April 26, 2023

ENGIE ENERGÍA CHILE REPORTED EBITDA OF US$189 MILLION AND NET PROFITS OF US$25 MILLION IN THE FIRST HALF OF 2023.

EBITDA REACHED US$189 MILLION IN THE FIRST HALF OF 2023, A 212% INCREASE COMPARED TO THE FIRST HALF OF 2022. THE ELECTRICITY MARGIN RECOVERED DESPITE HIGH GENERATION AND SYSTEM MARGINAL COSTS, WHICH ARE AFFECTED BY THE DELAY WITH WHICH THE DECLINE IN FUEL MARKET PRICES IS REFLECTED.

- **Operating revenues** amounted to US$616.2 million in the second quarter of 2023, a 28% increase compared to the second quarter of 2022, due to an increase in physical sales to regulated clients, and the increase in average realized energy prices explained by inflation and fuel-price indices.

- **EBITDA** amounted to US$87.1 million in the second quarter, a US$95.1 million increase compared to the negative US$8 million registered in the second quarter of 2022, due to the increase in operating revenues, which offset the increase in generation costs and energy purchase costs.

- **Net income** reached US$7.1 million in the second quarter of 2023, which favorably compares with net loss of US$44.2 million reported in the second quarter of 2022, mainly due to the increase in the electricity margin.

Financial Highlights (in US$ millions)

	2Q22	2Q23	Var %	6M22	6M23	Var%
Total operating revenues	**481.4**	**616.2**	***28%***	**899.2**	**1,204.0**	***34%***
Operating income	(53.0)	40.6	*n.a*	(29.9)	97.9	*n.a*
EBITDA	**(8.0)**	**87.1**	*n.a*	**60.5**	**189.0**	***212%***
EBITDA margin	-1.7%	14.1%	*(15.8pp)*	6.7%	15.7%	*(9.0pp)*
Total non-operating results	(8.3)	(43.7)	*n.a*	(28.0)	(74.0)	*164%*
Net income after tax	(44.2)	7.1	*n.a*	(40.4)	26.8	*n.a*
Net income attributed to controlling shareholders	**(44.2)**	**7.1**	*n.a*	**(40.4)**	**26.8**	*n.a*
Earnings per share (US$/share)	(0.042)	0.007		(0.038)	0.025	
Total energy sales (GWh)	3,043	3,005	*-1%*	6,007	5,943	*-1%*
Total net generation (GWh)	1,615	1,641	*2%*	3,008	3,196	*6%*
Energy purchases on the spot market (GWh)	1,114	697	*-37%*	2,113	1,249	*-41%*
Energy purchases - back up (GWh)	430	724	*69%*	990	1,523	*54%*

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, 2023, 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 LATAM. 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.

Contents

HIGHLIGHTS: 3
RECENT EVENTS 3
SECOND QUARTER 2023 3
FIRST QUARTER 2023 4
INDUSTRY OVERVIEW 5
Marginal Costs 5
Fuel prices 6
Generation 7
Management's Discussion and Analysis of Financial Results 8
2Q 2023 compared to 1Q 2023 and 2Q 2022 8
Operating Revenues 8
Operating Costs 9
Electricity Margin 10
Operating Results 11
Financial Results 11
1H2023 compared to 1H2022 12
Operating Revenues 12
Operating Costs 13
Operating results 14
Financial Results 15
Liquidity and Capital Resources 16
Cash Flow from Operating Activities 16
Cash Flow Used in Investing Activities 16
Cash Flow from Financing Activities 17
Contractual Obligations 18
Dividend Policy 19
Risk management policy 20
Hedging Policy 21
Business Risk and Commodity Hedging 21
Foreign Currency Hedging 22
Interest Rate Hedging 23
Credit Risk 24
OWNERSHIP STRUCTURE AS OF JUNE 30, 2023 25
Number of shareholders: 1,763 25
APPENDIX 1 26
PHYSICAL DATA AND SUMMARIZED QUARTERLY FINANCIAL STATEMENTS 26
Physical Sales 26
Quarterly Income Statement 27
Quarterly Balance Sheet 28
Main Balance Sheet Variations 28
APPENDIX 2 31
Financial information 31
Financial Ratios 31
CONFERENCE CALL 2Q23 33

HIGHLIGHTS:

