July 29, 2021

ENGIE ENERGÍA CHILE REPORTED EBITDA OF US$188 MILLION AND NET INCOME OF US$30 MILLION IN THE FIRST HALF OF 2021.

EBITDA AMOUNTED TO US$122 MILLION IN THE SECOND QUARTER OF 2021, AN 18% INCREASE COMPARED TO THE SECOND QUARTER OF 2020. THE EBITDA INCREASE IS PRIMARILY EXPLAINED BY THE DEMAND RECOVERY IN BOTH THE REGULATED AND UNREGULATED CLIENT SEGMENTS.

- **Operating revenues** amounted to US$721 million in the first half of 2021, a 10% increase compared to the second quarter of 2020, mainly due to the demand recovery in the regulated and unregulated segments and the increase in average realized energy prices explained by higher CPI and fuel prices.
- **EBITDA** amounted to US$188 million in the first half of the year, a 7% decrease compared to the first half of 2020, mainly due to an increase in average energy supply costs and higher spot prices, particularly in the first quarter. This was due to weak hydro generation, lower gas availability, and generally lower performance of coal plants in the system.
- **Net Income** reached US$30 million in the first half of 2021, a 55% decrease compared to the first half of 2020. This was basically due to the decrease in operating results and one-time financial expenses related to the sale of accounts receivable born from the application of the temporary price stabilization mechanism to regulated clients pursuant to Law #21,185 dated November 2019 ("PEC").

Financial Highlights (in US$ millions)

	2Q20	2Q21	Var %	1H20	1H21	Var%
Total operating revenues	**322.0**	**388.5**	***21%***	**657.3**	**720.8**	***10%***
Operating income	59.7	77.3	*29%*	116.6	98.1	*-16%*
EBITDA	**103.0**	**121.7**	***18%***	**202.1**	**187.7**	***-7%***
EBITDA margin	32.0%	31.3%	*0,1pp%*	30.7%	26.0%	*3.1 pp*
Total non-operating results	(10.4)	(15.1)	*n.a*	(35.9)	(61.4)	*71%*
Net income after tax	40.6	47.6	*17%*	66.2	30.0	*-55%*
Net income attributed to controlling shareholders	**40.6**	**47.6**	*17%*	**66.2**	**30.0**	***-55%***
Earnings per share (US$/share)	0.039	0.045		0.063	0.028	
Total energy sales (GWh)	2,788	2,956	*6%*	5,745	5,806	*1%*
Total net generation (GWh)	1,869	2,174	*16%*	3,648	4,004	*10%*
Energy purchases on the spot market (GWh)	821	717	*-13%*	1,885	1,649	*-12%*
Energy purchases - back up (GWh)	125	124	*-1%*	249	246	*-1%*

ENGIE ENERGÍA CHILE S.A. ("ECL") is engaged in the generation, transmission and supply of electricity and the transportation of natural gas in Chile. ECL is the fourth largest electricity generation company in Chile and one of the largest electricity generation companies in the northern segment of the SEN national grid (formerly known as SING). As of June 30, 2021, ECL accounted for 8% of the SEN's installed capacity. ECL primarily supplies electricity to large mining and industrial customers, and it also supplies electricity to distribution companies throughout Chile. ECL is currently 59.99% indirectly owned by the French company, ENGIE S.A. The remaining 40.01% of ECL's shares are publicly traded on the Santiago stock exchange. For more information, please refer to www.engie-energia.cl.

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HIGHLIGHTS:

- **COVID-19**: The Corona virus, or COVID-19, was first detected in Chile on March 3, 2020, and as of July 27, 2021, 1,610,345 cases have been confirmed and 35,151 deaths have been reported. The current situation has been cataloged as Phase 4, and the country remains under constitutional state of catastrophe. The COVID-19 pandemic is deemed to be the worst sanitary and economic crisis in recent times. The Chilean economy contracted 5.8% in 2020 as a result of the pandemic. Electricity demand has decreased overall by approximately 8.9% since the second week of March 2020. While the demand from our unregulated clients has remained stable, electricity demand from our regulated clients increased in the first two months of 2020, but then began to decrease, with signs of recovery in the third quarter, and then stabilized since the fourth quarter of 2020. In the first half of 2021 the demand from our free clients decreased 1% compared to the first half of 2020 mainly due to the end of the Zaldívar PPA in June 2020. The demand from our regulated clients increased 2%. The COVID-19 pandemic has posed several challenges forcing us to adapt ourselves and to respond quickly along three lines of action: first, ensuring the safety and wellbeing of our teams; second, ensuring our company's operational continuity, which is essential for the continued electricity supply in our country; and, finally, coordinating ourselves as best as possible with our stakeholders including our customers, suppliers, shareholders and communities to keep an open, direct and collaborative dialogue. Since the beginning of this crisis, we established a crisis committee and have implemented contingency plans, adopting sanitary measures in our sites as necessary to comply with the authority's instructions. Similarly, we have monitored the situation and actions taken by our suppliers and contractors, asking them to comply with safety standards with their own staff. At present, approximately 37% of our staff is working from home, while approximately 300 direct employees and 400 contractors are working in shifts in ten different sites to ensure the continuity of our operations. Our operations are functioning normally. The government has implemented the *"Plan Paso a Paso"*, a step-by-step plan that considers five scenarios from a full lockdown to an advanced opening, each with specific restrictions and obligations. The advance or retrocession from one to another scenario is subject to epidemiologic indicators, sanitary network availability and traceability. Chile has implemented a widely recognized vaccination process, reporting over 13 million people vaccinated. More than 79% of its population had received at least one dose of the vaccine as of July 27, 2021.

SUBSEQUENT EVENTS:

- **Provisional dividend**: On July 27, 2021, the Company's board of directors approved the distribution of a US$41.5 million provisional dividend on account of 2021's net earnings. This results in a US$0.0393996153 per-share dividend, which will be paid to shareholders on August 26, 2021.

RECENT EVENTS

2Q21

- **Accounts receivable monetization**: On June 30, 2021, ENGIE Energía Chile sold to Chile Electricity PEC SpA the third group of accounts receivable from distribution companies born from the application of the electricity price stabilization mechanism enacted in November 2019, while Eólica Monte Redondo completed the sale on July 5. Chile Electricity PEC raised the financing to buy receivables from four groups of generation companies through a US$419 million 4a2 delayed draw private placement with the participation of Allianz, IDB Invest and Goldman Sachs. During the second quarter of 2021, ENGIE and EMR sold accounts receivable with face value of US$28 million. They received US$20.5 million in cash proceeds and reported US$7.5 million in financial expenses.

- **Fitch rating confirmation**: On June 3, 2021, Fitch Ratings affirmed EECL's long-term foreign and local currency issuer default ratings at BBB+, and long-term national scale rating at AA(cl). Fitch also affirmed the company's US$850 million outstanding unsecured notes at BBB+ and affirmed its national equity rating at ‘Primera Clase Nivel 2 (cl)’. The rating outlook is stable. EECL’s ratings reflect the company’s strong credit profile based on its improved capital structure, with expected leverage between 2.0x and 2.5x during 2021-2023, combined with a strong 100% contracted position until 2028 with a contracted average life of its PPAs of 11 years. The stable outlook is driven by Fitch’s expectations that Engie will maintain adequate liquidity levels in the medium term, supported by strong and predictable cash flow.

- **Annual Ordinary Shareholders’ Meeting**: On April 27, 2021, the Company’s shareholders agreed the following:

  - **Definitive Dividends:** To pay a final dividend equivalent to US$51,055,643.26, or US$0,0484716314 per share, which together with the US$66.7 million provisional dividend paid on November 30, 2020, account for approximately 72% of 2020 net income. The final dividend will be paid on May 20, 2021, in Chilean pesos at the dollar-equivalent observed rate published in the Official Gazette on May 17, to shareholders listed in the company’s Shareholder Registry five business days before the dividend payment date.

  - **Auditors:** To appoint EY Servicios Profesionales de Auditoría y Asesorías SpA as the Company’s external auditors.

  - **Local Rating Agencies:** To confirm “Feller Rate Clasificadora de Riesgo” and “Fitch Chile Clasificadora de Riesgo Ltda.” as the agencies that will rate the company’s shares according to the national rating scale.

1Q21

- **Price stabilization fund**: On March 11, 2020, the National Energy Commission (“CNE”) published Exempt Resolution #72 setting the rules for the implementation of the temporary price stabilization mechanism for clients subject to regulated tariffs, as established in Law #21,185 dated November 2, 2019. This price stabilization mechanism froze electricity tariffs at the levels prevailing in the first half of 2019 until year-end 2027, subject to certain adjustments, from time to time, as provided by the law. At the same time, the tariffs charged by generation companies to distribution companies continue to follow the indexation formula set in the prevailing contracts among them. The mechanism has therefore produced a differential between the tariffs that generation companies are entitled to charge according to the terms of their contracts with distribution companies and the tariffs actually collected from regulated end-consumers. As a result of this price differential, generation companies have begun to build up an account receivable from distribution companies, which taken as a whole, gives birth to the so-called price stabilization fund. According to Law #21,185 this fund may increase until the first to occur between July 2023 or until it reaches a global amount of US$1,350 million. The authority expects that once lower-priced power supply agreements awarded in more recent auctions become effective, the average price of the contracts between generation and distribution companies will begin to decrease gradually starting 2021. At some point contract prices will fall below the stabilized price that will remain unchanged until December 31, 2027, subject to the adjustments defined by the law. When average contract tariffs fall below the stabilized price, distribution companies will begin repaying the accounts with generation companies that form part of the stabilization fund. As of June 30, 2021, EECL reported approximately US$26.3 million in accounts receivable related to the price stabilization mechanism, after selling accounts receivable with nominal total amount of US$166.5 million in the first half of 2021, as explained below.

  - **Monetization of accounts receivable stemming from Tariff Stabilization Law**: On January 20, 2021, Engie Energía Chile S.A. (“EECL”) and its subsidiary, Eólica Monte Redondo SpA (“EMR”) reached an agreement with Goldman Sachs & Co. LLC and Goldman Sachs Lending Partners LLC (“GS”) on the terms and conditions for a financing operation specifically related to current and future accounts receivable from distribution companies accrued in the context of Law #21,185, which creates an electricity tariff stabilization mechanism for regulated consumers, and exempt resolution #72 of the National Energy Commission (“CNE”), which set the rules for the application of the law. Under the financing transaction agreed with GS, EECL and EMR will be entitled to sell, without recourse to them, accounts receivable from distribution companies for up to a committed amount of US$162 million to Chile Electricity PEC SpA (the "Purchaser"). The sales of receivable will be perfected in groups, from time to time, as each Average Node Price decree ("PNP decree") is published including the corresponding chart with the balances owed by distribution companies to generation companies pursuant to the tariff stabilization law. On January 27, 2021, EECL, EMR and Inter-American Investment Corporation ("IDB Invest") reached an agreement under which IDB Invest will participate in the financing to the Purchaser for the acquisition of accounts receivable sold by EECL and EMR for up to a committed amount of US$74.7 million. The Company estimates that the total amount of accounts receivable, considering those already accrued and those to be accrued until the mechanism's cap is reached, which cannot occur after July 2023, could be approximately US$266 million. The sale of accounts receivable seeks to enhance the company's liquidity and procure the necessary financing resources in times of active investment in renewable generation projects.

