

Santiago, August 10, 2021
GG_037/2021

Mr.
Joaquín Cortez Huerta
Chairman
Financial Market Commission

**ESSENTIAL FACT
COLBUN S.A.
SECURITIES REGISTRATION N°0295**

REF.: COMMUNICATES ESSENTIAL FACT

Dear Mr. Cortez:

As established in Article 9 and the second paragraph of Article 10 of the Securities Market Law, in accordance with the instructions contained in General Standard No. 30 of the Financial Market Commission, being duly authorized by the Extraordinary Board of Directors meeting held today, I hereby communicate to you the following essential information regarding Colbún S.A. (the "Company"):

- (a) As informed in an essential fact dated March 30 of this year, the Company, along with its subsidiary Colbún Desarrollo SpA, signed with Alfa Desarrollo SpA a Purchase and Sale Agreement with regards to the totality of the shares of the subsidiary Colbún Transmisión S.A. (the "Transaction"). The closing of the Transaction and the transfer of the shares of Colbún Transmisión S.A. was subject to certain usual conditions for this type of operations, among which was the approval that should be granted by the National Economic Prosecutor's Office, in accordance with the provisions of D.L. 211 of 1973.

By resolution dated August 3 of this year, the National Economic Prosecutor's Office granted the necessary approval to materialize the Transaction, thus fulfilling the aforementioned condition established for the closing of the transaction, which is expected to take place on September 30 of this year.

- (b) The price of the Transaction was adjusted to the amount of USD 1,185 million, in compliance with the provisions of the Purchase and Sale Agreement, with which the expected effect on the results of the Transaction would amount to USD 834 million, before taxes. This price is subject to minor adjustments stipulated in the same contract, which are customary in these type of transactions.

As a result of the closing of the Transaction and the consequent payment of the respective price, Colbún S.A. will have a strong liquidity position for the fulfillment of its investment plan and the normal operation of the Company in the coming years, being able to make an extraordinary distribution of dividends, as indicated below.

- (c) Consequently, as a result of the income from the price of the aforementioned Transaction and the Company's liquidity position, the Board of Directors has proposed to distribute the amount of USD 1,000 million as a dividend, as follows:
1. An interim dividend in the total amount of USD 250 million to be charged against net income for the year ending December 31, 2021, payable in dollars or pesos as of October 12, 2021, to shareholders registered in the corresponding registry at midnight of the fifth business day prior to the payment date, in accordance with the Company's usual procedures for the payment of dividends.
 2. To call an Extraordinary Shareholders' Meeting for September 15, at 10:00 a.m., to be held remotely from the Company's offices, located at Avda. Apoquindo 4775, 3rd Floor, commune of Las Condes, Santiago, and subject to the sanitary restrictions established by the authority, in order to submit for its consideration:
 - (i) the distribution of an eventual dividend, to be charged to the Company's retained earnings, in the total amount of USD 750 million, payable in dollars or pesos as of October 12, 2021, to the shareholders registered in the respective registry at midnight of the fifth business day prior to the payment date, in accordance with the Company's usual procedures for the payment of dividends, without detriment to the power of the same shareholders' meeting to set a different amount, or different payment dates or conditions for the aforementioned dividend;
 - (ii) to authorize the Board of Directors of the Company, in the event it deems it necessary or convenient, to modify the payment date of the dividend indicated, as well as to grant it such other powers as the shareholders at the meeting may resolve in relation to the proposed dividend; and
 - (iii) To adopt all other resolutions necessary to give effect to the resolutions adopted by the shareholders' meeting.

Sincerely,

Thomas Keller Lippold
Chief Executive Officer
COLBUN S.A.