



ENGIE ENERGIA CHILE S.A.

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDING SEPTEMBER 30, 2023**

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kUSD: Thousands of U.S. dollars (dollars)



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Consolidated Interim Financial Statements as of September 30, 2023

Consolidated Interim Classified Statements of Financial Position as of September 30, 2023 (unaudited) and December 31, 2022, in thousands of U.S. dollars

ASSETS	Note	9/30/2023	12/31/2022
		kUSD	kUSD
Current Assets			
Cash and cash equivalents	6	223,135	132,365
Other financial assets, current	7-21	13,605	17,865
Other non-financial assets, current	8	242,103	160,280
Trade receivables and other accounts receivable, current	9	255,087	220,567
Related-entity receivables, current	10	7,236	5,532
Current inventories	11	204,093	264,055
Current tax assets	12	22,492	35,179
Total Current Assets		967,751	835,843
Non-Current Assets			
Other non-current financial assets	7-21	13,103	5,055
Other non-current non-financial assets	13	23,360	17,080
Trade receivables and other accounts receivable, non-current	9	287,529	325,798
Related-entity receivables, non-current	10	15,681	14,787
Investments accounted for using the equity method	14	130,338	124,313
Intangible assets other than goodwill	15	160,019	172,239
Goodwill	16	16,319	15,913
Property, plant and equipment	17	2,816,826	2,576,582
Right-of-use assets	18	124,350	161,490
Deferred tax assets	19	83,994	79,161
Total Non-Current Assets		3,671,519	3,492,418
Total Assets		4,639,270	4,328,261

The accompanying notes form an integral part of these Consolidated Financial Statements.



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Consolidated Interim Financial Statements as of September 30, 2023

Consolidated Interim Classified Statements of Financial Position as of September 30, 2023 (unaudited) and December 31, 2022, in thousands of U.S. dollars

EQUITY AND LIABILITIES	Note	9/30/2023	12/31/2022
		kUSD	kUSD
Current Liabilities			
Other financial liabilities, current	20-21	213,129	383,061
Current lease liabilities	22	4,737	6,416
Trade payables and other accounts payable	24	319,326	229,766
Related-entity payables, current	10	39,456	7,766
Current tax liabilities	12	14,385	12,560
Current provisions for employee benefits	25	13,122	15,173
Other non-financial liabilities, current	26	14,662	5,477
Total Current Liabilities		618,817	660,219
Non-Current Liabilities			
Other non-current financial liabilities	20-21	1,715,070	1,392,613
Non-current lease liabilities	22	99,348	135,165
Related-entity payables, non-current	10	50,351	51,738
Other non-current provisions	27	152,762	149,863
Deferred tax liabilities	19	120,074	124,621
Non-current provisions for employee benefits	28	41	46
Other non-current non-financial liabilities	26	81	81
Total Non-Current Liabilities		2,137,727	1,854,127
Total Liabilities		2,756,544	2,514,346
Equity			
Issued capital		1,043,728	1,043,728
Retained earnings		433,642	364,144
Other reserves	29	405,356	406,043
Net equity attributable to the owners of the controller		1,882,726	1,813,915
Total Equity		1,882,726	1,813,915
Total Equity and Liabilities		4,639,270	4,328,261

The accompanying notes form an integral part of these Consolidated Financial Statements.



ENGIE ENERGIA CHILE S.A.

Consolidated Interim Financial Statements as of September 30, 2023

Consolidated Interim Statements of Comprehensive Income by Function as of September 30, 2023 and 2022 (unaudited), in thousands of U.S. dollars

Consolidated Statement of Comprehensive Income by Function		January-September		July-September	
		2023	2022	2023	2022
		kUSD	kUSD	kUSD	kUSD
Revenue	30	1,715,915	1,398,930	511,956	499,683
Cost of sales	31	(1,520,036)	(1,400,807)	(428,525)	(489,285)
Gross Earnings		195,879	(1,877)	83,431	10,398
Other income	32	15,887	8,135	4,578	8,220
Administrative expenses	33	(33,912)	(30,501)	(10,791)	(10,344)
Other income or expenses by function	35	(12,936)	(609)	437	(444)
Profit (loss) from operating activities		164,918	(24,852)	77,655	7,830
Financial income	36	20,196	15,238	14,019	13,475
Financial expenses	37	(101,614)	(56,153)	(31,188)	(27,428)
Share in earnings (losses) of associates and joint ventures accounted for using the equity method	14	2,040	4,191	402	856
Exchange differentials	38	(3,868)	(5,454)	(3,154)	(3,866)
Pre-tax profit (loss)		81,672	(67,030)	57,734	(9,133)
Tax income (expense) in continuing operations	19	(12,174)	8,866	(15,082)	(8,619)
Earnings (loss) from continuing operations		69,498	(58,164)	42,652	(17,752)
Earnings (loss) attributable to					
the owners of the controller		69,498	(58,164)	42,652	(17,752)
Earnings per Share					
Profit (loss)		69,498	(58,164)	42,652	(17,752)
Basic earnings (loss) per share in continuing operations	39	USD 0.066	(USD 0.055)	USD 0.040	(USD 0.017)

The accompanying notes form an integral part of these Consolidated Financial Statements.



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Other Consolidated Comprehensive Income as of September 30, 2023 and 2022 (unaudited), in thousands of U.S. dollars

Other comprehensive income	January-September		July-September	
	2023	2022	2023	2022
	kUSD	kUSD	kUSD	kUSD
Gain (loss)	69,498	(58,164)	42,652	(17,752)
Cash flow hedges				
Earnings (losses) on cash flow hedges, before taxes	(2,874)	28,072	1,690	14,583
Income tax related to cash flow hedges in other comprehensive income				
Income tax related to cash flow hedges in other comprehensive income	2,187	(2,434)	2,525	(2,296)
Other comprehensive income	(687)	25,638	4,215	12,287
Comprehensive income	68,811	(32,526)	46,867	(5,465)
Comprehensive Income attributable to:				
the owners of the controller	68,811	(32,526)	46,867	(5,465)
non-controlling interests	0	0	0	0
Total Comprehensive Income	68,811	(32,526)	46,867	(5,465)

The accompanying notes form an integral part of these Consolidated Financial Statements.



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Consolidated Interim Financial Statements as of September 30, 2023

Interim Statements of Cash Flows – Direct Method, as of September 30, 2023 and 2022, in thousands of U.S. dollars

Consolidated Statement of Cash Flow - Direct	Note	9/30/2023	9/30/2022
		kUSD	kUSD
Cash flow from (used in) operating activities			
Types of collections in operating activities			
Collection of the sales of goods and provision of services		2,150,768	1,523,751
Collection of premiums and benefits, annuities, and other policy benefits		419	6,532
Other collections in operating activities		28	74
Types of cash payments in operating activities			
Payments to suppliers for the supply of goods and services		(1,585,492)	(1,825,861)
Payments to and for account of employees		(61,292)	(45,000)
Payments for premiums and benefits, annuities and other obligations under policies		(36,964)	(18,323)
Other payments in operating activities		(120)	(2,503)
- 52793			
Interest paid, classified as operating activity		(87,181)	(52,793)
Income tax paid (refunded), classified as operating activity		(26,859)	(9,624)
Other cash inflows (outflows) classified as operating activities		(38,339)	(46,749)
Cash flow from (used in) operating activities		314,968	(470,496)
Cash flow from (used in) investing activities			
Other collections from the sale of equity or debt securities of other entities, classified as investing activities		0	58
Other payments to purchase equity or debt securities of other entities, classified as investing activities		0	(59)
Purchases of property, plant and equipment, classified as investing activities		(381,137)	(148,637)
Collections from related entities		0	0
Interest received		3,972	456
Payments under futures, term, option and swap contracts		(117,948)	(87,383)
Collections under futures, term, option and swap contracts		133,380	83,708
Cash flow from (used in) investing activities		(361,733)	(151,857)
Cash flow from (used in) financing activities			
Proceeds from short- term loans		50,000	230,000
Proceeds from long- term loans		575,000	250,000
Loans from related entities		75,000	0
Loan payments		(487,535)	0
Payment of financial lease liabilities		(4,136)	(3,235)
Payment of loans to related entities		(75,000)	0
Dividends paid		0	0
Cash flow from (used in) financing activities		133,329	476,765
Increase (decrease) in cash and cash equivalents before the effect of variations in the exchange rate		86,564	(145,588)
Effects of the variation in the exchange rate on cash and cash equivalents		4,206	(1,074)
Increase (decrease) in cash and cash equivalents		90,770	(146,662)
Cash and cash equivalents at the start of the period	6	132,365	215,689
Cash and cash equivalents at the end of the period	6	223,135	69,027

The accompanying notes form an integral part of these Consolidated Financial Statements.



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Consolidated Interim Financial Statements as of September 30, 2023

Statement of Changes in Consolidated Net Equity as of September 30, 2023, in thousands of U.S. dollars

Statement of Changes in Net Equity as of September 30, 2023	Changes in Issued Capital Common Shares	Changes in Other Reserves		Change in Retained Earnings (Cumulative Losses)	Net Equity Attributable to the Owners of the Controller, Total	Changes in Non- Controlling Interests	Changes in Net Equity, Total
		Other Sundry Reserves	Translation Reserves				
	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
Equity at 1/1/2023	1,043,728	406,043	0	364,144	1,813,915	0	1,813,915
Profit	0	0	0	69,498	69,498	0	69,498
Other Comprehensive Income	0	(687)	0	0	(687)	0	(687)
Total Comprehensive Income	0	(687)	0	69,498	68,811	0	68,811
Dividends	0	0	0	0	0	0	0
Increases (decreases) due to other changes in equity	0	0	0	0	0	0	0
Changes in Equity	0	(687)	0	69,498	68,811	0	68,811
Final Balance as of 9/30/2023	1,043,728	405,356	0	433,642	1,882,726	0	1,882,726

The accompanying notes form an integral part of these Consolidated Financial Statements.



ENGIE ENERGIA CHILE S.A.

Consolidated Interim Financial Statements as of September 30, 2023

Statement of Changes in Consolidated Net Equity as of September 30, 2022, in thousands of U.S. dollars

Statement of Changes in Net Equity as of September 30, 2022	Changes in Issued Capital Common Shares	Changes in Other Reserves		Change in Retained Earnings (Cumulative Losses)	Net Equity Attributable to the Owners of the Controller, Total	Changes in Non- Controlling Interests	Changes in Net Equity, Total
		Other Sundry Reserves	Translation Reserves				
	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
Equity at 1/1/2022	1,043,728	375,370	0	752,913	2,172,011	0	2,172,011
Profit	0	0	0	(58,164)	(58,164)	0	(58,164)
Other Comprehensive Income	0	25,638	0	0	25,638	0	25,638
Total Comprehensive Income	0	25,638	0	(58,164)	(32,526)	0	(32,526)
Dividends	0	0	0	0	0	0	0
Increases (decreases) due to other changes in equity	0	0	0	0	0	0	0
Changes in Equity	0	25,638	0	(58,164)	(32,526)	0	(32,526)
Final Balance as of 9/30/2022	1,043,728	401,008	0	694,749	2,139,485	0	2,139,485

The accompanying notes form an integral part of these Consolidated Financial Statements.



ENGIE ENERGIA CHILE S.A.

Consolidated Interim Financial Statements as of September 30, 2023

NOTE 1 – GENERAL INFORMATION

1.1 Corporate Information

ENGIE ENERGIA CHILE S.A., hereinafter EECL, was created as a limited liability company on October 22, 1981, through contributions made by Empresa Nacional de Electricidad S.A. (ENDESA) and Corporación de Fomento de la Producción (CORFO, the Production Development Association of Chile).

The Company's first registered address was in Antofagasta, where it began operating in June 1981.

On September 30, 1983, Engie Energia Chile S.A. was transformed into a continuing open corporation listed on the Chilean stock exchange. It was registered under number 273 in the Securities Register on July 23, 1985, and is therefore subject to oversight by the Financial Market Commission. The company's taxpayer identification number is 88.006.900-4.

An Extraordinary Shareholder's Meeting held on April 26, 2016 resolved to change the company's name from E.CL S.A. to "Engie Energia Chile S.A."

The registered and main offices of Engie Energia Chile S.A. are at Isidora Goyenechea 2800, Suites 1601, 1701 and 1801, Las Condes, Santiago, Chile, and its phone number is (56-2) 2353-3200.

The company is controlled directly by the Engie Group through Engie AUSTRAL S.A., which owns 631,924,219 shares with no par value in one single series, equal to an interest of 59.99%. The remaining 40.01% is traded on the Chilean stock exchanges.

The Company's Board approved the Consolidated Interim Financial Statements of Engie Energia Chile S.A. as of September 30, 2023 on October 31, 2023. The Company's Board approved the Consolidated Financial Statements of Engie Energia Chile S.A. as of December 31, 2022 on January 31, 2023.

These Consolidated Interim Financial Statements are presented in thousands of U.S. dollars (unless otherwise expressly indicated), as this is the Company's functional currency.

NOTE 2 – BASIS OF PRESENTATION OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2.1 Basis of Presentation

The Consolidated Interim Financial Statements of Engie Energia Chile S.A. and its subsidiaries have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

These Consolidated Interim Financial Statements fairly reflect the financial position of Engie Energia Chile S.A. as of September 30, 2023 and December 31, 2022, and the results of its operations, changes in net equity and cash flows for the fiscal years ending on those dates.

These Consolidated Interim Financial Statements have been prepared using the accounting records kept by Engie Energia Chile S.A. and its subsidiaries.

2.2 New IFRS, Interpretations and Amendments of the IFRS Interpretations Committee

The Company applied certain standards, interpretations and amendments for the first time that entered into effect for the fiscal years beginning January 1, 2023 or later. The Company has not adopted any standard, interpretation or amendment early that was issued but had not yet entered into effect.

- a) The standards, interpretations and amendments to IFRS that had entered into effect on the date of the financial statements, their nature and impacts are described below:



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Consolidated Interim Financial Statements as of September 30, 2023

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

2.2 New IFRS and Interpretations of the IFRS Interpretations Committee (continued)

Amendments	Date of mandatory application
IFRS 17 Insurance Contracts	January 1, 2023
IAS 8 Definition of Accounting Estimates	January 1, 2023
IAS 1 Disclosure of Accounting Policies	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	January 1, 2023

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 *Insurance Contracts*, a new accounting standard specifically for insurance contracts that covers recognition, measurement, presentation and disclosure. Once it takes effect, it will supersede IFRS 4, *Insurance Contracts*, issued in 2005. The new standard applies to all types of insurance contracts, regardless of the issuing entity, as well as to certain guarantees and financial instruments with certain discretionary participation features.

Some exceptions may be applied within the scope.

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

Entities choosing to use the classification overlay can only do so for comparative periods to which they apply IFRS 17 (that is, from the transition date to the date of initial application of IFRS 17).

Comparative figures are required in the application of IFRS 17.

The Company believes that there will be no impacts from the application of this amendment.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

In February 2021, the IASB issued amendments to IAS 8 to introduce a new definition of “accounting estimates.” The amendments explain the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. They also clarify how entities should use the measurement techniques and inputs to account for estimates.

The amended standard clarifies that the effects of a change in an input or a change in a measuring technique on an accounting estimate are changes in accounting estimates, provided the estimates are not the result of correcting errors in previous periods. This definition of a change in accounting estimates specified that changes in accounting estimates can result in added information or new developments. Therefore, these changes are not error corrections.

The Company believes that there will be no impacts from the application of this amendment.



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Consolidated Interim Financial Statements as of September 30, 2023

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

2.2 New IFRS and Interpretations of the IFRS Interpretations Committee (continued)

IAS 1 Presentation of Financial Statements – Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1 and the IFRS Practice Statement 2 – Making Materiality Judgments in which it provides guidance and examples to help entities apply materiality judgments in relation to the disclosure of accounting policies.

The purpose of the amendments is to help entities make more useful disclosures of accounting policies by:

- replacing the requirement that entities disclose their “significant” accounting policies by the requirement of disclosing their “material” accounting policies;
- including guidance on how entities should apply the concept of materiality in making decisions on accounting policy disclosures.

In evaluating the relative importance of accounting policy information, entities should consider the size of transactions, other events and conditions, and their nature.

The Company believes that there will be no impacts from the application of this amendment.

IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In May 2021, the IASB issued amendments to IAS 12 that reduced the scope of the exception in initial recognition according to IAS 12 so that it no longer applies to transactions that create temporary tax differences and equal deductibles.

The amendments explain that when the payments settling a liability are tax deductible, it is a matter of judgment (in consideration of governing tax laws) whether those 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 in determining whether there are temporary differences in the initial recognition of the asset and liability.

Moreover, based on these amendments, the exception in the initial recognition does not apply to transactions that create temporary tax differences and equal deductibles in the initial recognition. It only applies if the recognition of a lease asset and a lease liability (or a dismantling liability and a dismantling asset component) create unequal temporary tax differences and deductibles. However, it is possible for the resulting deferred tax assets and liabilities not to be equal (for example, if the entity cannot benefit from the tax deductions or different tax rates are applicable to the temporary tax differences and deductibles). In those cases, entities must record the difference between the deferred tax asset and liability in income.

The Company believes that there will be no impacts from the application of this amendment.

IAS 12 International Tax Reform – Pillar Two Model Rules

In May 2023, the Board issued amendments to IAS 12 that introduced a mandatory exception to the recognition and disclosure of deferred tax assets and liabilities related to income taxes under the Pillar Two Model Rules. The amendments explain that IAS 12 applies to income taxes arising from tax laws enacted or substantially enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including the tax laws implementing qualified minimum supplemental domestic taxes. That tax law and the resulting income taxes are called “Pillar Two law” and “Pillar Two income tax,” respectively.

The amendments require that an entity reveal that it has applied the exemption on recognizing and disclosing information on deferred tax assets and liabilities related to Pillar Two income tax. In this respect, an entity is required to disclose its current tax expense (gain) because of Pillar Two income tax in the periods that the law is in force.



ENGIE ENERGIA CHILE S.A.

Consolidated Interim Financial Statements as of September 30, 2023

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

2.2 New IFRS and Interpretations of the IFRS Interpretations Committee (continued)

The amendments also require disclosure of information known or that can be reasonably considered to help the users of financial statements understand an entity's exposure to Pillar Two income tax for periods in which the Pillar Two law is (substantially) enacted but not yet in effect. To meet these requirements, entities are required to disclose qualitative and quantitative information on their exposure to Pillar Two income taxes at the end of the reporting period.

The temporary exemption from the recognition and disclosure of deferred tax information and the requirement to disclose the application of the exemption apply immediately and retrospectively to the issuance of the amendments.

The disclosure of the current tax expense related to Pillar Two income tax and disclosures in relation to periods prior to the effective date of the law are required for years beginning January 1, 2023, but are not required for any interim period ending on or before December 31, 2023.

The Company is evaluating the impact of applying IAS 12. However, no reasonable estimate can be provided of the effects that this amendment will have until management completes its detailed review.

2.3 Responsibility for information, judgments and estimates

The Board of Engie Energia Chile S.A. has analyzed the information included in these Consolidated Interim Financial Statements and assumes liability for the veracity of the information contained in these financial statements as of September 30, 2023.

The preparation of the financial statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Relevant estimates and assumptions are reviewed on a regular basis. Any revision to these accounting estimates is recorded in the period in which such estimates are revised and in any future period affected.

The estimates mainly relate to:

- **Useful lives of property, plant and equipment and impairment testing**

Management has estimated the useful life of each set of productive assets. This estimate could vary as a result of technological changes and/or other business factors. In addition, the Company has looked for any signs of impairment at the fiscal year closing, as required by IAS 36.

- **Assumptions used for the actuarial calculation of severance indemnities**

An actuarial study is the method that has been used to determine the respective liability, using the discount rate, employee turnover, the mortality rate, average retirements and, finally, the salary increase rate (Note 3.10.1).

- **Contingencies, lawsuits and litigation**

The Company evaluates the probability of losing its lawsuits and of contingencies from time to time based on estimates made by its legal counsel. No provisions have been made whenever Management and the Company's attorneys opine that the outcome will be favorable or is uncertain and the lawsuits are ongoing.

- **Intangible Assets**

The Company prepares pre-tax future cash-flow provisions to estimate value in use. If the recoverable amount is less than the net carrying value of the asset, the corresponding impairment loss provision is made for the difference, as a debit against amortization in the Statement of Income.



ENGIE ENERGIA CHILE S.A.

Consolidated Interim Financial Statements as of September 30, 2023

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

2.4 Subsidiaries

These Consolidated Interim Financial Statements include the financial statements of the Company and of entities controlled by the Company. Control exists when the company:

- has power over the investee;
- has rights or is exposed to variable returns on its interest in the investee; and
- has the ability to use its power to affect the investee's returns.

The Company re-evaluates whether it has control over an investee if facts and circumstances indicate that there are changes in one or more of the three elements of control mentioned above.

The subsidiaries Electroandina SpA, Central Termoeléctrica Andina SpA, Gasoducto Nor Andino SpA, Gasoducto Nor Andino Argentina S.A., Inversiones Hornitos SpA, Edelnor Transmisión S.A., Solairedirect Generación VI SpA, Solairedirect Generación IX SpA, Parque Eólico Los Trigales SpA, Solar Los Loros SpA, Eolica Monte Redondo SpA, Alba SpA, Alba Andes SpA, Alba Pacífico SpA, Río Alto SpA, Energías de Abtao SpA and Eolica Entre Cerros SpA are consolidated in these financial statements. The assets, liabilities and income are included in the annual Consolidated Interim Financial Statements after eliminating and/or adjusting transactions within the EECL Group (see Appendix 1.a).

2.5 Investments Accounted for Using the Equity Method

These are interests in companies in which EECL has joint control with another company or over which it exercises a considerable influence.

The equity method consists of recording the interest as the fraction of net equity that the Company's interest represents in the issuer's adjusted capital.

Associates are entities over which the Company has a considerable influence, but not control over financial and operating policies.

The companies accounted for using the equity method are described in Appendix 1.b.

Transmisora Electrica del Norte S.A. is accounted for using the equity method.

A joint venture is a joint agreement whereby the parties who have joint control under the agreement have the right to the net assets in the joint venture. Joint control is a contractual agreement to share the control of an agreement, and it exists only when the decisions on the relevant activities require the unanimous consent of the parties sharing control.

The income, assets and liabilities of associates and/or joint venturers are included in these Financial Statements using the equity method, unless the investment is classified as held for sale. In this latter case, it is recorded according to IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in associates and/or joint ventures are initially recorded at cost, and then adjusted by the changes occurring to the portion of net assets of the associate belonging to the Company after the acquisition, less any impairment in the value of the individual investments.

When the Company's share in losses of an associate or joint venture exceeds its share in the same, it will stop recognizing its share in further losses. The share in an associate or joint venture will be the carrying value of the investment in the associate or joint venture calculated using the equity method, as well as any long-term interest that essentially forms a part of the net investment by the entity in the associate or joint venture.



ENGIE ENERGIA CHILE S.A.

Consolidated Interim Financial Statements as of September 30, 2023

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

2.5 Investments Accounted for Using the Equity Method (continued)

An investment in an associate and/or joint venture will be accounted for using the equity method as from the date when it becomes an associate or joint venture. Any cost of the investment exceeding the Company's share in the net fair value of identifiable assets and liabilities at the time of investment in the associate or joint venture will be recorded as goodwill and will be added to the carrying value of the investment. Any interest in the net fair value of identifiable assets and liabilities of the investee exceeding the investment cost, after a reassessment, will be immediately recognized in income in the period when the investment was acquired.

2.6 Principles of Consolidation

The operations of Engie Energia Chile S.A. and its subsidiaries have been consolidated line by line according to the following basic principles:

1. On the date that the Company takes control, the assets acquired and liabilities assumed by the subsidiary are recorded at the fair value, except for certain assets and liabilities, which are accounted for according to the valuation principles of the IFRS. If the fair value of the total transferred, plus the fair value of any non-controlling interest, exceeds the fair value of the net assets acquired in the subsidiary, this difference is recorded as goodwill. Any gain from a purchase at a low price is recorded as a credit to income, after re-evaluating whether the assets acquired and liabilities assumed have been correctly identified and after reviewing the procedures used to measure the fair value of such assets and liabilities.
2. If it is not possible to determine the fair value of all such assets and liabilities on the date of acquisition, the Company will report the provisional values recorded. During the measurement period, which may not exceed one year from the date of acquisition, the provisional values will be adjusted retrospectively and additional assets or liabilities will also be recognized to reflect new information on the facts and circumstances existing on the date of acquisition, but which were unknown to management at that time.
3. The value of the interests of non-controlling shareholders in the equity and comprehensive income of subsidiaries is shown in *Non-Controlling Interests* in *Total Equity* in the consolidated statement of financial position and in *Earnings attributable to non-controlling interests* and *Comprehensive income attributable to non-controlling interests* in the Consolidated Statement of Comprehensive Income.
4. The balances and transactions among the consolidated companies have been eliminated in their entirety in the consolidation process.
5. The changes in interests in subsidiaries that do not result in a gain or loss of control are recorded as equity transactions and the carrying value of controlling and non-controlling interests are adjusted to reflect changes in the relative equity interests in the subsidiary. Any difference that may exist between the adjustment to the non-controlling interests and the fair value of the consideration paid or received is recognized directly in *Equity attributable to the owners of the controller*.



ENGIE ENERGIA CHILE S.A.

Consolidated Interim Financial Statements as of September 30, 2023

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

2.7 Changes in significant accounting policies

The Company implemented IFRS 16, *Leases*, effective January 1, 2019, and it is disclosing the impacts in the Consolidated Interim Financial Statements as of September 30, 2023. As a lessee, Engie Energía Chile S.A. has decided not to use the practical exception in IFRS 16 that allows no re-evaluation of old contracts classified as an operating lease under IAS 17 and IFRIC 4: “As a practical solution, an entity is not required to re-evaluate whether a contract is or contains a lease on the date of initial application. Instead, the entity is allowed: (a) to apply the standard to contracts that were previously identified as leases in the application of IAS 17, *Leases*, and IFRIC 4, *Determining Whether an Arrangement Contains a Lease*.” Since lessors are not required to any make any adjustment in the transition to IFRS 16, the company opted not to analyze the contracts in which EECL is lessor. For the transition to the standard, EECL decided to apply the modified retrospective approach model to record the right-of-use asset for an amount equal to the liability. This record began to be made on January 1, 2019, thus applying the standard on its date of mandatory application. The incremental discount rates used to calculate the respective amortization tables associated with the lease obligation were determined by the Company’s Management as well as the lease periods for those where a renewal is possible. The application of other pronouncements has had no significant impact on EECL.

The remaining accounting criteria applied during 2023 have not varied compared to those used in the previous fiscal year.

2.8 Functional Currency and Currency of Presentation

The functional currency and currency of presentation of the Company and its subsidiaries is the U.S. dollar. All amounts have been rounded to the nearest thousand (kUSD).

2.9 Accounting Period

These Consolidated Financial Statements cover the following periods:

- Consolidated Interim Statements of Financial Position for the period ending September 30, 2023 and the fiscal year ending December 31, 2022.
- Interim Statements of Changes in Equity for the periods ending September 30, 2023 and 2022.
- Consolidated Interim Statements of Comprehensive Income for the periods ending September 30, 2023 and 2022.
- Interim Statements of Direct Cash Flows for the periods ending September 30, 2023 and 2022.

2.10 Foreign Currency Translation

The U.S. dollar is the Company’s functional currency and the presentation currency of the Consolidated Interim Financial Statements of Engie Energía Chile S.A. Transactions in local and foreign currencies other than the functional currency are translated using the exchange rates on the transaction date. Monetary assets and liabilities denominated in a foreign currency are translated at the functional currency exchange rate on the date of the general balance sheet. Foreign currency gains and losses resulting from these transactions and from the translation of monetary assets and liabilities in a foreign currency at the closing exchange rates are recognized under *Exchange Differentials* in the consolidated statement of income.

Assets and liabilities in a foreign currency were translated using the following closing exchange rates:

Currency	9/30/2023	12/31/2022	9/30/2022
	USD 1	USD 1	USD 1
Chilean peso	895.6000	855.8600	960.2400
Euro	0.9461	0.9344	1.0217
Yen	149.4471	131.3200	144.7400
Argentine peso	349.9621	177.1210	149.1693
Pound sterling	0.8201	0.8278	0.9010
Unidad de Fomento	40.4171	41.0242	35.6767



ENGIE ENERGIA CHILE S.A.

Consolidated Interim Financial Statements as of September 30, 2023

NOTE 3 – ACCOUNTING CRITERIA

The main accounting criteria applied in preparing these Consolidated Interim Financial Statements were as follows:

3.1 Property, Plant and Equipment

Property, plant and equipment are valued at either the acquisition cost or construction cost, less accumulated depreciation and impairment losses. The historic cost of property, plant and equipment as of January 1, 2009, the date of transition to IFRS, was used to determine the cost of property, plant and equipment. Costs include expenses attributed directly to the acquisition of the asset. The cost of assets built by the Company includes the cost of materials, direct labor, and any other cost directly attributable to the process of making the asset ready for use. In addition to the price paid to acquire each element, cost also includes the following items, where relevant:

1. Financial expenses accrued during the construction period that are directly attributable to the acquisition, construction or production of qualified assets, and which require a substantial period of time before being ready to use. The specific loan interest rate was used, or if there was none, the mean financing rate of the company making the investment.
2. Subsequent costs: The cost of replacing part of an item of property, plant and equipment is recorded as an asset when it is likely that the future economic benefits associated with it will be received by the company, provided they can be reliably determined. The value of the replaced component is charged off in the accounting.

The costs of maintaining property, plant and equipment are recognized in profit or loss as they are incurred.

Strategic spare parts are classified as Property, Plant and Equipment and a distinction is made as to whether they will be used in major maintenance or are required for emergencies.

Depreciation is recognized in profit or loss using the straight-line method for the economic useful life of each component of property, plant and equipment, without any residual value. Leased assets are depreciated over the shorter of the term of the lease or their useful lives, unless the Company is certain that it will obtain ownership at the end of the lease.

Land is recorded separately from buildings or facilities that might be built on it, and it has an indefinite useful life, so it is not depreciable.

The following are the main classes of property, plant and equipment along with their estimated useful lives:

Estimated Useful Lives of the Company's Main Assets		Minimum	Maximum
Coal-fired power plants	Years of useful life	25	40
Combined cycle power plants	Years of useful life	25	25
Wind farm	Years of useful life	25	45
Photovoltaic power plants	Years of useful life	25	35
Civil works	Years of useful life	25	50
Hydraulic works	Years of useful life	35	50
Transmission lines	Years of useful life	10	50
Gas pipelines	Years of useful life	25	30
Control systems	Years of useful life	10	14
Auxiliary systems	Years of useful life	7	10
Furniture, vehicles and tools	Years of useful life	3	10
Other	Years of useful life	5	20

The Group reviews the useful lives of property, plant and equipment at the end of each fiscal year being reported.