- On February 8, 2021, EECL and EMR sold the first group of accounts receivable to Chile Electricity PEC SpA. On March 31, EECL completed the sale of the second group of accounts receivable, while EMR sold its second group of accounts receivable on April 1. These sales were made under the terms and conditions agreed with Goldman Sachs and IDB Invest, as informed in material event notices published on January 20 and January 30, respectively. They comprised accounts receivable with total face value of US$141.9 million, representing approximately 54% of the total accounts receivable that ENGIE expects to accrue during the life of the price stabilization mechanism. The differential between the face value of the accounts receivable sold and the purchase price was accounted for as financial expenses in 2021 (US$40.9 million in the first quarter and US$0.9 million in April).

- **Chile rating downgrade by S&P Global Ratings**: S&P downgraded Chile's Long-Term Foreign-Currency Rating to 'A' from 'A+', changing the Outlook from Negative to Stable. The rating adjustment reflects a deterioration of the country's public finance, and the agency estimates that despite the economic recovery under way, the public debt will increase over the next years due to increased pressure on social expenditure.

- **Energy efficiency law**: On February 13, the government published the Energy Efficiency Law, which establishes that the Ministry of Energy will be required to present an energy efficiency plan every five years. The first plan will impose a 10% energy intensity reduction objective for the period 2019-2030.

INDUSTRY OVERVIEW

The SING and SIC power grids operated independently until November 24, 2017, when the interconnection of both grids was perfected through EECL's 50%-owned TEN project, giving birth to the SEN (*"Sistema Eléctrico Nacional"*). Currently, the company's generation assets are predominantly located in the northern segment of the SEN, in the area that used to be covered by the so-called SING Grid (*"Sistema Interconectado del Norte Grande"*), which serves a major portion of the country's mining industry. Given local conditions, the northern segment of the SEN is predominantly a thermoelectric system, with generation based on coal and LNG, with growing penetration of renewable sources, including wind, solar, and geothermal. Energy flows through the interconnection are variable, and until the full commissioning of the Interchile project, used to be predominantly in the south-north direction comprising inflows of renewable power generated in the area known as Norte Chico into the SING grid.

Following the commissioning of the last tranche of Interchile's Cardones-Polpaico transmission project on May 30, 2019, marginal costs in the different nodes of the SEN have reported greater stability and lower average levels due to the coupling of transmission bars at different substations and the injection into the grid of renewable power generation, which was previously being lost due to insufficient transmission capacity.

Marginal Costs

2020	Minimun				Average				Maximum			
Month	A. Jahuel 220	Charrúa 220	Crucero 220	P. Azúcar 220	A. Jahuel 220	Charrúa 220	Crucero 220	P. Azúcar 220	A. Jahuel 220	Charrúa 220	Crucero 220	P. Azúcar 220
Jan	18.9	18.5	18.8	-	41.6	40.4	41.9	39.9	151.8	147.8	149.9	148.5
Feb	25.1	24.8	23.7	-	43.1	42.1	40.1	40.4	148.7	146.6	140.3	143.4
Mar	28.0	27.7	26.9	-	68.7	67.6	64.3	67.2	182.4	178.1	180.2	179.4
Abr	25.3	25.0	24.3	24.4	44.8	44.2	43.4	43.4	106.3	104.6	106.2	104.9
May	27.5	27.1	-	-	45.2	44.1	40.9	41.0	99.5	96.4	100.1	99.4
Jun	26.7	26.2	25.6	26.0	43.7	42.8	41.6	42.2	107.6	104.9	108.2	106.2
Jul	-	-	-	-	31.5	30.5	31.6	30.8	90.2	86.3	93.9	90.2
Aug	-	-	-	-	31.5	30.4	30.4	28.9	126.3	121.0	133.1	126.1
Sep	-	-	-	-	29.3	28.2	29.2	28.4	66.1	62.9	74.1	67.3
Oct	-	-	-	-	30.8	29.5	34.2	30.9	80.0	76.2	132.3	119.2
Nov	-	-	-	-	32.8	31.6	34.9	31.3	87.5	83.5	106.3	94.8
Dec	-	-	-	-	42.1	40.6	43.1	41.5	132.3	126.1	140.3	131.2

2021	Minimum					Average					Maximum				
Month	Crucero 220	Polpaico 220	Charrúa 220	Pto. Montt 220	Temuco 220	Crucero 220	Polpaico 220	Charrúa 220	Pto. Montt 220	Temuco 220	Crucero 220	Polpaico 220	Charrúa 220	Pto. Montt 220	Temuco 220
Jan	-	0.2	0.2	0.2	0.2	50.8	58.9	57.1	86.9	58.1	145.6	157.3	153.2	172.4	159.7
Feb	-	-	-	34.7	-	75.9	84.5	83.2	151.3	85.4	169.6	169.6	165.5	206.2	167.8
Mar	17.3	21.6	26.3	35.3	27.3	75.6	84.2	87.4	165.5	90.3	173.0	178.1	177.7	232.7	185.7
Abr	0.4	0.5	0.4	0.5	0.5	71.3	78.3	82.7	130.2	85.5	170.2	179.8	179.6	191.4	184.9
May	0.2	0.2	0.2	9.0	0.2	77.1	81.5	81.6	108.8	84.0	198.3	184.7	181.7	209.2	187.0
Jun	9.0	10.5	10.3	7.5	10.4	67.2	67.8	65.9	62.6	65.9	195.7	192.6	187.2	188.7	189.5

Source: Coordinador Eléctrico Nacional

In the first quarter of 2021, marginal costs increased compared to previous quarters due to several factors: (i) lower reservoir levels which caused a reduction in hydraulic generation; (ii) the unavailability of cost-efficient coal plants due to both trips and maintenance outages postponed from 2020 as a result of the pandemic and (iii) lower gas availability explained by the total interruption of Argentine gas supply and delayed LNG shipments due to the Texas storms. Therefore, marginal costs at the Crucero node averaged US$67.4/MWh in the first quarter vs. US$48.7/MWh in the first quarter of 2020. The unavailability of some large, cost-efficient coal power plants in the first quarter led to the dispatch of higher-cost plants to meet the shortfall.

During the second quarter, marginal energy costs remained high, not only due to the continued low availability of hydro and efficient thermal plants, but also due to significant increases in international fuel prices and freight costs. In April, the average marginal cost at the Crucero node was US$71/MWh; that is, US$28/MWh higher than in April 2020, as higher-cost plants were dispatched to compensate for the lower production from hydroelectric plants and efficient thermal plants. Unavailable units during April included Guacolda 1,2&3, Angamos 1&2, and IEM. In May, the marginal cost at the Crucero node averaged US$77/MWh, climbing US$37/MWh over the average in May 2020, with unavailable units including Guacolda 3, CTH, Ventanas 2, Kelar, U15, and CTM 1,2&3. Finally, in June the marginal cost at Crucero averaged US$67/MWh, US$26/MWh above the June 2020 average, with unavailable units including Angamos 1, Guacolda 2, and CTH. The average marginal cost, or spot energy price, at the Crucero Node during the second quarter was US$71.9/MWh, compared to just US$41.9/MWh in the second quarter of last year.

Fuel prices

International Fuel Prices Index

	WTI (US$/Barrel)			Brent (US$/Barrel)			Henry Hub (US$/MMBtu)			European coal (API 2) (US$/Ton)		
	2020	**2021**	**% Variation YoY**	**2020**	**2021**	**% Variation YoY**	**2019**	**2020**	**% Variation YoY**	**2019**	**2020**	**% Variation YoY**
Jan	57,0	52,0	*-9%*	63,2	54,8	*-13%*	2,01	2,71	*35%*	50,4	67,8	*35%*
Feb	50,5	59,0	*17%*	55,7	62,3	*12%*	1,91	5,35	*180%*	48,3	65,9	*36%*
March	30,4	62,3	*105%*	33,5	65,3	*95%*	1,80	2,61	*45%*	47,9	68,4	*43%*
April	15,4	61,7	*300%*	18,1	64,9	*258%*	1,76	2,67	*52%*	45,0	71,8	*60%*
May	29,0	65,9	*127%*	30,0	68,9	*130%*	1,75	2,93	*67%*	38,6	86,1	*123%*
June	38,5	72,3	*88%*	41,1	74,1	*80%*	1,63	3,35	*105%*	45,6	108,4	*138%*
July	40,6			43,3			1,76			49,9		
August	42,2			44,5			2,30			49,0		
September	39,0			40,3			1,90			52,3		
October	39,6			40,3			2,48			56,4		
November	40,7			44,8			2,62			53,8		
December	46,9			50,4			2,57			66,2		

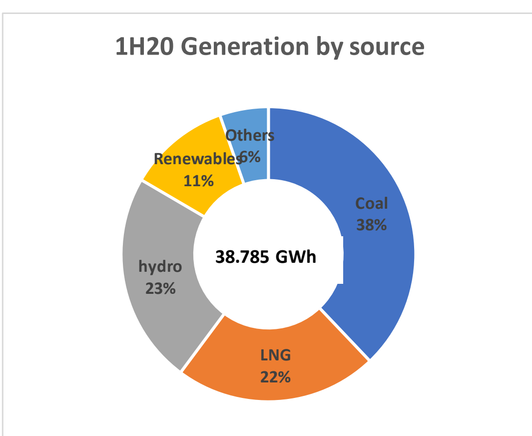
Source: Bloomberg, IEA

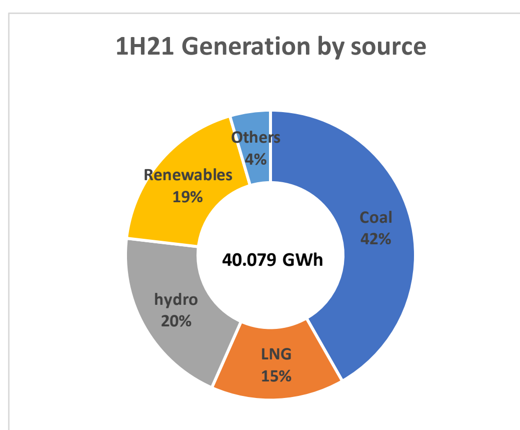
In the first half of 2021, fuel prices increased sharply, with average year-on-year rises of over 120%. In the case of coal, the price increase is primarily explained by the post-pandemic activity recovery, particularly in China. Market expectations are for a 15% increase in energy demand this summer in the Chinese industrial sector, while the demand from the service sector could climb as much as 17% year-on-year. Moreover, China has been recently suffering from an extreme heat wave and is thus reporting record electricity demand levels that could lead to power cuts. The heat waves are also causing floods, which affect local coal production and transportation. In Europe, gas prices have risen significantly, leading to a reactivation in coal generation.

Coal supply has been unable to cope with the increase in demand and prices given the absence of players interested in investing in coal mines due to environmental concerns. Most coal mine expansions or reopenings have been halted, leaving any supply increases subject to the ability to raise production levels at existing mines.

