC	US$	Monthly	3.40%	3.40%	3	5	**8**	-	-	-	**-**	**8**
0-E	Fenix Power Peru S.A.	Peru	Calidda [1]	US$	Monthly	7.00%	7.00%	1,852	5,814	**7,666**	16,980	19,439	54,549	**90,968**	**98,634**
0-E	Fenix Power Peru S.A.	Peru	Consorcio Transmantaro S.A.	US$	Quaterly	12.00%	12.00%	197	629	**826**	1,887	2,262	6,961	**11,110**	**11,936**
Lease Liabilities, Total										**10,506**				**121,558**	**132,064**

[1] See note 19.a.2

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

[1] See note 19.a.2

25. Trade and other payables

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

	Current		Non-current	
	06.30.2023 ThUS$	12.31.2022 ThUS$	06.30.2023 ThUS$	12.31.2022 ThUS$
Trade payables	195,855	259,739	-	-
Dividends payable	1,636	34,535	-	-
Other payables	176	93	224	441
Total	**197,667**	**294,367**	**224**	**441**

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

Main Commercial Creditors	%
ENAP Refinerias S.A.	37.20%
Enercon Gmbh	7.04%
Ge Global Parts & Products, Gmbh	2.84%
Interchile S.A.	2.61%
Total Austral S.A	2.16%
Transelec S.A.	1.56%
Interocean Coal Sales Llc	1.55%
Siemens Energy, Inc.	1.34%
Trina Solar (Chile) Spa	1.31%
Hitachi Energy Chile S.A.	1.19%
Alfa Transmisora de Energia S.A.	1.13%
Enel Distribución Chile S.A.	1.11%
Chubb Seguros Chile S.A	1.07%
Siemens Energy Spa	1.02%
Otros	36.87%
	100%

Stratification of the portfolio of trade and other payables:

Concept	As of 06.30.2023		As of 12.31.2022	
	Current ThUS$	Total ThUS$	Current ThUS$	Total ThUS$
Goods	64,029	64,029	70,026	70,026
Services	128,571	128,571	187,176	187,176
Others	3,255	3,255	2,537	2,537
Total	**195,855**	**195,855**	**259,739**	**259,739**

As of June 30, 2023, the amounts payable for invoices receivable for goods and services amount to ThUS$ 173,456; as of December 31, 2022, it amounted to ThUS$ 147,570.

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

26. Other provisions

a. Description of provisions

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

Provisions	Current		Non-current	
	06.30.2023 ThUS$	12.31.2022 ThUS$	06.30.2023 ThUS$	12.31.2022 ThUS$
From legal proceedings	20,813	12,813	-	-
Decommissioning, restoration and rehabilitation costs	-	-	60,063	58,624
Related to the environment	22,172	33,904	-	-
Total	**42,985**	**46,717**	**60,063**	**58,624**

b. Movements in provisions during the period

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

Movements in provisions	From legal proceedings [1] ThUS$	Decommissioning, restoration and rehabilitation costs ThUS$	Related to the environment [2] ThUS$	Total ThUS$
Opening balance as of 01.01.2023	12,813	58,624	33,904	105,341
Increase (decrease) related to transfers and other changes, other provisions	-	-	-	-
Increase in existing provisions, other provisions	8,000	1,439	15,109	24,548
Provisions used, other provisions	-	-	(26,841)	(26,841)
Balance as of 06.30.2023	**20,813**	**60,063**	**22,172**	**103,048**

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

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

c. Decommissioning

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

d. Restructuring

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

e. Litigations

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

27. Provisions for employee benefits

a. Employee benefits

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

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

Employee benefits	Current		Non-current	
	06.30.2023 ThUS$	12.31.2022 ThUS$	06.30.2023 ThUS$	12.31.2022 ThUS$
Accrued vacations, current	6,508	6,368	-	-
Performance bonus, current	7,057	12,716	-	-
Other benefits	667	1,461	2,510	2,691
Provision for severance indemnity payments	8,962	7,438	35,176	30,387
Total	**23,194**	**27,983**	**37,686**	**33,078**

b. Movements in provision during the period

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

Movements in provisions	Accrued vacations, current ThUS$	Performance bonus, current ThUS$	Other benefits, current ThUS$	Provision for severance indemnity payments ThUS$	Total ThUS$
Opening balance as of 01.01.2023	6,368	12,716	1,461	7,438	27,983
Increase in existing provisions, other provisions	305	6,667	-	1,524	8,496
Provision used, other provisions	(165)	(12,326)	(794)	-	(13,285)
Balance as of 06.30.2023	**6,508**	**7,057**	**667**	**8,962**	**23,194**