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Consolidated Interim Financial Statements as of September 30, 2023

NOTE 3 – ACCOUNTING CRITERIA (continued)

3.2 Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the fair value on the acquisition date, and the amount or quantity of any non-controlling interests in the investee. The Group chooses, for each business combination, whether to measure non-controlling interests in the investee at the fair value or at the proportional part of its identifiable net assets. The costs related to the acquisition are recorded as expenses incurred and are included in administrative expenses.

When the Group acquires a business, it evaluates the financial assets and liabilities acquired for their classification and designation according to the contract terms, economic circumstances and pertinent conditions on the date of acquisition. This includes the separation of embedded derivatives in the investee's main contracts.

Any contingent consideration to be transferred by the buyer will be recognized at the fair value on the acquisition date.

The contingent consideration classified as equity is not remeasured, and any subsequent settlement is accounted for in net equity. A contingent consideration classified as an asset or liability that is a financial instrument within the scope of IFRS 9 *Financial Instruments* is measured at the fair value, and changes in fair value are recognized through profit or loss according to IFRS 9.

Other contingent considerations outside the scope of IFRS 9 are measured at the fair value on each reporting date, and changes in fair value are recognized through profit or loss.

Goodwill is initially measured at cost (which is the excess of the aggregate of the consideration transferred and the sum recognized for non-controlling interests and any prior interest held in identifiable net assets acquired and liabilities assumed). If the fair value of the net assets acquired is above the consideration transferred, the Group re-evaluates whether it has correctly identified all assets acquired and all liabilities assumed, and it reviews the procedures used to measure the amounts to be recognized on the acquisition date. If there is an excess fair value of the net assets acquired above the consideration transferred after this re-evaluation, then the gain is recognized in income.

After the initial recognition, goodwill is measured at cost, less any accumulated impairment loss. For impairment testing, goodwill acquired in a business combination is allocated from the acquisition date to each of the Group's cash generating units that are expected to benefit from the combination, regardless of whether other assets or liabilities in the investee are allocated to those units.

When goodwill has been allocated to a cash generating unit (CGU) and part of the operation is eliminated from that unit, the goodwill associated with the eliminated operation is included in the carrying value of the operation to determine the gain or loss in the derecognition or impairment. Goodwill that has been written off or derecognized under these circumstances is measured at the value of the transferred operation and the portion retained in the cash generating unit.

3.3 Other Non-Current Non-Financial Assets

The Company includes assets among its other non-current non-financial assets that are by nature long term and are not classified as tangible assets, intangible assets or financial assets.

The Company classifies all its relevant projects under development in this line until they begin to operate or have tangible elements. As of that moment, they are reclassified to Property, Plant and Equipment.

3.4 Intangible Assets

Intangible assets in contracts with customers are comprised mainly of power purchase agreements of our subsidiaries Central Termoeléctrica Andina SpA and Inversiones Hornitos SpA, which are being amortized over 30 years and 15 years, respectively, since 2011. The amortization shown for intangible assets in contracts with customers in 2010 pertains to the gas transportation agreement of our subsidiary, Gasoducto Nor Andino SpA, and the amortization is being recorded as a cost of sale in the statement of income for a period of 11 years.



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NOTE 3 – ACCOUNTING CRITERIA (continued)

3.4 Intangible Assets (continued)

The other identifiable intangible assets are comprised of assignments and transfers of rights, transmission line concessions and other government-land concessions. These rights are recorded at the purchase price and are being amortized on a straight-line basis over a period of 30 years since 2012.

Intangibles	Useful Life of Intangibles	
	Minimum	Maximum
Rights and concessions	20 years	30 years
Contracts with customers	10 years	30 years

Nevertheless, the potential recovery of intangible assets with indefinite useful lives that form a part of Cash-Generating Units is assessed annually.

The recoverable amount is the higher of its market value less the cost required to sell it, and its value in use, which is understood to be the present value of the estimated future cash flows. Value-in-use is the criterion that is almost always used by the Company to calculate the recoverable value of intangible assets.

To estimate the value in use, Engie Energia Chile S.A. prepares pre-tax future cash-flow projections based on the most recent available budgets. These budgets contain EECL Management's best estimates of income and costs of cash-generating units based on sectorial projections, past experience and future expectations. These projections cover the next five years. Cash flows are estimated for following years using reasonable growth rates that are never increasing or in excess of the mean long-term growth rates for the relevant sector and country.

3.5 Asset Impairment

The worth and useful lives of property, plant and equipment are reviewed annually to determine whether there are any signs of impairment. This occurs when there are events or circumstances indicating that the value of the asset might not be recoverable. When the carrying value of an asset exceeds its recoverable value, a loss is recognized in the statement of income.

The recoverable value is the higher of the fair value, less the cost of sale, and its value in use. Fair value less the cost of sale is the amount that can be obtained by selling an asset or cash-generating unit in an arm's length transaction between interested and duly informed parties, less disposal costs. The value in use is the present value of the estimated cash flows from the continuous use of an asset. If this cannot be determined for a specific asset, the cash-generating unit to which it belongs is used.

Intangible assets and other non-current non-financial assets are evaluated during the fiscal year, especially on the closing date, for any sign of any impairment loss. If there is any impairment loss, an estimate is made of the recoverable value of the asset in order to determine the impairment, if any.

According to accounting standards, if there is an impairment to a Cash-Generating Unit (CGU), all impairment losses must be allocated to reducing the carrying value of the assets in a specific order: first, to reduce any existing goodwill; and second, proportionally to the other assets. Entities may not reduce the carrying value of an asset below the higher of its fair value less disposal costs, its value in use and zero. Lastly, when it is infeasible to estimate the recoverable amount of each individual asset in a CGU, IFRS require an arbitrary allocation of the impairment loss among the assets in that CGU.

For financial instruments, the Group's companies have established a generally applicable policy of recording an impairment provision based on the age of the balance past-due, except in cases where a certain particularity makes a specific collectability analysis advisable.

The process of determining the obsolescence of spare parts consists of an item-by-item review, and a provision is made for 100% of the impairment of spare parts for which:



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Consolidated Interim Financial Statements as of September 30, 2023

NOTE 3 – ACCOUNTING CRITERIA (continued)

3.5 Asset Impairment (continued)

- the related equipment is in permanent disuse;
- there is no related equipment;
- the spare part is damaged in such a way that it cannot be used; and
- there is no active market for its sale.

The provision for the rest of the spare parts inventory is calculated globally according to the following rule:

- 10% after 2 years without use
- 20% after 4 years without use
- 30% after 6 years without use
- 40% after 8 years without use
- 50% after 10 years without use
- 60% after 12 years without use
- 70% after 14 years without use
- 80% after 16 years without use
- 90% after 18 years without use
- 100% after 20 years without use

3.6 Leased Assets

The implementation of IFRS 16 meant that most leases are recognized in the balance sheet by lessees, which changes the financial statements of companies and their related ratios to a greater extent. EECL has leases for long-term concessions with the government, for vehicles, pick-ups and properties.

3.6.1 Lessee

As a lessee, the Company recognizes an asset on the date the lease begins provided it represents the right to use the underlying asset during the period of the lease (a right-of-use asset) and a liability for rent payments (lease liability). Leases out to less than 12 months (and not renewable) may be excluded as well as leases where the value of the underlying asset is not significant. The Company recognizes separately the interest expense for the lease liability and the amortization expense for the right-of-use asset.

3.6.2 Classification

All leases are classified as if they were financial. Lessees record a right-of-use asset and a lease liability on the date the lease begins.

3.6.3 Depreciation Charge

Lessees will apply the depreciation requirements in IAS 16, *Property, Plant and Equipment*, when depreciating (amortizing) a right-of-use asset.

3.6.4 Impairment

Lessees will apply IAS 36, *Impairment of Assets*, to determine whether the right-of-use asset has become impaired and to account for identified impairment losses.

3.6.5 Lessor

The accounting of lessors under IFRS 16 is substantially the same as the accounting under IAS 17. Lessors will continue classifying at the start of the lease whether the lease is operative or financial based on the essence of the transaction. Leases that substantially transfer all risks and benefits inherent to ownership of the underlying asset are classified as financial leases. All other leases are classified as operating leases.



ENGIE ENERGIA CHILE S.A.

Consolidated Interim Financial Statements as of September 30, 2023

NOTE 3 – ACCOUNTING CRITERIA (continued)

3.6 Leased Assets (continued)

3.6.5 Lessor (continued)

In the case of operating leases, the installments are recognized as expenses if the Company is lessee, or as revenue if it is lessor, on a straight-line basis for the term of the lease, unless another systematic basis of distribution is more representative.

3.7 Financial Instruments

A financial instrument is any contract that simultaneously creates a financial asset in an entity and a financial liability or an equity instrument in another entity.

Financial assets mostly include investments in time deposits and fixed-income mutual funds, which are recognized at the fair value. They are classified as investments held through maturity and are settled in 90 days or less.

3.7.1 Fair Value Hierarchy

The Company measures financial instruments, such as derivatives, and non-financial assets, such as investment properties, at the fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- on the principal market for the asset or liability or
- in the absence of a principal market, on the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset for its greatest and best use or by selling it to another market participant that would use the asset for its greatest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows:

Level 1: Quoted (unadjusted) price on active markets for identical assets and liabilities;

Level 2: Inputs other than quoted prices that are included in Level 1 and are observable for assets or liabilities, either directly (namely price) or indirectly (i.e., a price derivative). The methods and assumptions used to determine the fair values in this level take into consideration, by type of financial asset or financial liability, the estimated future cash flows discounted using the zero-coupon interest rate curves for each currency. All such appraisals are made using external tools like "Bloomberg"; and

Level 3: Inputs for assets or liabilities not based on observable market information (non-observable inputs).



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Consolidated Interim Financial Statements as of September 30, 2023

NOTE 3 – ACCOUNTING CRITERIA (continued)

3.7 Financial Instruments (continued)

3.7.2 Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition and in subsequent measurements, at amortized cost, at fair value through other comprehensive income (OCI), or at fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and EECL's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, EECL initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in the section (IFRS 15 Revenue from contracts with customers).

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it must generate cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and it is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

EECL's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective of holding financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and of selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular-way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

EECL's financial assets at amortized cost may include items such as trade receivables and loans to related parties, and they are included under other non-current financial assets.



ENGIE ENERGIA CHILE S.A.

Consolidated Interim Financial Statements as of September 30, 2023

NOTE 3 – ACCOUNTING CRITERIA (continued)

3.7 Financial Instruments (continued)

3.7.2 Financial Assets (continued)

Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of income and calculated in the same way as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

EECL's debt instruments at fair value through OCI include investments in listed debt instruments shown under other non-current financial assets.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI provided they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the income statement when the right of payment has been established, except when EECL benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its non-listed equity investments in this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of income.

This category includes derivatives and listed equity investments which EECL had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognized as other income in the statement of income when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset outside the fair value through profit or loss category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from EECL's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.



ENGIE ENERGIA CHILE S.A.

Consolidated Interim Financial Statements as of September 30, 2023

NOTE 3 – ACCOUNTING CRITERIA (continued)

3.7 Financial Instruments (continued)

3.7.2 Financial Assets (continued)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that EECL has retained.

Continuing involvement that takes the form of a guarantee on the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that EECL could be required to pay.

Impairment

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that EECL expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages:

- For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from events of default that may occur within the next 12 months (a 12-month ECL).
- For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, EECL applies the low credit risk simplification. At every reporting date, EECL evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, EECL reassesses the internal credit rating of the debt instrument. In addition, EECL considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, EECL may also consider a financial asset to be in default when internal or external information indicates that EECL is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.



ENGIE ENERGIA CHILE S.A.

Consolidated Interim Financial Statements as of September 30, 2023

NOTE 3 – ACCOUNTING CRITERIA (continued)

3.7 Financial Instruments (continued)

3.7.2 Financial Assets (continued)

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, as loans and borrowings, as accounts payable, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans, borrowings, and accounts payable, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings, including bank overdrafts, and financial derivatives.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchase in the near term. This category also includes financial derivatives entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the income statement. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

3.7.3 Financial Liabilities

Financial liabilities at amortized cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

The amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of income.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of income.

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.



ENGIE ENERGIA CHILE S.A.

Consolidated Interim Financial Statements as of September 30, 2023

NOTE 3 – ACCOUNTING CRITERIA (continued)

3.7 Financial Instruments (continued)

3.7.4 Derivatives and Hedge Transactions

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment;
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecasted transaction or the foreign currency risk in an unrecognized firm commitment;
- hedges of a net investment in a foreign business.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is “an economic relationship” between the hedged item and the hedging instrument;
- The effect of credit risk does not “dominate the value changes” that result from that economic relationship;
- The hedge ratio is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognized in the statement of income as other expenses. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the statement of income as other expenses.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with the corresponding gain or loss recognized in profit or loss.



ENGIE ENERGIA CHILE S.A.

Consolidated Interim Financial Statements as of September 30, 2023

NOTE 3 – ACCOUNTING CRITERIA (continued)

3.7 Financial Instruments (continued)

3.7.4 Derivatives and Hedge Transactions (continued)

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in the cash flow hedge reserve in OCI, while any ineffective portion is recognized immediately in the statement of income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Company uses forward currency contracts as hedges against its exposure to foreign currency risk in forecasted transactions and firm commitments, as well as forward commodity contracts for its exposure to the volatility of commodity prices. The ineffective portion relating to foreign currency contracts is recognized as other expenses and the ineffective portion relating to commodity contracts is recognized in other operating income or expenses.

The Company designates only the spot element of forward contracts as a hedging instrument. The forward element is recognized in OCI and accumulated in a separate component of equity, under hedging reserve cost.

The amounts accumulated in OCI are accounted for according to the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and added to the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in OCI for the period. This also applies where the hedged forecasted transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment to which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for according to the nature of the underlying transaction, as described above.

The financial risk management strategy of Engie Energia Chile S.A. and its subsidiaries focuses on mitigating the exchange rate risk related to income, costs, investments of cash surpluses, investments in general and debt denominated in a currency other than the U.S. dollar.

Delays or changes in the payment flows may produce a mismatch between the hedge flows and the hedged item. To reduce the impact of these mismatches on the effectiveness of the hedge, the main hedged instruments are complemented by other instruments contracted on their due date, such as: (a) time deposits in UF, (b) repo agreements, (c) extensions of forwards or (d) new, opposite forwards.

EECL's hedges may only be interrupted in the following cases:

- The position of the designated hedge instrument expires, and no situation or renewal is predicted if it is sold or liquidated, exercised or closed.
- The hedge no longer meets one of the requirements for special hedge accounting.
- There is evidence that the predicted future transaction being hedged will not be consummated.
- Any subsidiary of the Company suspends its designation separately from the other subsidiaries.

3.8 Inventories

This category mainly includes spare parts for maintenance and inputs used in generating electricity. Inventories are recorded at cost, based on the weighted average. The cost of inventories excludes financing expenses and exchange differentials. The cost of inventories is debited against income as the inventories are consumed.



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NOTE 3 – ACCOUNTING CRITERIA (continued)

3.9 Non-Current Assets Held for Sale and Discontinued Operations

The Company classifies property, plant and equipment, intangible assets, investments in associates, joint ventures and disposal groups (a group of assets that will be sold together with the directly associated liabilities) as non-current assets held for sale, provided actions are being taken as of the closing date of the statement of financial position to sell them and it is considered highly likely that the sale will be consummated within twelve months following that date.

These assets or disposal groups are appraised at the lower of the carrying value or the estimated sale price after deducting the costs of sale, and they are no longer amortized as of the date that they are classified as non-current assets held for sale.

The assets no longer classified as held for sale or no longer considered part of a disposal group are appraised at the lower of the carrying value prior to classification, less depreciation, amortization or revaluation that would have been recognized if they had not been so classified, and the recoverable value on the date on which they will be reclassified in *Non-Current Assets*.

3.10 Provisions

A provision is made if:

- the Company has a legal or implicit obligation as a result of a past event;
- it can be estimated reliably;
- it is likely that a cash outflow will be required to settle the obligation.

Obligations existing as of the date of the financial statements as a consequence of past events that are likely to result in equity damage for the Company, but the amount and payment date of which are uncertain, are recorded as provisions at the current value of the most probable amount that is estimated to be disburseable to discharge the obligation.

3.10.1 Post-Employment Benefits and Other Similar Benefits

The Company recognizes the present value of severance indemnity obligations in liabilities (severance for years of employment) as of the closing date of its financial statements. These obligations are appraised using an actuarial calculation that utilizes assumptions on mortality rates, employee turnover, interest rates, derecognition dates, effects of employee salary raises, and the effects on benefit variations resulting from changes in the rate of inflation. The actuarial losses or gains from variations in the pre-established obligations are recorded directly in other comprehensive income. The actuarial losses and gains originate in the deviations between the estimated and real values of the actuarial assumptions or the reformulation of the established actuarial assumptions (see Note 27).

3.11 Classification of Current and Non-Current Assets and Liabilities

The Company classifies its assets and liabilities by maturity. Current assets and liabilities mature in twelve months or less and any maturing beyond one year are classified as non-current.

Liabilities maturing in less than twelve months but securely refinanced in the long term, at the Company's discretion, through unconditional long-term credit facilities, may be classified as non-current liabilities, and the short-term portion as a current liability.

3.12 Income Tax and Deferred Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to calculate the amount are those that have been enacted or substantively enacted as of the reporting date in the countries where the Company operates and generates taxable income. Current income tax relating to items recognized directly in equity is recognized in net equity, not in the statement of income. Management periodically evaluates positions adopted in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation, and it establishes provisions where appropriate.



ENGIE ENERGIA CHILE S.A.

Consolidated Interim Financial Statements as of September 30, 2023

NOTE 3 – ACCOUNTING CRITERIA (continued)

3.12 Income Tax and Deferred Taxes (continued)

Deferred taxes

Deferred taxes are calculated, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as of the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, it affects neither the book profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry-forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, it affects neither the book profit nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed on each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are re-assessed on each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted on the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction, either in other comprehensive income or directly in equity.

3.13 Recognition of Income and Expenses

Revenue is recognized when there is a gross entry of economic benefits originating in the normal course of the Company's business in the period, provided that entry causes an increase in total equity unrelated to contributions from the owners of that equity and those benefits can be reliably appraised. Revenue is appraised at the fair value of the counter-entry received or receivable as a result.

EECL analyzes and takes into consideration all relevant facts and circumstances when it applies each step of the IFRS 15 model for contracts with customers: (i) identification of the contract; (ii) identification of performance obligations; (iii) determination of the transaction price; (iv) allocation of the price; and (v) recognition of revenue.



ENGIE ENERGIA CHILE S.A.

Consolidated Interim Financial Statements as of September 30, 2023

NOTE 3 – ACCOUNTING CRITERIA (continued)

3.13 Recognition of Income and Expenses (continued)

EECL also evaluates whether there are any incremental costs of obtaining a contract as well as the costs directly related to contract performance. Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

EECL recognizes revenue when the steps in IFRS 15 have been completed satisfactorily and it is likely that future economic benefits will flow to the company.

Revenue comes mainly from the sale of energy, capacity, port services, industrial services and electricity transmission, including services provided but not yet invoiced at the close of the period. Revenue is shown net of taxes, refunds, rebates and discounts and it is recorded when the amount can be reliably measured and it is likely that future economic benefits will flow to the Company. Said benefits are allocated on an accrual basis.

- Energy sales: Energy supplied and not invoiced as of the last day of the closing month is recorded as revenue, appraised at the prices in force in the relevant period of consumption. The energy cost is also included in income.
- Sales of services: Services are recorded in income in the period that the services are provided.
- Interest income: Interest income is recorded on the basis of the proportion of time elapsed, using the effective-interest-rate method.
- Leases: The current value of the payments for leased assets recognized as a financial lease is recorded as an account receivable. The difference between the gross amount receivable and the current value of such payment is recognized as a financial yield. This amount is recorded in income on a straight-line basis over the term of the lease.

3.14 Earnings (Loss) per Share

The basic earnings per share are calculated as a quotient between the net earnings (losses) in the fiscal year attributable to the Parent Company and the weighted average number of common shares in the Parent Company outstanding during the fiscal year, excluding the average number of Parent Company shares held by subsidiaries, if any.

3.15 Dividends

EECL's dividend policy is to pay the minimum dividend required by the law and the Company's bylaws. Dividends above the legal minimum can be approved if the company's conditions allow. Each year the board proposes a dividend payment based on financial results, available cash and the estimated financing needed for capital investments. The dividend proposed by the Board must be approved at an Ordinary Shareholders Meeting pursuant to law.

In relation to Circulars 1945 and 1983 of the Financial Market Commission, the Company's Board decided that the net distributable profit will be the fiscal year profit attributable to shareholders shown in the financial statements, without any adjustment.

A proposal may be made to the respective Ordinary Shareholders Meeting to distribute, as a final dividend, the profits not distributed as a dividend, which must be done within thirty days following the date of the respective Meeting.

3.16 Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand, unrestricted bank checking accounts, time deposits and marketable securities maturing within 90 days, which are easily convertible into known amounts of cash with negligible risk of significant changes in value.



ENGIE ENERGIA CHILE S.A.

Consolidated Interim Financial Statements as of September 30, 2023

NOTE 3 – ACCOUNTING CRITERIA (continued)

3.17 Operating Segments

The Company's principal business is the generation and sale of electricity. It has thermal and combined-cycle, solar and hydroelectric power plants that produce the energy that is sold to customers with whom it has power purchase agreements, pursuant to the Electricity Law. Its customers are classified as regulated customers, unregulated customers and the spot market.

There is no direct relationship between any one generating unit and the power purchase agreements as power purchase agreements are made in line with the Company's total capacity. PPAs are supplied by any of its power plants or, otherwise, energy is acquired from other generating companies.

EECL is part of the National Grid (SEN). The National Electricity Coordinator (CEN) defines how much each of the generating units will generate.

As EECL only operates on the National Grid, geographic segmentation does not apply.

Chilean electricity regulations define energy and capacity separately, not because they are different physical elements, but rather in order to set economically efficient prices. Energy prices are thus set in monetary units per unit of energy (KWh, MWh, etc.), and capacity prices are set in monetary units per unit of capacity–unit of time (KW-month).

Consequently, in accordance with IFRS 8, EECL's only operating segment is the entire business described above.

3.18 Contingent Assets and Liabilities

Contingent liabilities are not recorded in the financial statements, but rather are disclosed in the notes to the financial statements unless it is unlikely that they will occur. Contingent assets are not recorded in the financial statements and are disclosed only if the cash inflow is likely.

NOTE 4 – SECTORIAL REGULATION AND OPERATION OF THE ELECTRICITY SYSTEM

4.1 Description of the Business

The objectives of Engie Energia Chile S.A. are the production, transmission, distribution and supply of electricity; the purchase, sale and transportation of fuels, either in a liquid, solid or gaseous state; and the provision of engineering and management consultancy services as well as electrical system maintenance and repair services.

As of September 30, 2023, Engie Energia Chile S.A. had an installed capacity of 2,545 MW on the National Grid, thus giving it an approximate 8% share of the system's total gross capacity. The Company's transmission lines are operated over a distance of 2,409 kilometers, and it has a natural gas pipeline with the capacity to transport 8 million cubic meters per day for gas distribution and sale in the north of Chile.

4.2 Regulation and Operation of the Electricity System

The electricity sector in Chile is regulated by the General Electricity Law contained in Statutory Decree 1, issued in 1982 by the Ministry of Mining, and by the Regulations to that law contained in Executive Decree 327 of 1998. Three government agencies are responsible for the enforcement of, and compliance with, the law: the National Energy Commission (*Comisión Nacional de Energía*, or NEC), which has the authority to propose regulated prices (node price) and to design indicative plans for the construction of new generation units; the Electricity and Fuels Commission (*Superintendencia de Electricidad y Combustibles*, or EFC), which supervises and enforces compliance with the laws, regulations and technical standards for the generation, transmission and distribution of electricity, liquid fuels and gas; and the Ministry of Economy, which reviews and approves the prices proposed by the NEC and regulates concessions granted to electricity generation, transmission and distribution companies based on a report prepared by the EFC. The law establishes a panel of experts primarily responsible for resolving any disputes that might arise among electricity companies.

The National Grid runs from Arica to Chiloe.



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Consolidated Interim Financial Statements as of September 30, 2023

NOTE 4 – REGULATION AND OPERATION OF THE ELECTRICITY SYSTEM (continued)

4.2 Regulation and Operation of the Electricity System (continued)

According to the Electricity Law, companies that generate for a power grid must coordinate their operations through the CEN so that the system operates at minimum cost while preserving service security. The CEN therefore plans and manages the operation of the system, including the calculation of the hourly marginal cost, which is the price used to appraise energy transfers among generators. Each company's generation is subject to the CEN operating plan. Companies may freely decide whether to sell electricity to regulated or unregulated customers. Any surplus or deficit between customer sales and production is sold to, or purchased from, other generators at the marginal cost.

4.3 Types of Customers

a) Regulated customers: Residential, commercial and small and mid-sized businesses with a connected capacity of no more than 5,000 KW that are located in a distribution company's concession area. The transfer price between generation and distribution companies will be the price resulting from tenders by distribution companies.

b) Unregulated customers: Customers that have an installed capacity above 5,000 KW, mainly mining and industrial companies. These customers can negotiate their power supply prices freely with generators and/or distributors. Customers with a capacity of 500 to 5,000 KW have the option of contracting energy at prices agreed with their suppliers, or to continue to be subject to regulated prices. They must remain in the chosen regime for a minimum of four years.

c) Spot or short-term market: Power purchase transactions between generating companies resulting from the coordination of the CEN to ensure an economic operation of the system. Any production surpluses (deficits) as compared to a generator's commercial commitments are transferred through sales to (purchases from) other generators who are members of the CEN. Energy transfers are appraised at the marginal cost, while capacity is appraised at the appropriate node price set by the authority every six months.

The capacity payable to each generator in Chile depends on the annual system-wide calculation made by the CEN that shows the sufficiency capacity for each power plant. This value is separate from load dispatching.

With the enactment of Law 20,018, since 2010 distribution companies must have a supply available constantly for their entire demand, which requires that they hold long-term public tenders.

4.4 Principal Assets

The generating capacity of EECL and its subsidiaries is comprised mainly of combined-cycle thermal and coal-fired power plants that combined supply 2,545 MW to the National Grid, 8% of the total gross generation supplied to that grid.

It has 7 coal-fired and combined-cycle power plants in the Region of Antofagasta, 6 located in Mejillones and 1 in Tocopilla, with a total capacity of 1,670 MW, and other renewable power plants that, taken together, generate a total of 873 MW, which are located along the SEN.

4.5 Renewable Energy

Renewable Energy Law 20,257 was enacted in April 2008 and amended by Law 20,698 passed in October 2013. It encourages the use of unconventional renewable energy (UCRE). The principal aspect of this law is that it obliges generators to generate at least 5% of their energy sold from renewable sources between 2010 and 2014. That requirement then rises progressively by 0.5% per annum from 2015 to 2024, the year when a total of 10% should be generated for contracts signed after August 31, 2007 but prior to July 1, 2013. For contracts signed after July 1, 2013, this requirement is 5% by 2013, with annual increases of 1% from 2014 until it totals 12% by 2020, and then annual increases of 1.5% as of 2021 to total 18% by 2024, followed by an increase of 2% in 2025 to become 20%.

In 2013, EECL opened the El Aguila I Photovoltaic Power Plant that has an installed capacity of 2 MWp.

The Pampa Camarones Photovoltaic Solar Power Plant began commercial operation on September 9, 2016. It has an installed capacity of 6 MWp.



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Consolidated Interim Financial Statements as of September 30, 2023

NOTE 4 – REGULATION AND OPERATION OF THE ELECTRICITY SYSTEM (continued)

4.5 Renewable Energy (continued)

On April 17, 2019, the Company acquired the subsidiaries “Solar Los Loros SpA,” that has an installed capacity of 46 MWp, and “Solairedirect Generacion Andacollo SpA,” that has an installed capacity of 1.3 MWp.

On July 1, 2020, the Company acquired “Eolica Monte Redondo SpA” that added to its renewable generation assets the Monte Redondo Wind Farm, with an installed capacity of 48 MW, and the Laja Hydroelectric Power Plant, with an installed capacity of 34.4 MW.

The Calama Wind Farm began commercial operation on October 29, 2021 and has an installed capacity of 152.6 MW.

The Tamaya Solar Farm began operation on January 14, 2022 and it has an installed capacity of 114 MWp.

The Capricornio Solar Farm began commercial operation on November 21, 2022. It has an installed capacity of 87.9 MWp.

On December 15, 2022, the Company acquired subsidiaries Alba SpA, Alba Andes SpA, Alba Pacifico SpA, Rio Alto S.A. and Energias de Abtao S.A. Those acquisitions included the renewable generation assets called the San Pedro I Wind Farm, with an installed capacity of 36 MW, and the San Pedro II Wind Farm, with an installed capacity of 65 MW.

The Coya Solar Power Plant began commercial operation on March 24, 2023 and has an installed capacity of 181.25 Mwac.

The Company purchases unconventional renewable energy (UCRE) on the market in order to comply with governing regulations.

NOTA 5 – CORPORATE REORGANIZATIONS

5.1 Acquisition of subsidiaries

5.1.1 PV Coya SpA was merged with Engie Energia Chile S.A. on September 1, 2021.

5.1.2 On September 19, 2022, ENGIE Energia Chile S.A. presented a binding offer to Trans Antartic Energia Chile S.A., Trans Antartic Energia II S.A., Bosques de Chiloe S.A., Beltaine Renewable Energy S.L. and Inversiones Butalcura S.A., at that time the only shareholders in Alba SpA, Alba Andes SpA, Alba Pacifico SpA, Rio Alto S.A. and Energias de Abtao S.A. The offer was to purchase all shares in these latter companies.

These companies own: (i) the San Pedro I Wind Farm, located in the municipality of Dalcahue, Chiloe, Lake Region, where 18 small-scale wind turbines are in operation that have an installed capacity of 36 MW; (ii) the San Pedro II Wind Farm Enlargement Project, located in the municipality of Dalcahue, Chiloe, Lake Region, which consists of a wind generation project where 13 small-scale wind turbines are in operation that have an installed capacity of 65 MW; and (iii) a wind farm project currently under development, located in the municipality of Dalcahue, Chiloe, Lake Region, that will have an installed capacity of approximately 151 MW.

The transaction closing took place on December 15, 2022.

5.1.3 The Company acquired Eolica Entre Cerros SpA on July 19, 2023.

Details are provided in Appendix 1.a).



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NOTE 6 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of September 30, 2023 and December 31, 2022, classified by type of cash, are shown below:

Types of Cash and Cash Equivalents (Presentation)	9/30/2023	12/31/2022
	kUSD	kUSD
Cash	32	31
Bank balances	26,084	47,322
Short-term deposits classified as cash equivalents	197,019	85,012
Total Cash and Cash Equivalent	223,135	132,365

The balances of cash and cash equivalents shown in the Statement of Financial Position do not differ from those shown in the Statement of Cash Flow and are not subject to any type of restriction.