Generation

The following table provides a breakdown of generation in the SEN by fuel type:





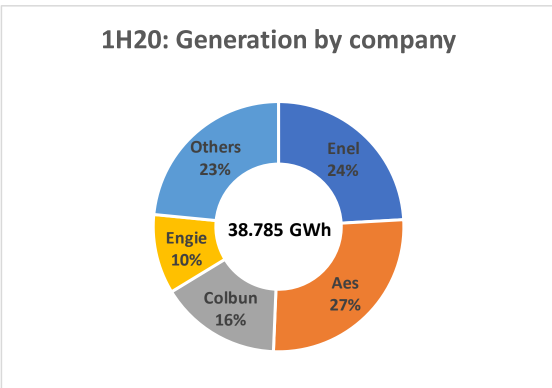
Source: Coordinador Eléctrico Nacional

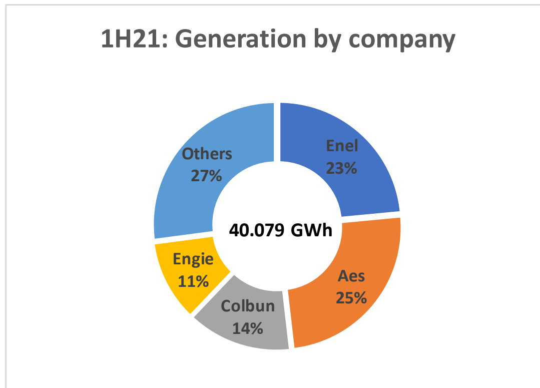
In the first half of 2021, demand peaked at 11,227.4 MWh/h in June, a 2.9% increase compared to the first half of 2020. Sales reached 37,165 GWh in the first half, with a 5.7% increase in free customer sales and a 1.6% increase in sales to regulated customers compared to the first half of 2020.

Renewable energy production reached 9,440 GWh, with a 37.2% increase in solar generation and a 27.7% increase in wind generation as compared to the first half of 2020. During the second quarter of 2021 new renewable projects with 316 MW of gross capacity were added to the system.

During the first half of 2021, hydraulic generation increased 1%, as compared to the same period of 2020, but it dropped by 17% when compared to 2019. The levels at the Laja, Maule, Ralco and Chapo reservoirs were lower than those of 2020, while the Rapel, Colbún and Invernada reservoirs reported levels slightly above those of 2020. The Chapo lake in the southernmost part of the system, which feeds the Canutillar power plant, has remained at its exhaustion level; hence Canutillar's generation has been very low, explaining high marginal costs in the south of the system. The hydrologic period spanning from April 2021 through June 2021 has been dry with 95.3% exceedance probability.

Electricity production in the SEN grid, broken down by company, was as follows:





Source: Coordinador Eléctrico Nacional

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

The following discussion is based on our consolidated financial statements for the 6-month periods ended June 30, 2021, and June 30, 2020. These financial statements have been prepared in U.S. dollars in accordance with IFRS, and were subject to limited review by our auditors, EY. The information below should be read in conjunction with the financial statements and the notes thereto published by the Comisión para el Mercado Financiero (www.cmfchile.cl*).*

2Q 2021 compared to 1Q 2021 and 2Q 2020

Operating Revenues

Quarterly Information (In US$ millions)

	2Q 2020		1Q 2021		2Q 2021		% Variation	
Operating Revenues	Amount	% of total	Amount	% of total	Amount	% of total	QoQ	YoY
Unregulated customers sales…………………..	142.9	*53%*	158.4	*54%*	156.7	*46%*	*-1%*	*10%*
Regulated customers sales…………………….	127.5	*47%*	123.1	*42%*	177.0	*52%*	*44%*	*39%*
Spot market sales………………………………..	1.5	*1%*	5.3	*3%*	6.9	*2%*	*31%*	*371%*
Total revenues from energy and capacity sales	**271.9**	*84%*	**286.8**	*84%*	**340.5**	*88%*	***19%***	***25%***
Gas sales…………………………..	7.6	*2%*	7.7	*4%*	8.7	*2%*	*14%*	*15%*
Other operating revenue……………………….	42.6	*13%*	37.8	*12%*	39.3	*10%*	*4%*	*-8%*
Total operating revenues………………….	**322.0**	*100%*	**332.3**	*100%*	**388.5**	*100%*	***17%***	***21%***
Physical Data (in GWh)								
Sales of energy to unregulated customers (1)……	1,662	*60%*	1,628	*57%*	1,671	*57%*	*3%*	*1%*
Sales of energy regulated customers……	1,122	*40%*	1,197	*43%*	1,262	*43%*	*5%*	*12%*
Sales of energy to the spot market…………….	3	*0%*	24	*0%*	24	*1%*	*n.a*	-
Total energy sales………………………….	**2,788**	*100%*	**2,849**	*100%*	**2,956**	*100%*	***4%***	***6%***
Average monomic price unregulated customers(U.S.$/MWh)(2)	**86.7**		**99.1**		**96.5**		***-3%***	***11%***
Average monomic price regulated customers (U.S.$/MWh)(3)	**113.6**		**102.9**		**140.3**		***36%***	***24%***

(1) Includes 100% of CTH sales.

(2) Calculated as the quotient between unregulated and spot revenues from energy and capacity sales and unregulated and spot physical energy sales.

(3) Calculated as the quotient between regulated revenues from energy and capacity sales and regulated physical energy sales.

Energy and capacity sales reached US$340.5 million in the second quarter of 2021, representing a US$68.6 million, or 25%, increase compared to the second quarter of 2020. This was mainly due to the recovery in physical sales to regulated and unregulated clients and higher average realized prices. The 39% increase in regulated customer sales was explained by increases in both prices and volumes. The increase in CPI and fuel prices used in the regulated PPA tariff indexation formulas led to the increase in prices, while higher volumes were explained by the gradual return to more normal activity levels in the context of the COVID 19 pandemic. Free client sales exhibited a 10% increase, despite the end of the Zaldívar PPA on June 30, 2020 (~37 GWh/month), due to demand recovery from the Gaby, Chuquicamata, Centinela and El Abra mines. The comparison with the first quarter of 2021 also shows a recovery in physical sales in both client segments as well as a significant increase in average realized prices in the regulated segment due to the increase in PPA tariff indices.

In the second quarter of 2021, the company's spot sales reached 24 GWh, in line with the first quarter, but an increase compared to the second quarter of 2020.

In the second quarter of 2021, gas sales amounted to US$8.7 million, an increase compared to the first quarter of 2021 and the second quarter of last year. The most relevant items in the 'Other operating revenue' account are sub-transmission tolls and regulatory transmission revenues, which starting 2018 include a single charge called *"cargo único"*, as well as port and maintenance services. Beginning in the second quarter of 2020, this item includes income recognition corresponding to ENGIE's acquisition of a 40% interest in Inversiones Hornitos SpA through monthly installments according to the terms of the power supply agreement renegotiated with AMSA, which considers a tariff discount. In the second quarter of 2021, this item amounted to US$4.05 million compared to US$3.94 million in the first quarter. A US$5.3 million insurance compensation for past losses at our IEM plant is also included in the other operating income item.

Operating Costs

Quarterly Information (In US$ millions)

	2Q 2020		1Q 2021		2Q 2021		% Variation	
Operating Costs	Amount	% of total	Amount	% of total	Amount	% of total	QoQ	YoY
Fuel and lubricants………………………………	(83.6)	32%	(83.6)	17%	(107.6)	35%	29%	29%
Energy and capacity purchases on the spot market……………………………	(69.2)	26%	(104.7)	32%	(90.0)	29%	-14%	30%
Depreciation and amortization attributable to cost of goods sold…………………………….	(41.7)	16%	(44.4)	16%	(43.4)	14%	-2%	4%
Other costs of goods sold…………………….	(62.5)	24%	(71.4)	32%	(61.2)	20%	-14%	-2%
Total cost of goods sold………………..	**(257.0)**	98%	**(304.1)**	97%	**(302.1)**	97%	**-1%**	**18%**
Selling, general and administrative expenses…	(8.7)	3%	(9.1)	3%	(9.6)	3%	5%	11%
Depreciation and amortization in selling, general and administrative expenses…………	(1.5)	1%	(0.8)	0%	(1.0)	0%	23%	-33%
Other operating revenue/costs……………………….	4.9	-2%	2.6	0%	1.6	-1%		
Total operating costs…………………..	**(262.3)**	100%	**(311.5)**	100%	**(311.2)**	100%	**0%**	**19%**
Physical Data (in GWh)								
Gross electricity generation								
Coal…………………………………………	1,276	63%	1,280	61%	1,633	69%	28%	28%
Gas…………………………………………..	705	35%	622	28%	639	27%	3%	-9%
Diesel Oil and Fuel Oil…………………….	1	0%	13	0%	8	0%	-36%	792%
Hydro/Solar………………………………………	35	2%	62	10%	74	3%	19%	108%
Total gross generation…………………	**2,017**	100%	**1,977**	100%	**2,353**	100%	**19%**	**17%**
Minus Own consumption……………..	(148)	-7%	(146)	-12%	(179)	-8%	22%	21%
Total net generation……………………	**1,869**	**66%**	**1,831**	**39%**	**2,174**	**72%**	**19%**	**16%**
Energy purchases on the spot market………..	821	**29%**	932	**57%**	717	**24%**	-23%	-13%
Energy purchases- bridge………..	125	**4%**	122	**4%**	124	**4%**	n.a	n.a
Total energy available for sale before transmission losses………………………	**2,815**	**100%**	**2,885**	**100%**	**3,015**	**100%**	**5%**	**7%**

Gross electricity generation increased 17%, as compared to the same quarter of 2020, and by 19% when compared to the first quarter of 2021. The increase in coal-based generation compared to previous quarters was mainly due to greater availability of our coal plants, particularly CTA which returned from a prolonged outage between October 2020 and March 2021, and the dispatch of other higher-cost units, such as U14-U15 and CTM. During this quarter, CTH was out of service between May 1 and June 5 due to planned maintenance. Gas generation increased compared to the first quarter, but it decreased compared to the second quarter of 2020. It should be noted that a gas shipment was cancelled last June as the supplier invoked Force Majeure.

Through most of the second quarter, the entire electricity system in Chile remained stressed. The low hydro generation (-900 GWh), the absence of Argentine gas, and reduced availability of cost-efficient coal plants (-900 MW) called for the need to dispatch expensive coal units and diesel plants, resulting in an increase in the system's average operating costs. The increase in renewable generation was insufficient to alleviate the pressure on marginal costs mainly due to its intermittency. All of this translated into marginal costs averaging US$71.9/MWh at the Crucero node, up from US$41.9/MWh in the second quarter of 2020.

The increase in the fuel cost item in the second quarter of 2021, as compared to both the first quarter and the second quarter of 2020, is explained by the increase in our own generation and the sharp increase in fuel prices.

Despite the increase in our own generation, which led us to buy lower volumes of energy on the spot market, energy and capacity purchase costs increased by US$20.8 million (30%) compared to the second quarter of 2020, mainly due to higher average spot prices. The comparison with the first quarter of 2021 reveals decreases in both prices and volumes of energy purchases, despite the continued poor hydro, gas and coal generation in the system. Among the positive factors, we can mention higher renewable production, occasional increases in hydro generation, and improved performance of our cost-efficient coal fleet.