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

c. Provision for employee benefits, non-current

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

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

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

Provision for employee benefits	06.30.2023 ThUS$	12.31.2022 ThUS$
Severance indemnity payments	44,138	37,825
Total	**44,138**	**37,825**

Present value of the obligation for defined benefit plans	06.30.2023 ThUS$	12.31.2022 ThUS$
Opening balance as of January 1	37,825	31,968
Cost of current service	4,106	8,108
Interest cost	348	662
Foreign currency translation differences	2,557	(381)
Actuarial gain (loss)	450	2,162
Payments	(1,148)	(4,694)
Closing balance	**44,138**	**37,825**

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

Actuarial basis used		06.30.2023	12.31.2022
Discount rate		1.87%	1.68%
Expected rate of salary increases		1.62%	1.62%
Turnover rate	Voluntary	4.37%	4.80%
	Dismissal	4.16%	7.70%
Retirement age	Men	65	65
	Women	60	60
Mortality rate		RV-2014	RV-2014

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

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

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

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

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

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

Sensitization	Rate		Amount of the obligation	
	06.30.2023 %	12.31.2022 %	06.30.2023 ThUS$	12.31.2022 ThUS$
Period rate	1.87	1.68	44,138	37,825
Rate decrease by 50 b.p.	1.37	1.18	47,003	40,320
Rate increased by 50 b.p.	2.37	2.18	41,537	35,563

28. Other non-financial liabilities

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

	Current		Non-current	
	06.30.2023 ThUS$	12.31.2022 ThUS$	06.30.2023 ThUS$	12.31.2022 ThUS$
Withholdings	14,550	30,572	-	-
Unearned revenue [1]	1,186	564	6,053	6,108
Total	**15,736**	**31,136**	**6,053**	**6,108**

[1] Corresponds to prepayments received related to the operations and maintenance services. Revenue is recognized when the service is rendered. Non-current balance includes ThUS$ 6,053 corresponding to the recognition of the lease agreement entered into between the Company and Codelco. As of December 31, 2022, such balance amounted to ThUS$ 6,108.

29. Disclosures on equity

a. Subscribed, fully paid capital and number of shares

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

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

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

Number of shares

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

Capital (Amount in US$)

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

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

Number of shares

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

Capital (Amount in US$)

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

a.1 Reconciliation of shares

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

Shares	06.30.2023	12.31.2022
Number of shares outstanding at the beginning of the year	17,536,167,720	17,536,167,720
Changes in the number of shares outstanding		
Increase (decrease) in the number of shares outstanding	-	-
Number of shares outstanding at the end of the year	17,536,167,720	17,536,167,720

a.2 N° of shareholders

As of June 30, 2023, the number of shareholders is 2,786.

b. **Share capital**

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

c. Share premium

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

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

d. Dividends

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

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

In the Board meeting held on March 28, 2023, it was agreed to propose to the Shareholders' Meeting to distribute the liquid distributable profit, as follows: (i) Distribute a final and final dividend in the amount of ThUS$64,466 corresponding to US$ 0.00368 per share, which added to the interim dividend of ThUS$83,518, corresponding to

US$0.00476 per share, would amount to 50% of the Distributable Net Profit for the year 2022 of ThUS$147,984 and (ii) Distribute a dividend chargeable to profits for fiscal year 2022 in the amount of ThUS$75,000, corresponding to US$0.00428 per share.

In the Board Meeting held on November 29, 2022, it was agreed to distribute an interim dividend charged to the profits for the year ending December 31, 2022 for the sum of ThUS$83,518, corresponding to US$0.00476 per share. This dividend began to be paid on December 16, 2022.
At the Shareholders' Meeting held on April 28, 2022, it was approved to distribute a final and final dividend in the amount of ThUS$22,649, corresponding to US$0.00129 per share and to distribute an additional dividend charged to profits for the year 2021 in the amount of ThUS$50,000, corresponding to US$0.00285 per share, which began to be paid on May 12, 2022.