Cash and cash equivalents are itemized below:

6.1 Cash Available

Cash available is comprised of cash held in tills and in bank current accounts, and the carrying value is the same as the fair value.

6.2 Time Deposits

Time deposits include principal plus accrued interest and adjustments as of the closing date.

Entity	Currency	Rate %	Expiration	9/30/2023	Rate %	Expiration	12/31/2022
				kUSD			kUSD
Banco BBVA	USD		-	0	4.35%	5-Jan-2023	250
Banco BCI	USD	5.40%	5-Oct-2023	5,017	4.75%	6-Jan-2023	15,707
Banco BCI	USD	5.31%	6-Oct-2023	5,011		-	0
Banco BCI	USD	5.34%	10-Oct-2023	10,026			
Banco BCI	USD	5.42%	10-Oct-2023	10,034		-	0
Banco BCI	USD	5.29%	16-Oct-2023	3,202			
Banco BCI	USD	5.38%	26-Oct-2023	5,007			
Banco BICE	USD	5.25%	10-Oct-2023	10,025			
Banco BICE	USD	5.65%	10-Oct-2023	5,008		-	0
Banco Chile	USD	5.70%	10-Oct-2023	29,844			
Banco Consorcio	USD		-		5.05%	9-Jan-2023	16,032
Banco Estado	USD	4.80%	3-Oct-2023	4,002			
Banco Estado	USD	5.00%	6-Oct-2023	5,010	4.00%	5-Jan-2023	8,002
Banco Itaú Corpbanca	USD	5.57%	13-Oct-2023	10,023	4.45%	6-Jan-2023	15,006
Banco Itaú Corpbanca	USD	5.42%	16-Oct-2023	2,002		-	0
Banco Itaú Corpbanca	USD	5.60%	25-Oct-2023	5,504		-	0
Banco Itaú Corpbanca	USD	5.62%	25-Oct-2023	10,023			
Banco Santander	USD	5.55%	4-Oct-2023	3,517			
Banco Santander	USD	5.40%	5-Oct-2023	8,529	5.00%	6-Jan-2023	15,006
Banco Santander	USD	5.40%	13-Oct-2023	10,023		-	0
Banco Santander	USD	5.55%	26-Oct-2023	15,051		-	0
Scotiabank	USD	5.80%	10-Jul-2023	30,150	5.18%	6-Jan-2023	15,009
Scotiabank	USD	5.54%	12-Jul-2023	8,006		-	0
Scotiabank	USD	5.70%	14-Jul-2023	2,005		-	0
Consolidated Total				197,019			85,012



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NOTE 6 – CASH AND CASH EQUIVALENTS (continued)

6.3 Cash and Cash Equivalents

Liabilities originating in financing activities	Balance at 1/1/2023 (1)	Financing cash flows			Changes not representing cash flows						Balance at 9/30/2023 (1)	
		From	Used	Total	Acquisition of subsidiaries	Sale of subsidiaries	Changes in fair value	Exchange differentials	New financial leases	Other changes (2)		
												kUSD
Unsecured bonds (Note 20)	846,342	0	(32,750)	(32,750)	0	0	0	0	0	0	31,262	844,854
Interest-bearing loans (Note 20)	931,679	625,000	(495,595)	129,405	0	0	0	0	0	0	11,302	1,072,386
Related-entity loans (Note 10.5)	7,766	229,069	(197,379)	31,690	0	0	0	0	0	0	0	39,456
Total	1,785,787	854,069	(725,724)	128,345	0	0	0	0	0	0	42,564	1,956,696

(1) The balance includes the current and non-current portions.

(2) Interest accrued.

Liabilities originating in financing activities	Balance at 1/1/2022 (1)	Financing cash flows			Changes not representing cash flows						Balance at 12/31/2022 (1)	
		From	Used	Total	Acquisition of subsidiaries	Sale of subsidiaries	Changes in fair value	Exchange differentials	New financial leases	Other changes (2)		
												kUSD
Unsecured bonds (Note 20)	847,773	0	(32,750)	(32,750)	0	0	0	0	0	0	31,319	846,342
Interest-bearing loans (Note 20)	174,604	667,000	(446)	666,554	77,021	0	0	0	0	0	13,500	931,679
Intercompany loans (Notes 10.5)	8,065	98,665	(98,964)	(299)	0	0	0	0	0	0	0	7,766
Total	1,030,442	765,665	(132,160)	633,505	77,021	0	0	0	0	0	44,819	1,785,787

NOTE 7 – OTHER FINANCIAL ASSETS

Current

Description of Instruments	9/30/2023	12/31/2022
	kUSD	kUSD
Forward (1)	12,672	17,865
Mutual Funds	933	0
Total, Other Financial Assets	13,605	17,865

(1) See further details in Note 21 – Derivative and Hedge Transactions

Non-Current

Description of Instruments	9/30/2023	12/31/2022
	kUSD	kUSD
Forward (1)	13,103	5,055
Total, Other Financial Assets	13,103	5,055

7.1 Fixed-Income Mutual Fund Shares

Mutual fund shares are recorded at their fair value and are itemized below:

Entity	Currency	9/30/2023	12/31/2022
		kUSD	kUSD
Banco Santander Rio	USD	933	0
Total, Mutual Funds		933	0



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NOTE 8 – OTHER CURRENT NON-FINANCIAL ASSETS

The amounts that the Company has recorded in this category correspond to services that will be provided in subsequent months, within one year from the closing date of the period being reported.

Types of Payments	9/30/2023	12/31/2022
	kUSD	kUSD
Prepaid insurance ⁽¹⁾	22,415	12,863
VAT credit ⁽²⁾	178,171	121,690
Supplier advances ⁽³⁾	36,639	23,831
Other	4,878	1896
Total	242,103	160,280

(1) Damage, business interruption, civil liability and other insurance policies for EECL and associates.

(2) The VAT credit remaining and accumulated on the purchases of inputs used in generation, mainly coal and gas, and, to a lesser extent, the VAT credit related to the construction of renewable energy projects according to the company's investment plan.

(3) Payments made for spare parts for major maintenance.

NOTE 9 – TRADE RECEIVABLES AND OTHER ACCOUNTS RECEIVABLE

In general, balances in this category do not accrue interest.

There are no restrictions on the disposal of significant amounts of this type of accounts receivable.

As required by paragraph 36 of IFRS 7, the Company carries no collateral for its commercial credit to customers.

The average maturity of customers' obligations is 15 calendar days from the invoice date. No individual customer has significant balances as compared to the Company's total sales or accounts receivable.

See Note 22 *Risk Management* for further analysis of the risk of uncollectibles.

The Company establishes an uncollectibles provision at the close of each quarter, taking into account aspects such as the age of its accounts receivable and a case-by-case analysis of each.

The Company has renegotiated accounts with one customer and has no protested portfolio or customers from whom collection is being sought through the courts.

The amounts included in this category relate to the following types of documents:

9.1 Current Trade Receivables and Other Accounts Receivable

Current trade receivable and other accounts receivable	9/30/2023	12/31/2022
	kUSD	kUSD
Invoices and accounts receivable	246,590	213,985
Sundry receivables, current	168	153
Other accounts receivable, current	8,329	6,429
Total	255,087	220,567



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NOTE 9 – TRADE RECEIVABLES AND OTHER ACCOUNTS RECEIVABLE (continued)

9.2 Non-Current Trade Receivables and Other Accounts Receivable

Non-current trade receivable and other accounts receivable	9/30/2023	12/31/2022
	kUSD	kUSD
Accounts receivable ^(*)	287,509	325,778
Sundry receivables	20	20
Total	287,529	325,798

(*) These include the accounts receivable impacted by the Electricity Price Stabilization Law 21,185 (“PEC-1”) and Customer Protection Mechanism Law 21,472 (“MPC” or “PEC-2”). During 2021, 2022 and 2023, the Company sold accounts receivable under PEC-1 for a nominal total of USD 272.9 million to Chile Electricity PEC SpA under the agreements signed with Goldman Sachs and IDB Invest, and later with Allianz. This sum includes the balances reported in the January 2020, July 2020, January 2021, July 2021, January 2022 and July 2022 average node price decrees. On August 30, 2023, the Company sold payment documents under PEC-2 for a nominal value of USD 200 million, plus interest.

The non-current receivables totaled USD 287.5 million as of September 30, 2023. These balances and the subsequent accruals can be monetized pursuant to the MPC Law described in the next paragraph, or partially recovered through re-settlements of invoicing to regulated customers.

On July 13, 2022, the Customer Protection Mechanism or “MPC” bill of law was passed into a law by the House of Representatives after ratifying the changes made by the Senate. This law aims to stabilize power prices for customers being supplied by public service distribution concessionaires regulated by the General Electricity Law. The purpose of the MPC is to pay the differences arising between the energy and capacity component invoiced by distribution companies to end customers and the amount payable to generators for power supply, based on the respective contractual terms or the respective decree, in the case of mid-sized systems. The resources accounted for in the MPC operation may not exceed USD 1.8 billion, and the law will continue in force until the balances created by its enforcement are extinguished. Effective in 2023, the National Energy Commission must forecast semi-annually the total payment of the Final Remaining Balance for a date that may not go beyond December 31, 2032. To that end, it will determine the charges to collect the amounts needed to fully reimburse the resources needed for the MPC to work properly. The National Energy Commission published Exempt Resolution 86 on March 14, 2023 that contains the technical rules for implementation of Law 21,472.

Under the MPC Law and the exempt resolution issued by the National Energy Commission, generators are expected to receive Certificates of Payment from time to time from the Treasury General of the Republic of Chile (the “Treasury”) equivalent to the difference between the prices in the power purchase agreements with distributors and the rates applicable pursuant to the MPC Law, for an aggregate of USD 1.8 billion. The Government asked IDB Invest to structure a financing mechanism for generators after the MPC Law enters into force. Under this mechanism, IDB Invest will buy the certificates of payment issued by the Treasury to generators, resell part of them to a special-purpose company that will then issue 144-A/Reg S and 4(a)2 promissory notes. IDB Invest appointed Goldman Sachs to lead the transaction structuring and JP Morgan and Itaú to lead the note placement together with Goldman Sachs. The certificates of payment will include interest and financial expenses so that generators receive the total nominal amount of the invoices under their respective power purchase agreements with distribution companies. The certificates of payment must be paid in full by regulated users no later than December 31, 2032. The full reimbursement of the Certificates of Payment is guaranteed by the Republic of Chile.



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NOTE 9 – TRADE RECEIVABLES AND OTHER ACCOUNTS RECEIVABLE (continued)

9.2 Non-Current Trade Receivables and Other Accounts Receivable (continued)

The aged balances of the Company's gross receivables were as follows as of September 30, 2023:

Receivables	Balances as of September 30, 2023												Total Current	Total Non-Current
	Compliant Portfolio	Payment Arrears	Payment Arrears	Payment Arrears										
		1-30 days	31-60 days	61-90 days	91-120 days	121-150 days	151-180 days	181-210 days	211-250 days	More than 250 days	kUSD	kUSD		
	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	
Current receivables for credit transactions	224,473	20,610	2,094	182	418	121	76	28	113	5,714	253,824	288,817		
Estimated uncollectibles	(769)	0	0	0	(418)	(121)	(76)	(28)	(113)	(5,714)	(7,234)	(1,308)		
Current sundry receivables	168	0	0	0	0	0	0	0	0	0	168	20		
Estimated uncollectibles	0	0	0	0	0	0	0	0	0	0	0	0		
Other current accounts receivable	8,329	0	0	0	0	0	0	0	0	0	8,329	0		
Total	232,201	20,610	2,094	182	0	0	0	0	0	0	255,087	287,529		

The aged balances of the Company's gross receivables were as follows as of December 31, 2022:

Receivables	Balances as of December 31, 2022												Total Current	Total Non-Current
	Compliant Portfolio	Payment Arrears	Payment Arrears	Payment Arrears										
		1-30 days	31-60 days	61-90 days	91-120 days	121-150 days	151-180 days	181-210 days	211-250 days	More than 250 days	kUSD	kUSD		
	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	
Current receivables for credit transactions	200,291	9,446	3,551	935	414	330	134	137	108	5,082	220,428	329,023		
Estimated uncollectibles	(238)	0	0	0	(414)	(330)	(134)	(137)	(108)	(5,082)	(6,443)	(3,245)		
Current sundry receivables	153	0	0	0	0	0	0	0	0	0	153	20		
Estimated uncollectibles	0	0	0	0	0	0	0	0	0	0	0	0		
Other current accounts receivable	6,429	0	0	0	0	0	0	0	0	0	6,429	0		
Total	206,635	9,446	3,551	935	0	0	0	0	0	0	220,567	325,798		

Balances expired for which no provision has been made correspond to customers who have no liquidity or solvency troubles. However, they have objected to a charge in some invoices and we were negotiating a solution on the date of these financial statements.

The rescheduled portfolio is defined as a non-performing portfolio or a portfolio with a significant increase in risk. No lower risk rating can be assigned until the entire debt is repaid. This ensures that a rescheduling will not cause any reduction in provisions.

Segments of Payment Arrears as of September 30, 2023	Rescheduled Portfolio		Portfolio Not Rescheduled		Total Gross Portfolio	
	Number of Customers	Amount kUSD	Number of Customers	Amount kUSD	Number of Customers	Amount kUSD
Compliant	-	0	2,057	232,970	2,057	232,970
From 1 to 30 days	-	0	1,238	20,610	1,238	20,610
From 31 to 60 days	-	0	196	2,094	196	2,094
From 61 to 90 days	-	0	34	182	34	182
From 91 to 120 days	-	0	49	413	49	413
From 121 to 150 days	-	0	30	121	30	121
From 151 to 180 days	-	0	18	76	18	76
From 181 to 210 days	-	0	18	28	18	28
From 211 to 250 days	-	0	39	113	39	113
More than 251 days	1	2,288	551	3,426	552	5,714
Total		2,288		260,033		262,321



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NOTE 9 – TRADE RECEIVABLES AND OTHER ACCOUNTS RECEIVABLE (continued)

9.2 Non-Current Trade Receivables and Other Accounts Receivable (continued)

Segments of Payment Arrears as of December 31, 2022	Rescheduled Portfolio		Portfolio Not Rescheduled		Total Gross Portfolio	
	Number of Customers	Amount	Number of Customers	Amount	Number of Customers	Amount
		kUSD		kUSD		kUSD
Compliant	-	0	1,174	206,873	1,174	206,873
From 1 to 30 days	-	0	465	9,446	465	9,446
From 31 to 60 days	-	0	75	3,551	75	3,551
From 61 to 90 days	-	0	65	935	65	935
From 91 to 120 days	-	0	26	414	26	414
From 121 to 150 days	-	0	13	330	13	330
From 151 to 180 days	-	0	12	134	12	134
From 181 to 210 days	-	0	25	137	25	137
From 211 to 250 days	-	0	11	108	11	108
More than 251 days	1	2,288	371	2,794	372	5,082
Total		2,288		224,722		227,010

Provisions and write-offs	9/30/2023	12/31/2022
	kUSD	kUSD
Starting balance	9,688	9,884
Provision for portfolio not rescheduled	(344)	439
Recoveries in the period	(338)	(514)
Other	(464)	(121)
Ending balance	8,542	9,688

NOTE 10 – ACCOUNTS RECEIVABLE, ACCOUNTS PAYABLE AND TRANSACTIONS WITH RELATED ENTITIES

10.1 Compensation of Key Management Personnel

The Company is managed by a Board of Directors comprised of seven members who hold office for a period of two years and may be re-elected.

The shareholders appointed all the members of the board, in accordance with Law 18,046, at the Ordinary Shareholders Meeting held on April 26, 2022. The Company has identified key personnel to be the Chief Executive Officer and Corporate Managers.

The Ordinary Shareholders Meeting approved compensation of UF 160 per meeting per director for the 2023 fiscal year, payable until the next Ordinary Shareholders Meeting. The chairman of the board receives compensation of U.F. 320 per meeting. The shareholders also resolved that alternate directors would receive no compensation for their duties, except when they attend meetings in replacement of a regular director.

No other compensation is paid but the fees received by the directors for their directorships, except as explained in the next paragraph.



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NOTE 10 – ACCOUNTS RECEIVABLE, ACCOUNTS PAYABLE AND TRANSACTIONS WITH RELATED ENTITIES (continued)

10.1 Compensation of Key Management Personnel (continued)

In accordance with the article 50-bis of Companies Law 18,046, the minutes of the Ordinary Shareholders Meeting show that although the Company has no obligation to create a director’s committee, it has done so voluntarily. The members of this committee are the independent directors. Their compensation will be UF 55 monthly, and the committee approved an annual expense budget of UF 5,000. The committee has not disbursed against this budget in 2023.

Board Compensation	9/30/2023	9/30/2022
	kUSD	kUSD
Cristian Eyzaguirre, Director	84	73
Mauro Valdes, Director	84	73
Claudio Igleisis, Director	84	73
Total Board Compensation	252	219

Thus far in the 2023 fiscal year, Engie Energia Chile S.A. has not paid any member of the Company’s Board of Directors for any additional consulting, and it has recorded Board overhead totaling kUSD 19.

Key Manager Compensation	January-September		July-September	
	kUSD	kUSD	kUSD	kUSD
Compensation	2,387	2,200	590	737
Short-term benefits	474	194	108	161
Total	2,861	2,394	698	898

The costs include recurrent monthly salaries, part of which is variable and earned in the form of bonuses based on individual performance and the Company’s results for the fiscal year. They also include severance indemnities.

10.2 Key Management Personnel

Managers and Senior Executives	
Name	Position
Rosaline Corinthein	Chief Executive Officer
Fernando Valdes	Chief Legal & Ethics Officer
Eduardo Milligan	Chief Financial Officer
Lucy Oporto	Chief of Human Resources & Internal Communications Officer
Gabriel Marcuz	Managing Director of GBU Flexible Generation & Retail
Pablo Villarino	Chief Communications, CSR, Permits and Environment Officer
Juan Villavicencio	Managing Director of GBU Renewable
Mathieu Ablard*	Managing Director of GBU Renewable
Demian Talavera	Managing Director of GBU Networks
Isak De Eskinazis	Chief Energy Management Officer

*Mathieu Ablard left the position of Managing Director of GBU Renewable on July 31, 2023 and Juan Villavicencio was appointed in his replacement.



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NOTE 10 – ACCOUNTS RECEIVABLE, ACCOUNTS PAYABLE AND TRANSACTIONS WITH RELATED ENTITIES (continued)

10.3 Current Related-Entity Accounts Receivable

Accounts receivable from and payable to, and transactions with, related entities are in compliance with articles 44 and 49 of Companies Law 18,046. The Company has made no provisions for doubtful accounts because these obligations are paid when due, which varies from 7 to 30 days.

Related-entity accounts receivable were as follows:

Tax I.D.	Company	Country	Relationship	Currency	9/30/2023	12/31/2022
					kUSD	kUSD
76.134.397-1	ENGIE Gas Chile SpA	Chile	Common Parent	USD	5,557	5,195
76.134.397-1	ENGIE Gas Chile SpA	Chile	Common Parent	CLP	3	7
96.885.200-0	ENGIE Austral S.A.	Chile	Parent	CLP	46	51
96.885.200-0	ENGIE Austral S.A.	Chile	Parent	USD	89	0
76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	Joint Control	USD	7	3
76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	Joint Control	CLP	298	121
76.215.533-8	Engie Stream Solutions Chile SpA	Chile	Common Parent	CLP	10	10
76.775.710-7	Sociedad GNL Mejillones S.A.	Chile	Common Parent	USD	919	78
76.775.710-7	Sociedad GNL Mejillones S.A.	Chile	Common Parent	CLP	36	24
Foreign	Sustainability Solutions Latam SpA	Chile	Common Parent	USD	36	17
Foreign	Engie Energía Peru S.A.	Peru	Common Parent	USD	235	26
Related-Entity Receivables, Current					7,236	5,532

10.4 Non-Current Related-Entity Accounts Receivable

Tax I.D.	Company	Country	Relationship	Currency	9/30/2023	12/31/2022
					kUSD	kUSD
76.787.690-4	Transmisora Eléctrica del Norte S.A. (1)	Chile	Joint Control	USD	15,681	14,787
Related-Entity Receivables, Non-Current					15,681	14,787

(1) A loan granted to Transmisora Eléctrica del Norte S.A. Interest accrues annually at the Term SOFR of 5.82106% plus a spread of 2.7%. The loan expires on July 17, 2027.

10.5 Current Related-Entity Accounts Payable

Tax I.D.	Company	Country	Relationship	Currency	9/30/2023	12/31/2022
					kUSD	kUSD
Foreign	Engie Digital	France	Common Parent	EUR	0	6
Foreign	Electrabel corporate HQ Benelux	Belgium	Common Parent	USD	6	0
76.134.397-1	Engie Gas Chile SpA	Chile	Common Parent	USD	0	19
Foreign	Engie Information et Technologies	France	Common Parent	EUR	0	33
59.281.960-0	Laborelec Latin America	Chile	Common Parent	EUR	80	130
76.775.710-7	Sociedad GNL Mejillones S.A.	Chile	Common Parent	USD	5,484	4,075
Foreign	Engie Energy Marketing Singapore Pte Ltd	Singapore	Common Parent	USD	28,306	0
76.058.076-7	Tractebel Engineering S.A.	Chile	Common Parent	UF	8	48
76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	Joint Control	USD	3,210	1,774
76.787.690-4	Transmisora Eléctrica del Norte S.A.(1)	Chile	Joint Control	USD	1,807	1,681
Foreign	Engie Mex Consultores, S.A. de C.V.	Mexico	Common Parent	USD	555	0
Related-Entity Payables, Current					39,456	7,766

(1) The short-term portion of the lease payable for transmission facilities, in monthly installments over a period of 20 years.



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NOTE 10 – ACCOUNTS RECEIVABLE, ACCOUNTS PAYABLE AND TRANSACTIONS WITH RELATED ENTITIES (continued)

10.6 Non-Current Related-Entity Accounts Payable

Tax I.D.	Company	Country	Relationship	Currency	9/30/2023	12/31/2022
					kUSD	kUSD
76.787.690-4	Transmisora Eléctrica del Norte S.A. (1)	Chile	Joint Control	USD	50,351	51,738
Related-Entity Payables, Non-Current					50,351	51,738

(1) The long-term portion of the lease payable for transmission facilities, in monthly installments over a period of 20 years.

10.7 Related-Entity Transactions

Entity						9/30/2023		12/31/2022	
Tax I.D.	Company	Country	Relationship	Currency	Transaction Description	Amount	Impact on	Amount	Impact on
						kUSD	Income	kUSD	Income
Foreign	CEF Services S.A.	Luxembourg	Common Parent	EUR	Services Received	322	(322)	59	(59)
Foreign	Electrabel Corporate HQ Benelux	Belgium	Common Parent	USD	Services	25	(25)	0	0
96.885.200-0	Engie Austral S.A.	Chile	Parent	UF	Leases	297	297	214	214
96.885.200-0	Engie Austral S.A.	Chile	Parent	USD	Loans (Interest)	1,589	(1,589)	0	0
96.885.200-0	Engie Austral S.A.	Chile	Parent	USD	Expense Recovery	0	0	84	84
96.885.200-0	Engie Austral S.A.	Chile	Parent	CLP	Expense Recovery	0	0	133	133
96.885.200-0	Engie Austral S.A.	Chile	Parent	USD	Services Provided	363	363	211	211
Foreign	Engie EBL SA - EMS	Belgium	Common Parent	EUR	Services Received	0	0	42	(42)
Foreign	Engie Energy Marketing Singapore Pte Ltd	Singapore	Common Parent	USD	LNG Purchase	176,523	(152,365)	0	0
76.134.397-1	Engie Gas Chile SpA	Chile	Common Parent	UF	Leases	29	29	34	34
76.134.397-1	Engie Gas Chile SpA	Chile	Common Parent	USD	Services Provided	181	181	140	140
76.134.397-1	Engie Gas Chile SpA	Chile	Common Parent	USD	Services Received	142	(142)	166	(166)
76.134.397-1	Engie Gas Chile SpA	Chile	Common Parent	USD	Sale of Gas	24,417	24,417	35,765	35,765
76.134.397-1	Engie Gas Chile SpA	Chile	Common Parent	USD	Gas Transport	744	744	1,127	1,127
76.134.397-1	Engie Gas Chile SpA	Chile	Common Parent	CLP	Expense Recovery	5	5	11	11
Foreign	Engie GBS Latam S.A. de CV	Mexico	Common Parent	USD	Services Received	655	(655)	774	(774)
Foreign	Engie Information et Technologies	France	Common Parent	EUR	Services Received	62	(62)	304	(288)
Foreign	Engie Impact Belgium S.A.	Belgium	Common Parent	EUR	Services Received	55	(55)	0	0
Foreign	Engie Energía Perú S.A.	Peru	Common Parent	USD	Services Provided	235	235	314	314
Foreign	Engie Mex Consultores, S.A. de C.V.	Mexico	Common Parent	USD	Services Received	555	(555)	0	0
Foreign	Engie S.A.	France	Common Parent	EUR	Services Received	0	0	301	(301)
Foreign	Engie Services Perú S.A.	Peru	Common Parent	USD	Services Received	0	0	29	(29)
Foreign	Engie Solar S.A.S	France	Common Parent	USD	Services Received	0	0	42	0
76.215.533-8	Engie Stream Solutions Chile SpA	Chile	Common Parent	CLP	Expense Recovery	23	23	20	20
76.215.533-8	Engie Stream Solutions Chile SpA	Chile	Common Parent	UF	Leases	48	48	61	61
76.215.533-8	Engie Stream Solutions Chile SpA	Chile	Common Parent	USD	Services Provided	154	154	131	131
59.281.960-0	Laborelec Latin America	Chile	Common Parent	EUR	Services Received	730	(524)	1,072	(863)
76.775.710-7	Sociedad GNL Mejillones S.A.	Chile	Common Parent	USD	Sale of Energy, Capacity and Services	920	920	977	977
76.775.710-7	Sociedad GNL Mejillones S.A.	Chile	Common Parent	USD	Gas Regasification Service	39,424	(39,424)	48,477	(48,477)
76.775.710-7	Sociedad GNL Mejillones S.A.	Chile	Common Parent	CLP	Expense Recovery	29	29	34	34
76.775.710-7	Sociedad GNL Mejillones S.A.	Chile	Common Parent	UF	Leases	82	82	116	116
76.775.710-7	Sociedad GNL Mejillones S.A.	Chile	Common Parent	USD	Tolls	1,655	1,655	1,169	1,169
76.775.710-7	Sociedad GNL Mejillones S.A.	Chile	Common Parent	USD	Services Provided	435	435	277	277
Foreign	SSINERGIE blu.e	France	Common Parent	EUR	Services Received	0	0	31	(31)
77.209.127-3	Sustainability Solutions LATAM SpA	Chile	Common Parent	USD	Leases	77	77	116	116
77.209.127-3	Sustainability Solutions LATAM SpA	Chile	Common Parent	USD	Services Provided	72	72	7	7
76.058.076-7	Tractebel Engineering S.A.	Chile	Common Parent	UF	Services Received	607	(98)	550	(10)
76.058.076-7	Tractebel Engineering S.A.	Chile	Common Parent	EUR	Services Received	0	0	77	(77)
76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	Joint Control	USD	Loans (Interest)	894	894	626	626
76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	Joint Control	USD	Services Provided	480	480	640	640
76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	Joint Control	UF	Lease of facilities	210	210	240	240
76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	Joint Control	UF	Leases	48	48	57	57
76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	Joint Control	CLP	Expense Recovery	4	4	2	2
76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	Joint Control	CLP	Tolls	10,469	(10,469)	5,988	(5,988)
76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	Joint Control	CLP	Sale of energy and capacity	429	429	853	853
76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	Joint Control	USD	Lease amortization (principal)	1,261	0	1,528	0
76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	Joint Control	USD	Lease amortization (interest)	5,103	(5,103)	6,347	(6,347)
76.108.126-8	IMA Automatización Ltda. (*)	Chile	Common Parent	UF	Services Received	0	0	146	(146)
76.108.126-8	IMA Automatización Ltda. (*)	Chile	Common Parent	USD	Services Received	0	0	24	0
88.689.100-8	IMA Industrial Ltda. (*)	Chile	Common Parent	CLP	Services Received	0	0	5,524	(5,524)
76.242.762-1	IMA SpA (*)	Chile	Common Parent	USD	Services Provided	0	0	38	38
96.902.900-6	Térnika Ingeniería y Montaje SpA (*)	Chile	Common Parent	UF	Services Received	0	0	58	0

(*) The balances and transactions with these companies were from January 1 to September 30, 2022. These companies ceased to form a part of the ENGIE Group effective October 1, 2022.



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NOTE 10 – ACCOUNTS RECEIVABLE, ACCOUNTS PAYABLE AND TRANSACTIONS WITH RELATED ENTITIES (continued)

10.7 Related-Entity Transactions (continued)

Guarantees have been granted or received for transactions with related parties (see Note 40.2).

There are no doubtful accounts related to outstanding balances that warrant a provision or expense for this reason.

All transactions with related parties were performed under market terms and conditions.

NOTE 11 – CURRENT INVENTORIES

Current inventories were comprised as follows thus far in 2023 and in the 2022 fiscal year:

Types of Inventories	9/30/2023	12/31/2022
	kUSD	kUSD
Operating materials and inputs	101,386	98,260
Obsolescence provision	(31,227)	(29,619)
Spare parts impairment provision	(36,144)	(36,144)
Coal	117,968	196,537
Bunker oil 6	236	236
Diesel oil	9,194	5,178
Hydrated lime	11,804	10,338
Limestone - Biomass - Silica Sand	3,178	2,391
LNG	27,546	16,726
Lubricants	152	152
Total	204,093	264,055

Details on the inventory costs recorded in expenses thus far in 2023 and in the 2022 fiscal year are shown in the next table:

Expenses in the period	9/30/2023	9/30/2022
	kUSD	kUSD
Fuel for operations	450,688	458,858
Other operating inputs	2,817	12,700
Materials and spare parts	7,173	8,728
Total	460,678	480,286

The movements in the obsolescence provision were as follows:

Inventories Obsolescence Provision (1)	9/30/2023	12/31/2022
	kUSD	kUSD
Starting balance	29,619	27,612
Reversal of provision for sale of spare parts	0	(590)
Increase (decrease) in the provision	1,608	2,597
Ending Balance	31,227	29,619

(1) See the provision criteria in Note 3.5 (Asset Impairment)



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NOTE 12 – CURRENT TAXES

General Information

The balances of income tax recoverable and payable shown in current assets and liabilities, respectively, are comprised of the following:

a) Current Tax Assets

Recoverable Taxes	9/30/2023	12/31/2022
	kUSD	kUSD
Provisional monthly tax payments	1,217	1,186
Taxes recoverable from previous fiscal years	20,969	33,687
Training credit	306	306
Total Recoverable Taxes	22,492	35,179

b) Current Tax Liabilities

Income Tax	9/30/2023	12/31/2022
	kUSD	kUSD
Current tax expense	14,385	12,560
Total Taxes Payable	14,385	12,560

NOTE 13 – OTHER NON-CURRENT NON-FINANCIAL ASSETS

Other Non-Financial Assets	9/30/2023	12/31/2022
	kUSD	kUSD
Rights to other assets	2,161	2,161
Project under development - Solar, Wind and Storage Power Plants (1)	20,124	13,909
Other projects under development (1)	581	513
Other	494	497
Total	23,360	17,080

(1) The Company's policy is to show the costs of projects in a development stage in Other Non-Financial Assets in the Statement of Financial Position as long as the technical viability and economic profitability of the project are reasonably assured.