In the second quarter of 2021, our sales to distribution companies in the center-south zone, which normally require higher volumes of energy purchases for geographic reasons, reached 806 GWh, an 11% increase compared to the second quarter of 2020 due to the recovery in activity levels in the context of the pandemic. A portion of the demand under this contract was supplied with energy purchases under contracts with other generation companies (124 GWh). Our energy purchases, either through contracts or through the spot market, are accounted for under the same item labelled 'Energy and capacity purchases on the spot market'.

In the first quarter, depreciation costs in the costs-of-goods-sold item remained at similar levels as those reported in previous quarters.

Other direct operating costs included, among others, operating and maintenance costs, transmission tolls, insurance premiums and cost of fuels sold. The decrease in this item as compared to the first quarter of 2021 is explained by an US$11.9 million fee paid in the first quarter for the cancellation of a gas shipment.

SG&A expenses were higher than those reported in the first quarter and in the second quarter of 2020 partly due to the appreciation of the Chilean peso.

The Other operating revenue/cost item includes water sales and miscellaneous income as well as recoveries and provisions. EECL's share in TEN's net income, which amounted to US$1.4 million in the second quarter, is also included in this item.

Electricity Margin

Quarterly Information (In US$ millions)

	2020				2021	
	1Q20	**2Q20**	**3Q20**	**4Q20**	**1Q21**	**2Q21**
Electricity Margin						
Total revenues from energy and capacity sales………	**305.8**	**271.9**	**287.2**	**300.3**	**286.8**	**340.5**
Fuel and lubricants…………………..	(80.8)	(83.6)	(59.9)	(48.9)	(83.6)	(107.6)
Energy and capacity purchases on the spot market……	(93.2)	(69.2)	(71.7)	(90.7)	(104.7)	(90.0)
Gross Electricity Profit	**131.8**	**119.0**	**155.6**	**160.7**	**98.5**	**142.9**
Electricity Margin	*43%*	*44%*	*54%*	*54%*	*34%*	*42%*

In the second quarter of 2021, the electricity margin, or the gross profit from the electricity generation business, increased by US$23.9 million, when compared to the second quarter of 2020, and represented 42% of energy and capacity revenues. On the one hand, we can observe a US$68.6 million revenue increase, explained by the demand recovery from the pandemic-driven trough in the second quarter of 2020 and higher average realized monomic prices resulting from the increase in the PPA tariff indices (CPI and gas and coal prices). On the other, fuel costs increased due to an increase in both generation and fuel prices. Despite lower physical energy purchases, energy purchase costs increased by US$20.8 million because of the significant increase in marginal costs in the electricity system in 2021. In sum, an increase in the average energy procurement cost, from US$55/MWh to US$67/MWh, that was also reflected in electricity price increases, explains the evolution in the electricity margin.

Operating Results

Quarterly Information (in US$ millions)

EBITDA	**2Q 2021**		**1Q 2021**		**2Q 2021**		**% Variation**	
	Amount	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**QoQ**	**YoY**
Total operating revenues………………………	322.0	*100%*	332.3	*100%*	388.5	*100%*	*17%*	*21%*
Total cost of goods sold……………………	(257.0)	*-80%*	(304.1)	*-77%*	(302.1)	*-78%*	*-1%*	*18%*
Gross income………………………….	**65.0**	*20%*	**28.1**	*23%*	**86.4**	*22%*	***207%***	***33%***
Total selling, general and administrative expenses and other operating income/(costs).	(5.3)	*-2%*	(7.4)	*-3%*	(9.1)	*-2%*	*22%*	*71%*
Operating income…..………………….	**59.7**	*19%*	**20.7**	*20%*	**77.3**	*20%*	***273%***	***29%***
Depreciation and amortization……...…………	43.2	*13%*	45.2	*13%*	44.4	*11%*	*-2%*	*3%*
EBITDA……………….………………….	**103.0**	*32.0%*	**65.9**	*33.0%*	**121.7**	*31.3%*	***85%***	***18%***

Second-quarter EBITDA reached US$121.7 million, an US$18.7 million increase compared to the same quarter of 2020. This was due to the increase in the electricity margin in turn explained by the increase in energy sales volumes and prices. Operating revenues included a US$4.05 million income related to the acquisition of a 40% equity share in CTH, down from US$7.1 million reported in the second quarter of 2020.

The comparison with the first quarter, shows a US$55.8 million EBITDA turnaround explained by the electricity margin recovery.

Financial Results

Quarterly Information (In US$ millions)

Non-operating results	**2Q 2020**		**1Q 2021**		**2Q 2021**		**% Variation**	
	Amount	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**QoQ**	**YoY**
Financial income………..………………………	1.0	*0%*	0.6	*0%*	0.3	*0%*	*-51%*	*-72%*
Financial expense…………….…………………	(10.6)	*-3%*	(52.2)	*-3%*	(16.8)	*-5%*	*-68%*	*58%*
Foreign exchange translation, net………….…	(0.9)	*0%*	1.7	*-1%*	1.9	*1%*		*-307%*
Other non-operating income/(expense) net…	0.2	*0%*	3.6	*-3%*	(0.5)	*0%*		*-344%*
Total non-operating results…………….	**(10.4)**	*-3%*	**(46.3)**	*-7%*	**(15.1)**	*-5%*		
Income before tax……………………. ………	49.4	*14%*	(25.5)	*14%*	62.2	*19%*	***-344%***	***26%***
Income tax………………………………………	(8.8)	*-3%*	8.0	*-2%*	(14.6)	*-4%*	*-284%*	*66%*
Net income from continuing operations after taxes …	40.6	*12%*	(17.6)	*12%*	47.6	*14%*	*-371%*	*17%*
Net income to EECL's shareholders	**40.6**	*12%*	**(17.6)**	*12%*	**47.6**	*14%*	***-371%***	***17%***
Earnings per share…………………….	**0.039**		**(0.0)**		**0.045**			

The increase in interest expense in the first and second quarters of 2021 is explained by the sale of long-term accounts receivable from distribution companies related to the tariff stabilization law. The difference between the face value of the accounts receivable sold and the amount received, which includes the financial discount as well as transaction expenses, was reported as financial expenses. In the second quarter, this financial expense reached US$7.5 million, down from US$40.9 million in the first quarter of 2021.

Foreign-exchange profits reached US$1.9 million in the second quarter of 2021 due to the appreciating trend of the Chilean peso since the beginning of the year. Foreign exchange variations affect the valuation of certain assets and liabilities denominated in currencies other than the US dollar --the company's functional currency--, such as accounts receivable and payable, advances to suppliers, and value-added tax credit.

In the second quarter of 2021, the 'Other net non-operating income' account reported a decrease compared to the first quarter and the same quarter of 2020.

Net Earnings

The applicable income tax rate for both 2020 and 2021 is 27%.

In the second quarter of 2021, the company reported net income of US$47.6 million, a turnaround from the first quarter when the company recorded a US$17.6 million net loss attributed to two main reasons: the higher marginal cost in the system that led to a reduction in EBITDA, and the one-shot US$40.9 million financial cost on the sale of accounts receivable from distribution companies related to the price stabilization law. In the second quarter, operating earnings recovered, and the one-time financial cost on the monetization of receivables was much lower than in the first quarter.

1H 2021 compared to 1H2020

Operating Revenues

For the 6-month period ended June 30 (in US$ millions)

	6M20		6M21		Variation	
Operating Revenues	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**%**
Unregulated customers sales…………………..	306.9	*53%*	315.1	*50%*	*8.2*	*3%*
Regulated customers sales…………………….	261.5	*45%*	300.1	*48%*	*38.6*	*15%*
Spot market sales………………………………..	9.3	*2%*	12.1	*2%*	*2.9*	*31%*
Total revenues from energy and capacity sales……	**577.7**	*88%*	**627.3**	*87%*	***49.6***	*9%*
Gas sales…………………………..	13.5	*2%*	16.4	*2%*	*2.9*	*21%*
Other operating revenue……………………….	66.1	*10%*	77.1	*11%*	*11.0*	*17%*
Total operating revenues………………….	**657.3**	*100%*	**720.8**	*100%*	***63.5***	*10%*
Physical Data (in GWh)						
Sales of energy to unregulated customers (1)……	3,335	*58%*	3,299	*57%*	*-36*	*-1%*
Sales of energy regulated customers……	2,407	*42%*	2,459	*42%*	*52*	*2%*
Sales of energy to the spot market…………….	3	*0%*	48	*1%*	*45*	*1349%*
Total energy sales………………………….	**5,745**	*100%*	**5,806**	*100%*	***61***	*1%*
Average monomic price unregulated customers(U.S.$/MWh)(2)	**94.7**		**97.8**		***3.0***	*3%*
Average monomic price regulated customers (U.S.$/MWh)(3)	**108.6**		**122.1**		***13.4***	*12%*

(1) Includes 100% of CTH sales.

(2) Calculated as the quotient between unregulated and spot revenues from energy and capacity sales and unregulated and spot physical energy sales.

(3) Calculated as the quotient between regulated revenues from energy and capacity sales and regulated physical energy sales.

Energy and capacity sales reached US$627.3 million in the first half of 2020, representing a 10% or a US$49.6 million increase compared to the first half of 2020. The revenue increase was primarily explained by an increase in average monomic prices due to the increase in tariff indexes (CPI, gas and coal prices) and tariff renegotiations, which in the case of the Centinela PPA included a larger discount in 2020 than in 2021 through which EECL is paying for the acquisition of a 40% interest in Inversiones Hornitos.

Physical energy sales to unregulated clients decreased mainly due to the end of the Zaldívar PPA in June 2020. Physical sales to regulated clients recovered due to looser COVID-driven restrictions on activity levels.

Physical sales to the spot market increased, but they remained low due to EECL's heavily contracted position. The spot market sales and purchase items also include the retroactive annual firm capacity price and monthly energy adjustment payments per the re-liquidations made by the grid coordinator.

Gas sales increased as compared to the first half of 2020, and so did the Other operating revenue account, which increased by US$11 million. Normally, this account includes transmission tolls and regulatory transmission revenues. However, this account included special items in both periods. In the first half of 2021, Other operating revenue included a US$5.3 million insurance compensation for a past loss at our IEM plant and US$3.6 million income from the sale of offices at the Apoquindo building. It also included a US$7.95 million financial income associated to the acquisition of 40% of Inversiones Hornitos SpA, which is being paid monthly through the tariff discount in the Centinela PPA. In the first half of 2020, the financial income related to the purchase of Inversiones Hornitos amounted to US$15.3 million.