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

e. Detail of Other reserves

This caption comprises the following:

Other reserves	06.30.2023 ThUS$	12.31.2022 ThUS$
Effect of first adoption of paid-in capital deflation	517,617	517,617
Effect of first-time adoption of translation in accordance with IAS 21	(230,797)	(230,797)
Revaluation of property, plant and equipment	256,432	262,865
Revaluation of deferred taxes	(98,616)	(100,353)
Merger reserve	127,479	136,973
Affiliate translation effects	(37,706)	(37,709)
Subsidiaries' reserve	(11,944)	(11,997)
Hedging reserve	(2,149)	(13,908)
Associate hedging effects	216	216
Total	**520,532**	**522,907**

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

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

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

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

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

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

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

f. Retained earnings (accumulated losses)

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

Distributable retained earnings	06.30.2023 ThUS$	12.31.2022 ThUS$
Opening balance as of January 1	959,285	833,180
Profit or loss for the year	221,837	295,969
Effect of actuarial profit (loss)	(335)	(1,678)
Dividends	(58,520)	(198,226)
Realized retained earnings	14,186	30,040
Total distributable retained earnings	**1,136,453**	**959,285**

g. Capital management

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

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

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

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

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

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

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

	06.30.2023 ThUS$	12.31.2022 ThUS$
Total liabilities	**3,491,783**	**3,653,097**
Total current liabilities	396,627	542,664
Total non-current liabilities	3,095,156	3,110,433
Total equity	**3,107,411**	**2,952,877**
Equity attributable to the Parent	2,992,373	2,817,580
Non-controlling interest	115,038	135,297
Indebtedness ratio	**1.12**	**1.24**

h. Earnings per share and net distributable profit

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

	06.30.2023	06.30.2022	12.31.2022
Profit (loss) attributable to shareholders of the Parent (ThUS$)	221,837	86,469	295,969
Profit (loss) available for common shareholders, basic (ThUS$)	221,837	86,469	295,969
Weighted average number of shares, basic (No. of shares)	17,536,167,720	17,536,167,720	17,536,167,720
Basic earnings per share (U.S. dollars per share)	**0.01265**	**0.00493**	**0.01688**

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

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

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

The calculation of net distributable profit is detailed as follows:

Calculation of net profit for distribution (cash flows)	06.30.2023 ThUS$	06.30.2022 ThUS$	12.31.2022 ThUS$
Shareholders of the Parent	**221,837**	**86,469**	**295,969**
Cash flow for the year charged to prior years	-	-	-
Effect on unrealized finance income that generated no cash flows	-	-	-
Net cash flow for the year	-	-	-
Net distributable profit	**221,837**	**86,469**	**295,969**
Mandatory minimum dividend	**-**	**-**	**147,985**

30. Revenue

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

	January - June		April - June	
	2023 ThUS$	2022 ThUS$	2023 ThUS$	2022 ThUS$
Regulated customer sales	252,121	215,799	128,838	111,069
Unregulated customer sales	603,066	480,634	298,109	244,770
Toll charges	3,735	4,598	(702)	2,238
Spot market sales	212,328	211,450	103,997	147,906
Other income	29,346	18,306	15,764	7,973
Total	**1,100,596**	**930,787**	**546,006**	**513,956**

31. Raw materials and consumable

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

Inventories	January - June		April - June	
	2023 ThUS$	2022 ThUS$	2023 ThUS$	2022 ThUS$
Oil consumption (see Note 13)	(16,076)	(57,853)	(8,709)	(50,794)
Gas consumption (see Note 13)	(342,548)	(269,542)	(163,919)	(150,176)
Coal consumption (see Note 13)	(101,346)	(63,010)	(55,676)	(31,993)
Purchase of energy and capacity	(105,838)	(68,762)	(72,983)	(40,374)
Toll charges	(80,360)	(73,510)	(41,920)	(36,782)
Third-party work and supplies	(47,438)	(31,454)	(26,795)	(16,344)
Total	**(693,606)**	**(564,131)**	**(370,002)**	**(326,463)**

32. Employee benefits expenses

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

	January - June		April - June	
	2023 ThUS$	2022 ThUS$	2023 MUS$	2022 MUS$
Salaries and wages	(35,017)	(31,336)	(17,020)	(15,643)
Short-term employee benefits	(3,470)	(2,990)	(1,717)	(1,452)
Severance indemnity payments	(4,363)	(5,141)	(2,911)	(3,139)
Other personnel expenses	(2,727)	(1,958)	(1,715)	(949)
Total	**(45,577)**	**(41,425)**	**(23,363)**	**(21,183)**

33. Depreciation and amortization expenses

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

	January - June		April - June	
	2023 ThUS$	2022 ThUS$	2023 MUS$	2022 MUS$
Depreciation (see Note 18.b)	(92,058)	(99,453)	(45,965)	(50,769)
Depreciation right-of-use assets (see note 19.b)	(6,918)	(6,718)	(3,403)	(3,544)
Amortization of intangible assets (see Note 17.b)	(1,935)	(1,932)	(970)	(969)
Total	**(100,911)**	**(108,103)**	**(50,338)**	**(55,282)**