RECENT EVENTS

SECOND QUARTER 2023

- **IFC and DEG financing for US$400 million**: The International Finance Corporation (IFC), a member of the World Bank Group, announced the signing of a "Super Green" loan – green and sustainability linked - for ENGIE Energía Chile S.A. (ENGIE Chile). This financing, together with the parallel financing supplied by the German Bank DEG, who belongs to the development banking group KfW, is for a total amount of US$400 million with a 10-year tenor. The purpose of this loan is to provide financing for CAPEX in renewable projects, which is aligned with the Company's energy transformation plan, aiming at transiting from a fossil fuel energy generation matrix to one based in renewable generation assets, as well as the installation of Battery Energy Storage Systems – BESS. This financing includes US$200 million provided by IFC, US$114.5 million by investors in the Managed Co-financing Program – MCPP by IFC, US$35.5 million by an investor who's concentrated in the ODS - ILX Fund, within the B Loan framework by IFC, as well as the DEG Loan for US$50 million.

- **Puerto Andino.** To give continuity and to enhance the profitability of our Puerto Andino port operations in Mejillones, in 2019 the company signed a strategic alliance with PASA, an experienced port operator controlled by the Sigdo Koppers group. On April 3 this alliance signed its first unloading contract through Puerto Andino with SQM. This contract will allow to receive, load, unload, transfer and store third-party cargoes. In this way, the port will be able to continue operating responsibly together with the communities, giving new uses to the company's assets, extending their life, and becoming a development opportunity for the Bay of Mejillones. Puerto Andino, in operation since 2017, has the capacity to receive more than 6 million tons of solid and liquid bulk. The terminal has a maximum allowable draft of 17.9 meters, a maximum displacement of 198,500 tons, and a design that allows the operation of capesize carriers.

- **Financing activity:** On April 10, 2023, the company took a US$75 million short-term loan from its parent company, Engie Austral, to finance investments in fixed assets and LNG purchases. The amount may be increased to US$150 million. On April 20, in an effort to extend the average tenor of its debt, the Company renewed two loans with Scotiabank for a total of US$100 million, with original maturity in April and May 2023, and extended their maturity date to October 21, 2024, and on May 22, the Company renewed a US$50 million loan with BCI, extending its maturity until November 12, 2024.

- **Publication of Node Price Decree, a fundamental condition for the implementation of the PEC and MPC laws:** On April 12, 2023, the July 2022 Average Node Price Decree issued by the National Energy Commission was published in the Official Gazette. With the publication of this decree, together with the publication of the Exempt Resolution of the CNE that established the guidelines for the application of Law No. 21,472 (MPC or Consumer Protection Mechanism), the requirements for the monetization of payment certificates to be issued by the Chilean Treasury on account of the receivables to be collected from distribution companies were met. This program has been structured by IDB Invest with the collaboration of Goldman Sachs and JP Morgan and Itaú, who will support the process of selling these certificates in the international financial market. This program will allow the company to sell part of the accounts receivable originated by the energy price stabilization mechanisms, which as of June 30, 2023 reached a total of US$451 million. The monetization of this amount should be realized through the sale of payment certificates as well as the re-liquidation in installments included in the bills of regulated customers as soon as all the regulatory conditions needed for this mechanism are in place. The expectation is that this could occur as from August 2023.

- **Last sale of "PEC-1" accounts receivable**: On May 12, 2023, the Company was able to sell a nominal amount of US$51 million corresponding to accounts receivable under the program known as PEC-1, recovering US$38 million after a financial discount of US$12.6 million. This sale marked the end of the sales of accounts receivable from regulated customers to Chile Electricity PEC framed within the PEC-1 program. This way a total nominal amount of US$272.9 million was sold with a total of US$193.8 million of net resources received between February 2021 and May 2023. The total financial cost attributed to this transaction during this period amounted to US$79.1 million.

- **Annual Ordinary Shareholders' Meeting**: On April 25, 2023, the Company's shareholders agreed the following:

  - **Dividend Policy:** No final dividends will be paid on account of 2022's net results given the losses reported in the period.

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

FIRST QUARTER 2023

- **Tamaya solar PV plant**: This 114MWac plant located in the Antofagasta region achieved its commercial operation date on January 14, 2022, as confirmed by the national grid coordinator ("CEN"). This new asset forms part of our ambitious transformation plan, which considers the addition of 2GW of renewable generation and is in line with our zero carbon goals. The Tamaya plant has been injecting power to the system since November 2021.