Operating Costs

For the 6-month period ended june 30 (in US$ millions)

	6M 2020		6M 2021		Variation	
Operating Costs	Amount	% of total	Amount	% of total	Amount	%
Fuel and lubricants………………………………	(164.4)	*30%*	(191.2)	*31%*	*26.7*	*16%*
Energy and capacity purchases on the spot market…	(162.4)	*30%*	(194.7)	*31%*	*32.3*	*20%*
Depreciation and amortization attributable to cost of goods sold…	(82.9)	*15%*	(87.8)	*14%*	*4.9*	*6%*
Other costs of goods sold…………………….	(115.4)	*21%*	(132.6)	*21%*	*17.3*	*15%*
Total cost of goods sold………………..	**(525.1)**	*97%*	**(606.3)**	*97%*	***81.1***	***15%***
Selling, general and administrative expenses…	(16.3)	*3%*	(18.7)	*3%*	*2.4*	*15%*
Depreciation and amortization in selling, general and administrative expenses…	(2.6)	*0%*	(1.9)	*0%*	*-0.8*	*-29%*
Other operating revenue/costs……………………….	3.3	*-1%*	4.1	*-1%*	*-0.8*	*24%*
Total operating costs….………………	**(540.7)**	*100%*	**(622.7)**	*100%*	***82.0***	***15%***
Physical Data (in GWh)						
Gross electricity generation						
Coal………………………………………….	2,581	*67%*	2,913	*67%*	*332*	*13%*
Gas…………………………………………..	1,198	*31%*	1,261	*29%*	*63*	*5%*
Diesel Oil and Fuel Oil…………………….	18	*0%*	21	*0%*	*2*	*13%*
Hydro/Solar……………………………………….	81	*2%*	135	*3%*	*54*	*67%*
Total gross generation………………….	**3,878**	*100%*	**4,330**	*100%*	***452***	***12%***
Minus Own consumption……………..	(230)	*-6%*	(325)	*-8%*	*-95*	*41%*
Total net generation…………………….	**3,648**	***63%***	**4,004**	***68%***	***357***	***10%***
Energy purchases on the spot market………..	1,885	***33%***	1,649	***28%***	*-235*	*-12%*
Energy purchases- bridge………..	249	***4%***	246	***4%***	*-3*	-
Total energy available for sale before transmission losses………………………	**5,782**	***100%***	**5,900**	***100%***	***118***	***2%***

Gross electricity generation increased 12% compared to the first half of 2020. The generation mix revealed not only an increase in coal generation, but also an increase in gas generation and in renewable generation due to the acquisition of Eólica Monte Redondo in July 2020.

The increase in generation and in international fuel prices led to a 16%, or US$26.7 million, increase in the fuel cost item in the first half of 2021.

Despite lower physical electricity purchases, the electricity purchase costs item rose by US$32.3 million (20%) because of higher spot prices. In 2021, the Chilean electricity system has reported considerable stress due to a severe and prolonged drought, which has led to shortages in hydraulic generation, and this has coincided with gas supply restrictions, technical issues with the coal generation fleet, and rising international fuel prices. These effects have been partially mitigated by the expansion in solar and wind generation.

The increase in depreciation costs is explained by the incorporation of EMR and the major maintenance of the U16 CCGT.

Other direct operating costs included, among others, transmission tolls, operating and maintenance costs, cost of fuel sold, and insurance premiums. This item, as a whole, increased due to higher maintenance costs. In addition, this item includes a US$11.9 million premium paid on the cancellation of an LNG shipment at the beginning of the year.

SG&A expenses increased slightly in part due to foreign-exchange effects.

The 'Other operating revenue/cost' item includes water sales, services and office rentals as well as the proportional result in TEN, which amounted to US$2.8 million in the first half of 2021.

Operating Results

For the 6-month period ended june 30 (in US$ millions)

EBITDA	**6M 2020**		**6M 2021**		**Variation**	
	Amount	**% of total**	**Amount**	**% of total**	**Amount**	**%**
Total operating revenues………………………	657.3	*100%*	720.8	*100%*	*63.5*	*10%*
Total cost of goods sold……………………	(525.1)	*80%*	(606.3)	*84%*	*81.1*	*15%*
Gross income…………………………	**132.2**	*20%*	**114.5**	*16%*	***-17.7***	***-13%***
Total selling, general and administrative expenses and other operating income/(costs).	(15.6)	*2%*	(16.5)	*2%*	*0.8*	*5%*
Operating income……………………	**116.6**	*18%*	**98.1**	*14%*	***-18.5***	***-16%***
Depreciation and amortization……...…………	85.5	*13%*	89.6	*12%*	*4.1*	*5%*
EBITDA……………….………………	**202.1**	*30.7%*	**187.7**	*26.0%*	***-14.4***	***-7%***

1H20 EBITDA reached US$187.7 million, a 7%, or US$14.4 million, decrease compared to the first half of 2020, mainly due to higher energy procurement costs explained by higher fuel prices and higher average spot energy purchase costs.

Financial Results

For the 6-month period ended june 30 (in US$ millions)

	6M 2020		**6M 2021**		**Variation**	
Non-operating results	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**%**
Financial income………..………………………	2.6	*0%*	0.8	*0%*	*-1.7*	*-68%*
Financial expense…………….…………………	(39.1)	*-3%*	(69.0)	*-7%*	*-29.9*	*76%*
Foreign exchange translation, net…………..	(1.3)	*0%*	3.6	*0%*	*4.8*	*-384%*
Other non-operating income/(expense) net…	1.9	*0%*	3.2	*0%*	*1.3*	*69%*
Total non-operating results…………….	**(35.9)**	*-3%*	**(61.4)**	*-6%*		
Income before tax……………………. ………	80.6	*7%*	36.7	*4%*	***-44.0***	***-55%***
Income tax………………………………………	(14.4)	*-1%*	(6.7)	*-1%*	*7.8*	
Net income from continuing operations after taxes	66.2	*6%*	30.0	*3%*	*-36.2*	*-55%*
Net income to EECL's shareholders	**66.2**	*6%*	**30.0**	*3%*	***-36.2***	***-55%***
Earnings per share……………………..	**0.063**		**0.028**	*0%*		

The decrease in financial income is explained by lower interest rates.

The increase in interest expense in the first half of 2021 is explained by the discount on the sale of long-term accounts receivable from distribution companies related to the tariff stabilization law. The difference between the face value of the accounts receivable sold and the amount received, which includes the financial discount as well as transaction expenses, was reported as financial expenses. In the first half of 2021, EECL and its subsidiary EMR, sold accounts receivable with total face value of US$166.5 million and received US$118.2 million in cash proceeds, representing a financial expense of US$48.4 million.

In the first half of 2020, interest expense included the premium and make-whole paid to bondholders of the US$400 million 144-A bond with original maturity in January 2021. EECL carried out a liability management transaction by which it refinanced the existing bond with the proceeds of a new 10-year bond issue, which was successfully placed on January 23, 2020, in an amount of US$500 million at a 3.4% annual coupon rate. In February 2020, EECL completed the full repayment of the US$400 million bond and the premium payments in an amount of US$13.6 million, fully charged against 1H20 results.

Foreign-exchange income amounted to US$3.6 million, which compares to a US$1.3 million loss in the first half of 2020.

In the first half of 2021, Other net non-operating income reached US$3.2 million.

Net Earnings

The applicable income tax rate for both periods is 27%.

In the first half of 2021, net income after taxes reached US$30 million, down from US$66.2 million in the first half of 2020. As explained earlier, the decrease is primarily explained by the first quarter's low operating result and the one-shot US$48.4 million financial cost on the sale of accounts receivable from distribution companies related to the price stabilization law.

Liquidity and Capital Resources

As of June 30, 2021, EECL reported consolidated cash balances of US$210 million. This position compares with a total nominal financial debt[1] of US$900 million, with no debt principal payments scheduled until January 2025, except for a US$50 million short-term loan from Scotiabank maturing in April 2022.

For the 6-month period ended June 30 (in US$ millions)

Cash Flow	**2020**	**2021**
Net cash flows provided by operating activities…	3.2	107.7
Net cash flows used in investing activities………	(79.6)	(79.0)
Net cash flows provided by financing activities..	69.5	(54.4)
Change in cash………………...………….	**(6.9)**	**(25.7)**

Cash Flow from Operating Activities

In the first half of 2021, cash flow generated from operating activities was US$107.7 million, which compares to a US$3.2 million net operating cash flow in the first half of 2020. These figures are the result of several cash movements, as described below.

(1) Nominal amounts differ from the debt amounts recorded under the IFRS methodology in the Financial Statements, which considers deferred financial expenses and mark-to-market valuations on derivative transactions. The above amount excludes the financial leases related to the long-term tolling agreement with TEN and transactions qualified as financial leases under IFRS 16.

In the first half of 2021, the company reported operating cash flow of US$22.5 million, from which we must subtract US$13.5 million of interest payments -after deducting US$4.2 million in capitalized interest- and income tax payments of US$19.4 million. In addition, the company received US$118,2 million in cash proceeds from the sale of accounts receivable from distribution companies to Chile Electricity PEC SpA,

In the first half of 2020, the US$3.2 million operating cash flow resulted from US$100.6 million generated in the company's operations, minus (i) US$25.8 million in interest payments (US$1.4 million of which was capitalized), (ii) US$13.6 million in premiums paid on the early redemption of the US$400 million 144A bonds, and (iii) US$57.8 million paid in income and stamp taxes.

Cash Flow Used in Investing Activities

In the first half of 2021, net cash outflows from investing activities amounted to US$79 million, mainly due to (i) capital expenditures (US$87.2 million) and (ii) an US$8 million cash inflow corresponding to debt repayments from the related company, TEN, in January 2021. Capital expenditures included our investment in the Calama windfarm and in the solar PV projects, Tamaya, Capricornio and Coya, as well as investments in plant maintenance and transmission assets.

Capital Expenditures

Our capital expenditures in the first half of 2020 and 2021 amounted to US$82.7 million and US$87.2 million, respectively, as shown in the following table. These amounts include VAT payments and capitalized interest. The latter amounted to US$1.4 million in the first half of 2020 and US$4.2 million in the first half of 2021.

For the 6-month period ended june 30 (in US$ millions)

CAPEX	**2020**	**2021**
Substation…………………	-	5.2
Overhaul power plants & equipment maintenance and refurbishing…………………	3.8	6.9
Overhaul equipment & transmission lines	12.0	2.8
PV Power Plant……………	43.7	25.9
Wind farm……………..	22.7	42.0
Others……………………………………………	0.5	4.4
Total capital expenditures……………………….	**82.7**	**87.2**

Cash Flow from Financing Activities

In the first half of 2021, the main financing cash flows were the payment of a final dividend on account of 2020 net results (US$49.7 million) and the payment of US$4.8 million in financial lease instalments. Interest paid on the two 144-A bonds (US$16.4 million), as well as on the US$50 million short-term debt (US$0.8 million), are reported in the operating cash flow section. Likewise, the proceeds of the sale of accounts receivable from distribution companies for a total amount of US$118.2 million, were reflected in the operating cash flow section. The company refinanced the Banco Estado US$50 million loan with a 1-year loan from Scotiabank for the same amount.

In the first half of 2020, the company reported financing activity related to a 144A/RegS issue in an amount of US$500 million. The proceeds of the issue were used to fully prepay the US$400 million 144A/RegS bond with original maturity in January 2021 including accrued interest, financial costs, stamp taxes and premiums on early redemption of the bonds. The company also prepaid two short-term loans with Scotiabank and Banco

Estado for an aggregate amount of US$80 million, and in May 2020 took a new, 1-year, US$50 million loan with Banco Estado.