34. Total Financial income and financial cost

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

Income (loss) from investments	January - June		April - June	
	2023 ThUS$	2022 ThUS$	2023 MUS$	2022 MUS$
Income on cash and other cash equivalents	31,817	6,754	16,452	4,229
Total financial income	**31,817**	**6,754**	**16,452**	**4,229**
Financial cost	**January - June**		**April - June**	
	2023 ThUS$	2022 ThUS$	2023 MUS$	2022 MUS$
Expenses on bonds	(32,788)	(37,452)	(16,190)	(18,258)
Interest expense for lease liabilities [1]	(5,105)	(5,099)	(2,737)	(2,583)
Expense incurred for financial provisions	(5,925)	(5,761)	(2,886)	(2,852)
Borrowing costs	(5,901)	(291)	(3,101)	(160)
Income/expense on the valuation of net financial derivatives	-	(67)	-	-
Other expenses (bank expenses)	(226)	(233)	(206)	(75)
Capital financial expenses (see note 18.c.iii)	4,763	7,358	3,058	3,289
Total financial cost	**(45,182)**	**(41,545)**	**(22,062)**	**(20,639)**
Total financial income and financial costs	**(13,365)**	**(34,791)**	**(5,610)**	**(16,410)**

[1] Leases recognized under IFRS 16

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

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

a. Foreign currency translation difference

Foreign currency translation difference	Currency	January - June		April - June	
		2023 ThUS$	2022 ThUS$	2023 ThUS$	2022 ThUS$
Cash and cash equivalents	Ch$	3,344	(5,244)	(237)	(8,483)
Cash and cash equivalents	PEN	2,204	415	2,047	(298)
Cash and cash equivalents	EUR	272	(41)	67	(14)
Other non-financial assets, current	Ch$	(351)	(109)	(171)	243
Other non-financial assets, current	EUR	(7)	820	2	504
Other non-financial assets, current	UF	2	(3)	(8)	(13)
Trade and other receivables	Ch$	3,441	(8,276)	(5,380)	(14,779)
Trade and other receivables	PEN	854	(295)	747	(352)
Trade and other receivables	EUR	(1)	-	-	-
Current tax assets	Ch$	86	330	(188)	597
Current tax assets	PEN	(1,125)	331	(1,159)	(259)
Other non-financial assets, non-current	Ch$	17	(25)	(3)	(70)
Other non-financial assets, non-current	PEN	-	1	-	1
Foreign currency translation difference - assets		**8,736**	**(12,096)**	**(4,283)**	**(22,923)**
Other financial liabilities, current	Ch$	(3,250)	260	(445)	5,251
Other financial liabilities, current	UF	-	(2,889)	-	(2,889)
Short-term lease liabilities	UF	(308)	79	5	57
Long-term lease liabilities	UF	(1,620)	-	(5)	-
Trade and other payables	Ch$	(1,734)	1,422	1,109	1,598
Trade and other payables	PEN	(75)	(135)	(74)	(66)
Trade and other payables	EUR	(241)	3	(145)	651
Trade and other payables	UF	(22)	27	5	66
Other non-financial liabilities	Ch$	(104)	2	(10)	55
Other non-financial liabilities	PEN	4	-	1	2
Provisions for employee benefits	Ch$	(3,496)	3,914	774	7,189
Provisions for employee benefits	PEN	(42)	(69)	(41)	39
Foreign currency translation difference - liabilities		**(10,888)**	**2,614**	**1,174**	**11,953**
Total foreign currency translation difference		**(2,152)**	**(9,482)**	**(3,109)**	**(10,970)**

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

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

Net interest in affiliates' income	January - June		April - June	
	2023 ThUS$	2022 ThUS$	2023 ThUS$	2022 ThUS$
Electrogas S.A.	7,400	5,223	3,373	2,608
Total	**7,400**	**5,223**	**3,373**	**2,608**

37. Other gains (losses)

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

Other gains	January - June		April - June	
	2023 ThUS$	2022 ThUS$	2023 ThUS$	2022 ThUS$
Sale of projects	-	455	-	251
Other income	6,800	-	6,800	-
Sale of shares Colbún Transmisión S.A. (Price adjustment)	116,463	-	116,463	-
Other income	3,411	2,715	715	158
Total other gains	**126,674**	**3,170**	**123,978**	**409**