At the close of the 2022 fiscal year, kUSD 30,096 for the expenses of projects under development totaling were recorded in income for the projects that did not continue to be feasible and economically profitable.

The projects that continue to be active are:

- Solar and wind power plants and storage plants: photovoltaic and wind projects in an early stage of development, located between the Region of Arica and Parinacota and the Lake Region of Chile.
- Other projects under development: small transmission and other renewable energy projects.



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NOTE 14 – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Companies under Joint Control

The details on the company accounted for by the equity method and the movements as of September 30, 2023 were as follows:

Type of Relationship	Company	Number of Shares	Percentage Interest	Balance at 12/31/2022	Profit (Loss) Accrued	Dividend Provision	Variation in the Hedge Derivatives Reserve as of 9/30/2023	Total at 9/30/2023
			%	kUSD	kUSD	kUSD	kUSD	kUSD
Joint Control	Transmisora Eléctrica del Norte S.A.	1,438,448	50.00%	124,313	2,040	0	3,985	130,338
Total				124,313	2,040	0	3,985	130,338

Profit (Loss) Accrued	9/30/2023	12/31/2022
	kUSD	kUSD
Share in earnings (loss) of associates and joint ventures accounted for using the equity method	2,040	5,513

Tax I.D.	Company Name	Interest	Current Assets	Non-Current Assets	Total Assets	Current Liabilities	Non-Current Liabilities	Total Liabilities	Net Equity	Revenue	Ordinary Expenses	Net Profit (Loss)
		%	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
76.787.690-4	Transmisora Eléctrica del Norte S.A.	50.00%	83,043	702,311	785,354	45,185	590,723	635,908	149,446	55,011	19,024	5,871

The details on the company accounted for by the equity method and the movements as of December 31, 2022 were as follows:

Type of Relationship	Company	Number of Shares	Percentage Interest	Balance at 12/31/2021	Profit (Loss) Accrued	Dividend Provision	Variation in the Hedge Derivatives Reserve as of 12/31/2022	Total at 12/31/2022
			%	kUSD	kUSD	kUSD	kUSD	kUSD
Joint Control	Transmisora Eléctrica del Norte S.A.	1,438,448	50.00%	108,906	5,513	0	9,894	124,313
Total				108,906	5,513	0	9,894	124,313

Tax I.D.	Company Name	Interest	Current Assets	Non-Current Assets	Total Assets	Current Liabilities	Non-Current Liabilities	Total Liabilities	Net Equity	Revenue	Ordinary Expenses	Net Profit (Loss)
		%	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
76.787.690-4	Transmisora Eléctrica del Norte S.A.	50.00%	80,026	708,610	824,586	17,919	515,211	653,030	135,606	73,361	25,081	13,415

NOTE 15 – INTANGIBLE ASSETS OTHER THAN GOODWILL

Below are the movements and reconciliation of intangible assets of the Company as of September 30, 2023 and December 31, 2022.

Intangible Assets, Net	9/30/2023	12/31/2022
	kUSD	kUSD
Intangibles, Contracts with Customers, net (1)	156,308	168,211
Easements, net	3,711	4,028
Net Total	160,019	172,239

(1) Intangible assets related to contracts with customers mainly come from power purchase agreements associated with projects of our subsidiaries Central Termoeléctrica Andina SpA and Inversiones Hornitos SpA, which began to be amortized in 2011 over a period of 30 years and 15 years, respectively. See the criteria in Note 3.4.



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NOTE 15 – INTANGIBLE ASSETS OTHER THAN GOODWILL (continued)

Intangible Assets, Gross	9/30/2023	12/31/2022
	kUSD	kUSD
Intangibles, Contracts with Customers, gross	362,134	362,134
Easements, gross	13,847	13,847
Gross Total	375,981	375,981
Amortization of Intangible Assets	9/30/2023	12/31/2022
	kUSD	kUSD
Amortization of Intangibles, Contracts with Customers	(205,826)	(193,923)
Amortization of Easements	(10,136)	(9,819)
Total Amortization	(215,962)	(203,742)

The changes in intangible assets by type was as follows thus far in 2023 and in the 2022 fiscal year.

The amortization of intangible assets is recorded under the cost of sales in the statement of income (Note 31).

In December 2009, as a result of the acquisition of the companies indicated in Note 16, the Company recognized intangible assets associated with contracts with customers of Central Termoelectrica Andina SpA (CTA) and Inversiones Hornitos SpA (CTH), according to IFRS 3 *Business Combinations*.

These contracts were appraised using the multi-excess earning method (MEEM) that considers the value of the contracts with customers to be the present value of the excess cash flows generated by the intangible asset during its useful life, after deducting the cash flows associated with the remaining tangible and intangible operating assets, discounted at a discount rate that represents the risk of each asset.

Intangible Assets, Net	Starting Gross Balance	Additions (Charge-Offs) in the Period	Ending Gross Balance at	Cumulative Amortization at	Amortization in the Period	Cumulative Amortization (Charge-Offs)	Cumulative Amortization at	Net Balance at
	01/01/2023		9/30/2023	12/31/2022		9/30/2023	9/30/2023	9/30/2023
	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
Contracts with Customers (business combination)	362,134	0	362,134	(193,923)	(11,903)	0	(205,826)	156,308
Easements	13,847	0	13,847	(9,819)	(317)	0	(10,136)	3,711
TOTAL	375,981	0	375,981	(203,742)	(12,220)	0	(215,962)	160,019

Intangible Assets	Starting Gross Balance	Additions (Charge-Offs) in the Period	Ending Gross Balance at	Cumulative Amortization at	Amortization in the Period	Cumulative Amortization (Charge-Offs)	Cumulative Amortization at	Net Balance at
	01/01/2022		12/31/2022	12/31/2021		12/31/2022	12/31/2022	12/31/2022
	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
Contracts with Customers (business combinations)	362,134	0	362,134	(178,054)	(15,869)	0	(193,923)	168,211
Easements	13,063	0	13,847	(9,395)	(424)	0	(9,819)	4,028
TOTAL	375,197	0	375,981	(187,449)	(16,293)	0	(203,742)	172,239

The Company's ownership of intangible assets is unrestricted and there are no commitments to acquire new intangible assets (IAS 38, paragraph 122(c) and (d)).

NOTE 16 – GOODWILL

16.1 Goodwill in the acquisition of San Pedro I and San Pedro II

Goodwill	Balance at	Balance at
	9/30/2023	12/31/2022
	kUSD	kUSD
Fair purchase value	120,330	120,330
Identifiable assets acquired and liabilities assumed		
Fair value of property, plant and equipment	120,330	120,330
Deferred tax liabilities	(16,319)	(15,913)
Subtotal	104,011	104,417
Goodwill	16,319	15,913

The transaction was closed on December 15, 2022, very close to the annual accounting closing of EECL. A provisional purchase price was allocated and it was identified that the entire difference between the price paid for the shares and book equity of the special-purpose vehicles acquired should be allocated to Property, Plant and Equipment, with the corresponding effect on deferred taxes. According to paragraph 96 of IAS 36, the Company conducted an impairment test of the goodwill provisionally calculated and assigned and found no impairment.

Pursuant to Paragraph 6 of IFRS 3, the measurement period should not exceed one year from the date of acquisition. We are currently working on determining the purchase price according to IFRS 3 and new adjustments will be made later, if any.

NOTE 17 – PROPERTY, PLANT AND EQUIPMENT

The movements recorded in Property, Plant and Equipment were as follows thus far in 2023:

Movement in 2023	Construction in progress	Land	Buildings	Plant and Equipment	Information Technology Equipment	Fixed Facilities and Accessories	Motor Vehicles	Other Property, Plant and Equipment	Property, Plant and Equipment
	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
Gross Value	330,861	39,969	339,074	4,308,291	45,113	490,535	10,638	307,215	5,871,696
Cumulative Depreciation	0	0	(136,313)	(1,965,172)	(39,868)	(292,774)	(9,314)	(208,079)	(2,651,520)
Impairment	0	0	(2,673)	(613,586)	(530)	(14,927)	0	(11,878)	(643,594)
Starting balance at 1/1/2023	330,861	39,969	200,088	1,729,533	4,715	182,834	1,324	87,258	2,576,582
Additions	364,996	0	0	486	0	3	(46)	2,987	368,426
Acquisitions of PPE via business combinations	0	0	0	1,504	0	0	0	0	1,504
Derecognitions	(7,718)	0	(242)	(2,207)	0	0	0	(95)	(10,262)
Impairment	0	0	0	0	0	0	0	0	0
Depreciation expenses	0	0	(4,460)	(95,886)	(2,381)	(7,690)	(424)	(8,583)	(119,424)
Closing of work in progress	(107,802)	0	76	100,249	2,858	1,834	431	2,354	0
Total Changes	249,476	0	(4,626)	4,146	477	(5,853)	(39)	(3,337)	240,244
Ending balance at 9/30/2023	580,337	39,969	195,462	1,733,679	5,192	176,981	1,285	83,921	2,816,826



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NOTE 17 – PROPERTY, PLANT AND EQUIPMENT (continued)

The movements recorded in Property, Plant and Equipment were as follows in the 2022 fiscal year:

Movement in 2022	Construction in progress	Land	Buildings	Plant and Equipment	Information Technology Equipment	Fixed Facilities and Accessories	Motor Vehicles	Other Property, Plant and Equipment	Property, Plant and Equipment
	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
Gross Value	292,473	39,262	279,524	3,988,385	43,571	488,545	12,016	294,310	5,438,086
Cumulative Depreciation	0	0	(110,439)	(1,809,925)	(37,019)	(281,921)	(10,196)	(190,245)	(2,439,745)
Impairment	0	0	(2,673)	(222,190)	(530)	(14,927)	0	(11,878)	(252,198)
Starting balance at 1/1/2022	292,473	39,262	166,412	1,956,270	6,022	191,697	1,820	92,187	2,746,143
Additions	153,005	0	0	90,821	3	(85)	50	1,046	244,840
Acquisitions of PPE via business combinations	0	707	40,656	104,045	91	0	22	166	145,687
Derecognitions	0	0	(52)	(975)	0	(26)	0	(2)	(1,055)
Impairment	0	0	0	(391,396)	0	0	0	0	(391,396)
Depreciation expenses	0	0	(7,670)	(127,863)	(2,824)	(10,863)	(568)	(17,849)	(167,637)
Closing of work in progress	(114,617)	0	742	98,631	1,423	2,111	0	11,710	0
Total Changes	38,388	707	33,676	(226,737)	(1,307)	(8,863)	(496)	(4,929)	(169,561)
Ending balance at 12/31/2022	330,861	39,969	200,088	1,729,533	4,715	182,834	1,324	87,258	2,576,582

The 2022 Impairment Test showed that the carrying value of EECL was greater than its value in use, so according to impairment allocation criteria in the standard, an adjustment of kUSD 380,999 was made to income and an impairment of kUSD10,397 in the provision for the dismantling of Mejillones' coal-fired units 1 and 2 and Tocopilla's coal-fired units 14 and 15.

According to accounting standards, if there is an impairment to a CGU, all impairment losses must be allocated to reducing the carrying value of the assets in a specific order: first, to reduce any existing goodwill; and second, proportionally to the other assets. Entities may not reduce the carrying value of an asset below the higher of its fair value less disposal costs, its value in use and zero. Lastly, when it is infeasible to estimate the recoverable amount of each individual asset in a CGU, IFRS require an arbitrary allocation of the impairment loss among the assets in that CGU.

The movements recorded in the dismantling provision within Property, Plant and Equipment were as follows as of December 31, 2022:

Movement in Assets because of Dismantling in 2022	Combined Cycle Thermal Power Plants	Thermal Power Plants	Hydroelectric Power Plants	Photovoltaic Power Plants	Wind Farms	Total Dismantling
	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
Gross Value	12,101	88,604	4,590	22,024	25,732	153,051
Cumulative Depreciation	0	(7,732)	(246)	(411)	(5,689)	(14,078)
Impairment	0	(28,833)	0	0	0	(28,833)
Total at 12/31/2022	12,101	52,039	4,344	21,613	20,043	110,140



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NOTE 17 – PROPERTY, PLANT AND EQUIPMENT (continued)

Property, plant and equipment were comprised as follows as of September 30, 2023 and December 31, 2022:

Types of Property, Plant and Equipment, Net (Presentation)	9/30/2023	12/31/2022
	kUSD	kUSD
Construction in Progress		
Renew able Energy Plants	440,546	251,844
Transmission Substations	100,315	49,687
Other Projects	39,476	29,330
Land	39,969	39,969
Buildings	195,462	200,088
Plant and Equipment		
Combined Cycle Thermal Pow er Plants	32,150	40,202
Thermal Pow er Plants	1,065,843	1,110,899
Diesel-Fired Pow er Plants	713	820
Hydroelectric Pow er Plants	20,551	21,311
Photovoltaic Pow er Plants	214,737	131,720
Wind Farm	291,621	306,164
Gas pipelines	61,160	68,844
Ports	46,904	49,573
Information Technology Equipment	5,192	4,715
Fixed Facilities and Accessories		
Pow er lines and substations	176,260	182,079
Other fixed facilities and accessories	721	755
Motor Vehicles	1,285	1,324
Other Property, Plant and Equipment		
Leased Buildings	10,889	11,126
Leased Pow er Lines and Substations	40,918	41,903
Other Leased Property, Plant and Equipment	3,441	3,513
Other Property, Plant and Equipment	28,673	30,716
Total Property, Plant and Equipment	2,816,826	2,576,582



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NOTE 17 – PROPERTY, PLANT AND EQUIPMENT (continued)

Property, plant and equipment were comprised as follows as of September 30, 2023 and December 31, 2022 (continued):

Types of Property, Plant and Equipment, Gross (Presentation)	9/30/2023	12/31/2022
	kUSD	kUSD
Construction in Progress		
Renew able Energy Plants	440,546	251,844
Transmission Substations	100,315	49,687
Other Projects	39,476	29,330
Land	39,969	39,969
Buildings	338,806	339,074
Plant and Equipment		
Combined Cycle Thermal Pow er Plants	329,869	329,869
Thermal Pow er Plants	2,761,433	2,757,633
Diesel-Fired Pow er Plants	42,191	42,191
Hydroelectric Pow er Plants	41,931	41,931
Photovoltaic Pow er Plants	245,859	152,434
Wind Farm	407,330	405,826
Gas pipelines	428,325	428,325
Ports	150,082	150,082
Information Technology Equipment	47,970	45,113
Fixed Facilities and Accessories		
Pow er lines and substations	430,608	428,923
Other fixed facilities and accessories	61,761	61,612
Motor Vehicles	11,020	10,638
Other Property, Plant and Equipment		
Leased Buildings	12,716	12,716
Leased Pow er Lines and Substations	52,386	52,386
Other Leased Property, Plant and Equipment	3,990	3,990
Other Property, Plant and Equipment	243,260	238,123
Total Property, Plant and Equipment	6,229,843	5,871,696



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NOTE 17 – PROPERTY, PLANT AND EQUIPMENT (continued)

Property, plant and equipment were comprised as follows as of September 30, 2023 and December 31, 2022 (continued):

Types of Accumulated Depreciation, Property Plant and Equipment (Presentation)	9/30/2023	12/31/2022
	kUSD	kUSD
Buildings	(140,671)	(136,313)
Plant and Equipment		
Combined Cycle Thermal Power Plants	(286,897)	(278,845)
Thermal Power Plants	(1,142,946)	(1,094,090)
Diesel-Fired Power Plants	(41,125)	(41,018)
Hydroelectric Power Plants	(21,380)	(20,620)
Photovoltaic Power Plants	(31,122)	(20,714)
Wind Farm	(115,709)	(99,662)
Gas pipelines	(346,851)	(339,167)
Ports	(73,725)	(71,056)
Information Technology Equipment	(42,248)	(39,868)
Fixed Facilities and Accessories		
Power lines and substations	(239,421)	(231,917)
Other fixed facilities and accessories	(61,040)	(60,857)
Motor Vehicles	(9,735)	(9,314)
Other Property, Plant and Equipment		
Leased Buildings	(1,827)	(1,590)
Leased Power Lines and Substations	(11,468)	(10,483)
Other Leased Property, Plant and Equipment	(549)	(477)
Other Property, Plant and Equipment	(202,709)	(195,529)
Total Accumulated Depreciation of Property, Plant and Equipment	(2,769,423)	(2,651,520)

Types of Impairment, Property Plant and Equipment (Presentation)	9/30/2023	12/31/2022
	kUSD	kUSD
Buildings	(2,673)	(2,673)
Plant and Equipment		
Cumulative Impairment of Diesel-Fired Power Plants	(353)	(353)
Cumulative Impairment of Thermal Power Plants	(552,644)	(552,644)
Cumulative Impairment of Combined Cycle Thermal Power Plants	(10,822)	(10,822)
Cumulative Impairment of Ports	(29,453)	(29,453)
Cumulative Impairment of Gas Pipelines	(20,314)	(20,314)
Information Technology Equipment	(530)	(530)
Fixed Facilities and Accessories	(14,927)	(14,927)
Other Property, Plant and Equipment	(11,878)	(11,878)
Total Impairment of Property, Plant and Equipment	(643,594)	(643,594)
Total Accumulated Depreciation and Impairment of Property, Plant and Equipment	(3,413,017)	(3,295,114)



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NOTE 17 – PROPERTY, PLANT AND EQUIPMENT (continued)

The Company’s ownership of property, plant and equipment is unrestricted.

Property, Plant and Equipment are appraised at the amortized cost, which does not differ significantly from the fair value.

The Company had no items of property, plant and equipment temporarily out of service on the date of these financial statements.

17.1 Capitalized Financing Costs

Project	9/30/2023		12/31/2022	
	Interest Rate	kUSD	Interest Rate	kUSD
Renew able Energy Projects	5.216%	5,271	3.659%	7,882
Substation Projects	5.216%	757	3.659%	555
Total		6,028		8,437

The rate used is the weighted rate of the Company’s loans.

17.2 Reconciliation of minimum payments for leased assets

Reconciliation of minimum financial lease payments by lessee	September 30, 2023		
	Gross Value kUSD	Interest kUSD	Present Value kUSD
Less than one year	7,023	5,216	1,807
From 1 to 5 years	28,093	18,866	9,227
More than 5 years	64,965	23,841	41,124
Total	100,081	47,923	52,158

Reconciliation of minimum financial lease payments by lessee	December 31, 2022		
	Gross Value kUSD	Interest kUSD	Present Value kUSD
Less than one year	7,023	5,342	1,681
From 1 to 5 years	28,093	19,510	8,583
More than 5 years	70,234	27,079	43,155
Total	105,350	51,931	53,419

See Notes 10.5 and 10.6.

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NOTE 18 – RIGHT-OF-USE ASSETS

As of September 30, 2023, the balance of right-of-use assets was kUSD 124,350, which was the net carrying value of the assets subject to a financial lease. EECL currently records financial leases for its vehicles and concessions with the Government. The right-of-use assets recognized as leases as of September 30, 2023 and December 31, 2022 are shown below:

Movements in 2023	Land	Motor Vehicles	Total
	kUSD	kUSD	kUSD
Right-of-Use Assets	175,087	2,907	177,994
Accumulated Amortization	(15,097)	(1,407)	(16,504)
Starting balance at 1/1/2023	159,990	1,500	161,490
New contracts	0	0	0
Contract amendments	8,486	0	8,486
Finished contracts (**)	(43,817)	0	(43,817)
Amortization Expense	(2,643)	(563)	(3,206)
Amortización (*)	(1,623)	0	(1,623)
Amortization of finished contracts (**)	3,020	0	3,020
Total Changes	(36,577)	(563)	(37,140)
Final Balance as of 9/30/2023	123,413	937	124,350

Movements in 2022	Land	Motor Vehicles	Total
	kUSD	kUSD	kUSD
Right-of-Use Assets	176,687	2,763	179,450
Accumulated Amortization	(10,584)	(691)	(11,275)
Starting balance at 1/1/2022	166,103	2,072	168,175
New contracts	0	0	0
Contract amendments	(100)	144	44
Finished contracts	(1,500)	0	(1,500)
Amortization Expense	(2,429)	(716)	(3,145)
Amortización (*)	(3,584)	0	(3,584)
Amortization of finished contracts	1,500	0	1,500
Total Changes	(6,113)	(572)	(6,685)
Final Balance as of 12/31/2022	159,990	1,500	161,490

(*) The amortization of some leases (rights of use) has been capitalized in the corresponding construction projects.

(**) On June 19th, the Ministry of Public Property issued Exempt Resolution #150 declaring that the pay-for-use concession for the “Pampa Yolanda” land was extinguished. On August 17th, the Ministry of Public Property issued Exempt Resolution #230 declaring that the pay-for-use concession for the “Calama C” land was extinguished.



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NOTE 18 – RIGHT-OF-USE ASSETS (continued)

18.1 Reconciliation of minimum payments for leased assets

Reconciliation of minimum financial lease payments by lessee	September 30, 2023			
	Gross kUSD	Interest kUSD	Short-Term Present Value kUSD	Long-Term Present Value kUSD
Less than one year	7,953	3,216	4,737	0
From 1 to 3 years	19,155	9,015	0	10,140
From 3 to 5 years	12,478	5,494	0	6,984
More than 5 years	123,297	41,073	0	82,224
Total	162,883	58,798	4,737	99,348

Reconciliation of minimum financial lease payments by lessee	December 31, 2022			
	Gross kUSD	Interest kUSD	Short-Term Present Value kUSD	Long-Term Present Value kUSD
Less than one year	10,796	4,380	6,416	0
From 1 to 3 years	24,767	12,338	0	12,429
From 3 to 5 years	16,066	7,597	0	8,469
More than 5 years	172,248	57,981	0	114,267
Total	223,877	82,296	6,416	135,165

NOTE 19 – DEFERRED TAXES

Deferred taxes correspond to the taxes that the Company will have to pay (liabilities) or that it may recover (assets) in future years, related to temporary differences between the tax base and carrying value of certain assets and liabilities.

Our subsidiary Gasoducto Nor Andino Argentina S.A. takes the following into account:

The Tax Reform Law 27,430, amended by Law 27,478 and Law 27,541, stipulates the following regarding the tax adjustment for inflation, effective for the fiscal years starting January 1, 2018:

- (a) The adjustment will apply in the fiscal year in which the CPI varies by more than 100% in the thirty-six months prior to the close of the fiscal year being taxed;
- (b) This procedure will apply to the first, second and third fiscal years after it takes effect provided the CPI variation, calculated since the start through the close of each of those fiscal years, exceeds 55% for the first year, 30% for the second year and 15% for the third year the adjustment is applicable; and
- (c) One-sixth of the tax inflation adjustment, whether positive or negative, for the first and second fiscal years as from January 1, 2019, to be calculated should the assumptions in letters (a) and (b) above hold true, must be allocated in that fiscal year and the remaining five-sixths in equal portions in the next succeeding fiscal years.

The Company determines the impact of the income tax using the deferred income tax method, which consists of recognizing the tax effect of temporary differences between the book value and tax value of assets and liabilities as a credit or debt, at the rate of 30% or 25%, which is then allocated to income in the fiscal years in which they are reversed, also considering the possibility of applying the tax breaks in the future.

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NOTE 19 – DEFERRED TAXES (continued)

The temporary differences result in deferred income tax assets or liabilities provided the future reversal will decrease or increase the taxes calculated. When cumulative tax breaks may reduce future taxable profits or when income tax deferred due to temporary differences becomes an asset, they are recognized in the accounting as credits provided the Company's Management believes they can be used.

The Tax Reform passed December 27, 2017, amended by Law 27,541, introduced a reduction in the tax aliquot of income tax that will be implemented gradually, as follows:

Fiscal year starting	Aliquot	
	Minimum	Maximum
January 1, 2022	25%	35%
January 1, 2023	25%	35%

The impact of the gradual change in the income tax aliquot mentioned above was considered in the measurement of deferred tax assets and liabilities originating in temporary differences that are estimated to be reversed in the periods in which the new aliquots are in effect.

19.1 Deferred tax assets at closing

Deferred Tax Assets	9/30/2023	12/31/2022
	kUSD	kUSD
relating to provisions	14,583	14,394
relating to the fair value of property, plant and equipment (not at cost)	179,724	181,578
relating to pre-operating income	3,954	4,122
relating to tax losses	233,813	223,248
relating to intangibles	455	486
relating to deferred income	2,619	2,725
relating to other items	3,799	3,128
Deferred Tax Assets	438,947	429,681

The recovery of deferred tax assets depends on whether there will be enough taxable income in the future. According to the Company's management, future income as forecasted should suffice for the recovery of these assets.

19.2 Deferred tax liabilities at closing

Deferred Tax Liabilities	9/30/2023	12/31/2022
	kUSD	kUSD
relating to depreciation	245,637	233,636
relating to post-employment benefit obligations	1,154	1,154
relating to intangibles	46,924	50,769
relating to compoundable interest	48,673	49,719
relating to cost differentials for property, plant and equipment of subsidiaries	112,826	110,376
for the historic cost differential of property, plant and equipment of Gasoducto Nor Andino Argentina S.A.	10,530	10,976
relating to other items	9,283	18,511
Deferred Tax Liabilities	475,027	475,141



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NOTE 19 – DEFERRED TAXES (continued)

19.2 Deferred tax liabilities at closing (continued)

Deferred taxes are shown in the balance sheet as explained below:

	9/30/2023	12/31/2022
	kUSD	kUSD
Non-current deferred tax assets	83,994	79,161
Non-current deferred tax liabilities	120,074	124,621
Net	36,080	45,460

The Company is potentially subject to income tax audits by the tax authorities of each country. Those audits are limited to a number of tax years, which are generally not open to audit after the statute of limitations has expired. Tax audits are, by nature, often complex and may take several years. The tax periods potentially subject to audit are summarized below:

Country	Period
Chile	2018-2023
Argentina	2019-2023

19.3 Reconciliation of Effective Rates

The reconciliation of tax expense was as follows as of September 30, 2023 and 2022:

19.3.1 Consolidated

Item	January-September				July-September			
	2023		2022		2023		2022	
	27% Tax	Effective Rate	27% Tax	Effective Rate	27% Tax	Effective Rate	27% Tax	Effective Rate
	kUSD	%	kUSD	%	kUSD	%	kUSD	%
Theoretical tax on financial income	22.173	27.00	-17.396	27.00	15.608	27.00	-2.411	27.00
Present value of permanent differences in subsidiaries	(551)	(0.67)	(1.132)	1.69	-109	1.18	-232	0.13
Other permanent differences	(9.448)	(11.42)	10.202	(15.46)	-417	25.88	11.262	-17.10
Total Permanent Differences	(9.999)	(12.09)	9.070	(13.77)	(526)	27.06	11.030	(16.97)
Income Tax Expense	12.174	14.91	-8.326	13.23	15.082	54.06	8.619	10.03

19.3.2 Domestic Entities

Item	January-September				July-September			
	2023		2022		2023		2022	
	27% Tax	Effective Rate	27% Tax	Effective Rate	27% Tax	Effective Rate	27% Tax	Effective Rate
	kUSD	%	kUSD	%	kUSD	%	kUSD	%
Theoretical tax on financial income	23,703	27.00	(15,910)	27.00	15,875	27.00	(1,719)	27.00
Present value of permanent differences for subsidiaries	(551)	(0.62)	(1.132)	1.92	(109)	0.91	(232)	0.21
Other permanent differences	(9,960)	(11.35)	10,435	(17.7)	(780)	20.31	11,303	(19.36)
Total Permanent Differences	(10,511)	(11.97)	9,303	(15.79)	(889)	21.22	11,071	(19.15)
Income Tax Expense	13,192	15.03	(6,607)	11.21	14,986	48.22	9,352	7.85

NOTE 19 – DEFERRED TAXES (continued)

19.3 Reconciliation of Effective Rates (continued)

19.3.3 Foreign Entities

Item	January-September				July-September			
	2023		2022		2023		2022	
	25% Tax	Effective Rate	25% Tax	Effective Rate	25% Tax	Effective Rate	25% Tax	Effective Rate
	kUSD	%	kUSD	%	kUSD	%	kUSD	%
Theoretical tax on financial income, Gasoducto Nor Andino Argentina S.A.	(1,530)	25.00	(2,026)	25.00	(267)	25.00	(692)	25.00
Other permanent differences	512	(8.37)	(233)	2.88	363	(5.42)	(41)	(0.72)
Total Permanent Differences	512	(8.37)	(233)	2.88	363	(5.42)	(41)	(0.72)
Income Tax Expense	(1,018)	16.63	(2,259)	27.88	96	19.58	(733)	24.28

19.3.4 Effects of income tax and deferred taxes on income

The debit for income tax against income was as follows:

Item	January-September		July-September	
	2023	2022	2023	2022
	kUSD	kUSD	kUSD	kUSD
Current tax expense (tax provision)	31,929	7,660	15,661	1,058
Tax expense adjustment (previous fiscal year)	(7,657)	269	0	12,450
Impact of deferred tax assets and liabilities in the fiscal year	9,285	15,092	4,512	5,042
Tax benefit for tax losses	(19,074)	(34,159)	(2,545)	(12,172)
Tax differentials for other jurisdictions	(122)	(162)	(21)	(55)
Income tax on investments in equity instruments in other comprehensive income	(2,187)	2,434	(2,525)	2,296
Total	12,174	(8,866)	15,082	8,619

19.3.5 Income tax related to other comprehensive income

Item	January-September		July-September	
	2023	2022	2023	2022
	kUSD	kUSD	kUSD	kUSD
Income tax on investments in equity instruments in other comprehensive income	2,187	(2,434)	2,525	(2,296)
Total	2,187	(2,434)	2,525	(2,296)

19.4 Taxable Income of Domestic Subsidiaries at the end of the period

Taxable income was kUSD 103,257 as of September 30, 2023 and kUSD 50,746 as of September 30, 2022.



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NOTE 20 - OTHER FINANCIAL LIABILITIES

As of September 30, 2023 and December 31, 2022, other financial liabilities were:

Other Financial Liabilities	9/30/2023		12/31/2022	
	Current	Non-Current	Current	Non-Current
	kUSD	kUSD	kUSD	kUSD
Interest-bearing loans	202,836	1,714,404	383,061	1,392,613
Hedge derivatives (see note 21)	10,293	666	0	0
Total	213,129	1,715,070	383,061	1,392,613

The Company's financial liabilities are described in detail in Notes 20.1 and 20.2.