Contractual Obligations

The following table sets forth the maturity profile of our debt obligations as of June 30, 2021.

Contractual Obligations as of 06/30/21
Payments Due by Period (in US$ millions)

	Total	**< 1 year**	**1 - 3 years**	**3 - 5 years**	**More than 5 years**
Bank debt……………………………………….……	50.0	50.0	-	-	-
Bonds (144 A/Reg S Notes)……………………..	850.0	-	-	350.0	500.0
Financial lease - Tolling Agreement TEN………	56	1.5	3.4	4.1	46.7
Financial lease - IFRS 16………………………….	170.7	7.5	14.7	9.3	139.2
Deferred financing cost…………………………..	(18.5)	-	(6.3)	(6.3)	(5.9)
Accrued interest…………………………………..	13.9	13.9	-	-	-
Mark-to-market swaps……………………………	-	-		-	
Total	**1,122**	**72.8**	**11.7**	**357.1**	**680.0**

Notes:

a. The tolling contract signed with TEN for the use of dedicated transmission assets is considered a financial leasing operation and is accounted for under accounts payable to related companies.
b. According to the IFRS16 Leasing rules, leasing obligations for land and vehicle rentals were accounted for as financial debt.

As of June 30, 2021, the company's short-term debt included a US$50 million loan with Scotiabank maturing on April 26, 2022. This loan is denominated in US dollars, accrues a fixed interest rate and is documented by a simple promissory note reflecting the repayment obligation on the agreed date, with no other operating or financial covenants, and a prepayment option at no cost for the company.

EECL has two bonds under the 144A/RegS format. The first one is a US$350 million issue with a single principal payment in January 2025 and a 4.5% p.a. coupon rate. On January 28, 2020, the company closed a new 144A/RegS issue to fully refinance the US$400 million notes originally due in January 2021. The new issue amounts to US$500 million, has a 3.4% coupon rate and is due on January 28, 2030.

On December 23, 2020, the Company and IDB Invest signed a financing agreement under which IDB Invest will extend a US$125 million loan to ENGIE Energía Chile within an initiative seeking to accelerate the decarbonization of the energy matrix in Chile. The financing includes a US$74 million senior loan from IDB Invest, a US$15 million mixed financing provided by the Clean Technology Fund (CTF), and a US$36 million loan from the China Fund for Co-financing in Latin America and the Caribbean (China Fund). The transaction, with a tenor of up to 12 years, has the purpose of financing the construction, operation and maintenance of the Calama wind farm. This innovative financing solution is designed to promote the acceleration of decarbonization activities by monetizing the actual displacement of CO_2 emissions achieved through the anticipated decommissioning of coal-based generation plants whose generation will be replaced with the renewable power output of the Calama wind farm. In the absence of a carbon market, the financial structure provides for a minimum price for the avoided emissions to be paid through the reduction in the financial cost of the CTF loan. In case a carbon market is developed during the life of the loan, CTF and Engie will share any positive difference between the market price and the minimum price set at the beginning of the financing. As of June 30, 2021, the company had not yet drawn any loans under this facility; therefore, it remains fully available to be drawn at any time.

Leasing obligations refer to a long-term tolling agreement signed with TEN for the use of dedicated transmission assets connecting EECL's plants in Mejillones with the national grid at the Los Changos substation. The tolling agreement is out to 20 years at which time EECL will take ownership of the asset. The agreement has a present value of US$55.6 million and is payable in monthly instalments totaling approximately US$7 million per year until 2037.

As of June 30, 2021, the company reported leasing obligations in respect to vehicles, land use concessions and other assets for a total amount of US$170.7 million, which qualified as financial debt under the IFRS 16 accounting norm.

Dividend Policy

Our dividend policy, last approved at the Annual Ordinary Shareholders' Meeting dated April 27, 2021, consists of paying the minimum legal required amounts (30% of net income), although higher amounts may be approved if the company's conditions so allow. Our dividend payment for each year is proposed by our Board of Directors based on the year's financial performance, our available cash balance and anticipated financing requirements for capital expenditures and investments. As possible and subject to Board approval, the company will pay provisional dividends based on the net results of the first three quarters plus the definitive dividend to be paid in May of each year.

The dividend policy proposed by our Board is subsequently approved at a Shareholders' Meeting as established by law.

On October 27, 2020, the company's Board approved the payment of a US$66.6 million provisional dividend on account of 2020's net earnings. On November 30, shareholders were paid US$0.0632310625 per share, in its Chilean-peso equivalent using the peso-dollar observed rate published by the Official Gazette on November 23, 2020.

On April 27, 2021, at the Annual Ordinary Shareholders Meeting, our shareholders approved the Board's proposal to pay a final dividend of US$51,055,643.26 (US$0.0484716314 per share) on account of 2020's net income, payable on May 20, 2021, to those shareholders listed in the Shareholder Registry five business days prior to the payment date.

On July 27, 2021, the company's Board approved the payment of a US$41.5 million (US$0.0393996153 per share) provisional dividend on account of 2021's net earnings, payable in August 2021.

The record of dividends paid since 2010 is shown in the following table:

Cash Dividends paid by Engie Energía Chile S.A.

Payment Date	Dividend Type	Amount (in US$ millions)	US$ per share
May 4, 2010	Final (on account of 2009 net income)	77.7	0.07370
May 4, 2010	Additional (on account of 2009 net income)	1.9	0.00180
May 5, 2011	Final (on account of 2010 net income)	100.1	0.09505
Aug 25 2011	Provisional (on account of 2011 net income)	25.0	0.02373
May 16 2012	Final (on account of 2011 net income)	64.3	0.06104
May 16 2013	Final (on account of 2013 net income)	56.2	0.05333
May 23 2014	Final (on account of 2013 net income)	39.6	0.03758
Sept 30,2014	Provisional (on account of 2014 net income)	7.0	0.00665
May 27 ,2015	Final (on account of 2014 net income)	19.7	0.01869
Oct 23 ,2015	Provisional (on account of 2015 net income)	13.5	0.01280
Jan 22, 2016	Provisional (on account of 2015 net income)	8.0	0.00760
May 26, 2016	Final (on account of 2015 net income)	6.8	0.00641
May 26, 2016	Provisional (on account of 2016 net income)	63.6	0.06038
May 18, 2017	Final (on account of 2016 net income)	12.8	0.01220
May 22,2018	Final (on account of 2017 net income)	30.4	0.02888
Oct 25 ,2018	Provisional (on account of 2018 net income)	26.0	0.02468
May 24 ,2019	Final (on account of 2018 net income)	22.1	0.02102
June 21 ,2019	Provisional (on account of 2019 net income)	50.0	0.04747
Dec 13 ,2019	Provisional (on account of 2019 net income)	40.0	0.03798
Nov 30 ,2020	Provisional (on account of 2020 net income)	66.6	0.06323
May 20 ,2021	Final (on account of 2020 net income)	51.1	0.04847

Risk management policy

In the normal course of business, EECL is exposed to several risk factors that may impact its operating and financial performance.

The company's financial risk management strategy seeks to safeguard EECL's operating stability and sustainability in a context of risk and uncertainty.

EECL has established risk management procedures, which include a description of the risk assessment methodology and the construction of a risk matrix called Enterprise Risk Management, which is approved annually and is reviewed quarterly in each of the company's functional committees where risk mitigation action plans are defined and monitored. Management presents the company's risk management performance to the board on an annual basis.

Hedging Policy

Our hedging policy intends to protect the company against our exposure to certain risks, as follows:

Business Risk and Commodity Hedging

Our business is subject to the risk of variations in the availability of fuels and their prices. Historically, our policy has been to hedge as much as possible against these risks through the indexation of the energy tariffs incorporated in our PPAs, and the fuel mix taken into consideration in the tariffs. However, given (i) the volume fluctuations that our PPAs may have; (ii) the variability that our plant dispatch profile may experience; (iii) our inability to perfectly match at all times our fuel cost mix with the tariff indexation in our PPAs; and (iv) the growing trend to dissociate PPA price indexation from fossil fuel price fluctuations, we maintain residual exposure to certain international commodity prices. For example, as a result of our decarbonization strategy, the tariff indexation of several of our PPAs has been switched from coal prices to US CPI beginning 2021 or 2022, as the case may be. This assumes power supply based on renewable sources or energy purchases at prices linked to inflation rather than fuel prices. As long as we have a mismatch in the indexation of our power sources and our PPA tariffs, we will have exposure to commodity price fluctuations. Another example refers to the tariff of our contract with distribution companies in the northern SEN, which became effective in 2012, and is readjusted semiannually according to the Henry Hub and the US CPI. There is a mismatch between the Henry Hub index used to define the contract tariff (four-month average prior to the tariff fixing, which takes place every six months) and the Henry Hub index prevailing at the time each LNG shipment is made. In the specific case of this contract, this risk is mitigated by an automatic tariff indexation triggered any time the price formula reports a fluctuation of 10% or more. Hence, we periodically execute financial hedging strategies to cover our residual exposure to international commodity price risks. We have occasionally taken financial swap contracts to reduce our residual exposure to Brent and Henry Hub.

Currency Hedging

Given that most of our revenues and costs are denominated in US dollars and that we seek to incur debt in US dollars, we face limited exposure to foreign exchange risk. In the specific case of regulated contracts, the price is calculated in US dollars and is then converted to Chilean pesos at the average monthly exchange rate observed in the invoiced month. In terms of the impact on the company's income statement, these contracts' exposure to foreign currency risk is limited as revenues are recognized at contract rates. However, delays in the publication of the Average Node Price decrees may impact the company's cash flow as monthly invoices are translated to Chilean pesos at exchange rates that remain fixed over the life of the tariff decree and differ from the monthly exchange rates considered in the contracts. Even though these differences are adjusted after the Average Node Price decrees are published, the uncertainty as to the timing and amount of these adjustments does not allow for an effective hedge through derivative instruments. The delay in the collection of foreign-exchange adjustments has significantly increased after the approval of the Price Stabilization law in November 2019. Per this law and resolution #72, by which the National Energy Commission set the terms of implementation of the law, accounts receivable from distribution companies will increase at a rate that is highly sensitive, among other variables, to the CLP/USD exchange rate. To face this risk and mitigate its effect on the company's cash flow and liquidity, the company and its subsidiary, EMR, signed an agreement with Goldman Sachs & Co. LLC and Goldman Sachs Lending Partners LLC ("GS") setting out the terms and conditions of a financing transaction which will allow the company to sell, without recourse, these accounts receivable from distribution companies to a special purpose company called Chile Electricity PEC SpA. Additionally, EECL and EMR and the Inter-American Investment Corporation ("IDB Invest") signed an agreement by which IDB Invest will participate in the financing of the purchase of additional accounts receivable by Chile Electricity PEC SpA. On January 29, 2021, Chile Electricity PEC issued 144 A/Reg S bonds for US$489 million to buy the first two groups of accounts receivable from the four main generation groups in Chile, including ENGIE. On June 30, 2021, Chile Electricity PEC purchased the third group of accounts receivable from generation companies with funds provided by US$419 million 4a2 delayed draw notes with the participation of Allianz, IDB Invest and Goldman Sachs. Since the sale of receivables is made in US dollars, without recourse to the generation companies, EECL and EMR will reduce the foreign-exchange and credit exposure associated to these long-term accounts receivable and will improve their liquidity in exchange for a discount, which will impact the income statement in 2021. In the first half of 2021, the total nominal amount of notes sold by ENGIE and EMR was US$166.5 million, and the related financial expense reached US$48.4 million.