Other non-operating expenses	January - June		April - June	
	2023 ThUS$	2022 ThUS$	2023 ThUS$	2022 ThUS$
Financial cost for sale of portfolio associated with PEC [1]	(4,696)	(3,641)	(4,696)	-
Bond prepayment costs [2]	-	(496)	-	-
Emissions of thermoelectric plants [3]	(11,848)	(11,375)	(5,144)	(6,091)
Donations and community contributions	(1,032)	(990)	(474)	(345)
Decommissing cost	(1,423)	(973)	(716)	(488)
Loss from derivative contracts	(3,772)	(4,814)	(2,623)	(4,112)
Litigation-related legal fees	(502)	(548)	(281)	(204)
Write-offs and fines	(229)	(25)	(24)	(23)
Derecognition of property, plant and equipment	(52)	4	(52)	4
Allowance for doubtful customers	(1,367)	(159)	(1,065)	(529)
Others	(24,228)	(12,449)	(14,900)	(4,701)
Total other losses	**(49,149)**	**(35,466)**	**(29,975)**	**(16,489)**
Total other gains (losses)	**77,525**	**(32,296)**	**94,003**	**(16,080)**

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

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

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

38. Guarantees with third parties and contingent assets and liabilities

a. Guarantees with third parties

a.1 Direct guarantees: As of June 30, 2023, and 2022, the Company has provided direct guarantees for ThUS$ 170,114

Assets committed			Outstanding balance	
Type of guarantee	Currency	Carrying amount	06.30.2023 ThUS$	12.31.2022 ThUS$
Performance bond	Ch$	96,357,578,156	120,198	134,262
Performance bond	US$	26,250,903	26,251	26,260
Performance bond	UF	525,513	23,658	17,580
Guarantee check	UF	167	8	7
		Total	**170,115**	**178,109**

b. Third-party guarantees

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

Deposited by	Relationship	Total ThUS$
Enercon Chile SpA	Suppliers	82,488
Hitachi Energy Chile SpA	Suppliers	2,158
Siemens Energy SpA	Suppliers	633
LS Cable And System Ltd.	Suppliers	187
Voith Hydro S.A.	Suppliers	100
ABB Power Grids Brasil Ltda.	Suppliers	99
Generadores Mexicanos S.A. de C.V.	Suppliers	43
Serv. de Respaldo de Energía Teknica Ltda.	Suppliers	33
Rhona S.A.	Suppliers	29
PMM Asset Project Management Ltda.	Suppliers	13
HMV Chile	Suppliers	12
Siemens S.A.	Suppliers	11
Idur Representaciones S.A.	Suppliers	2
	Total	**85,807**

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

Deposited by	Relationship	Total ThUS$
Enercon Gmbh	Suppliers	18,017
Siemens Energy SpA	Suppliers	218
Weidmuller S.A.	Suppliers	39
	Total	**18,274**

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

Deposited by	Relationship	Total ThUS$
Servicios Logistricos Vizcal Limitada	Suppliers	73
Sodexo Chile SpA	Suppliers	58
Transporte y seguridad Jaos Limitada	Suppliers	22
Target-Ts SpA	Suppliers	15
Sistemas electricos ingenieria y servicios S.A.	Suppliers	9
SG Ingenieria Electrica Limitada	Suppliers	9
Soto Orellana Ximena Mariela	Suppliers	7
Hydrosimm SPA	Suppliers	6
Constructora Pesa Limitada.	Suppliers	5
Sanhueza Manriquez Maximo Emiliano	Suppliers	5
	Total	**209**