Interest-bearing loans

Types of interest-bearing loans	9/30/2023		12/31/2022	
	Current	Non-Current	Current	Non-Current
	kUSD	kUSD	kUSD	kUSD
Bank loans	197,239	875,147	369,277	555,640
Bonds	5,597	839,257	13,784	836,973
Total	202,836	1,714,404	383,061	1,392,613

20.1 Interest-Bearing Loans

20.1.1 Interest-Bearing Loans, Current

Borrower			Lender							Out to 90 days		90 days to 1 year		Total	Total
Tax I.D.	Name	Country	Tax I.D.	Name	Country	Currency	Type of Amortization	Effective Rate	Nominal Rate	9/30/2023	12/31/2022	9/30/2023	12/31/2022	9/30/2023	12/31/2022
										kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	IDB Invest (1)	USA	USD	Amortizable	4.510	4.510	1683	0	0	237	1683	237
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	IDB Invest (1)	USA	USD	Amortizable	4.510	4.510	818	0	0	16	818	115
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	IDB Invest (1)	USA	USD	Bullet	1000	1000	45	0	0	7	45	7
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	Banco de Crédito del Perú (2)	Peru	USD	Bullet	0.990	0.990	0	50,450	0	0	0	50,450
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	Banco Santander (3)	Chile	USD	Bullet	1660	1660	0	30,448	0	0	0	30,448
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	Scotiabank (4)	Chile	USD	Bullet	2.550	2.550	0	0	0	50,882	0	50,882
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	Banco de Crédito del Perú (5)	Peru	USD	Bullet	2.700	2.700	0	0	0	20,362	0	20,362
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	Banco Itaú (6)	Chile	USD	Bullet	3.000	3.000	0	0	0	30,602	0	30,602
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	Banco BCI (7)	Chile	USD	Bullet	3.150	3.150	0	0	0	50,958	0	50,958
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	Scotiabank (8)	Chile	USD	Bullet	3.540	3.540	0	0	0	51,077	0	51,077
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	Scotiabank (9)	Chile	USD	Bullet	4.748	4.748	0	0	1347	2,816	1,347	2,816
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	Scotiabank (10)	Chile	USD	Bullet	4.748	4.748	0	0	900	1,409	900	1,409
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	Banco Chile (11)	Chile	USD	Bullet	6.810	6.810	51,305	0	0	50,435	51,305	50,435
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	Banco Santander (12)	Chile	USD	Bullet	6.280	6.280	0	0	0	25,194	0	25,194
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	Banco Santander (13)	Chile	USD	Bullet	6.531	6.531	3,326	0	0	0	3,326	0
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	Banco Santander (14)	Chile	USD	Bullet	6.990	6.990	0	0	31,375	0	31,375	0
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	Banco Estado (15)	Chile	USD	Bullet	6.250	6.250	0	0	52,049	0	52,049	0
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	Banco BCI (16)	Chile	USD	Bullet	7.300	7.300	0	0	37,257	0	37,257	0
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	Banco BCI (17)	Chile	USD	Bullet	7.200	7.200	0	0	130	0	1,310	0
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	Banco Scotiabank (18)	Chile	USD	Bullet	6.230	6.230	2,821	0	0	0	2,821	0
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	IFC (19)	USA	USD	Amortizable	6.970	6.970	0	0	11,388	0	11,388	0
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	DEG (19)	Germany	USD	Amortizable	6.970	6.970	0	0	165	0	1,615	0
76.376.043-k	Energias de Abtao S.A.	Chile	Foreign	Banco Itaú (20)	Chile	USD	Amortizable	8.539	8.539	0	0	0	4,285	0	4,285
Total Interest-Bearing Loans, Current										59,998	80,898	137,241	288,379	197,239	369,277

(1) The interest accrued on the IDB Invest loan for USD 125 million described in Note 20.1.2.

NOTE 20 - OTHER FINANCIAL LIABILITIES (continued)**20.1 Interest-Bearing Loans (continued)**

- (2) The short-term loan for USD 50 million with Banco de Crédito del Peru (BCP) is accruing interest at a fixed rate and expires February 2, 2023. It has been documented by a simple promissory note recording the obligation to make payment on the agreed date. There are no financial or operating restrictions and the Company can prepay it without being charged any prepayment fee.
- (3) The short-term loans for USD 30 million with Banco Santander are accruing interest at a fixed rate and expire February 6, 2023. It has been documented by a simple promissory note recording the obligation to make payment on the agreed date. There are no financial or operating restrictions and the Company can prepay it without being charged any prepayment fee.
- (4) The short-term loan for USD 50 million with Scotiabank is accruing interest at a fixed rate and expires April 21, 2023. It has been documented by a simple promissory note recording the obligation to make payment on the agreed date. There are no financial or operating restrictions and the Company can prepay it without being charged any prepayment fee. This loan was renewed on April 20, 2023 and the new principal expiration date is October 21, 2024, with semi-annual interest payments.
- (5) The short-term loan for USD 20 million with Banco Santander is accruing interest at a fixed rate and expires April 28, 2023. It has been documented by a simple promissory note recording the obligation to make payment on the agreed date. There are no financial or operating restrictions and the Company can prepay it without being charged any prepayment fee.
- (6) The short-term loan for USD 30 million with Banco Itaú is accruing interest at a fixed rate and expires April 28, 2023. It has been documented by a simple promissory note recording the obligation to make payment on the agreed date. There are no financial or operating restrictions and the Company can prepay it without being charged any prepayment fee.
- (7) The short-term loan for USD 50 million with Banco BCI is accruing interest at a fixed rate and expires May 21, 2023. It has been documented by a simple promissory note recording the obligation to make payment on the agreed date. There are no financial or operating restrictions and the Company can prepay it without being charged any prepayment fee.
- (8) The short-term loan for USD 50 million with Scotiabank is accruing interest at a fixed rate and expires May 19, 2023. It has been documented by a simple promissory note recording the obligation to make payment on the agreed date. There are no financial or operating restrictions and the Company can prepay it without being charged any prepayment fee. This loan was renewed on April 20, 2023 and the new principal expiration date is October 21, 2024, with semi-annual interest payments.
- (9) and (10) The interest accrued on the Scotiabank loan for USD 250 million described in Note 20.1.2.
- (11) The short-term loan for USD 50 million with Banco Chile is accruing interest at a fixed rate and expires November 15, 2023. It has been documented by a simple promissory note recording the obligation to make payment on the agreed date. There are no financial or operating restrictions and the Company can prepay it without being charged any prepayment fee.
- (12) The short-term loan for USD 50 million with Banco Santander is accruing interest at a fixed rate and expires May 20, 2023. It has been documented by a simple promissory note recording the obligation to make payment on the agreed date. There are no financial or operating restrictions and the Company can prepay it without being charged any prepayment fee.
- (13) The interest accrued on the loan from Banco Santander that totals USD 170 million and is described in Note 20.1.2.
- (14) The short-term loan for USD 30 million with Banco Santander is accruing interest at a fixed rate and expires February 6, 2023. It has been documented by a simple promissory note recording the obligation to make payment on the agreed date. There are no financial or operating restrictions and the Company can prepay it without being charged any prepayment fee.
- (15) The short-term loan for USD 50 million with Banco Estado is accruing interest at a fixed rate and expires January 31, 2024. It has been documented by a simple promissory note recording the obligation to make payment on the agreed date. There are no financial or operating restrictions and the Company can prepay it without being charged any prepayment fee.
- (16) A green loan for USD 35 million from BCI. It is accruing interest at a fixed rate and expires May 16, 2024. It has been documented by a simple promissory note recording the obligation to make payment on the agreed date. There are no financial or operating restrictions and the Company can prepay it without being charged any prepayment fee.
- (17) The interest accrued on the USD 50 million loan from BCI described in Note 20.1.2.
- (18) The interest accrued on the USD 100 million loan from Scotiabank described in Note 20.1.2.
- (19) On June 20, 2023, the Company signed a USD 350 million green, sustainability-linked loan with International Finance Corporation (IFC), a member of the World Bank Group, which, when combined with a parallel loan from DEG, a German bank and member of the KfW development bank group, meant a committed total of USD 400 million out to 10 years. USD 200 million of the loan was provided by IFC, USD 114.5 million by investors under the IFC-managed co-lending portfolio program, USD 35.5 million by the ILX Fund, an SDG-centered investor, under the IFC B Loan Program, and USD 50 million by the DEG loan. The Company drew down the first USD 200 million under this loan on July 28, 2023, which leaves the remaining USD 200 million available to it to fund renewable energy projects. The loan is payable in 19 equal, semi-annual installments beginning July 15, 2024 and ending July 15, 2033. It accrues interest at a variable rate based on the SOFR, compounded daily, plus a spread, and 70% of the interest-rate risk is hedged via an interest-rate swap with Banco de Chile. The SOFR was set at an average of 3.815% annually. The loan requires meeting certain sustainability indicators that, if met, would mean a reduction in the loan spread by 0.2% annually beginning in 2027.
- (20) This is the current portion of the project financing of Energías de Abtao S.A. (owner of the San Pedro 2 Wind Farm). The project financing totals USD 79.4 million and it is owed to Banco Itaú, Consorcio Seguros de Vida and Banco Consorcio. The short-term portion includes two installments payable April 15, 2023 and October 15, 2023. This loan was prepaid in full on April 15, 2023.



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NOTE 20 - OTHER FINANCIAL LIABILITIES (continued)

20.1 Interest-Bearing Loans (continued)

20.1.2 Interest-Bearing Loans, Non-Current

Borrower			Lender							1 to 3 years		3 to 5 years		More than 5 years		Total as of	
Tax I.D.	Name	Country	Tax I.D.	Name	Country	Currency	Type of Amortization	Effective Rate	Nominal Rate	9/30/2023	12/31/2022	9/30/2023	12/31/2022	9/30/2023	12/31/2022	9/30/2023	12/31/2022
										kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	IDB Invest (1)	USA	USD	Amortizable	4.510	4.510	3,275	1801	12,829	9,126	57,334	62,514	73,438	73,441
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	IDB Invest (1)	USA	USD	Amortizable	4.510	4.510	1,593	876	6,244	4,440	27,896	30,417	35,733	35,733
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	IDB Invest (1)	USA	USD	Bullet	1000	1000	0	0	0	0	14,891	14,782	14,891	14,782
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	Scotiabank (2)	Chile	USD	Bullet	4,748	4,748	0	0	148,253	117,977	0	0	148,253	117,977
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	Scotiabank (2)	Chile	USD	Bullet	4,748	4,748	0	0	98,835	98,652	0	0	98,835	98,652
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	Banco BCI (3)	Chile	USD	Bullet	7,300	7,300	0	35,319	0	0	0	0	0	35,319
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	Banco Santander (4)	Chile	USD	Bullet	6,372	6,372	0	0	70,000	77,000	0	0	170,000	77,000
	Engie Energia Chile S.A.	Chile	Foreign	Scotiabank (5)	Chile	USD	Bullet	6,230	6,230	0	0	100,000	0	0	0	100,000	0
	Engie Energia Chile S.A.	Chile	Foreign	Banco BCI (6)	Chile	USD	Bullet	7,200	7,200	0	0	50,000	0	0	0	50,000	0
	Engie Energia Chile S.A.	Chile	Foreign	IFC (7)	USA	USD	Amortizable	6,970	6,970	36,838	0	36,838	0	87,322	0	160,998	0
	Engie Energia Chile S.A.	Chile	Foreign	DEG (7)	Germany	USD	Amortizable	6,970	6,970	5,264	0	5,264	0	12,471	0	22,999	0
76.376.043-k	Energias de Abtao S.A.	Chile	Foreign	Banco Itaú (8)	Chile	USD	Amortizable	8,539	8,539	0	75,083	0	0	0	0	0	75,083
Total Interest-Bearing Loans, Non-Current										46,970	113,079	628,263	337,195	199,914	107,713	875,147	557,987

- On August 27, 2021, the Company drew down the entire US\$125 million loan from IDB Invest granted December 23, 2020. The facility is comprised of an IDB Invest senior loan for US\$74 million, US\$36 million from the China Fund for co-financing in Latin America and the Caribbean and US\$15 million of mixed funding from the Clean Technology Fund. The first two tranches, for a total of US\$110 million, are at a variable rate and are payable in 16 installments of different amounts starting June 15, 2025 and ending December 15, 2032. The US\$15 million CTF loan is accruing interest at a fixed rate of 1% annually and is payable in one single installment on December 15, 2032. The purpose of the loan is to finance the construction, operation and maintenance of the Calama wind farm. The facility uses an innovative financial instrument that encourages the acceleration of decarbonization by monetizing the real reduction in carbon dioxide (CO₂) emissions through the early closing of coal-fired power plants whose generation will be substituted by the Calama wind farm. If there is no carbon credit market, the loan structure will set a minimum price for emissions that will be used to lower the cost of the CTF loan.
- On July 26, 2022, the Company signed a green loan agreement with Scotiabank for USD 250 million. It drew down the first loan for USD 150 million on July 28th, and the remainder was disbursed on September 7th, both with semi-annual interest payments and principal payable in one single installment in July 2027. The loan is accruing interest at a variable rate, based on the SOFR plus a spread. To hedge against interest rate risk, the Company invested in interest rate swaps with Banco de Chile for a notional amount equivalent to 70% of the loan principal. The SOFR then became fixed at an average rate of 2.872% annually.
- On November 16, 2022, the Company signed a green loan agreement with BCI for USD 35 million to finance renewable energy projects. It will expire May 22, 2024. It has been documented by a simple promissory note recording the obligation to make payment on the agreed date. There are no financial or operating restrictions except regarding the use of funds, and the Company can prepay it without being charged any prepayment fee.
- On December 15, 2022, the Company signed a five-year loan agreement with Banco Santander for a total committed amount of USD 170 million. It drew down the first USD 77 million on December 15, 2022 to pay for the purchase of shares in the San Pedro Wind Farms in Chiloe. The remaining USD 93 million was drawn down on February 15, 2023. The principal is payable in one single installment on December 14, 2027. The loan is accruing interest at a variable rate, based on the 6-month SOFR plus a spread. To hedge against interest rate risk, the Company invested in interest rate swaps with Banco Santander for a notional amount equivalent to 70% of the loan principal. The SOFR then became fixed at an average rate of 3.418% annually for that portion of the loan effective March 15, 2023, the effective date of the derivative.
- The company renewed the two loans with Scotiabank described in numbers (4) and (8) of Note 20.1.1 and merged them into one single loan for USD 100 million expiring October 21, 2024. It has been documented by a simple promissory note recording the obligation to make payment on the agreed date. There are no financial or operating restrictions and there is a prepayment option.
- The company renewed the loan with BCI described in number (17) of Note 20.1.1, which will expire November 12, 2024. It has been documented by a simple promissory note recording the obligation to make payment on the agreed date. There are no financial or operating restrictions and there is a prepayment option.
- This includes interest accrued and the first principal installment of the loans from International Finance Corporation (IFC) and Deutsche Investitions und Entwicklungsgesellschaft (DEG) for a total of USD 200 million, described in Note 20.1.2.
- On December 15, 2022, the Company assumed the long-term project financing totaling USD 79.4 million owed by Energias de Abtao S.A. (owner of the San Pedro 2 Wind Farm) to Banco Itaú, Consorcio Seguros de Vida and Banco Consorcio. USD 4.3 million of that loan expires in 2023. In assuming this debt, EECL agreed to prepay all principal owed no later than October 15, 2024. The Company paid interest accrued on, and through, December 27, 2022 (USD 1.3 million) and received a set-off of USD 2.4 million because of the breakage of the interest rate swap held with Banco Itaú. This loan was accruing interest at the 6-month LIBOR, plus 4%, and the usual project financing restrictions were in place, in addition to EECL's guarantee to cover debt servicing. The loan was prepaid in its entirety on February 15, 2023, so the company was released from those restrictions.



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NOTE 20 - OTHER FINANCIAL LIABILITIES (continued)

20.2 Bonds

20.2.1 Bonds, current

Borrower			Lender							Out to 90 days		91 days to 1 year		Total		Total		
Tax I.D.	Name	Country	Tax I.D.	Name	Country	Currency	Type of Amortization	Effective Rate	Nominal Rate	Face Value	9/30/2023	12/31/2022	9/30/2023	12/31/2022	9/30/2023	12/31/2022	9/30/2023	12/31/2022
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	The Bank of New York Mellon	USA	USD	Bullet	5.228	4.500	373,625	6,606	6,606	2,669	0	9,275	6,606		
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	The Bank of New York Mellon	USA	USD	Bullet	3.669	3.400	610,500	7,078	7,078	2,928	0	10,006	7,178		
Total for Bonds											13,784	13,784	5,597	0	19,381	13,784		

20.2.2 Bonds, non-current

Borrower			Lender							1 to 3 years		3 to 5 years		More than 5 years		Total as of		
Tax I.D.	Name	Country	Tax I.D.	Name	Country	Currency	Type of Amortization	Effective Rate	Nominal Rate	Face Value	9/30/2023	12/31/2022	9/30/2023	12/31/2022	9/30/2023	12/31/2022	9/30/2023	12/31/2022
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	The Bank of New York Mellon (1)	USA	USD	Bullet	5.228	4.500	373,625	346,788	345,288	0	0	0	0	346,788	345,288
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	The Bank of New York Mellon (2)	USA	USD	Bullet	3.669	3.400	610,500	0	0	0	0	492,469	491,685	492,469	491,685
Total for Bonds											346,788	345,288	0	0	492,469	491,685	839,257	836,973

- (1) On October 29, 2014, EECL made a bond issue on the international market for a total of US\$350,000,000 under Rule 144-A and Regulation S of the U.S. Securities Act of 1933. It was listed in the Official List of the Luxembourg Stock Exchange to be traded on the Euro MTF Market of the Luxembourg Stock Exchange. The bonds have a term of 10 years and the coupon interest rate is 4.500%. Interest is payable semi-annually starting January 29, 2015, and the principal is repayable in one single installment on January 29, 2025.
- (2) On January 23, 2020, EECL made a bond issue on the international market for a total of US\$500,000,000. A significant part of the funds from the new issue was allocated to payment of the offer made under the voluntary early redemption of bonds for US\$400,000,000 originally expiring in January 2020 ("Any and All Tender Offer"). The Company then made use of the prepayment option contained in the documentation on the bond expiring in January 2021 to be able to retire the bond and pay the balance outstanding to bondholders who did not participate in the voluntary redemption program. In February 2020, the Company was able to pay the US\$400M bond in full that was to expire in January 2021. The remainder of the new issue was allocated to debt payment, transaction costs and other general purposes of the company. Premiums paid on the early redemption totaled US\$13,618,079.36 that was debited entirely against 2020 fiscal year income. The new US\$500M bond is for 10 years at a coupon interest rate of 3.400% annually. Interest will be paid semi-annually starting July 28, 2020, and principal will be amortized in one single installment on January 28, 2030.

20.2.3 Bonds, face value

2023

Borrower			Lender							0 to 1 year		1 to 3 years	3 to 5 years	More than 5 years	Total	
Tax I.D.	Name	Country	Tax I.D.	Name	Country	Currency	Type of Amortization	Effective Rate	Nominal Rate	Face Value	9/30/2023	9/30/2023	9/30/2023	9/30/2023	9/30/2023	
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	The Bank of New York Mellon	USA	USD	Bullet	5.228	4.500	373,625	15,750	357,875	0	0	373,625	
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	The Bank of New York Mellon	USA	USD	Bullet	3.669	3.400	610,500	17,000	34,000	34,000	525,500	610,500	
Total											984,125	32,750	391,875	34,000	525,500	984,125

2022

Borrower			Lender							0 to 1 year		1 to 3 years	3 to 5 years	More than 5 years	Total	
Tax I.D.	Name	Country	Tax I.D.	Name	Country	Currency	Type of Amortization	Effective Rate	Nominal Rate	Face Value	12/31/2022	12/31/2022	12/31/2022	12/31/2022	12/31/2022	
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	The Bank of New York Mellon	USA	USD	Bullet	6.098	5.625	389,375	15,750	373,625	0	0	389,375	
88.006.900-4	Engie Energia Chile S.A.	Chile	Foreign	The Bank of New York Mellon	USA	USD	Bullet	4.500	4.500	627,500	17,000	34,000	34,000	542,500	627,500	
Total											1,016,875	32,750	407,625	34,000	542,500	1,016,875

NOTE 21 – DERIVATIVES AND HEDGE TRANSACTIONS

The assets and liabilities in financial derivatives classified as hedge transactions were recognized in the statement of financial position as of September 30, 2023 and December 31, 2022, as shown below:

Exchange Rate Hedge	9/30/2023				12/31/2022			
	Asset		Liability		Asset		Liability	
	Current	Non-Current	Current	Non-Current	Current	Non-Current	Current	Non-Current
	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
Cash flow hedges	12,672	13,103	10,293	666	17,865	5,055	0	0
Total	12,672	13,103	10,293	666	17,865	5,055	0	0



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NOTE 21 – DERIVATIVES AND HEDGE TRANSACTIONS (continued)

The financial hedge derivatives and underlying asset or liability are shown below:

Hedge Instrument	Description of Hedge Instrument	Description of Hedged Instruments	Fair Value of Hedged Instruments		Nature of the Risks Hedged
			9/30/2023	12/31/2022	
			kUSD	kUSD	
Forward	Exchange rate	Costs in pesos (CLP)	147,000	108,000	Cash flow
Forward	Exchange rate	Investment projects	2,060	0	Cash flow
Sw ap	Commodity Price	Power purchase agreements	198,000	0	Cash flow
Sw ap	Exchange rate	Interest rates	534,000	294,000	Cash flow

At the close of the period ending September 30, 2023 and the fiscal year ending December 31, 2022, the Company had not recognized any gains or losses due to the ineffectiveness of cash flow hedges.

Derivative contracts have been made to hedge against interest-rate risk exposure. The effects of forwards are shown in income when the Company does not meet the formal documentation requirements needed to qualify those instruments as hedge instruments.

Forwards that qualify as cash-flow hedges are to reduce the variability of the cash flows in a currency other than the functional currency (USD) and under fuel purchase and sale contracts.

The financial instruments recorded at fair value in the statement of financial position are classified at their fair value, according to the levels indicated in Note 3.7.1.

Financial Instruments	9/30/2023	9/30/2023	12/31/2022	12/31/2022
	Carrying Value	Fair Value	Carrying Value	Fair Value
	kUSD	kUSD	kUSD	kUSD
Cash and cash equivalents				
Cash on hand	32	32	31	31
Bank balances	26,084	26,084	47,322	47,322
Short-term deposits classified as cash equivalents	197,019	197,019	85,012	85,012
Financial Assets				
Trade receivables and other accounts receivable, current and non-current	542,616	542,616	546,365	546,365
Related-entity receivables	7,236	7,236	5,532	5,532
Financial Liabilities				
Other financial liabilities	1,928,199	743,286	1,775,674	754,857
Trade payables and other accounts payable	319,326	319,326	229,766	229,766
Related-entity payables, current and non-current	89,807	89,807	59,504	59,504



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NOTE 21 – DERIVATIVES AND HEDGE TRANSACTIONS (continued)

Financial Instruments Measured at Fair Value	9/30/2023	Level 1	Level 2	Level 3
	kUSD	kUSD	kUSD	kUSD
Financial Assets				
Financial assets at fair value through profit or loss	25,775	25,775	0	0
Total	25,775	25,775	0	0
Financial Liabilities				
Financial derivatives used as a cash-flow hedge	0	0	0	0
Total	0	0	0	0
Financial Instruments Measured at Fair Value				
	12/31/2022	Level 1	Level 2	Level 3
	kUSD	kUSD	kUSD	kUSD
Financial Assets				
Financial assets at fair value through profit or loss	22,920	22,920	0	0
Total	22,920	22,920	0	0
Financial Liabilities				
Financial derivatives used as a cash-flow hedge	0	0	0	0
Total	0	0	0	0

Hedge Effectiveness – Prospective

Hedge effectiveness should be measured prospectively, simulating different scenarios in the USD-Libor interest-rate curve using the “hypothetical derivative” method, which consists of structuring a derivative in such a manner that it is 100% effective in hedging the syndicated loan. The changes in the fair value of the hypothetical derivative will be compared to the changes in the fair value of the “real derivative,” which is the derivative obtained by the Company on the market to make the hedge. The quotient of the change in both fair values attributable to the hedged risk must range between 80%-125% throughout the life of the hedge in order to meet the standard specified in IFRS 9. This test is performed at each accounting closing, simulating different scenarios in the USD-Libor interest-rate curve, which are described below:

- Scenario 1: -50 bps
- Scenario 2: -25 bps
- Scenario 3: -15 bps
- Scenario 4: +15 bps
- Scenario 5: +25 bps
- Scenario 6: +50 bps

The results support the fact that the expected effectiveness of the hedge is high in the case of changes in cash flows attributable to the hedged risk (USD Libor), satisfactorily achieving the set-off.

Hedge Effectiveness – Retrospective

The effectiveness of the hedge should be measured retrospectively, using the hypothetical derivative method. This effectiveness must be measured by evaluating changes in the fair value of the hypothetical derivative and of the real derivative using the real changes that occurred on the market for the inputs used in the appraisal.

Hedge Ineffectiveness

The ineffectiveness of a hedge is the difference between the fair value of the real derivative and that of the hypothetical derivative, which must be recognized as a gain or loss in the statement of income for the period of measurement.



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NOTE 22 – LEASE LIABILITIES

Lease liabilities were as follows as of September 30, 2023 and December 31, 2022:

Lease Liabilities	9/30/2023		12/31/2022	
	Current	Non-Current	Current	Non-Current
	kUSD	kUSD	kUSD	kUSD
IFRS 16 Leases	4,737	99,348	6,416	135,165
Total	4,737	99,348	6,416	135,165

22.1 Lease Liabilities, current

Lessee			Lessor				Out to 90 days		91 days to 1 year		Total		
Tax I.D.	Name	Country	Name	Currency	Type of Amortization	Effective Rate	Nominal Rate	9/30/2023	12/31/2022	9/30/2023	12/31/2022	9/30/2023	12/31/2022
								kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of National Defense	Monthly Tax Unit	Semi-Annual	4.455	4.455	14	53	46	24	60	77
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	3.810	3.810	45	122	177	190	222	302
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	3.810	3.810	32	87	126	128	158	215
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property(**)	UF	Annual	3.810	3.810	0	152	0	225	0	377
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	3.810	3.810	217	30	0	63	217	93
88.006.900-4	Engie Energia Chile S.A.	Chile	Deka Inmobiliaria Chile One SpA	UF	Monthly	2.430	2.430	169	176	488	506	657	682
88.006.900-4	Engie Energia Chile S.A.	Chile	Sencorp Rentas Inmobiliarias SpA	UF	Monthly	2.450	2.450	90	94	260	270	350	364
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	2.940	2.940	89	240	295	301	384	541
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	3.560	3.560	13	22	28	29	41	51
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	2.670	2.670	69	9	0	20	69	29
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	2.870	2.870	10	28	58	60	68	88
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	2.640	2.640	10	27	81	83	91	110
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	2.590	2.590	2	6	21	22	23	28
88.006.900-4	Engie Energia Chile S.A.	Chile	Arrendadores de Vehiculos S.A.	UF	Mensual	0.800	0.800	136	141	410	419	546	560
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	3.010	3.010	0	460	0	381	0	841
88.006.900-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property ^{††}	UF	Annual	3.010	3.010	416	743	779	615	1,194	1,358
76.019.239-2	Eólica Monte Redondo SpA	Chile	Monte Redondo S.A.	USD	Quarterly	4.006	4.006	84	84	175	169	259	253
76.019.239-2	Eólica Monte Redondo SpA	Chile	Arrendadores de Vehiculos S.A.	UF	Monthly	0.800	0.800	8	9	25	26	33	35
76.247.976-1	Solar Los Loros SpA	Chile	Sociedad Agrícola Río Escondido Ltda.	UF	Annual	4.371	4.371	35	83	36	0	71	83
76.708.710-1	Central Termoeléctrica Andina SpA	Chile	Ministry of Public Property	CLP	Monthly	2.960	2.960	10	10	16	30	26	40
76.708.710-1	Central Termoeléctrica Andina SpA	Chile	Ministry of National Defense	Monthly Tax Unit	Semi-Annual	2.500	2.500	3	133	229	19	232	252
78.974.730-K	Gasoducto Nor Andino SpA	Chile	Arrendadores de Vehiculos S.A.	UF	Monthly	0.800	0.800	9	9	27	28	36	37
Total Lease Liabilities								1,460	2,718	3,277	3,698	4,737	6,416

(**) On June 19th, the Ministry of Public Property issued Exempt Resolution #150 declaring that the pay-for-use concession for the "Pampa Yolanda" land was extinguished. On August 17th, the Ministry of Public Property issued Exempt Resolution #230 declaring that the pay-for-use concession for the "Calama C" land was extinguished.