Our main cost in Chilean pesos is personnel and certain operating and administrative costs, which account for approximately 10% of our operating costs. Given that most of our revenues are either in US dollars or in Chilean pesos adjusted for the exchange rate, our costs in Chilean pesos represent our main exposure to foreign-currency risks. Therefore, we have hedged a portion of our recurrent costs in Chilean pesos through forward contracts and zero-cost collars. As of June 30, 2021, the Company reported forward FX contracts for a total nominal amount of US$42 million, with US$7 million maturing in each month starting July and ending December 2021.

In the past we and our subsidiary CTA have signed foreign-currency derivative contracts to hedge the UF and EUR cash flows stemming from EPC contracts, to avoid cash flow or investment value variations resulting from foreign currency fluctuations that are beyond management's control. As of June 30, 2021, there were no outstanding derivative contracts associated with such EPC contract cash flows.

Our cash investment policy states that at least 80% of cash balances must be invested in US dollars unless a different percentage is required to maintain a natural currency hedge between assets and liabilities. This policy allows for the necessary flexibility to achieve a natural hedge for obligations in currencies other than the company's functional currency, the US dollar. As of June 30, 2021, 91.1% of our available cash and short-term investments were denominated in US dollars.

Interest Rate Hedging

The stability and predictability of our cash flows is also exposed to interest rate risk, principally with respect to the portion of our indebtedness that bears interest at floating rates. We seek to maintain a significant portion of our long-term debt at fixed rates to minimize interest-rate exposure. As of June 30, 2021, 100% of our financial debt, for a principal amount of US$900 million, was at fixed rates.

As of June 30, 2021
Contractual maturity date (in US$ millions)

	Average interest rate	2021	2022	2023	2024	Thereafter	Grand Total
Fixed Rate							
(US$)	0.880% p.a.	50.0	-	-	-	-	50.0
(US$)	3.400% p.a.	-	-	-	-	500.0	500.0
(US$)	4.500% p.a.	-	-	-	-	350.0	350.0
Total		**50.0**	**-**	**-**	**-**	**850.0**	**900.0**

Credit Risk

In the normal course of business, and when investing our cash, we are exposed to credit risk. In our regular electricity generation business, we deal mostly with financially strong mining companies, which report low levels of credit risk. However, these companies are exposed to variations in commodity prices, particularly copper. Although our clients have demonstrated significant resilience to down-cycles, we closely monitor their exposure through our commercial counterparty risk policy. We also sell electricity to regulated clients, which provide electricity supply to residential and commercial clients and report low levels of credit risk.

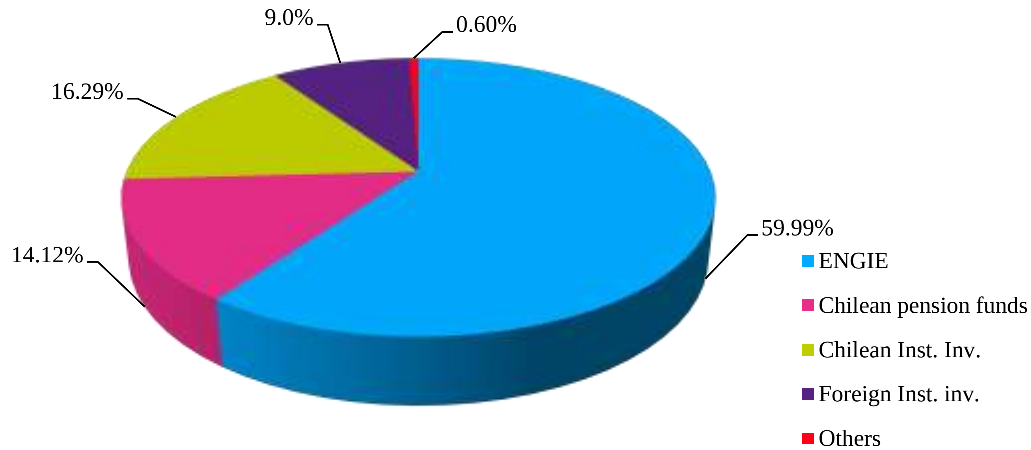
Over the last years, the electricity generation business and its customer base have evolved. Particularly, consumers with demand between 500 kW and 5 MW are allowed to contract their power supply directly with generation companies rather than through distribution companies. This disintermediation trend has led us to sign contracts with smaller commercial and industrial clients with potentially higher credit risk. To mitigate this risk, we have implemented a commercial counterparty risk policy, which among other considerations, requires the review of the credit risk of the client before entering into a power supply agreement. As of June 30, 2021, the contracts signed with smaller commercial and industrial clients represented a low percentage of our overall client portfolio.

The outbreak of the COVID-19 pandemic is leading to a world economic recession, with the consequential uncertainty about the behavior of power demand and the financial capacity of consumers of essential services to afford the timely payment of their bills. To face this situation the company has instructed its commercial areas to maintain close, direct contact with our customers to monitor the situation and take timely measures as necessary to both support our customers and mitigate the impact on the company's performance.

Our cash management policy is to invest in investment-grade institutions only, and only within the short term. We also measure our counterparty risk when dealing with derivatives and guarantees, and we have individual counterparty limits to manage our exposure and ensure proper diversification of our credit risk.

OWNERSHIP STRUCTURE AS OF JUNE 30, 2021

Number of shareholders: 2,148



TOTAL NUMBER OF SHARES: 1,053,309,776

APPENDIX 1

PHYSICAL DATA AND SUMMARIZED QUARTERLY FINANCIAL STATEMENTS

Physical Sales

Physical Sales (in GWh)

	2020						2021		
	1Q20	**2Q20**	**1H20**	**3Q20**	**4Q20**	**12M20**	**1Q21**	**2Q21**	**1H21**
Physical Sales									
Sales of energy to unregulated customers.	1,672	1,662	3,335	1,493	1,635	6,463	1,628	1,671	3,299
Sales of energy to regulated customers	1,285	1,122	2,407	1,283	1,240	4,931	1,197	1,262	2,459
Sales of energy to the spot market………	-	3	3	6	5	15	24	24	48
Total energy sales…………………………	**2,957**	**2,788**	**5,745**	**2,783**	**2,881**	**11,408**	**2,849**	**2,956**	**5,806**
Gross electricity generation									
Coal………………………………………….	1,304	1,276	2,581	1,046	792	4,419	1,280	1,633	2,913
Gas…………………………………………..	493	705	1,198	620	358	2,176	622	639	1,261
Diesel Oil and Fuel Oil…………………….	17	1	18	0	5	23	13	8	21
Renewable……………………………………….	46	35	81	112	134	327	62	74	135
Total gross generation………………….	**1,861**	**2,017**	**3,878**	**1,779**	**1,288**	**6,945**	**1,977**	**2,353**	**4,330**
Minus Own consumption……………..	(82)	(148)	(230)	(122)	(155)	(507)	(146)	(179)	(325)
Total net generation……………………	**1,779**	**1,869**	**3,648**	**1,657**	**1,133**	**6,438**	**1,831**	**2,174**	**4,004**
Energy purchases on the spot market………..	1,063	821	1,885	1,093	1,667	4,645	932	717	1,649
Energy purchases- bridge	125	125	249	127	127	503	122	124	246
Total energy available for sale before transmission losses………………………	**2,967**	**2,815**	**5,782**	**2,877**	**2,927**	**11,586**	**2,885**	**3,015**	**5,900**

Quarterly Income Statement

Quarterly Income Statement (in US$ millions)

IFRS									
Operating Revenues	**1Q20**	**2Q20**	**1H20**	**3Q20**	**4Q20**	**12M20**	**1Q21**	**2Q21**	**1H21**
Regulated customers sales………………………	134.1	127.5	261.5	139.5	127.2	528.2	123.1	177.0	300.1
Unregulated customers sales…………………..	164.0	142.9	306.9	142.5	163.5	612.9	158.4	156.7	315.1
Spot market sales………………………………..	7.8	1.5	9.3	5.2	9.6	24.1	5.3	6.9	12.1
Total revenues from energy and capacity sales…………………	**305.8**	**271.9**	**577.7**	**287.2**	**300.3**	**1,165.2**	**286.8**	**340.5**	**627.3**
Gas sales…………………………..	5.9	7.6	13.5	10.9	13.4	37.9	7.7	8.7	16.4
Other operating revenue……………………….	23.5	42.6	66.1	40.6	42.0	148.6	37.8	39.3	77.1
Total operating revenues………………….	**335.3**	**322.0**	**657.3**	**338.7**	**355.7**	**1,351.7**	**332.3**	**388.5**	**720.8**
Operating Costs									
Fuel and lubricants………………………………	(80.8)	(83.6)	(164.4)	(59.9)	(48.9)	(273.2)	(83.6)	(107.6)	(191.2)
Energy and capacity purchases on the spot	(93.2)	(69.2)	(162.4)	(71.7)	(90.7)	(324.8)	(104.7)	(90.0)	(194.7)
Depreciation and amortization attributable to cost of goods sold..	(41.2)	(41.7)	(82.9)	(48.1)	(44.5)	(175.5)	(44.4)	(43.4)	(87.8)
Other costs of goods sold…………………….	(52.9)	(62.5)	(115.4)	(64.8)	(89.9)	(270.1)	(71.4)	(61.2)	(132.6)
Total cost of goods sold………………..	**(268.1)**	**(257.0)**	**(525.1)**	**(244.5)**	**(274.0)**	**(1,043.7)**	**(304.1)**	**(302.1)**	**(606.3)**
Selling, general and administrative expenses…	(7.7)	(8.7)	(16.3)	(8.3)	(8.0)	(32.6)	(9.1)	(9.6)	(18.7)
Depreciation and amortization in selling, general and administrative expenses…	(1.1)	(1.5)	(2.6)	(0.8)	(1.0)	(4.4)	(0.8)	(1.0)	(1.9)
Other revenues………...……………………….	(1.6)	4.9	3.3	1.9	(0.7)	4.5	2.6	1.6	4.1
Total operating costs…..………………..	**(278.5)**	**(262.3)**	**(540.7)**	**(251.8)**	**(283.7)**	**(1,076.3)**	**(311.5)**	**(311.2)**	**(622.7)**
Operating income…..………………..	**56.8**	**59.7**	**116.6**	**86.8**	**72.0**	**275.4**	**20.7**	**77.3**	**98.1**
EBITDA……………….………………..	**99.1**	**103.0**	**202.1**	**135.8**	**117.5**	**455.3**	**65.9**	**121.7**	**187.7**
Financial income………..………………………	1.6	1.0	2.6	0.5	(0.6)	2.5	0.6	0.3	0.8
Financial expense………….…………………	(28.5)	(10.6)	(39.1)	(10.5)	(9.9)	(59.5)	(52.2)	(16.8)	(69.0)
Foreign exchange translation, net……………	(0.4)	(0.9)	(1.3)	(1.7)	(4.4)	(7.3)	1.7	1.9	3.6
method	-	-	-	-	-	-	-	-	-
Other non-operating income/(expense) net……………………..	1.7	0.2	1.9	(0.1)	(9.3)	(7.5)	3.6	(0.5)	3.2
Total non-operating results…………..	**(25.6)**	**(10.4)**	**(35.9)**	**(11.7)**	**(24.1)**	**(71.7)**	**(46.3)**	**(15.1)**	**(61.4)**
Income before tax…………………..………	31.3	49.4	80.6	75.2	47.9	203.7	(25.5)	62.2	36.7
Income tax………………………………………	(5.6)	(8.8)	(14.4)	(18.1)	(7.6)	(40.2)	8.0	(14.6)	(6.7)
Net income from continuing operations after taxes …….	25.6	40.6	66.2	57.0	40.3	163.5	(17.6)	47.6	30.0
Net income attributed to controlling shareholders……………….	**25.6**	**40.6**	**66.2**	**57.0**	**40.3**	**163.5**	**(17.6)**	**47.6**	**30.0**
Net income attributed to minority shareholders……………….	-	-	-	-	-	-	-	-	-
Net income to EECL's shareholders…….	**25.6**	**40.6**	**66.2**	**57.0**	**40.3**	**163.5**	**(17.6)**	**47.6**	**30.0**
Earnings per share…………………….. (US$/share)	**0.024**	**0.039**	**0.063**	**0.054**	**0.038**	**0.155**	**(0.017)**	**0.045**	**0.028**