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

Deposited by	Relationship	Total ThUS$
Strabag SpA	Suppliers	19,139
Promet Servicios SpA	Suppliers	1,173
Demotron S.A.	Suppliers	323
Serv. Industriales Ltda.	Suppliers	276
Algoritmos y Mediciones Ambientales SpA	Suppliers	226
Jaime Illanez y asociados consultores S.A.	Suppliers	130
Sodexo Chile SpA	Suppliers	116
Envis SpA	Suppliers	115
Securitas S.A.	Suppliers	106
Gestion Ambiental Consultores S.A.	Suppliers	97
Universidad de Concepción	Suppliers	92
Ricoh Chile S.A.	Suppliers	90
Revergy SpA	Suppliers	90
Serv. Abreos Kipreos S.A.	Suppliers	84
Vigatec S.A.	Suppliers	80
Integración de Tecnologías ITQ Ltda.	Suppliers	77
Dekra Testing and Certification Ltda.	Suppliers	74
Constructora Pesa Ltda.	Suppliers	72
Ateme Consultores SpA	Suppliers	71
G8 Ingenieria Vertical SpA	Suppliers	68
WSP Ambiental S.A.	Suppliers	67
Maquinaria e inversiones Freemaq SpA	Suppliers	62
Novis S.A.	Suppliers	60
Soc. Comercial San Cristobal Ltda.	Suppliers	58
DPLGrout Construcciones SpA	Suppliers	51
Arkanosoft Chile SpA	Suppliers	51
J.E.J Ingenieria S.A.	Suppliers	49
DNV GL Chile Ltda.	Suppliers	47
Empresa Nacional de Telecomunicaciones S.A.	Suppliers	45
OHL Servicios Ingesan S.A. Agencia en Chile	Suppliers	40
Seidor Chile S.A.	Suppliers	40
Constructora Pesa Ltda.	Suppliers	38
Constructora Javag SpA	Suppliers	38
Soc. Administradora de Casinos y Servicios Aliservice S.A.	Suppliers	36
Bessertec SpA	Suppliers	35
ISS Facility Services S.A.	Suppliers	34
KSE SpA	Suppliers	30
Serv. Eduardo Sebastián Velásquez Negrón EIRL	Suppliers	29
Transportes José Carrasco Retamal EIRL	Suppliers	28
Barvolento Chile Ltda.	Suppliers	28
Red Nacional de Servicios Integrales SpA	Suppliers	24
CAM Chile SpA	Suppliers	23
Servicios Emca SpA	Suppliers	22
Marcelo Javier Urrea Caro Prestacion Servicios RRHH	Suppliers	21
MYA Chile Soluciones contra Incendio e Industriales Ltda.	Suppliers	18
Soc. Comercial Camin Ltda.	Suppliers	18
Voith Hydro S.A.	Suppliers	16
Soc. de Transportes Turismos e Invers.	Suppliers	15
TEKATER SpA	Suppliers	15
Transp. Jose Carrasco Retamal E.I.R.L	Suppliers	14
Contac Ingenieros Ltda.	Suppliers	14
Dimetales SpA	Suppliers	13
Siemens Energy SpA	Suppliers	13
Silob Laboratorio Puerto Montt Ltda.	Suppliers	12
Soc. Comercial y de Inversiones Conyser Ltda.	Suppliers	11
Siemens S.A.	Suppliers	11
IMA Automatizacion SpA	Suppliers	11
Baterias Turbular S.A.	Suppliers	11
Target-TS SpA	Suppliers	9
Evertec Chile SpA	Suppliers	7
Conecta Ingenieria S.A.	Suppliers	6
Mantención de Jardines Arcoiris Ltda.	Suppliers	6
Victoria S.A.	Suppliers	6
Servicios GEA Ltda.	Suppliers	4
	Total	**23,685**

Fenix Power Perú S.A.

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

Deposited by	Relationship	Total ThUS$
Electro Oriente S.A	Suppliers	2,007
Grupo BAX SAC	Suppliers	57
Arco Iris Maquiservicios EIRL	Suppliers	36
Golder Associates Perú S.A	Suppliers	30
J&V Resguardo SAC	Suppliers	30
Busser SAC	Suppliers	29
Confipetrol Andina SA	Suppliers	26
People Intermediacion SAC	Suppliers	5
Advanced Services In Decotations SAC	Suppliers	1
	Total	**2,221**

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

Deposited by	Relationship	Total ThUS$
Walsh Perú SA Ingenieros y Científicos Consultores	Suppliers	78
Puffer Peru SRL	Suppliers	36
Golder Associates Perú S.A	Suppliers	31
Inerco Consultoria Peru SAC	Suppliers	31
Tecnica y Proyecto SA Sucursal del Perú	Suppliers	22
JCI Ingenieria & Servicios Ambientales SAC	Suppliers	17
	Total	**214**

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

<u>Chile</u>

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

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

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

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

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

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

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

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

2. Patagüillas Tunnel Accident.

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

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

39. Commitments

Commitments entered with financial institutions

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

40. Environment

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

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

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

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

The construction stage of the project began during November 2021 and has an advance of 61%.