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NOTE 22 – LEASE LIABILITIES (continued)

22.2 Lease Liabilities, non-current

Tax I.D.	Lessee		Lessor		Effective Rate	Nominal Rate	1 to 3 years		3 to 5 years		more than 5 years		Total as of			
	Name	Country	Name	Currency			Type of Amortization	9/30/2023	12/31/2022	9/30/2023	12/31/2022	9/30/2023	12/31/2022	9/30/2023	12/31/2022	
								kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	
-4	Engie Energia Chile S.A.	Chile	Ministry of National Defense	Monthly Tax Unit	Semi-Annual	4.455	4.455	162	163	113	114	929	1041	1,194	1,308	
-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	3.810	3.810	571	581	418	425	6,006	6,562	6,995	7,568	
-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	3.810	3.810	408	415	298	303	4,287	4,683	4,993	5,401	
-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property(**)	UF	Annual	3.810	3.810	0	727	0	532	0	8,210	0	9,469	
-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	3.810	3.810	195	205	142	150	4,088	4,313	4,425	4,668	
-4	Engie Energia Chile S.A.	Chile	Deka Inmobiliaria Chile One SpA	UF	Monthly	2.430	2.430	2,043	2,118	1,323	1,497	0	450	3,366	4,065	
-4	Engie Energia Chile S.A.	Chile	Sincorp Rentas Inmobiliarias SpA	UF	Monthly	2.450	2.450	1,126	1,154	738	836	0	250	1,864	2,240	
-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	2.940	2.940	937	961	672	688	16,524	17,793	18,133	19,442	
-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	3.560	3.560	91	92	66	67	671	744	828	903	
-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	2.670	2.670	85	88	49	52	813	858	927	978	
-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	2.870	2.870	186	190	132	136	1,831	2,003	2,149	2,329	
-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	2.640	2.640	256	263	182	187	1,717	1,910	2,155	2,360	
-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	2.590	2.590	67	69	48	49	413	461	528	579	
-4	Engie Energia Chile S.A.	Chile	Arrendadores de Vehículos S.A.	UF	Monthly	0.800	0.800	139	579	0	0	0	0	139	579	
-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property	UF	Annual	3.010	3.010	0	1212	0	870	0	23,914	0	25,996	
-4	Engie Energia Chile S.A.	Chile	Ministry of Public Property(**)	UF	Annual	3.010	3.010	2,291	1957	1,645	1,405	43,063	38,617	46,999	41,979	
2	Eólica Monte Redondo SpA	Chile	Monte Redondo S.A.	USD	Quarterly	4.006	4.006	754	732	555	538	1,173	1,386	2,482	2,656	
2	Eólica Monte Redondo SpA	Chile	Arrendadores de Vehículos S.A.	UF	Monthly	0.800	0.800	8	35	0	0	0	0	8	35	
1	Solar Los Loros SpA	Chile	Sociedad Agrícola Río Escondido Ltda.	UF	Annual	4.371	4.371	119	119	91	93	621	706	831	918	
1	Central Termoeléctrica Andina SpA.	Chile	Ministry of Public Property	CLP	Monthly	2.960	2.960	0	17	0	0	0	0	0	17	
1	Central Termoeléctrica Andina SpA.	Chile	Ministry of National Defense	Monthly Tax Unit	Semi-Annual	2.500	2.500	723	744	512	527	88	366	1,323	1,637	
K	Gasoducto Nor Andino SpA	Chile	Arrendadores de Vehículos S.A.	UF	Monthly	0.800	0.800	9	38	0	0	0	0	9	38	
Total Lease Liabilities									10,140	12,429	6,984	8,469	82,224	114,267	99,348	135,165

(**) On June 19th, the Ministry of Public Property issued Exempt Resolution #150 declaring that the pay-for-use concession for the “Pampa Yolanda” land was extinguished. On August 17th, the Ministry of Public Property issued Exempt Resolution #230 declaring that the pay-for-use concession for the “Calama C” land was extinguished.

NOTE 23 – RISK MANAGEMENT

Financial Risk Management Policy

The energy sector is subject to diverse and changing economic, political, regulatory, social and competitive conditions. Our company is exposed in the ordinary course of business to several risk factors, both operational and financial, that may impact its performance and financial condition, which are monitored closely from time to time by each Risk Owner of the company’s different processes, which is coordinated by the company’s Planning and Management Control Areas.

ENGIE Energía Chile has procedures for Risk Management where the method of risk assessment and analysis is described, including the building of the risk matrix. The risk matrix is updated and reviewed once a year. The progress in action plans is constantly monitored as part of Enterprise Risk Management (ERM), the purpose of which is to preserve and continuously improve the value, reputation and internal motivation of the company and to foster a risk-taking level that is reasonable in social, human and legal terms, is acceptable to stakeholders and is economically sustainable.

Risk management is presented to the Company’s board annually. The Company’s financial risk strategy aims to protect ENGIE Energía Chile’s stability and sustainability in relation to all components of financial uncertainty or material risk events.

The market risk management policy of the Company and its subsidiaries can be summarized as follows.



ENGIE ENERGIA CHILE S.A.

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NOTE 22 – RISK MANAGEMENT (continued)

Risk Factors

23.1 Market Risk

Market risk is the risk that the fair value of future cash flows from a financial instrument may fluctuate due to changes in market prices. It is composed of four types of risk: interest rate risk, exchange rate risk, commodity risk, and other risks.

The financial instruments exposed to market risk are mainly bank debt, bank loans, financial leasing transactions, time deposits, and financial derivatives.

23.1.1. Exchange Rate Risk

Exchange rate risk is the risk that the value of an asset or liability (including the fair value of future cash flows of a financial instrument) fluctuate due to variations in exchange rates.

Since most of our income, costs and financial debt are denominated in dollars, our exposure to the risk of fluctuations and exchange rates is limited. The Company's income is mostly denominated in, or indexed to, dollars. The rate for regulated contracts with distribution utilities is set in dollars and converted to pesos using the average monthly observed dollar exchange rate, so the exposure of these contracts to the exchange rate is limited in terms of the impact on the company's results. However, there is an impact on the company's cash flow because of the backlog in publishing the decrees on the Average Node Price. This means that monthly invoicing is at exchange rates different from the monthly exchange rates stipulated in each contract. Although these temporary differences are re-settled once the Average Node Price decrees are published, effective hedging by derivatives is not possible given the uncertainty of the time of re-settlement. This backlog in collecting the differences between the exchange rates invoiced and the exchange rates applicable by law to the accounts receivable from distribution companies has risen significantly after approval of the Electricity Rate Stabilization Law in November 2019. The technical rules on implementation of that law were disclosed in March 2020, in Exempt Resolution 72 of the National Energy Commission and in the MPC Law passed in August 2022. Those rules caused an increase in the accounts receivable from distribution companies and the rate of increase and subsequent payment will largely depend on the trend in exchange rates and in fuel prices, among other variables. To confront this risk and mitigate its impacts on cash flow, in early 2021, the Company signed agreements with Goldman Sachs and IDB Invest to sell these receivables, without recourse to the Company, to a special-purpose company called Chile Electricity PEC SpA. On January 29, 2021, Chile Electricity PEC SpA placed Rule 144A/Regulation S bonds worth USD 489 million on the international market. Part of the funds were allocated to purchasing the accounts receivable under the January 2020 Average Node Price Decree, and the remainder to buying the receivables under the July 2020 Average Node Price Decree. On June 30, 2021, EECL formalized the sale to Chile Electricity PEC SpA of the receivables corresponding to the January 2021 Average Node Price Decree. Chile Electricity PEC SpA received funding from a Form 4a2 private placement in which Allianz, IDB Invest and Goldman Sachs participated. Once the following node price decrees were each published, similar transactions were performed on March 4, 2022 for the fourth group of accounts receivable, on July 14, 2022 for the fifth group of accounts receivable, and on May 12, 2023 for the sixth group. The sales were in dollars, at a discount and without recourse to the selling generation companies, so EECL and EMR were able to reduce their exchange rate exposure and credit risk associated with these receivables and recover their liquidity at the cost of a discount that has had impacts on the financial statements for 2021, 2022 and 2023. This financial cost totaled USD 51 million in 2021, it reached USD 15.4 million in 2022 and is USD 12.6 million thus far in 2023. So, financial expenses of the PEC-1 program total USD 79.1 million. The first sale under the PEC-2 program was made August 30, 2022, but was not subject to financial discounts.

The main cost in Chilean pesos relates to employees and administrative expenses, which account for approximately 10% of our operating costs. Therefore, since most of the company's income is denominated in, or linked to, the dollar, but some operating costs are in Chilean pesos, the Company has decided to partially hedge the peso payment flows for recurrent items that have known payment dates, such as wages and salaries and some service contracts, through forwards. As of September 30, 2023, the Company held forward dollar sales contracts with banks for a total notional amount of USD 138 million and monthly expirations of USD 6 to USD 12 million from September to December 2024. The purpose was to reduce the effects of the dollar/peso exchange rate fluctuation on the company's financial results. In addition, the Company has signed cash flow hedge derivative agreements for the payments under the EPC agreements for project construction until the end of the respective periods of construction of the projects, which are



ENGIE ENERGIA CHILE S.A.

Consolidated Interim Financial Statements as of September 30, 2023

NOTE 22 – RISK MANAGEMENT (continued)

Risk Factors (continued)

23.1 Market Risk (continued)

23.1.1. Exchange Rate Risk (continued)

usually considered regular payment flows in currencies other than the Dollar (CLF and EUR). The Company has thus avoided variations in the costs of investments in property, plant and equipment as a result of fluctuations in exchange rates beyond its control. At this time, the Company has dollar forwards for a notional amount of USD 92 million to hedge regular payments in UF to contractors of the Lomas de Taltal project. These derivatives were contracted with Banco de Chile and they hedge regular payment flows from March 2023 to March 2025.

In the aim of reducing exposure to exchange rate volatility, the Cash Surplus Investment Policy of the Company stipulates that at least 80% of the cash surpluses must be invested in U.S. dollars unless a different percentage is required to keep assets and liabilities naturally matched by currency. This policy provides a natural hedge of commitments or debt in currencies other than the dollar. As of September 30, 2023, 92.8% of the current accounts and short-term investments used in cash management were denominated in U.S. dollars. The Company's exposure to other foreign currencies is immaterial.

The Company has a purely accounting exchange-rate risk related to the pay-for-use concessions and other types of contracts, such as the rental of vehicle fleets that are considered financial leases under IFRS 16. These contracts cover right-of-use assets that are non-monetary and recorded at their initial cost in dollars, the Company's functional currency. The counter-entries are the monetary liabilities that reflect the present value of the installments payable under the financial contracts. Most of these liabilities are denominated in Unidades de Fomento (UF) or Monthly Tax Units (UTM). Since these liabilities are monetary, they are adjusted from time to time and are translated to dollars using the observed dollar exchange rate at the close of each accounting period. Liabilities in CLP, UF and UTM are ultimately subject to periodic adjustments and are exposed to exchange rate fluctuations, while assets are fixed in dollars. This mismatching can lead to accounting profits or losses because assets are fixed in dollars. However, financially, the value of right-of-use assets is intimately related to the liability's value since both should reflect the present value of the installments payable under financial contracts. As of September 30, 2023, lease liabilities in currencies other than the dollar totaled USD 104 million.

23.1.2 Interest-rate risk

Interest-rate risk is the risk that arises from changes in the fair value of the cash flows from the financial instruments in the general balance sheet due to changes in market interest rates. Exposure to interest-rate risk arises mainly from long-term debt at floating interest rates. The Company and its subsidiaries manage interest rate risk through fixed interest rates or interest-rate swaps (IRS) in which the Company agrees to swap from time to time the difference between a fixed rate and a variable rate calculated on an agreed notional amount.

To minimize the risk of interest rate fluctuations, we try to contract our financial debt at fixed interest rates, except for a portion of the debt equal to the company's cash balances, which are invested at interest rates that fluctuate in line with the changes in the base rate of variable-rate liabilities. As of September 30, 2023, 84.5% of our financial debt was at a fixed rate or hedged via derivatives, and 15.5% of the financial debt (USD 110 million of the IDB Invest loan, USD 75 million of the Scotiabank loan, USD 51 million of the Santander loan, and USD 60 million of the IFC and DEG loan) was at a variable rate. These proportions do not include the financial leasing debt at a variable rate accounted for according to IFRS 16.

Interest Rate	9/30/2023	12/31/2022
Fixed interest rate	84.50%	87.70%
Variable interest rate	15.50%	12.30%
Total	100.00%	100.00%



ENGIE ENERGIA CHILE S.A.

Consolidated Interim Financial Statements as of September 30, 2023

NOTE 22 – RISK MANAGEMENT (continued)

Risk Factors (continued)

23.1 Market Risk (continued)

23.2 Share Price Risk

Neither EECL nor its subsidiaries held investments in equity instruments as of September 30, 2023 or December 31, 2022.

23.3 Fuel Price Risk

We import a significant part of our fuel supply under short-, medium- and long-term agreements, which makes us vulnerable to potential supply shortages or defaults by our suppliers. We also acquire a significant portion of coal, natural gas and other fuels from a limited number of suppliers. If any of those material suppliers experiences a disruption in their production chain or is incapable of fulfilling their obligations under supply contracts, we might be forced to purchase at higher prices, either the same fuel or a substitute, and we might be incapable of adjusting the price of electricity sold under the price adjustment mechanisms in our agreements with customers, with the consequent reduction in our operating margins. This risk became real in early 2023 when the main liquefied natural gas supplier did not confirm supply of a volume of close to 13.2 TBtu for 2023 under long-term contracts, exposing the company to looking for alternative sources of fuel supply and to filing legal actions.

ENGIE Energía Chile is exposed to the volatility of certain commodities since its generation activities require a continuous supply of fossil fuels, mainly coal, diesel oil and liquefied natural gas. The international prices of those fuels fluctuate according to market factors beyond the Company's control. Coal is purchased mostly under annual contracts in which prices are linked to traditional indexes for the international coal market, such as API 2, API 10 and Newcastle. Diesel oil and certain purchases of liquefied natural gas are bought at prices based on international oil prices (ULSD or Brent). The Company has made long-term liquefied natural gas purchase agreements in which the prices are linked to the Henry Hub index and it has bought LNG on the spot market.

Fuel prices and availability are key factors in the dispatching of the company's thermal power plants, in its average generation costs, and in its marginal costs on the grid where it operates. Historically, the company's policy has been to include price-indexing mechanisms in its power purchase agreements based on fluctuations in the prices of fuels material to determining its variable operating costs. That is how the company has been able to align its production and power supply costs to its power purchase agreement income. However, in its energy transformation plan, the company has given preference to indexing prices in certain contracts to the change in the consumer price index instead of indexing to fuel prices. This has temporarily increased its commodity price risk exposure until it has a sufficient renewable generation asset base to back all inflation-indexed power purchase agreements. In the past, the company has made derivatives agreements to hedge its income and cash flow exposure against the volatility of fuel prices, and it has implemented a hedging strategy for 2024 to hedge its long-term Henry Hub exposure. This risk materialized in 2021 and has continued through the first half of 2023. The 2021-2022 and 2022-2023 hydrological years were extremely dry in Chile and that drought has continued through June 2023, with the consequent decrease in hydraulic power generation. Simultaneously, there have been difficulties in receiving a supply of coal and natural gas because of the rise in demand, combined with restrictions around the world on the production of those fuels, coupled with freight hindrances. This translated into price rises to very high levels. Then, because of the war between Russia and the Ukraine, gas and coal prices zoomed to levels never before seen.

Accordingly, through the first half of 2023, the mean costs of self-generation and marginal costs of the system have reached levels quite higher than in previous years, seen in the reduction in the operating margins of the electricity business. Please note that the marginal costs were also impacted by other factors, such as grid disconnection, transmission system congestion and the unavailability of power plants. The Company is partially mitigating its exposure to fuel price fluctuations by (i) signing supply contracts with other generators in the system that have helped reduce its purchase of power on the spot market (3.2 TWh contracted for 2023, above the 2.1 TWh contracted in 2022) and, therefore, its marginal cost exposure; (ii) its long-term LNG supply contracts and purchases of LNG on the spot market; (iii) the startup of new renewable energy generation projects that will reduce the dependency on fossil fuels; (iv) the acquisition of renewable assets with no contracts in areas where there is greater exposure to the marginal cost; and (v) the transfer of the cost increases to end prices. Any default by our suppliers on the terms of their contracts for the supply of liquefied natural gas or coal would also expose the Company to having to generate power using alternative fuels or



ENGIE ENERGIA CHILE S.A.

Consolidated Interim Financial Statements as of September 30, 2023

NOTE 22 – RISK MANAGEMENT (continued)

Risk Factors (continued)

23.1 Market Risk (continued)

to having to purchase more energy on the spot market, which would increase its exposure to the variables that are determining to the marginal costs of the system.

23.4 Credit risk

Our income is dependent upon certain important customers.

We are exposed to credit risk in the ordinary course of our business and when investing our cash balances. In the power generation business, our main customers are large mining companies of renowned solvency who generally present a low level of risk. However, those companies are subject to the variation in the world prices of copper and other raw materials and to a decrease in, or depletion of, mineral resources or other operating, climate, political, tax, social, environmental or labor issues. Even though our customers have proven to be strong in confronting adverse cycles, our Company conducts regular reviews of commercial risks.

We also have regulated customers who supply residential and commercial customers whose credit risk is low, although we have seen delays in the payments by small regulated customers like cooperatives. A lower growth in energy demand by end users could impact our financial condition, operating income and cash flows. The Electricity Rate Stabilization Law enacted in November 2019 has not materially affect our income as shown in the statement of income, but it has adversely impacted our cash flow, with the consequent financial cost associated with a temporary rise in working capital. To confront this risk and mitigate the impact on cash flows, in early 2021 the company signed agreements with Goldman Sachs and IDB Invest to sell these receivables, on a non-recourse basis, to Chile Electricity PEC SpA, a special-purpose company. Between February 8 and May 12, 2023 the Company finalized 6 sales of accounts receivables under the January 2020, July 2020, January 2021, July 2021, January 2022 and July 2022 Average Node Price Decrees for a nominal price of USD 272.9 million. It received net resources of USD 193.8 million and reported a total financial cost of USD 79.1 million. Since the enactment of the MPC Law, balances receivable continue to arise because of the difference between the stabilized price (PEC) and the contractual prices. Since the publication of both the July 2022 Average Node Price Decree and the Exempt Resolution that set down the terms and conditions for an effective application of the Law, the Treasury Service has begun to issue Payment Documents that the Company can sell in a way similar to the way implemented for the PEC Law, but this time without assuming the costs of financial discounts. The deferred collection because of the delay in the publication of decrees has had a significant impact on the company's liquidity and indebtedness. The first Payment Documents were sold on August 30, 2023 in which the company received net resources totaling USD 208 million.

In recent years, the electricity industry has begun to evolve toward a greater atomization of its customer base due to the right of consumers with a demand of 500 kV to 500 MW to contract their power supply directly with generating companies instead of through power distribution companies. As a result of this elimination of intermediaries, the Company has signed PPAs with smaller commercial and industrial customers who could entail a greater credit risk. To mitigate this risk, the Company has implemented a commercial counterparty risk policy that requires, among other things, a review of the credit risk prior to signature of power purchase agreements. At this time, PPAs with small and mid-sized commercial and industrial customers represent a small percentage of our contract portfolio. The company has stopped actively marketing power to that segment in order to balance its contract portfolio and reduce its buying position on the energy spot market.

Credit risk is managed by each business unit and it is subject to the policy, procedures and controls established by the Company. The Company sets credit limits for all customers in line with internal policies that require assigning risk ratings to each customer. The credit limits, risk ratings and the internal policies are reviewed from time to time. Trade receivables are monitored regularly for performance on the basis of different risks to which they are exposed. Impairment of all relevant customers is analyzed at each reporting date on an individual basis, and provisions are made according to IFRS 9 to which a default probability is assigned to each receivable and a percentage loss in the event of non-payment. The maximum exposure to credit risk as of the reporting date is the current value of trade receivables. The Company has determined that trade receivables risk concentration is acceptable as customers are mostly highly solvent large mining companies, power companies and electricity distribution companies.



ENGIE ENERGIA CHILE S.A.

Consolidated Interim Financial Statements as of September 30, 2023

NOTE 23 – RISK MANAGEMENT (continued)

Risk Factors (continued)

23.4 Credit risk (continued)

The Company is usually one of the main net payers in the chain of payments in the Chilean electricity sector because of its contractual position. It is exposed to delinquency and failure to pay by operators in the electricity sector, but the amounts represent a relatively small percentage of monthly collections. Default by other operators in the electricity system could expose the Company to an increase in the volume of sales to regulated customers at the rates in their outstanding contracts. The insolvency of other operators on the electricity market with whom the company has power purchase agreements to reduce its exposure to the spot market might make the company vulnerable once again to having to buy on the spot market.

Our investment policy stipulates investing our cash resources in the short term with investment-grade institutions. We also consider the financial risk of our counterparties when contracting exchange rate or interest rate derivative hedges and we set maximum limits for investments with each counterparty in order to manage and diversify our credit risk.

23.5 Financial assets and derivatives

The credit risk to which the Company is exposed in transactions with banks and financial institutions for current accounts, time deposits, mutual funds and financial derivatives is managed by the Corporate Finance Division in accordance with the Company's policy. Investments can only be made with authorized counterparties within the credit limits assigned to each counterparty. The Company also has term and risk diversification limits per financial counterparty. Counterparty credit limits are set on the basis of the national or international risk rating and of liquidity and solvency indicators for each institution, which are reviewed from time to time by management. Limits are set in order to minimize the concentration of risk and thus mitigate losses in the event of default by counterparties.

23.6 Liquidity risk

Liquidity risk is related to the need for money to meet payment obligations when due. The Company's objective is to maintain a balance between cash availability and financial flexibility through normal operating cash flows, loans, short-term investments and lines of credit. The company regularly evaluates the concentration of risk in relation to debt refinancing.

The Company's liquidity has been impacted by the regulated customer price stabilization law because it will limit full collection stipulated in power purchase agreements with distributors and those balances will accrue, estimated to total approximately USD 287.5 million as of September 30, 2023. Although the short-term debt is currently at levels above those reported in previous fiscal years, in the last quarter, the Company reduced its debt expiring in less than one year and is engaged in extending the mean maturity profile of its debt. The Company has access to financial markets that enable it to face its short-term financial and trade commitments. To confront the financing needs of renewable energy projects and liability refinancing, the company signed a 10-year loan for USD 400 million with IFC and DEG, both development banks. The company has also begun to monetize trade receivables from distributors originating in the second regulated customer price stabilization law (the MPC Law) using the same mechanisms agreed with the Inter-American Development Bank. On August 30, 2023, it received funds totaling USD 208 million, interest included. This money and the money that the company expects to receive during the last quarter of 2023 and in 2024, that is estimated to total more than USD 250 million, will help restore its liquidity and extend the maturity profiles of its debts.

The payment, renewal and assumption of debt are described in Note 20 of these financial statements and in the Management Commentary on the Financial Statements.

23.7 Insurance

We carry insurance for our properties, operations, third parties, directors and executives, personnel and businesses.

We carry an Operational All-Risk policy for EECL and associates. This policy covers our physical assets, such as plants, offices and substations, as well as business interruption. The policy includes coverage for machinery damage, fire, explosions and risks of nature.



ENGIE ENERGIA CHILE S.A.

Consolidated Interim Financial Statements as of September 30, 2023

NOTE 23 – RISK MANAGEMENT (continued)

Risk Factors (continued)

2.7 Insurance (continued)

Our company and its subsidiaries also carry coverage for transportation under a cargo insurance policy with limits that vary by the type of merchandise carried; and global charterer liability insurance that provides protection and indemnities for ship risks and damage. We also carry a general civil liability insurance policy that covers employer liability and supply outages, as well as motor vehicle accident insurance. Directors and executives are insured under the Director and Officer liability policy.

The Company has contracted other insurance programs, such as life insurance and vehicle, building, content, contractor equipment and contractor liability insurance policies.

The projects are insured against all risks of construction, including consequential damages caused by delays in start-up (DSU), civil liability, employer civil liability and freight.

23.8 Risk Rating

As of September 30, 2023, EECL was risk-rated as follows:

International Risk Rating	Solvency	Outlook
Standard and Poor's	BBB	Stable
Fitch Ratings	BBB	Stable

National Risk Rating	Solvency	Outlook	Shares
Feller - Rate	AA-	Stable	1st Class, Level 2
Fitch Ratings	AA-	Stable	1st Class, Level 2

On March 31, 2023, Standard & Poor's changed its outlook from Stable to Negative but kept the solvency rating at BBB. On September 11, 2023, Standard and Poor's returned its outlook for the ENGIE Energia Chile risk rating to Stable because of the improvement in the company's liquidity. In October 2022, Fitch Ratings lowered the international long-term debt rating of Engie Energia Chile from BBB+ to BBB while maintaining the Stable outlook. Nationally, in October 2022 Fitch Ratings lowered the Company's solvency rating to AA-, with a Stable outlook, while in December 2022, Feller-Rate ratified the rating of AA- with a Stable outlook. Both agencies maintain the rating of Engie Energia Chile's shares as 1st Class, Level 2.

NOTE 24 – TRADE PAYABLES AND OTHER ACCOUNTS PAYABLE

Trade payables and other accounts payable are itemized below:

Trade Payables and Other Accounts Payable, Current	9/30/2023	12/31/2022
	kUSD	kUSD
Invoices payable to foreign suppliers	123,323	27,980
Invoices payable to domestic suppliers	167,315	163,005
Invoices receivable for domestic and foreign purchases	28,688	38,781
Total	319,326	229,766

The carrying value of these obligations does not differ significantly from their fair value because they are paid on average at 30 days.



ENGIE ENERGIA CHILE S.A.

Consolidated Interim Financial Statements as of September 30, 2023

NOTE 24 – TRADE PAYABLES AND OTHER ACCOUNTS PAYABLE (continued)

Type of supplier	Amounts by Expiration						9/30/2023	Average Period of Payment (days)
	Out to 30 days	31-60 days	61-90 days	91-120 days	121-365 days	366 days and longer		
	.USD	kUSD	kUSD	kUSD	kUSD	kUSD		
Products	137,367	9,620	9,892	9,471	55,242	0	221,592	30
Services	97,431	0	0	0	0	0	97,431	30
Dividends payable	0	0	0	0	0	0	0	
	234,798	9,620	9,892	9,471	55,242	0	319,023	

Type of supplier	Amounts by Days Past-Due						9/30/2023
	Out to 30 days	31-60 days	61-90 days	91-120 days	121-365 days	366 days and longer	
	.USD	kUSD	kUSD	kUSD	kUSD	kUSD	
Products	6	5	0	0	0	0	11
Services	292	0	0	0	0	0	292
Dividends payable	0	0	0	0	0	0	0
	298	5	0	0	0	0	303

The amounts payable between 31 and 365 days relate to an extension of the period for payment of debt owed to fuel suppliers.

Type of supplier	Amounts by Expiration						12/31/2022	Average Period of Payment (days)
	Out to 30 days	31-60 days	61-90 days	91-120 days	121-365 days	366 days and longer		
	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD		
Products	91,656	0	0	0	0	0	91,656	30
Services	134,589	0	0	0	0	0	134,589	30
Dividends payable	0	0	0	0	0	0	0	
Total kUSD	226,245	0	0	0	0	0	226,245	

Type of supplier	Amounts by Days Past-Due						12/31/2022
	Out to 30 days	31-60 days	61-90 days	91-120 days	121-365 days	366 days and longer	
	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	
Products	725	725	-	5	4	36	1,495
Services	220	182	3	1,489	114	18	2,026
Dividends payable	-	-	-	-	-	-	-
Total kUSD	945	907	3	1,494	118	54	3,521

The amounts by days past-due may be for different situations, such as credit notes pending receipt, invoices not collected by suppliers, and invoices lacking support for payment.

NOTE 25 – CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Provisions for Employee Benefits, Current	9/30/2023	12/30/2022
	kUSD	kUSD
Vacation provision	6,951	7,080
Annual bonus provision	4,731	6,058
Social security and health insurance deductions	932	920
Tax withholdings	490	724
Other compensation	18	391
Total	13,122	15,173



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NOTE 26 – OTHER NON-FINANCIAL LIABILITIES

Other current non-financial liabilities were as follows:

Other Current Non-Financial Liabilities	9/30/2023	12/31/2022
	kUSD	kUSD
Debitable VAT	3,609	4,646
Withholding taxes	585	632
Prepaid income (1)	10,468	1
Prepaid income under GTA with Engie Gas Chile SpA (2)	0	198
Total	14,662	5,477

(1) Special charges that have been invoiced but not yet transferred to end customers.

(2) As a result of the sale of Engie Gas Chile S.A., ENGIE Energia Chile S.A. received a prepayment for the gas transportation agreement (GTA).

The carrying value of these obligations does not differ significantly from their fair value since they are paid on average within 60 days.

Other Non-Current Non-Financial Liabilities are shown below:

Other Non-Current Non-Financial Liabilities	9/30/2023	12/31/2022
	kUSD	kUSD
Income from guarantees	81	81
Total	81	81

NOTE 27 – OTHER NON-CURRENT PROVISIONS

Other Non-Current Provisions	9/30/2023	12/31/2022
	kUSD	kUSD
Gasoducto Nor Andino S.A. tax contingency (1)		
Starting balance	152	351
Movement	(152)	(199)
Subtotal	0	152
(1) See Note 40.5.c)		
GTA		
Starting balance	0	198
Movement	0	(198)
Subtotal	0	0
Dismantling Provision		
Starting balance	145,711	57,997
Movement (*)	3,051	87,714
Subtotal	148,762	145,711
Miscellaneous		
Starting balance	4,000	0
Movement (*)	0	4,000
Subtotal	4,000	4,000
Total	152,762	149,863

(*) Dismantling Provision



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NOTE 27 – OTHER NON-CURRENT PROVISIONS (continued)

The ENGIE Group is working on reaching Net Zero Carbon by the year 2045.

All thermal generating units were included in the adjustment of the dismantling provision and the assessments were updated at the close of 2022.

The renewable energy units of the Calama Wind Farm, the Capricornio Solar Farm and the Tamaya Solar Farm were also added to the provision.

NOTE 28 – NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

The balance of employee benefit obligations was as follows:

Non-Current Provisions for Employee Benefits	9/30/2023	12/31/2022
	kUSD	kUSD
Severance indemnities	41	46
Total	41	46

Changes in the benefits obligations were:

Non-Current Provisions for Employee Benefits	9/30/2023	12/31/2022
	kUSD	kUSD
Starting balance	46	47
Payments in the period	0	0
Actuarial severance indemnities (appraised at the closing rate)	(5)	(1)
Total	41	46

Expenses recognized in the Statement of Income

Non-Current Provisions for Employee Benefits	9/30/2023	12/31/2022	Line where recognized in the Statement of Income
	kUSD	kUSD	
The cost of interest on defined benefit obligations	12	12	Ordinary and administrative expenses
The cost of benefits under the defined plan	13	13	Ordinary and administrative expenses
Total	25	25	

Actuarial assumptions

Actuarial Assumptions Used	9/30/2023	12/31/2022
Nominal discount rate	1.63%	1.63%
Expected rate of salary increase	Change in CPI	Change in CPI
Turnover rate	1.36%	1.36%
Women's retirement age	60 years	60 years
Men's retirement age	65 years	65 years
Mortality table	RV-2009	RV-2009



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NOTE 29 - EQUITY

The Company's capital is represented by 1,053,309,776 issued, subscribed and paid-up shares in one single series of no par value, that are officially traded on Chilean stock exchanges.

The Company has not issued any shares or convertible instruments during the period, so the number of shares remained the same as of September 30, 2023.

Other Equity Reserves	9/30/2023	12/31/2022
	kUSD	kUSD
Investment in subsidiaries, business combination (1)	327,043	327,043
Balance of investment to take over control of subsidiary	47,912	47,912
Cash flow hedge net of taxes	30,401	31,088
Total	405,356	406,043

(1) Increase in the fair value of capital due to the acquisition of Electroandina S.A., Gasoducto Nor Andino SpA, Gasoducto Nor Andino Argentina S.A., Central Termoeléctrica Andina SpA. and Inversiones Hornitos SpA on December 29, 2009.

(2) The differential between absorbing the minority interest and the valuation of the investment of 40% under the agreement with AMSA dated June 30, 2020, reported as a material disclosure to the Financial Market Commission.

29.1 Dividend Policy

EECL's dividend policy is flexible. At least the minimum mandatory dividend of 30% is distributed pursuant to law and the bylaws. If the business situation allows, taking into consideration the company's projects and development plans, final or interim dividends may be paid in excess of the mandatory minimum. Subject to the pertinent approvals, the company endeavors to pay two interim dividends and a final dividend in May of each year.