Quarterly Balance Sheet

Quarterly Balance Sheet (in U.S.$ millions)

	2020 December	2021 June
Current Assets		
Cash and cash equivalents	235.3	210.0
Accounts receivable	108.1	182.7
Recoverable taxes	29.9	21.1
Current inventories	76.7	123.5
Other non financial assets	14.9	14.0
Total current assets	**464.9**	**551.4**
Non-Current Assets		
Property, plant and equipment, net	2,668.9	2,676.3
Other non-current assets	587.2	571.5
TOTAL ASSETS	**3,721.0**	**3,799.3**
Current Liabilities		
Financial debt	68.6	71.4
Other current liabilities	254.9	236.9
Total current liabilities	**323.5**	**308.3**
Long-Term Liabilities		
Financial debt	964.3	1,048.9
Other long-term liabilities	265.2	279.5
Total long-term liabilities	**1,229.5**	**1,328.4**
Shareholders' equity	2,168.0	2,162.6
Minority' equity	-	-
Equity	**2,168.0**	**2,162.6**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**3,721.0**	**3,799.3**

Main Balance Sheet Variations

The main balance-sheet variations between December 31, 2020, and June 30, 2021, are the following:

Cash and cash equivalent: The company's cash balances decreased by US$25.3 million to US$210 million mainly because of (i) capital expenditures for US$83 million, (ii) US$50 million in dividend payments, (iii) interest expense (US$18 million), and (iv) income tax payments for US$19 million. These cash expenditures were partially offset by the proceeds of the sale of accounts receivable from distribution companies related to the price stabilization mechanism (US$118 million), an US$8 million payment received from TEN, and US$23 million in net operating cash inflows.

Accounts receivable: The US$74.7 million increase comprises changes in two different accounts: On the one hand, accounts receivable from third parties reported a US$70 million increase mainly because of relevant invoices that were paid at the beginning of July and deferred payments agreed with some distribution companies in the context of the pandemic. On the other hand, intercompany receivables increased by US$4.7 million, mainly due to an invoice due from Engie Gas.

Current inventories: The US$46.8 million increase in this item is explained by an increase in LNG (+US$23.2 million) and coal (+US$25.3 million) inventories partly due to the increase in prices reported by these commodities and the increase in required stocks to face the system shortfall in hydro and natural gas generation. The increase in inventories was slightly offset by a US$2.6 million decrease in hydrated lime stocks.

Recoverable taxes: The US$8.8 million decrease in this account as of June 30, 2021, is explained by lower monthly provisional tax payments and (-US$6.9 million) and lower recoverable taxes (-US$2.2 million) related to the 2021 tax declaration process.

Other non-financial assets – current: The US$0.9 million decrease in this item is explained by a US$6.5 million decrease in advanced payments of insurance premiums, which was offset by a US$2.5 million increase in the VAT fiscal credit balance and a US$3.1 million increase in advances to suppliers.

Property, plant and equipment, net: The US$7.4 million increase in PP&E was explained by capital expenditures related to investments in renewable energy and transmission projects (US$88.7 million), which were offset by depreciation of US$80.1 million and the sale of offices with book value of US$1.1 million.

Other non-current assets: The US$15.7 million net decrease in this item resulted primarily from (i) the sale of accounts receivable associated to the enactment of the price stabilization law in the fourth quarter of 2019 (US$115 million), (ii) the reduction in intercompany receivables as a result of the US$8 million payment from TEN, and (iii) amortization of intangible assets (US$8.2 million). Among the accounts that reported an increase in this item, we can mention (i) an increase in the recognition of rights of use of certain assets including land (US$93.5 million) related to IFRS16, (ii) a US$4.3 million increase in intangible assets related to new renewable projects, and (iii) an US$18 million increase associated to the mark-to-market effect of TEN's derivatives.

Financial debt – current: This item reported a US$2.8 million increase due to the net effect of interest payments on our 144A bonds in January (US$16.4 million), and approximately US$14 million of accrued interest plus US$3.2 million of accrued interest on IFRS16 financial leases.

Other current liabilities: The US$17.9 million net decrease in this item is explained by (i) lower provisions for employee benefits and annual performance bonuses (US$4.3 million), (ii) a US$9.9 million decrease in income tax provisions, (iii) a US$7.1 million decrease in VAT payables, and (iv) a US$2.5 million decrease in intercompany payables. All of this was partially offset by a US$5.8 million increase in accounts payable to fuel suppliers and contractors working in our investment projects.

Long-term financial debt: The US$84.6 million increase in this account is explained by financial leases associated to the acquisition of rights of use of assets, mainly land for the development of renewable energy generation projects.

Other long-term liabilities: The US$14.3 million increase is explained by a US$16.9 million increase in deferred tax liabilities due to the application of instant depreciation. This was partially offset by a US$2.3 million reduction in the plant dismantling provision attributed to the dismantling works carried out at the coal-based units 12 and 13 in Tocopilla, which were decommissioned in 2019.

Shareholders' equity: The US$5.4 million decrease in shareholders' equity is made up of the US$29.9 million net income reported in the first half of 2021 plus the mark-to-market adjustment on financial hedges (US$15.6 million) minus the US$51 million final dividend paid in May 2021 on account of 2020's net income.

APPENDIX 2

Financial information

	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
EBITDA*	188.5	144.4	105.6	99.1	103.0	135.8	117.5	65.9	121.7
Net income attributed to the controller	37.7	62.4	-32.2	25.6	40.6	57.0	40.3	-17.6	47.6
Interest expense	8.5	13.7	12.5	28.5	10.6	10.5	9.9	52.2	16.8

* Operating income + Depreciation and Amortization for the period

	Jun/20	Jun/21
LTM EBITDA	452.1	441.0
LTM Net income attributed to the controller	96.4	127.3
LTM Interest expense	65.3	89.3
Financial debt	948.0	1,120.2
Current	73.9	71.4
Long-Term	874.0	1,048.9
Cash and cash equivalents	232.7	210.0
Net financial debt	715.3	910.2

Financial Ratios

FINANCIAL RATIOS					
			Dec/20	**Jun/21**	**Var.**
LIQUIDITY	Current ratio (current assets / current liabilities)	(times)	1.44	1.79	***24%***
	Quick ratio ((current assets - inventory) / current liabilities)	(times)	1.20	1.39	***16%***
	Working capital (current assets – current liabilities)	MMUS$	141.4	243.1	***72%***
LEVERAGE	Leverage ((current liabilities + long-term liabilities) / networth)	(times)	0.72	0.76	***6%***
	Interest coverage * ((EBITDA / interest expense))	(times)	7.66	4.94	***-36%***
	Financial debt –to- LTM EBITDA*	(times)	2.27	2.54	***12%***
	Net financial debt – to - LTM EBITDA*	(times)	1.75	2.00	***14%***
PROFITABILITY	Return on equity* (LTM net income attributed to the controller / net worth attributed to the controller)	%	7.5%	5.9%	***-22%***
	Return on assets* (LTM net income attributed to the controller / total assets)	%	4.4%	3.4%	***-24%***

*LTM = Last twelve months

As of June 30, 2021, the current ratio and the quick ratio were 1.79x and 1.39x, respectively, an increase compared to year-end 2020 ratios. The main reason was the reduction of current liabilities; specifically, a decrease in employee liabilities and in the income tax provision. As a result, working capital, as measured by total current assets minus total current liabilities, increased. Liquidity remained strong due to the company's cash balances, cash generation ability, and low debt repayment commitments until January 2025.

The leverage ratio, as measured by total liabilities-to-equity, remained relatively stable, reaching 0.76 times.

The interest coverage ratio for the 12-month period ending June 30, 2021, was 4.94x. Although this is a strong ratio, it represents a decrease compared to 7.66x at year-end 2020, mainly due to the exceptional increase in interest expense explained by the discount applied to the sale of long-term accounts receivable from regulated customers related to the price stabilization law.

The leverage ratio, as measured by Gross financial debt-to-EBITDA, increased to 2.54 times as a result of the increase in IFRS16 financial leases and the EBITDA decrease in the first half of 2021 as compared to the first half of 2020. Net financial debt-to-EBITDA increased to 2.0x due to the decrease in EBITDA and cash balances as of June 30, 2021.

Return on equity and return on assets reached 5.9% and 3.4%, respectively, a decrease compared to the ratios reported at year-end 2020 mainly because of the lower net income reported in the first half of 2021, which in turn resulted from lower EBITDA and one-shot interest expenses, as explained above.

CONFERENCE CALL 2Q2021

ENGIE Energía Chile is pleased to inform you that it will conduct a conference call to review its results for the period ended June 30, 2021, on Thursday July 29, 2021
at 12:00 p.m. (EST) – 12:00 p.m. (Chile)

hosted by:
Eduardo Milligan, CFO ENGIE Energía Chile S.A.

To participate, please dial:
+1(412) 317-6378, international or
+**56 44 208 1274** Chile or
+1(844) 686-3841 (toll free US)
https://hd.choruscall.com/?calltype=2&info=company&r=true

To join the conference, please state the name of the conference (**ENGIE ENERGIA**; no other Conference ID will be requested
. Please connect approximately 10 minutes prior to the scheduled starting time.

To access the phone replay, which will be available until Aug 5, 2021, please dial
+**1 (877) 344-7529** / +**1 (412) 317-0088**
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