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

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

Accrued expenses as of 06.30.2023

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS$	Actual or estimated dates when the disbursement was or will be made
Colbún S.A.	Central Angostura	Environmental Management of Power Plant	Expense	Cost	164	jun-23
Colbún S.A.	Central Candelaria	Environmental Management of Power Plant	Expense	Cost	112	jun-23
Colbún S.A.	Central Canutillar	Environmental Management of Power Plant	Expense	Cost	81	jun-23
Colbún S.A.	Central Los Pinos	Environmental Management of Power Plant	Expense	Cost	186	jun-23
Colbún S.A.	Central Nehuenco	Environmental Management of Power Plant	Expense	Cost	350	jun-23
Colbún S.A.	Central Quilleco	Environmental Management of Power Plant	Expense	Cost	46	jun-23
Colbún S.A.	Central Rucúe	Environmental Management of Power Plant	Expense	Cost	15	jun-23
Colbún S.A.	Central Santa María	Environmental Management of Power Plant	Expense	Cost	283	jun-23
Colbún S.A.	Complejo Angostura	Environmental Management of Power Plant	Expense	Cost	161	jun-23
Colbún S.A.	Complejo Colbún	Environmental Management of Power Plant	Expense	Cost	32	jun-23
Colbún S.A.	Gestión Ambiental Corporativa	Environmental Management of Parent	Expense	Expense	313	jun-23
Colbún S.A.	Central Carena	Environmental Management of Power Plant	Expense	Cost	16	jun-23
Colbún S.A.	Diego de Almagro Sur	Environmental Management of Power Plant	Expense	Cost	22	jun-23
Colbún S.A.	Cental Machicura	Environmental Management of Power Plant	Expense	Cost	1	jun-23
				Total	**1,782**	

Future expenses as of 06.30.2023

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS$	Actual or estimated dates when the disbursement was or will be made
Colbún S.A.	Central Angostura	Environmental Management of Power Plant	Expense	Cost	123	dec-23
Colbún S.A.	Central Candelaria	Environmental Management of Power Plant	Expense	Cost	105	dec-23
Colbún S.A.	Central Canutillar	Environmental Management of Power Plant	Expense	Cost	3	jul-23
Colbún S.A.	Central Carena	Environmental Management of Power Plant	Expense	Cost	2	nov-23
Colbún S.A.	Central Los Pinos	Environmental Management of Power Plant	Expense	Cost	30	jul-23
Colbún S.A.	Central Nehuenco	Environmental Management of Power Plant	Expense	Cost	2	jul-23
Colbún S.A.	Central Quilleco	Environmental Management of Power Plant	Expense	Cost	36	dec-23
Colbún S.A.	Central Santa María	Environmental Management of Power Plant	Expense	Cost	11	jul-23
Colbún S.A.	Gestión Ambiental Corporativa	Environmental Management of Parent	Expense	Expense	81	dec-23
					393	

Accrued expenses as of 06.30.2022

Identificación de la Matriz o Subsidiaria	Nombre del Proyecto al que está asociado el desembolso	Concepto por el que se efectuó el desembolso	Activo / Gasto	Descripción del Activo o Ítem de Gasto	Importe del Desembolso MUS$	Fecha cierta o estimada en que los desembolsos fueron o serán efectuados
Colbún S.A.	Central Angostura	Environmental Management of Power Plant	Expense	Cost	108	jun-22
Colbún S.A.	Central Candelaria	Environmental Management of Power Plant	Expense	Cost	89	jun-22
Colbún S.A.	Central Candelaria	Environmental Management of Power Plant	Expense	Expense	12	jun-22
Colbún S.A.	Central Canutillar	Environmental Management of Power Plant	Expense	Cost	5	jun-22
Colbún S.A.	Central Los Pinos	Environmental Management of Power Plant	Expense	Cost	57	jun-22
Colbún S.A.	Central Nehuenco	Environmental Management of Power Plant	Expense	Cost	236	jun-22
Colbún S.A.	Central Quilleco	Environmental Management of Power Plant	Expense	Cost	46	jun-22
Colbún S.A.	Central Rucúe	Environmental Management of Power Plant	Expense	Cost	12	jun-22
Colbún S.A.	Central Santa María	Environmental Management of Power Plant	Expense	Cost	163	jun-22
Colbún S.A.	Complejo Angostura	Environmental Management of Power Plant	Expense	Cost	114	jun-22
Colbún S.A.	Complejo Colbún	Environmental Management of Power Plant	Expense	Cost	14	jun-22
Colbún S.A.	Gestión Ambiental Corporativa	Environmental Management of Parent	Expense	Expense	386	jun-22
Colbún S.A.	Central Carena	Environmental Management of Power Plant	Expense	Cost	3	jun-22
Colbún S.A.	Diego de Almagro Sur	Environmental Management of Power Plant	Expense	Cost	1	jun-22
				Total	**1,246**	