In relation to Circulars 1945 and 1983 of the Financial Market Commission, the Company's Board of Directors decided that distributable net profits will be the Fiscal Year Profit attributable to shareholders shown in the financial statements, without any adjustment.

Distributable earnings totaled kUSD 69,498 as of September 30, 2023.

29.2 Capital Management

The corporate objective is to maintain an appropriate equilibrium so that there is sufficient capital to support operations and provide prudent leverage while optimizing the return for shareholders and maintaining a sound financial position.

Capital calls are made on the basis of the Company's financing needs, taking care to maintain an adequate level of liquidity and comply with the financial covenants set down in outstanding loan agreements.



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NOTE 30 – REVENUES

Revenues

Definition (See Note 3.13)

Revenue	January-September		July-September	
	2023	2022	2023	2022
	kUSD	kUSD	kUSD	kUSD
Power sales	1,553,546	1,268,816	469,513	461,770
Gas sale and transportation	67,966	41,308	12,695	11,750
Fuel sales	46	667	2	342
Toll sales ⁽¹⁾	82,055	76,635	26,123	21,650
Lease of facilities	966	867	291	286
Port services ⁽²⁾	5,452	7,031	1,687	2,586
Recovery of Capricornio Solar Plant Loss	1,340	0	0	0
Other sales - income	4,544	3,606	1,645	1,299
Total	1,715,915	1,398,930	511,956	499,683

(1) Income to which the owner of power lines and substations is entitled according to Article 114 of the General Electricity Law (Statutory Decree 4/Law 20,108).

(2) Services provided to the ship while it is docked at our pier during unloading, comprised of mooring/unmooring, wharfage, pier use and security, and a security fee. The latter two items are very linked to the ISPS Code.

Revenue from Main Customers

Main Customers	January-September				July-September			
	2023		2022		2023		2022	
	kUSD	%	kUSD	%	kUSD	%	kUSD	%
Customers (Central-South Segment of National Grid)	483,176	28.16%	398,422	28.48%	136,135	26.59%	148,974	29.81%
AMSA Group	331,608	19.33%	279,664	19.99%	107,849	21.07%	104,765	20.97%
Related customers	179,992	10.49%	163,024	11.65%	50,285	9.82%	58,995	11.81%
Other ⁽¹⁾	128,233	7.47%	119,514	8.54%	43,729	8.54%	38,587	7.72%
Other Group	84,854	4.95%	76,564	5.47%	29,771	5.82%	28,363	5.68%
Other	65,566	3.82%	60,184	4.30%	21,012	4.10%	21,810	4.36%
Other customers	442,486	25.78%	301,558	21.57%	123,175	24.06%	98,189	19.65%
Total	1,715,915	100.00%	1,398,930	100.00%	511,956	100.00%	499,683	100.00%

(1) The numbers for the AMSA Group include commercial transactions with the companies operated by this Group: Minera Michilla SpA, Minera Centinela and Minera Antucoya.

Revenue

Revenues	January-September		July-September	
	2023	2022	2023	2022
	kUSD	kUSD	kUSD	kUSD
Power sales	1,553,546	1,268,816	469,513	461,770
Other income	162,369	130,114	42,443	37,913
Total Sales	1,715,915	1,398,930	511,956	499,683



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NOTE 31 – COST OF SALES

Costs of sales

Costs of Sale	January-September		July-September	
	2023	2022	2023	2022
	kUSD	kUSD	kUSD	kUSD
Fuel, lubricants and other materials	492,177	493,224	120,714	161,657
Energy and capacity	632,857	588,095	189,229	213,064
Wages and salaries	18,827	19,228	6,566	6,717
Annual benefits	7,944	4,061	2,321	1,564
Other employee benefits	6,296	6,906	2,040	1,747
Post-employment obligations	11	11	0	0
Fuel cost of sale	65,330	19,307	13,946	7,450
Gas transportation	0	187	(10)	62
Wharfage	8,193	8,497	2,492	3,594
Maintenance and repairs	27,304	13,064	10,102	5,960
Outsourcing	29,579	20,338	9,710	8,873
Consulting and fees	1,520	728	814	322
Gas pipeline operation and maintenance	461	553	120	155
Tolls	55,255	49,625	10,667	14,995
Depreciation of property, plant and equipment	117,177	121,866	39,250	42,765
Right-of-use asset amortization	1,632	1,515	551	512
Depreciation of spare parts	1,608	(195)	305	(422)
Amortization of intangibles	12,220	12,221	4,073	4,074
Property taxes and business licenses	4,602	3,806	1,684	1,292
Insurance	24,957	20,958	9,173	7,528
Other disbursements	12,086	16,812	4,778	7,376
Total	1,520,036	1,400,807	428,525	489,285

NOTE 32 – OTHER OPERATING INCOME AND EXPENSES

Other Operating Income and Expenses

Other Operating Income and Expenses	January-September		July-September	
	2023	2022	2023	2022
	kUSD	kUSD	kUSD	kUSD
Sale of water	2,131	1,900	721	606
Recovery of uncollectibles	338	398	192	28
Uncollectible receivables	344	579	2,334	6,158
Sale of spare parts	0	105	0	38
Final recovery of Laja-EMR Loss	0	475	0	0
Partial recovery of Capricornio Solar Plant Loss	4,360	0	0	0
Other income	8,714	4,678	1,331	1,390
Total	15,887	8,135	4,578	8,220



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NOTE 33 – ADMINISTRATIVE EXPENSES

Administrative Expenses

Administrative Expenses	January-September		July-September	
	2023	2022	2023	2022
	kUSD	kUSD	kUSD	kUSD
Wages and salaries	7,525	10,082	2,963	3,359
Annual benefits	3,234	2,589	1,000	808
Other employee benefits	1,618	3,318	640	1,082
Post-employment obligations	14	14	0	0
Outsourcing and consulting	13,907	8,012	4,602	3,005
Depreciation of property, plant and equipment	2,247	2,165	805	829
Right-of-use asset amortization	1,574	827	345	276
Property taxes and business licenses	(992)	249	(1,271)	87
Insurance	25	23	1	(3)
Other	4,760	3,222	1,706	901
Total	33,912	30,501	10,791	10,344

NOTE 34 – PERSONNEL EXPENSES

Employee Expenses

Employee expenses	January-September		July-September	
	2023	2022	2023	2022
	kUSD	kUSD	kUSD	kUSD
Wages and salaries	26,352	29,310	9,529	10,076
Annual benefits	11,178	6,650	3,321	2,372
Other employee benefits	7,914	10,224	2,680	2,829
Post-employment obligations	25	25	0	0
Total	45,469	46,209	15,530	15,277

NOTE 35 – OTHER EXPENSES (INCOME)
Other Expenses (Income)

Other expenses (income)	January-September		July-September	
	2023	2022	2023	2022
	kUSD	kUSD	kUSD	kUSD
Derecognition of Capricornio Solar Plant (1)	7,718	0	0	0
Derecognition of right-of-use assets (2)	3,160	0	(437)	0
Derecognition of property, plant and equipment	2,058	0	0	0
Cost of sale of spare parts	0	4,535	0	4,517
Expenses of public position	0	0	0	(147)
Economic impairment (See Notes 11 and 17)	0	(3,926)	0	(3,926)
Total	12,936	609	(437)	444

- (1) The Capricornio Solar Power Plant was partially derecognized because of the loss occurring in the construction stage. The recovery is indicated in Notes 30 and 32.
- (2) On June 19th, the Ministry of Public Property issued Exempt Resolution #150 declaring that the pay-for-use concession for the “Pampa Yolanda” land was extinguished. On August 17th, the Ministry of Public Property issued Exempt Resolution #230 declaring that the pay-for-use concession for the “Calama C” land was extinguished.

NOTE 36 – FINANCIAL INCOME
Financial Income

Financial Income	January-September		July-September	
	2023	2022	2023	2022
	kUSD	kUSD	kUSD	kUSD
Financial interest	20,196	15,238	14,019	13,475
Total	20,196	15,238	14,019	13,475

NOTE 37 – FINANCIAL EXPENSES
Financial Expenses

Financial Expenses	January-September		July-September	
	2023	2022	2023	2022
	kUSD	kUSD	kUSD	kUSD
Financial interest	96,511	51,393	29,487	25,841
Lease financial interest	5,103	4,760	1,701	1,587
Total	101,614	56,153	31,188	27,428

The increase of USD 45.5 million in financial expenses in the first nine months of 2023 compared to the same period in the previous year was mainly caused by the increase in financial debt in 2022 to pay for investments in renewable energy projects, higher operating costs and the accumulation of accounts receivables because of the regulated customer price stabilization method. Financial expenses also varied because of the impact on income from the sale and assignment of balances owed to Engie under the temporary power price stabilization method (Law 21,185 of November 2019, or “PEC-1”). The difference between the nominal amount sold and the purchase price was recorded as a financial expense and includes the discount used and transaction expenses. This expense totaled USD 12.6 million in the first nine months of 2023 and USD 15.4 million in the first nine months of 2022.



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NOTE 38 – EXCHANGE DIFFERENTIALS

Assets and liabilities that gave rise to exchange differentials and the profit or loss on indexation units were as follows as of September 30, 2023 and 2022:

Exchange Differentials	Currency	January-September		July-September	
		2023	2022	2023	2022
		k USD	k USD	k USD	k USD
Assets					
Cash and Cash Equivalents	CLP	(5,471)	(42,755)	(7,164)	(29,980)
Cash and Cash Equivalents	EUR	8,071	41,671	4,853	30,049
Cash and Cash Equivalents	Argentine Peso	943	(110)	877	(191)
Trade receivables and other accounts receivable, current	CLP	(4,580)	(9,156)	(5,644)	(5,348)
Trade receivables and other accounts receivable, current	EUR	(6)	(37)	(15)	(17)
Trade receivables and other accounts receivable, current	Argentine Peso	0	(1)	0	0
Trade receivables and other accounts receivable, current	UF	0	0	0	3
Current tax assets	Argentine Peso	(731)	(52)	(630)	126
Related-entity receivables, current	CLP	1,312	113	1,310	(33)
Other non-financial assets	CLP	(12,990)	(13,414)	(22,894)	(3,190)
Other non-financial assets	EUR	34	538	(36)	(56)
Other non-financial assets	Argentine Peso	(91)	(62)	0	(28)
Other non-financial assets	UF	0	(4)	0	1
Trade receivables and other accounts receivable, non-current	CLP	(120)	(415)	(303)	(85)
Other non-financial assets, non-current	UF	(2)	0	(18)	0
Total Assets		(13,631)	(23,684)	(29,664)	(8,749)
Liabilities					
Lease liabilities, current	CLP	258	(725)	(178)	(357)
Trade payables and other accounts payable, current	CLP	1,834	31,432	24,546	12,263
Trade payables and other accounts payable, current	EUR	90	608	140	509
Trade payables and other accounts payable, current	GBP	(5)	6	6	11
Trade payables and other accounts payable, current	Yen	0	(1)	0	0
Trade payables and other accounts payable, current	UF	352	100	615	(127)
Trade payables and other accounts payable, current	Swiss Franc	3	0	1	0
Current tax liabilities	Argentine Peso	(401)	(180)	0	(116)
Related-entity payables, current	CLP	0	0	165	0
Related-entity payables, current	EUR	0	1	0	0
Related-entity payables, current	UF	0	1	0	(1)
Other non-financial liabilities	CLP	866	3,100	2,760	769
Deferred tax liabilities	Argentine Peso	(232)	(316)	0	(141)
Non-current lease liabilities	CLP	6,980	(16,547)	(2,402)	(8,148)
Employee benefit provisions	CLP	(60)	579	857	154
Other Provisions	Argentine Peso	78	172	0	67
Total Liabilities		9,763	18,230	26,510	4,883
Total Exchange Differentials		(3,868)	(5,454)	(3,154)	(3,866)



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NOTE 39 – EARNINGS PER SHARE

Disclosures on Basic Earnings per Share	January-September		July-September	
	2023	2022	2023	2022
	kUSD	kUSD	kUSD	kUSD
Earnings (loss) attributable to holders of equity instruments of the Controller	69,498	(58,164)	42,652	(17,752)
Basic earnings available to common shareholders	69,498	(58,164)	42,652	(17,752)
Basic weighted average number of shares	1,053,309,776	1,053,309,776	1,053,309,776	1,053,309,776
Basic Earnings per Share	USD 0.066	USD -0.055	USD 0.04	USD -0.017

Shareholders in the Company

Majority Shareholders as of September 30, 2023	Number of Shares	Percentage Interest
ENGIE Austral S.A.	631,924,219	59.99%
Banco Santander for account of foreign investors	40,775,693	3.87%
Banco de Chile for account of State Street	26,820,203	2.55%
Compass Small Cap Chile Investment Fund	17,542,137	1.67%
BCI Corredores de Bolsa S.A.	17,275,498	1.64%
Larrain Vial S.A. Corredora de Bolsa	16,808,624	1.60%
AFP Provida S.A. Type C Fund	16,504,511	1.57%
AFP Habitat S.A. Type C Fund	11,707,492	1.11%
BANCHILE Corredores de Bolsa S.A.	11,497,425	1.09%
AFP Provida S.A. Type B Fund	11,041,766	1.05%
BICE Inversiones Corredores de Bolsa S.A.	11,000,597	1.04%
AFP Habitat S.A. Type A Fund	10,029,740	0.95%
Other shareholders	230,381,871	21.87%
Total	1,053,309,776	100.00%



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NOTE 40 – GUARANTEES PROVIDED TO THIRD PARTIES, OTHER CONTINGENT ASSETS AND LIABILITIES AND OTHER ITEMS

40.1 Direct guarantees

Name of Recipient	Type of Collateral	Balances Pending Payment on the Financial Statement Closing Date	
		9/30/2023	12/31/2022
		kUSD	kUSD
National Electric Coordinator	Bank Guarantee	187,937	196,638
Regional Office of the Ministry of Public Property	Bank Guarantee	37,472	38,030
Ministry of Energy	Bank Guarantee	23,604	17,891
Interchile S.A.	Bank Guarantee	9,450	6,400
Albemarle Limitada	Bank Guarantee	7,731	1,546
Director General of the Maritime Territory and Merchant Marine	Insurance Policy	2,027	2,044
Parque Solar Fotovoltaico Solar del Desierto SpA	Bank Guarantee	2,000	2,000
Sierra Gorda Sociedad Contractual	Bank Guarantee	1,500	1,500
Transelec S.A.	Bank Guarantee	1,255	1,258
CGE Transmisión S.A.	Bank Guarantee	1,100	1,100
Hidroeléctrica Río Lircay S.A.	Bank Guarantee	1,058	1,058
Enaex S.A.	Bank Guarantee	771	849
SQM Salar S.A.	Bank Guarantee	700	
Antofagasta and Tarapaca Region Roadworks Office	Bank Guarantee	548	556
Transelec Holdings Rentas Limitada	Bank Guarantee	255	258
Sistema de Transmisión del Sur S.A.	Bank Guarantee	170	172
Cia. Exploradora y Explotadora Minera Chileno Rumana S.A.	Bank Guarantee	165	
Enel Distribución Chile S.A.	Bank Guarantee	127	129
ENAX Servicios S.A.	Bank Guarantee	122	64
Eolica La Estrella SpA	Bank Guarantee	104	106
Colbun Transmisión S.A.	Bank Guarantee	85	86
Compañía General de Electricidad S.A.	Bank Guarantee	85	86
Don Goyo Transmisión S.A.	Bank Guarantee	85	86
Empresa de Transmisión Eléctrica Transemel S.A.	Bank Guarantee	85	86
National Copper Corporation (CODELCO)	Bank Guarantee	47	48
Dr. Ernesto Torres Galdames Hospital	Bank Guarantee	47	47
San Jose del Carmen Hospital	Bank Guarantee	45	45
Andes Solar SpA	Bank Guarantee	40	
Dr. Juan Noé Crevanni Hospital	Bank Guarantee	38	38
San Pablo Hospital	Bank Guarantee	37	37
Complejo Metalúrgico Altonorte S.A.	Bank Guarantee	35	36
Huasco Provincial Hospital	Bank Guarantee	18	18
Dr. Marcos Macuada Hospital	Bank Guarantee	9	9
Fundación Nuevos Tiempos	Bank Guarantee	6	6
Dr. Héctor Reyno Gutiérrez Family Health Care Center	Bank Guarantee	4	4
Total		278,762	272,231

No assets have been given in guarantee.



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NOTE 40 – GUARANTEES PROVIDED TO THIRD PARTIES, OTHER CONTINGENT ASSETS AND LIABILITIES AND OTHER ITEMS (continued)

40.2 Indirect guarantees

At the close of the financial statements, the Company had provided indirect guarantees for its subsidiary, Transmisora Eléctrica del Norte S.A. (TEN).

Name of Recipient	Type of Collateral	Balance Pending Payment on the Financial Statement Closing Date	
		9/30/2023	12/31/2022
		kUSD	kUSD
Banco de Crédito e Inversiones	Corporate guarantee	6,000	6,000
MUFG Union Bank, N.A.	Corporate guarantee	10,000	10,000
Alstom Grid Chile S.A.	Corporate guarantee	294,310	297,499
Ing. y Construc. Sigdo Koppers S.A.	Corporate guarantee	324,906	327,519
Total		635,216	641,018

40.3 Guarantees received from third parties

Name		9/30/2023	12/31/2022
		kUSD	kUSD
In favor of ENGIE ENERGIA CHILE S.A.			
Goldwind Chile SpA	Contract performance bond	63,710	0
Sungrow Power Supply Co. Ltd.	Contract performance bond	89,967	0
Strabag	Contract performance bond	15,148	0
Siemens Gesa Renewable Energy S.A.	Contract performance bond	11,065	11,065
OHL Industrial Chile S.A.	Contract performance bond	5,189	9,719
Siemens Energy Chile SpA	Contract performance bond	8,163	4,053
Grid Solutions Chile S.A.	Contract performance bond	2,440	1,802
B. Bosch S.A.	Contract performance bond	975	2,172
Sergio Cortes Alucema e Hijo Ltda.	Contract performance bond	1,500	1,500
Elecnor Chile S.A.	Contract performance bond	1,640	1,653
Global Energy Services Siemsa S.A.	Contract performance bond	4,275	1,652
Ima Industrial SpA	Contract performance bond	1,440	1,507
Albemarle Ltda.	Contract performance bond	0	1,546
Hidroeléctrica Río Lircay S.A.	Contract performance bond	1,058	0
Somacor S.A.	Contract performance bond	923	966
Mantenimiento Técnico Industrial Ltda.	Contract performance bond	245	256
Flesan Minería S.A.	Contract performance bond	220	223
Sungrow Power Supply Co. Ltd.	Contract performance bond	221	221
Import. y Servicios Advanced Computing Tech. S.A.	Contract performance bond	98	100
Engineering Construction Co., Ltd.	Contract performance bond	0	21
Agua de Antofagasta S.A.	Contract performance bond	0	850
Promet Servicios SpA	Contract performance bond	6,506	0
Ingeniería y Const. Sigdo Koppers S.A.	Contract performance bond	10,327	0
SK Engineering & Construction Co.	Contract performance bond	21,334	0
Energía Eólica CJR Wind Chile Ltda.	Contract performance bond	3,959	0
Siemens S.A.	Contract performance bond	118	75
Miscellaneous	General contract performance guarantee	6,232	5,837
Subtotal		256,753	45,218



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NOTE 40 – GUARANTEES PROVIDED TO THIRD PARTIES, OTHER CONTINGENT ASSETS AND LIABILITIES AND OTHER ITEMS (continued)

40.3 Guarantees received from third parties (continued)

Name		9/30/2023	12/31/2022
		kUSD	kUSD
In favor of Electroandina SpA.			
Soc.Maritima y Com. Somarco Ltda.	Contract performance bond	244	190
Miscellaneous	General contract performance guarantee	63	99
Subtotal		307	289
In favor of Central Termoelectrica Andina SpA			
Ima Industrial SpA	Contract performance bond	720	754
Servicios Industriales Ltda.	Contract performance bond	182	125
Soc.Maritima y Com. Somarco Ltda.	Contract performance bond	0	300
Miscellaneous	General contract performance guarantee	157	234
Subtotal		1,059	1,413
In favor of Inversiones Hornitos SpA			
Minera Centinela	Contract performance bond	0	200,000
ABB S.A.	Contract performance bond	23	23
Servicios Industriales Ltda.	Contract performance bond	182	125
Inneria Chile SpA	Contract performance bond	0	88
Miscellaneous	Contract performance bond	134	129
Subtotal		339	200,365
In favor of Edelnor Transmisión S.A.			
Copiapo Solar SpA	Contract performance bond	3,639	0
Hyosung Heavy Industries Corporation	Contract performance bond	1,573	
Kalpataru Power Chile SpA	Contract performance bond	121	0
ABG Abengoa Chile S.A.	Contract performance bond	0	683
El Sol de Vallenar SpA	Contract performance bond	0	424
Grid Solutions Chile SpA	Contract performance bond	0	24
Siemens S.A.	Contract performance bond	0	121
B. Bosch S.A.	Contract performance bond	225	225
Nortcontrol Chile SpA	Contract performance bond	63	64
Pozo Almonte Solar 3 S.A.	Contract performance bond	64	0
Globaltec Servicios y Construcción Ltda.	Contract performance bond	368	0
Soc. de Ingenieria de la Energia Flow Energy	Contract performance bond	216	0
Miscellaneous	Contract performance bond	202	0
Subtotal		6,471	1,541
In favor of Gasoducto Nor Andino SpA			
Arrendadora de Vehiculos S.A.	Contract performance guarantee	15	15
Subtotal		15	15
In favor of Eólica Monte Redondo SpA			
Ingeteam Power Technology S.A.	Contract performance guarantee	630	639
Pine SpA	Contract performance guarantee	257	257
Asesoría Forestal Integral Ltda.	Contract performance guarantee	43	43
Transportes José Carrasco Retamal E.I.R.L.	Contract performance guarantee	0	4
GGP Servicios Industriales SpA	Contract performance guarantee	24	25
Miscellaneous	Contract performance guarantee	55	67
Subtotal		1,009	1,035
In favor of Solar Los Loros SpA			
GGP Servicios Industriales SpA	Contract performance guarantee	14	15
Emerson Electric	Contract performance guarantee	97	0
Miscellaneous	Contract performance guarantee	4	3
Subtotal		115	18
Total		266,068	249,894



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NOTE 40 – GUARANTEES PROVIDED TO THIRD PARTIES, OTHER CONTINGENT ASSETS AND LIABILITIES AND OTHER ITEMS (continued)

40.4 Restrictions

As of September 30, 2023, the Company owed short-term loans totaling USD 165 million to BCI, Banco Santander, Banco de Chile and Banco Estado, as described in Note 20.1.1. These loans are accruing interest at a fixed rate and are documented by a simple promissory note recording the obligation to make payment on the agreed date. There are no financial or operating restrictions and prepayment is possible at no cost to the company.

As of September 30, 2023, EECL had two bonds outstanding: one for US\$500,000,000.00, issued in January 2020, and another for US\$350,000,000 issued in October 2014, both under Rule 144-A and Regulation S. The purpose of the bond issue in January 2020 was to fund (i) the early redemption of the US\$400M 144-A bond issued in December 2010 that was originally set to expire on January 15, 2020; (ii) the breakage cost paid to the bondholders because of the early redemption; and (iii) general purposes of the company. There are no financial covenants in the bond issues, but there are restrictions on the Company and its subsidiaries granting collateral and security, excluding the following types of guarantees permitted under the indenture agreements: (i) Guarantees on (a) assets built or acquired after the date of the bond issue or (b) shares, ownership interests or debt securities backed by assets related to the Company's main business, provided such pledges or guarantees are established simultaneously or in no more than 360 days after the acquisition of the assets or the completion of the construction of the relevant project or asset; (ii) collateral or security on assets of any entity that is being acquired by the Company that exist at the time of such acquisition; (iii) guarantees securing obligations owed by any subsidiary to the Company or to another Company subsidiary; (iv) any type of collateral or security existing on the date of the bond issue; and (v) any extension, renewal or total or partial replacement of the above guarantees, provided the amount of the debt secured by such guarantees is less than or equal to the value of the guarantees at the time of the extension, renewal or replacement. The indenture agreement also restricts leaseback transactions.

Rule 144-A allows securities issued by foreign issuers to be placed in the United States of America without having to register the issue with the Securities and Exchange Commission (SEC), provided the purchasers are qualified investors. Regulation S allows those securities to be placed simultaneously or to later be resold outside of the United States.

The medium- and long-term bank debt totaled USD 895 million as of September 30, 2023 (USD 125 million with IDB Invest, USD 250 million with Scotiabank, USD 170 million for a syndicated loan from Banco Santander, Banco Estado, Rabobank, Société Générale and Intesa Sao Paulo, USD 100 million with Scotiabank, USD 50 million with BCI, USD 175 million with IFC and USD 25 million with DEG). These loans are described below.

On December 23, 2020, EECL signed a loan agreement for USD 125,000,000 with IDB Invest, comprised of a senior loan from IDB Invest and the China Fund for co-financing in Latin America and the Caribbean, limited to USD 110,000,000, and a loan for USD 15,000,000 from the Clean Technology Fund (CTF). The Company drew down the entire loan on August 27, 2021.

On July 26, 2022, EECL signed a loan agreement with Scotiabank for USD 250 million, which was drawn down in two disbursements. It drew down the first loan for USD 150 million on July 28, 2022, and the second on September 7, 2022. Both loans stipulate semi-annual interest payments in January and July of each year, and one single principal payment on July 26, 2027. The loans are accruing interest at a variable rate, equal to the SOFR, compounded daily, plus a spread. On August 19, 2022, EECL signed two interest rate swaps with Banco de Chile for a notional amount equivalent to 70% of the above loans, or a total of USD 175,000,000. The purpose was to set the base rate of the loans and thus hedge the company's cash flow against the risk of a rise in market interest rates. The base rate was thus fixed for these transactions at 2.874% annually.

On December 15, 2022, the Company signed a five-year loan agreement with Banco Santander for a total committed amount of USD 170 million. It drew down the first USD 77 million on December 15, 2022 to pay for the purchase of shares in the San Pedro Wind Farms in Chiloé. The remaining USD 93 million was drawn down on February 15, 2023. The loan is accruing interest at a variable rate, based on the SOFR plus a spread. To hedge against interest rate risk, the Company invested in interest rate swaps with Banco Santander for a notional amount equivalent to 70% of the loan principal. The SOFR then became fixed at an average rate of 3.418% annually for that portion of the loan. Banco Santander assigned portions of this loan in 2023 so that there are five lenders each lending USD 34 million: Banco Santander, Banco Estado, Rabobank, Société Générale and Intesa San Paolo



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NOTE 40 – GUARANTEES PROVIDED TO THIRD PARTIES, OTHER CONTINGENT ASSETS AND LIABILITIES AND OTHER ITEMS (continued)

40.4 Restrictions (continued)

On April 20, 2023, the company renewed the two loans with Scotiabank described in numbers (4) and (8) of Note 20.1.1 and merged them into one single loan for USD 100 million expiring October 21, 2024. It has been documented by a simple promissory note recording the obligation to make payment on the agreed date. There are no financial or operating restrictions and there is a prepayment option.

On May 22, 2023, the company renewed the loan with BCI described in number (17) of Note 20.1.1 that will expire November 12, 2024. It has been documented by a simple promissory note recording the obligation to make payment on the agreed date. There are no financial or operating restrictions and there is a prepayment option.

On December 15, 2022, the Company guaranteed the long-term project financing totaling USD 79.4 million owed by Energías de Abtao S.A. (owner of the San Pedro 2 Wind Farm) to Banco Itaú, Consorcio Seguros de Vida and Banco Consorcio. USD 4.3 million of that loan was to expire in 2023. The company prepaid all loans on February 15, 2023 and was thus released from the guarantees and restrictions imposed by them.

International Finance Corporation (IFC), a member of the World Bank Group, announced the signature of a green, sustainability-linked loan to ENGIE Energie Chile S.A. (ENGIE Chile). This loan, coupled with a parallel loan from DEG, a German bank and member of the KfW development bank group, means a total commitment of USD 400 million out to 10 years. The purpose of this loan is to finance investments in renewable energy projects in line with the Company's energy transformation plan to help it move from fossil fuel-based power generation to renewable energy generation and to the installation of Battery Energy Storage Systems (BESS). USD 200 million of the loan was provided by IFC, USD 114.5 million by investors under the IFC-managed co-lending portfolio program, USD 35.5 million by the ILX Fund, an SDG-centered investor, under the IFC B Loan Program, and USD 50 million by the DEG loan. The Company received USD 200 million under this IFC-DEG loan on July 28, 2023, which leaves the remaining USD 200 million available to it to fund renewable energy projects.

The IFC/DEG and IDB Invest loans as well as the long-term loans from Scotiabank and Banco Santander impose certain restrictions usual to this type of financing. Those restrictions include the grant of guarantees by the company or its subsidiaries, except for the following types allowed under the indenture agreement: (i) guarantees on (a) assets built or acquired after the date of signature of the loan agreement; (b) shares or equity or debt securities backed by assets related to the company's main business, provided such pledges or collateral are established at the same time as, or no later than 360 days after, the acquisition of the assets or completion of the construction of the relevant asset or project; (ii) security or collateral on the assets of any entity being acquired by the company or existing at the time it was acquired by the company; (iii) collateral securing the obligations of any subsidiary owed to the company or to another company subsidiary; (iv) any type of security or collateral existing on the date of signature of the loan agreement; and (v) any extension, renewal or replacement of the above guarantees in whole or in part, provided the amount of the debt secured thereby is less than or equal to the value of the guarantees at the time of the extension, renewal or replacement. The loan agreement also places restrictions on leasebacks and limitations on an effective change in control of the company. A change in control without approval of the new controller by the lender will trigger a mandatory prepayment of the debt. These four loans are green loans, meaning the loans must be used for investment in renewable generation or power transmission projects that are rated green according to international standards, and the loans require that certain minimum levels of installed generating capacity be maintained and power purchase agreements during the term of the loans. None of the company's financial liabilities entail financial covenants or event-of-default triggers due to changes in risk ratings.

40.5 Other Contingencies

a) Various easements are currently being processed with the authorities, which have not yet been granted, for the Chapiquiña-Putre, Capricornio-Alto Norte, Capricornio-Antofagasta and El Negro-Soquimich transmission lines; and for the tap-off at the El Negro Substation.



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NOTE 40 – GUARANTEES PROVIDED TO THIRD PARTIES, OTHER CONTINGENT ASSETS AND LIABILITIES AND OTHER ITEMS (continued)

40.5 Other contingencies (continued)

b) **Damage Indemnity Claim against GasAtacama Chile S.A.** EECL and its subsidiaries Central Termoelectrica Andina SpA, Inversiones Hornitos SpA and Electroandina SpA filed a claim against GasAtacama Chile S.A. before the 22nd Civil Court of Santiago seeking an indemnity for the damages caused to the plaintiffs by GasAtacama because it provided incorrect information to the Economic Load Dispatch Center from January 2011 to October 2015 that raised the costs of the members of the electric system.