Future expenses as of 06.30.2022

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS$	Actual or estimated dates when the disbursement was or will be made
Colbún S.A.	Central Angostura	Environmental Management of Power Plant	Expense	Cost	193	dec-22
Colbún S.A.	Central Candelaria	Environmental Management of Power Plant	Expense	Cost	82	dec-22
Colbún S.A.	Central Candelaria	Environmental Management of Power Plant	Expense	Expense	15	dec-22
Colbún S.A.	Central Canutillar	Environmental Management of Power Plant	Expense	Cost	2	jul-22
Colbún S.A.	Central Carena	Environmental Management of Power Plant	Expense	Cost	1	jul-22
Colbún S.A.	Central Quilleco	Environmental Management of Power Plant	Expense	Cost	52	dec-22
Colbún S.A.	Central Rucúe	Environmental Management of Power Plant	Expense	Cost	6	dec-22
Colbún S.A.	Central Santa María	Environmental Management of Power Plant	Expense	Cost	49	apr-23
Colbún S.A.	Complejo Colbún	Environmental Management of Power Plant	Expense	Cost	1	jul-22
Colbún S.A.	Gestión Ambiental Corporativa	Environmental Management of Parent	Expense	Expense	220	dec-22
				Total	**621**	

Disbursements in Peru

Accrued expenses as of 06.30.2023

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS$	Actual or estimated dates when the disbursement was or will be made
Fenix Power Perú S.A.	Central Chilca	Environmental Management of Power Plant	Expense	Cost	117	jun-23
				Total	**117**	

Future expenses as of 06.30.2023

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS$	Actual or estimated dates when the disbursement was or will be made
Fenix Power Perú S.A.	Central Chilca	Environmental Management of Power Plant	Expense	Cost	156	dec-23
				Total	**156**	

Accrued expenses as of 06.30.2022

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS$	Actual or estimated dates when the disbursement was or will be made
Fenix Power Perú S.A.	Central Chilca	Environmental Management of Power Plant	Expense	Cost	134	jun-22
				Total	**134**	

Future expenses as of 06.30.2022

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS$	Actual or estimated dates when the disbursement was or will be made
Fenix Power Perú S.A.	Central Chilca	Environmental Management of Power Plant	Expense	Cost	118	dec-22
				Total	**118**	

41. Events occurred after the date of the financial position

In a meeting held on July 25, 2023, the Company's Board of Directors approved the consolidated financial statements as of June 30, 2023, prepared in accordance with International Financial Reporting Standards (IFRS), issued by the IASB.

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

42. Foreign currency

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

Assets	Foreign currency	Currency	06.30.2023 ThUS$	12.31.2022 ThUS$
Total current assets				
Cash and cash equivalents	Ch$	US$	64,493	54,479
Cash and cash equivalents	EUR	US$	8,927	964
Cash and cash equivalents	PEN	US$	22,758	8,844
Other non-financial assets, current	Ch$	US$	4,522	3,619
Other non-financial assets, current	EUR	US$	-	65
Other non-financial assets, current	UF	US$	271	138
Trade and other receivables, current	Ch$	US$	107,616	115,074
Trade and other receivables, current	PEN	US$	24,476	39,264
Accounts receivable from related entities, current	Ch$	US$	69	-
Current tax assets	Ch$	US$	251	7
Total current assets			**233,383**	**222,454**
Other non-financial assets, non-current	Ch$	US$	21,068	22,586
Total non-current assets			**21,068**	**22,586**
Total assets			**254,451**	**245,040**

Liabilities	Foreign currency	Currency	06.30.2023 ThUS$	12.31.2022 ThUS$
Total current liabilities				
Other financial liabilities, current	UF	US$	-	-
Lease liabilities, current	UF	US$	1,866	2,758
Trade and other payables	Ch$	US$	171,392	278,204
Trade and other payables	PEN	US$	9,355	6,279
Trade and other payables	EUR	US$	16,920	9,884
Payables due to related parties, current	Ch$	US$	92	666
Other current provisions	Ch$	US$	42,985	46,717
Provisions for employee benefits, current	Ch$	US$	21,338	24,983
Provisions for employee benefits, current	PEN	US$	1,856	3,000
Other non-financial liabilities, current	Ch$	US$	14,154	23,701
Other non-financial liabilities, current	PEN	US$	1,582	7,435
Total current liabilites			**281,540**	**403,627**
Non-current liabilities				
Lease liabilities, non-current	UF	US$	19,169	18,202
Provisions for employee benefits, non-current	Ch$	US$	37,686	33,078
Other non-financial liabilities, non-current	Ch$	US$	6,053	6,108
Total non-current liabilities			**62,908**	**57,388**
Total liabilites			**344,448**	**461,015**

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

43. Headcount (unaudited)

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

	No. of employees					
	06.30.2023			12.31.2022		
	Chile	Peru	Total	Chile	Peru	Total
Managers and main executives	94	9	103	89	9	98
Professionals and technical staff	800	101	901	280	92	372
Other	202	19	221	687	22	709
Total	1,096	129	1,225	1,056	123	1,179
Average of the year	**1,076**	**126**	**1,202**	**1,047**	**120**	**1,167**

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