On May 15, 2018, the 24th Civil Court of Santiago ordered that this case be joined to the claim filed by AES Gener. On April 18, 2019, a reconciliation hearing was held, but no reconciliation was reached. At the defendant's request, the Court ordered the plaintiffs to act through a common legal counsel or lawyer. EECL filed a subsidiary motion for reconsideration that the Court sustained. After the argument period ended, an order was issued in February 2020 to present evidence. The parties filed a motion for reconsideration of that order and, alternatively, an appeal. The motion for reconsideration was partially sustained and the appeal was deemed filed on June 18, 2020. The docket was then sent to the Santiago Court of Appeals on June 22, 2020 to decide on the appeal against the order on evidence to be presented. Both parties presented their arguments on November 10, 2020 and the case was settled by an agreement. The Court rendered a ruling on July 30, 2021 dismissing the appeal by EECL, CTH, CTA and Electroandina. The plaintiffs petitioned that the case be reactivated on December 15, 2021. An order to suspend the evidentiary period for 45 business days was issued on January 24, 2022, through March 16, 2022.

The evidentiary period expired and no evidentiary measures are pending. Therefore, it is deemed that the parties should file the corresponding brief of observations to the evidence at the end of April, after which the Court will be ready to issue a final decision.

The court summoned the parties to hear a first-instance decision on May 15, 2023.

The claims are for the peso equivalent to US\$120,370,000 (EECL), US\$13,640,000 (Central Termoelectrica Andina S.A.), US\$18,910,000 (Inversiones Hornitos SpA) and US\$7,360,000 (Electroandina S.A.). The plaintiffs reserved the right to argue the type and amount of the loss of profit during the enforcement of the ruling or in a separate lawsuit.

c) Other Contingencies of Gasoducto Nor Andino Argentina S.A.

1) *Income tax contingency*

As of the year ending December 31, 2002, the Company accounted for and paid income taxes considering that the price-level restatement standards in the Income Tax Law were applicable. On June 18, 2003, it filed an action seeking a declaration of constitutional right by the courts declaring that the inflation-adjustment regime in the Income Tax Law was in effect or otherwise, that any rule preventing such an adjustment was unconstitutional. On October 27, 2008, the first-instance court dismissed the claim, which was appealed by the Company on November 18, 2008 before the Federal Administrative Appellate Court, which admitted the appeal for hearing on August 11, 2009, revoked the first-instance decision and ordered costs to be paid. The Federal Administrative Appellate Court thus validated the application of the inflation adjustment for the 2002 fiscal year.

The decision is not yet firm because the National Tax Authority filed an ordinary appeal before the National Supreme Court.

On October 27, 2006, the Federal Revenue Administration (AFIP)-General Tax Bureau (DGI) issued Resolution 99/2006 that contested the income tax declaration for the 2002 fiscal year filed by the Company, and as a result, officially calculated an income tax adjustment of US\$3,728,682, billed interest of US\$3,180,565 through that date, and applied a default fine of US\$1,864,341. On November 23, 2006, the Company filed an appeal before the Federal Tax Court. The case is currently in the evidence stage.

As is well known, inflation adjustment is an issue that has led to a number of court cases, and there have been various favorable rulings on solid grounds in different trial courts and federal courts.



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NOTE 40 – GUARANTEES PROVIDED TO THIRD PARTIES, OTHER CONTINGENT ASSETS AND LIABILITIES AND OTHER ITEMS (continued)

40.5 Other Contingencies (continued)

c) Other Contingencies of Gasoducto Nor Andino Argentina S.A. (continued)

In this context, on July 3, 2009, the National Supreme Court of Justice decided a case on inflation adjustment in the 2002 fiscal year (the *Candy* case) in favor of the taxpayer.

The court held the following in that decision:

- It ratified that the prohibition to adjust for inflation is constitutionally valid unless it results in confiscation.
- It considered that confiscation existed in the specific case, and it therefore allowed the taxpayer to adjust for inflation in the 2002 fiscal year.
- It considered that the income tax was equivalent to confiscation because the difference between the tax calculated, both with and without the inflation adjustment, was so disproportional that it could be reasonably concluded that the net profit calculated according to governing law, without any adjustment, did not adequately represent the income to be taxed by the income tax law.
- In this specific case, it considered that the actual aliquot of the tax, which accounted for 62% of the adjusted taxable income or 55% of adjusted book profits, used up a substantial portion of income that exceeded a reasonable taxation limit and thereby caused a case of confiscation.
- It expressly clarified that it took into consideration that the 2002 fiscal year was marked by one of the most serious economic, social and political crises in modern history, which was seen in the wholesale price index variation of 117.96% and the consumer price index variation of 40.90%. Also notable were the economic changes, the ban on currency conversion and the variation in the buying power of the currency.

The Company and its legal counsel consider that what was decided by the Supreme Court of Justice in the *Candy* case applies to the cases of Gasoducto Nor Andino Argentina S.A. since the effective tax aliquots calculated without any inflation adjustment of either adjusted taxable income or book profits generated figures that amply exceeded the 55% and 62% that the Supreme Court considered equivalent to confiscation (as inferred from the expert accounting opinion provided in the declarative action and the opinions of the experts presented by each party in the case before the National Tax Court). This was also the decision by the Federal Administrative Appellate Court when it applied the doctrine set down in the *Candy* case in the decision rendered August 11, 2009 in the declarative action filed by Gasoducto Nor Andino Argentina S.A. The Argentine Supreme Court finally ruled in favor of Gasoducto Nor Andino Argentina S.A. in November 2012.

In October 2006, while the declarative action was in process, the AFIP rendered an official decision contesting the 2002 fiscal year income tax filing by Gasoducto Nor Andino Argentina S.A. The objection was based solely on the fact that the inflation adjustment was not in effect. The decision was appealed to the National Tax Court (“TFN”) and a suspension requested. Two new expert accounting opinions were presented, one by an expert proposed by AFIP and another proposed by the Company. The Company’s expert said that if no inflation adjustment would have been applied, the 2002 fiscal year income tax would have been 142.59% of the adjusted taxable profits for that fiscal year and 460.15% of the adjusted book profit. The AFIP’s expert said that those same percentages were 85.68% and 93.64%, respectively. The decision rendered by the Supreme Court (in November 2012) was also informed opportunely to the TFN in the aforesaid declarative action.

In November 2013, the TFN rendered a decision granting the Company’s appeal and revoking the official decision. The Court held that both the Supreme Court’s ruling rendered in the declarative action and the expert accounting opinion presented in the case—including if the percentages cited by AFIP’s expert were used—clearly showed that an event of confiscation would have occurred if the inflation adjustment had not been applied.



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NOTE 40 – GUARANTEES PROVIDED TO THIRD PARTIES, OTHER CONTINGENT ASSETS AND LIABILITIES AND OTHER ITEMS (continued)

40.5 Other Contingencies (continued)

c) Other Contingencies of Gasoducto Nor Andino Argentina S.A. (continued)

The AFIP appealed to the Federal Administrative Appellate Court. Room V of that court decided to void the TFN's ruling (notified February 1, 2016) in the understanding that it was not a *res judicata* (meaning that the decision rendered in the declarative action did not end this lawsuit) and that the Tax Court had to decide on the way in which the Company made the inflation adjustment and the measure of its actual impact on the resulting tax.

Consequently, without deciding on the substance of the matter, it ordered that the case file be returned to the TFN for a new ruling. In view of the Room V Court's decision, Gasoducto Nor Andino Argentina S.A. filed an Extraordinary Federal Appeal with the Supreme Court based on the following grounds:

1. The favorable decision by the Supreme Court in the declarative action.
2. The expert opinions provided in both cases.
3. The fact that the expert proof consisted of requesting that experts themselves calculate the tax, including an inflation adjustment (meaning that the company's tax filing not be used).
4. The official decision by the tax authority.
5. Procedural matters relating to preclusion (meaning the moment when the tax authority made certain arguments and questioned the inflation adjustment used).
6. The fact that TFN's decision adequately took the expert opinions into account.

For these reasons, the company believes that there is a high probability that the Supreme Court will revoke the Room V Court's decision, leave the TFN ruling binding, and thereby definitively resolve the issue. Should the Supreme Court dismiss the appeal, the case file will be returned to the TFN for a new ruling and the Company would return to the actual state of things in this case.

On April 14, 2023, the TFN ruled in favor of Gasoducto Nor Andino Argentina S.A and revoked the decision rendered October 17, 2006 by the tax authority demanding payment of income tax for the 2002 fiscal year.

The AFIP filed an appeal against this decision, but recently submitted a brief partially withdrawing its appeal. It withdrew the appeal against the matter of substance and is only continuing with the appeal for the payment of court costs. Consequently, the revocation of the AFIP's claim is final and it can no longer dispute the application of the inflation adjustment of taxes for that period.

We answered the appeal and in it petitioned that the government continue to be held liable for costs because it was the losing party in the lawsuit.

The case file was received by the Appellate Chamber on September 26th and is being analyzed for a decision on the imposition of costs.



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NOTE 41 – NUMBER OF EMPLOYEES

As of September 30, 2023 and December 31, 2022, the Company had the following number of employees under a continuing employment contract:

Number of Employees by Profession and Area	Engineers	Technicians	Other Professionals	Total	Total
				2023	2022
Generation	185	371	2	558	548
Transmission	55	63	0	118	107
Administration and Support	215	92	0	307	238
Total	455	526	2	983	893

NOTE 42 – PENALTIES

Neither the Company nor its executives have been penalized by the Financial Market Commission thus far in 2023 or in the 2022 fiscal year.

NOTE 43 – THE ENVIRONMENT

The Company and its subsidiaries have an extensive environmental monitoring program that includes air emissions, air quality and discharges into water, marine monitoring, biological monitoring and other environmental studies that ensure a total control of their operations in compliance with governing laws and strict internal regulations adopted to attain objectives in harmony with the environment.

In June 2006, the EECL Group received certification under ISO 9001, ISO 14001 and OHSAS 18001 from AENOR, a certification agency. Since then, the management system has been audited annually by AENOR to confirm that the system is working and is in compliance with the certified standard models. EECL has also verified that it has incorporated all the recent changes in the standards, such as the definitions of life cycle. AENOR, the certification agency, conducted a new annual audit of the Management System in June 2023. 6 minor nonconformities were found and 1 major nonconformity. A corrective action plan was presented to, and has been validated by, AENOR, so certification was renewed for another period.

The Company participates in several research and development initiatives in UCRE projects, some of which are undergoing an environmental assessment, some of which have received environmental approval or are under construction. In September 2019, the environmental authority was informed that the construction of the Calama Wind Farm and Capricornio Solar Power Plant had begun. It was disclosed in June 2020 that construction of the Tamaya Solar Power Plant Project had begun. The Calama Wind Farm began commercial operation in December 2021, followed by the Tamaya Solar Power Plant in January 2022, the Capricornio Solar Power Plant in November 2022 and the Coya Solar Farm in March 2023. The environmental integration of the San Pedro Wind Farm also began in the first quarter of 2023. A work schedule has been defined to adapt it to the organization’s environmental standards.



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NOTE 43 – THE ENVIRONMENT (continued)

EECL informed the electricity authorities of the removal of units 12-13, and their disconnection was authorized in April 2019. These units were effectively removed from service on June 7, 2019, dismantled, and the waste disposed of. Unit 14 of the Tocopilla Power Plant was disconnected from the SEN in June 2022 and Unit 15 on September 30, 2022. Under ENGIE's transformation plan, it received approvals from the Antofagasta SEA during this quarter for the Tocopilla and Mejillones synchronous condenser projects and notice that the operational continuity of the Tocopilla crane does not need to be submitted to the SEIA.

All generating units of the Tocopilla and Mejillones Power Plants were in line with the emissions standard for thermal power plants in 2022, which regulates particulate matter, sulfur dioxide and nitrogen oxide, as stated in the reports issued by the SMA'S Oversight Division.

All generating units are CEMS-certified by the Environmental Commission (abbreviated as SMA in Spanish). These systems include a quality assurance program under which daily, quarterly and annual verifications are performed. The annual tests are performed by certified laboratories and the results will validate the CEMS for another year. The annual validations of the CEMS for 2023 were begun and completed according to the defined schedule. The original CEMS validation schedule was changed because the generating units are not being dispatched often.

A continuous emissions monitoring system (CEMS) was installed, validated and certified at the Tocopilla turbogas units (back-up units) to quantify the emissions subject to the emission standard for Thermal Power Plants. A DeNOx system was also implemented, so now the restriction was lifted of not operating more than 10% of the hours in the year. The SMA issued Exempt Resolution 1929 in November 2022 certifying the TG3 CEMS.

All of the generating units have received SMA approval of the emissions calculation methods for the payment of green taxes (Law 20,780), which are direct measurements (through CEMS) or indirect measurements (estimates) when there are no CEMS certified by the SMA. 2022 emissions have already been reported and validated and USD 17,866,910 were paid. The 35% decrease in the tax compared to the 2021 emissions was the result of a decrease in thermal power generation.

The authorities conducted 8 environmental/health inspections in 2022 and made 7 requests for information. No environmental deviations were found and only for 3 inspections were health investigations begun because of operating deviations in the hazardous substance warehouses and waste yards. Defensive reports were presented in all cases. Only two of these investigations have been resolved thus far to date, resulting in fines totaling 24 monthly tax units (UTM, as abbreviated in Spanish). There have been two health inspections thus far in 2023, at the Tocopilla Power Plant, resulting in two health investigations in which defensive reports have been presented. Only one of those investigations has been resolved, resulting in a fine of 25 UTM. All fines have been paid.

The Company suffered a social and environmental incident on August 13, 2021, caused by a visible emission of ash from Unit 1 of the Mejillones Power Plant. The emissions were controlled and nearly all of the spilt ash was recovered. This occurrence was reported to the SMA, which requested further information. It is now being investigated by the SMA but the SMA has not requested any more information or measures because of this event as of this date. No environmental incidents were reported to the authority from January to September 2023.

On February 5, 2020, Eolica Monte Redondo SpA was served an environmental damage claim before the Third Environmental Court. The case number is D-33-2017. The claim is against the algae bloom occurring in the summer months in the Laja River reservoir due to the decreased flow, the increase in temperature and the nutrient content in the water column. The company has conducted environmental monitoring to gain an understanding of the problem. The community has participated in the monitoring and new measures to prevent and mitigate the algae bloom are being investigated. Some of these measures have been tried on a pilot scale and new preventive measures will continue to be evaluated. The results of the monitoring and control measures are reported annually to the environmental authorities. In March 2022, the Third Environmental Court inspected the Laja Power Plant and three sectors of the reservoir because



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NOTE 43 – THE ENVIRONMENT (continued)

of an environmental damage lawsuit. It noted that the water was clear, there were fish and birds, and no bad smells or algae bloom. The company has received the certificate of this inspection. A reconciliation hearing was later held at the company's request, and the Third Environmental Court issued terms and conditions of reconciliation with the technical and social objectives to resolve this claim. An action plan was proposed to the plaintiff in November 2022, who has not made any observations thus far to date. The deadline to present a reconciliation agreement was postponed to the end of March 2023. In the first quarter of 2023, the plaintiffs said that they would not continue with the reconciliation and they petitioned that the Environmental Court act as a mediator. The environmental claim (evidence and arguments) was heard in the 2nd quarter and is now pending a ruling by the Environmental Court.

We were served an environmental reparation claim on October 27, 2022, claiming damage to the facility where the Iquique diesel-fired power plant operated. It is being heard by the First Environmental Court under case number D-17-2022. The plaintiff is claiming that there has been damage to soil and water because of the power plant's operation. Studies are currently under way to determine the condition of the power plant and the necessary cleaning measures. The evidentiary stage began in March 2023, as did the arguments by both parties and the statements by expert witnesses. The Environmental Court now needs to decide on the next measures. Removal of the solid waste was completed during the 2nd quarter and the water was monitored. It was determined that no hydrocarbons are present in the water. All this information was sent to the Environmental Court.



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NOTE 44 – SUMMARY FINANCIAL INFORMATION ON SUBSIDIARIES

Summary financial information is provided below as of September 30, 2023, according to International Financial Reporting Standards:

Tax I.D.	Name of Company	Interest	Current Assets	Non-Current Assets	Total Assets	Current Liabilities	Non-Current Liabilities	Total Liabilities	Revenue	Net Profit (Loss)
		%	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
96.731.500-1	Electroandina SpA.	100.00%	35,485	19,892	55,377	5,788	0	5,788	4,816	(2,688)
78.974.730-K	Gasoducto Nor Andino SpA	100.00%	19,859	46,889	66,748	3,145	15,921	19,066	15,006	4,036
Foreign	Gasoducto Nor Andino Argentina S.A.	100.00%	2,135	28,009	30,144	449	8,204	8,653	2	(5,100)
76.708.710-1	Central Termoelectrica Andina SpA.	100.00%	111,361	524,475	635,836	45,158	179,385	224,543	243,540	74,057
76.046.791-K	Edelnor Transmisión S.A.	100.00%	14,376	67,473	81,849	32,614	38,307	70,921	13,497	3,129
76.009.698-9	Inversiones Hornitos SpA.	100.00%	90,589	248,645	339,234	131,412	67,340	198,752	40,638	(15,758)
76.247.976-1	Solar Los Loros SpA	100.00%	2,959	42,798	45,757	446	5,706	6,152	1,836	(170)
76.379.265-K	Parque Eólico Los Triguales SpA	100.00%	2	0	2	46	0	46	0	0
76.247.968-0	Solairedirect Generación VI SpA	100.00%	0	164	164	137	0	137	0	0
76.267.537-4	Solairedirect Generación IX SpA	100.00%	0	164	164	137	0	137	0	0
76.019.239-2	Eolica Monte Redondo SpA	100.00%	17,553	111,189	128,742	1,700	38,756	40,456	11,975	3,861
76.114.239-9	Alba SpA	100.00%	23,783	14,506	38,289	4,195	41,370	45,565	3,906	(2,908)
76.114.229-1	Alba Andes SpA	100.00%	1,598	9,439	11,037	54	11,861	11,915	1,044	(209)
76.114.213-5	Alba Pacifico SpA	100.00%	1,598	9,424	11,022	50	11,796	11,846	1,044	(206)
76.376.043-K	Rio Alto S.A.	100.00%	10,776	23,415	34,191	1,303	24,277	25,580	6,826	1,012
76.379.265-K	Energias de Abtao S.A.	100.00%	15,252	47,912	63,164	2,783	70,101	72,884	5,520	(1,680)
77.708.483-6	Eolica Entre Cerros SpA	100.00%	0	1,031	1,031	10	0	10	0	0

The financial information on the companies included in the consolidation was as follows as of December 31, 2022:

Tax I.D.	Name of Company	Interest	Current Assets	Non-Current Assets	Total Assets	Current Liabilities	Non-Current Liabilities	Total Liabilities	Revenue	Net Profit (Loss)
		%	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
96.731.500-1	Electroandina SpA.	100.00%	39,290	20,383	59,673	7,396	0	7,396	15,149	238
78.974.730-K	Gasoducto Nor Andino SpA	100.00%	12,919	52,521	65,440	4,196	17,598	21,794	15,804	(7,214)
Foreign	Gasoducto Nor Andino Argentina S.A.	100.00%	2,017	3,203	5,220	305	8,802	9,107	4	(14,337)
76.708.710-1	Central Termoelectrica Andina SpA.	100.00%	98,039	544,257	642,296	47,731	257,329	305,060	276,565	(14,154)
76.046.791-K	Edelnor Transmisión S.A.	100.00%	5,551	47,998	53,549	20,716	25,034	45,750	13,312	2,263
76.009.698-9	Inversiones Hornitos SpA.	100.00%	89,137	258,381	347,518	124,748	66,530	191,278	105,284	62,575
76.247.976-1	Solar Los Loros SpA	100.00%	3,960	42,933	46,893	1,423	5,695	7,118	3,706	1,243
76.379.265-K	Parque Eólico Los Triguales SpA	100.00%	2	0	2	46	0	46	0	0
76.247.968-0	Solairedirect Generación VI SpA	100.00%	0	164	164	137	0	137	0	2
76.267.537-4	Solairedirect Generación IX SpA	100.00%	0	164	164	137	0	137	0	2
76.019.239-2	Eólica Monte Redondo SpA	100.00%	8,571	116,183	124,754	1,942	38,387	40,329	19,673	10,252
76.114.239-9	Alba SpA	100.00%	30,442	13,829	44,271	5,923	42,715	48,638	29	(136)
76.114.229-1	Alba Andes SpA	100.00%	1,205	10,273	11,478	208	11,940	12,148	0	67
76.114.213-5	Alba Pacifico SpA	100.00%	946	10,280	11,226	(48)	11,892	11,844	0	61
76.376.043-K	Rio Alto SpA	100.00%	3,223	24,025	27,248	5,267	14,382	19,649	659	589
76.379.265-K	Energias de Abtao SpA	100.00%	26,286	51,012	77,298	1,541	83,535	85,076	0	(145)

NOTE 45 - SUBSEQUENT EVENTS

No material events have occurred between October 1, 2023, and the date of issuance of these consolidated financial statements that might affect their presentation.



ENGIE ENERGIA CHILE S.A.

Consolidated Interim Financial Statements as of September 30, 2023

APPENDIX 1 – COMPANIES IN THE ENGIE ENERGIA CHILE S.A. GROUP

a) The following companies are included in the consolidated financial statements:

Tax I.D.	Name of Company	Country of Origin	Functional Currency	Percentage Interest in 2023			Percentage Interest in 2022		
				Direct	Indirect	Total	Direct	Indirect	Total
76.708.710-1	Central Termoelectrica Andina SpA	Chile	U.S. Dollar	99.9999	0.0001	100.0000	99.9999	0.0001	100.0000
76.046.791-K	Edelnor Transmisión S.A.	Chile	U.S. Dollar	99.9000	0.1000	100.0000	99.9000	0.1000	100.0000
96.731.500-1	Electroandina SpA	Chile	U.S. Dollar	99.9999	0.0001	100.0000	99.9999	0.0001	100.0000
76.019.239-2	Eolica Monte Redondo SpA	Chile	U.S. Dollar	100.0000	0.0000	100.0000	100.0000	0.0000	100.0000
Foreign	Gasoducto Nor Andino Argentina S.A.	Argentina	U.S. Dollar	88.8900	11.1100	100.0000	78.9146	21.0854	100.0000
78.974.730-K	Gasoducto Nor Andino SpA	Chile	U.S. Dollar	100.0000	0.0000	100.0000	100.0000	0.0000	100.0000
76.009.698-9	Inversiones Hornitos SpA	Chile	U.S. Dollar	100.0000	0.0000	100.0000	100.0000	0.0000	100.0000
76.379.265-K	Parque Eolico Los Trigales SpA	Chile	U.S. Dollar	100.0000	0.0000	100.0000	100.0000	0.0000	100.0000
76.267.537-4	Solairedirect Generación IX SpA	Chile	U.S. Dollar	100.0000	0.0000	100.0000	100.0000	0.0000	100.0000
76.247.968-0	Solairedirect Generación VI SpA	Chile	U.S. Dollar	100.0000	0.0000	100.0000	100.0000	0.0000	100.0000
76.247.976-1	Solar Los Loros SpA	Chile	U.S. Dollar	100.0000	0.0000	100.0000	100.0000	0.0000	100.0000
76.114.229-1	Alba Andes SpA	Chile	U.S. Dollar	100.0000	0.0000	100.0000	100.0000	0.0000	100.0000
76.114.213-5	Alba Pacifico SpA	Chile	U.S. Dollar	100.0000	0.0000	100.0000	100.0000	0.0000	100.0000
76.114.239-9	Alba SpA	Chile	U.S. Dollar	100.0000	0.0000	100.0000	100.0000	0.0000	100.0000
76.376.043-K	Rio Alto SpA	Chile	U.S. Dollar	100.0000	0.0000	100.0000	99.9999	0.0001	100.0000
76.379.265-K	Energias de Abtao SpA	Chile	U.S. Dollar	100.0000	0.0000	100.0000	99.9999	0.0010	100.0000
77.708.483-6	Eolica Entre Cerros SpA	Chile	U.S. Dollar	100.0000	0.0000	100.0000	0.0000	0.0000	0.0000

See Note 2.4 *Subsidiaries*.

b) Companies accounted for using the equity method:

Type of Relationship	Tax I.D.	Name of Company	Country of Origin	Functional Currency	Percentage Interest as of	
					9/30/2023 Direct	12/31/2022 Direct
Joint control	76.787.690-4	Transmisora Eléctrica del Norte S.A.	Chile	U.S. dollar	50.000	50.000

See Note 2.5 *Investments accounted for using the Equity Method*



ENGIE ENERGIA CHILE S.A.

Consolidated Interim Financial Statements as of September 30, 2023

APPENDIX 2 - ITEMIZATION OF ASSETS AND LIABILITIES IN A FOREIGN CURRENCY

Assets denominated in a foreign currency were as follows:

Assets	Currency	9/30/2023	12/31/2022
		kUSD	kUSD
Current Assets			
Cash and cash equivalents	USD	207,619	124,015
Cash and cash equivalents	Non-adjustable CLP\$	15,313	7,656
Cash and cash equivalents	Euro	176	361
Cash and cash equivalents	Argentine peso	27	333
Other financial assets, current	USD	13,605	17,865
Current tax assets	USD	21,650	33,993
Current tax assets	Argentine peso	842	1,186
Current inventories	Non-adjustable CLP\$	388	5,586
Current inventories	USD	203,705	258,469
Related-entity receivables	Non-adjustable CLP\$	393	213
Related-entity receivables	USD	6,843	5,319
Other non-financial assets	Non-adjustable CLP\$	184,685	128,800
Other non-financial assets	USD	56,235	30,009
Other non-financial assets	Argentine peso	22	206
Other non-financial assets	Euro	986	1,265
Other non-financial assets	UF	175	0
Trade receivables and other accounts receivable, current	USD	211,047	206,207
Trade receivables and other accounts receivable, current	Non-adjustable CLP\$	43,564	14,354
Trade receivables and other accounts receivable, current	Euro	473	0
Trade receivables and other accounts receivable, current	Argentine peso	3	6
Non-Current Assets			
Other financial assets, non-current	USD	13,103	5,055
Trade receivables and other accounts receivable, non-current	USD	287,509	325,778
Trade receivables and other accounts receivable, non-current	UF	20	20
Related-entity receivables, non-current	USD	15,681	14,787
Other non-current non-financial assets	Non-adjustable CLP\$	0	1
Other non-current non-financial assets	USD	23,196	16,912
Other non-current non-financial assets	UF	164	167
Deferred tax assets	USD	83,994	79,161
Investments accounted for using the equity method	USD	130,338	124,313
Intangible assets other than goodwill	USD	160,019	172,239
Goodwill	USD	16,319	15,913
Property, plant and equipment	USD	2,816,826	2,576,582
Right-of-use assets	USD	124,350	161,490
	USD	4,392,039	4,168,107
	Non-adjustable CLP\$	244,343	156,610
Subtotal	Euro	1,635	1,626
	UF	359	187
	Argentine peso	894	1,731
Total Assets		4,639,270	4,328,261



ENGIE ENERGIA CHILE S.A.

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APPENDIX 2 - ITEMIZATION OF ASSETS AND LIABILITIES IN A FOREIGN CURRENCY (continued)

Liabilities denominated in a foreign currency broke down as follows:

Current Liabilities		Out to 90 days		From 90 days to 1 year	
		9/30/2023	12/31/2022	9/30/2023	12/31/2022
Current Liabilities currently in Operation	Currency	kUSD	kUSD	kUSD	kUSD
Related-entity payables	USD	37,981	6,288	1,387	1,261
Related-entity payables	UF	8	48	0	0
Related-entity payables	Euro	80	169	0	0
Current tax liabilities	USD	14,385	0	0	12,560
Other non-financial liabilities	Non-adjustable CLP\$	14,651	5,263	0	0
Other non-financial liabilities	Argentine peso	11	16	0	0
Other non-financial liabilities	USD	0	66	0	132
Trade payables and other accounts payable	Euro	4,940	3,040	0	0
Trade payables and other accounts payable	Non-adjustable CLP\$	31,502	40,744	0	0
Trade payables and other accounts payable	Other currencies	184	403	0	0
Trade payables and other accounts payable	Argentine peso	255	95	0	0
Trade payables and other accounts payable	USD	209,589	179,547	64,713	0
Trade payables and other accounts payable	UF	8,143	5,937	0	0
Employee benefit provision, current	Non-adjustable CLP\$	13,122	15,173	0	0
Other financial liabilities	USD	65,553	94,682	147,576	288,379
Current lease liabilities	USD	84	84	175	169
Current lease liabilities	Non-adjustable CLP\$	10	10	16	30
Current lease liabilities	UF	1,349	2,438	2,811	3,356
Current lease liabilities	Other currencies	17	186	275	143
Subtotal	USD	327,592	280,667	213,851	302,501
	Non-adjustable CLP \$	59,285	61,190	16	30
	Euro	5,020	3,209	0	0
	UF	9,500	8,423	2,811	3,356
	Argentine peso	266	111	0	0
	Other currencies	201	589	275	143
Total Current Liabilities		401,864	354,189	216,953	306,030

Non-Current Liabilities		1 to 3 years		3 to 5 years		More than 5 years	
		9/30/2023	12/31/2022	9/30/2023	12/31/2022	9/30/2023	12/31/2022
	Currency	kUSD	kUSD	kUSD	kUSD	kUSD	kUSD
Deferred tax liabilities	USD	9,651	10,251	10,603	11,203	99,820	103,167
Related-entity payables	USD	4,175	3,883	5,052	4,700	41,124	43,155
Other non-current financial liabilities	USD	394,424	456,020	628,263	337,195	692,383	599,398
Lease liabilities	USD	754	732	555	538	1,173	1,386
Lease liabilities	Non-adjustable CLP\$	0	17	0	0	0	0
Lease liabilities	UF	8,511	10,783	5,804	7,290	80,034	111,474
Lease liabilities	Other currencies	875	897	625	641	1,017	1,407
Employee benefit provisions, non-current	Non-adjustable CLP\$	0	0	0	0	41	46
Other non-current provisions	USD	37,459	37,351	0	0	115,303	112,360
Other non-current provisions	Argentine peso	0	152	0	0	0	0
Other non-current, non-financial liabilities	USD	81	81	0	0	0	0
Subtotal	USD	446,544	508,318	644,473	353,636	949,803	859,466
	Non-adjustable CLP \$	0	17	0	0	41	46
	UF	8,511	10,783	5,804	7,290	80,034	111,474
	Argentine peso	0	152	0	0	0	0
	Other currencies	875	897	625	641	1,017	1,407
Total Non-Current Liabilities		455,930	520,167	650,902	361,567	1,030,895	972,393