- **Coya solar plant COD**: This 181.25 MWac solar PV plant achieved its commercial operation date (COD) on March 24, 2023, as confirmed by the National Electric Coordinator. The PV plant -located in the commune of María Elena, Antofagasta region- became the company's largest renewable operation currently connected to the SEN power grid. With its 369,432 photovoltaic panels, it allows to supply renewable energy to the equivalent of 73 thousand homes, which means a reduction of 311,293 tons of CO_2 per year. The solar energy generated by the PV plant will be stored thanks to a Battery Energy Storage System (BESS), which will have a capacity of 638 MWh. The initiative called "BESS Coya", which is currently under construction, will deliver greater efficiency and flexibility to the SEN.

- **LNG supply**: During the first quarter of 2023, the company was able to secure the purchase of liquefied natural gas for a total volume of 14 TBtu to replace the 4 cargoes for a total volume of 13.2 TBtu that its liquefied natural gas ("LNG") supplier, Total Energies Gas & Power Limited ("Total"), did not confirm, as reported by the company in the Material Fact notice issued on December 23, 2022. Through this supply of LNG, acquired at current market prices, the company has been able to reduce its exposure to the spot market and to ensure the continuous supply of energy to its customers.

- **IEM plant outage**: On January 24, the Infraestructura Energética Mejillones (IEM) power plant presented a failure in one of its auxiliary transformers, which caused malfunctioning of its electrical system. In accordance with ENGIE's protocols, the unit's operation was immediately halted. The initial scheduled return date was early July 2023; however, the company took all the necessary measures to anticipate the operational return of the plant to mid-May 2023. The unit's scheduled annual maintenance was anticipated to shorten the total operation stoppage period in 2023.

- **Financing activity**: During the first quarter, the company renewed US$80 million of debt maturing in February 2023, obtained a new US$50 million one-year loan and drew US$93 million from the 5-year loan granted by Banco Santander at the end of 2022 for the purchase of renewable assets in Chiloé. The company used the proceeds from the last disbursement of the Banco Santander loan to prepay the existing project financing of one of these assets a total of US$80 million.

- **S&P rating outlook**: On March 31, 2023, S&P Global Ratings placed the company's 'BBB' rating on CreditWatch negative. In S&P's opinion, the liquidity position of Engie Energia Chile S.A. (Engie Chile) has worsened due to higher working capital requirements in 2022, and S&P believes that this situation will persist until the company is able to refinance or pay off part of its short-term debt, which reached US$360 million in December 2022. A downgrade could occur if the company fails to remedy current liquidity pressures through a refinancing strategy over the next three months. Engie Chile's debt maturity profile could improve either through the monetization of its accounts receivable originated by the tariff stabilization laws for regulated customers, a liability management program, or explicit support from its parent, Engie S.A. S&P also revised downwards the independent credit profile (SACP) of Engie Chile to 'BB' from 'BB+'. However, S&P continues to view the company as a strategically important subsidiary of Engie S.A. (Engie; BBB+/Stable/A-2), and this group support provides an up to three-notch increase to Engie Chile's SACP rating.

- **Albemarle project**: On March 24 and 25, the transmission business unit project team reached an important milestone, performing all scheduled tasks for the energization of the new Albemarle Project facility. The project scope included the expansion of the existing Tap–Off 220/23kV Substation (owned by AES Andes), the construction of the Salar Substation within the Albemarle plant and the construction of a 35-kilometer 23 kV line to connect both substations to transmit energy to the plant for 20 years. This project involved a total of 600,000 human hours without accidents, with a peak of 180 workers in the field during the construction process.

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. In 2018, EECL began its geographical diversification with the acquisition of renewable generation assets in other regions of the country and with the start of supply under PPAs awarded with distribution companies in the center-south region. The interconnection of the grids and the entry into operations of the Cardones-Polpaico Interconnection Project of InterChile, on May 30, 2019, allowed for the coupling of transmission bars in the different substations of the system, reducing the curtailment of renewable energy supply due to the insufficiency of the transmission infrastructure. However, the accelerated installation of renewable energy projects in recent years has exceeded the capacity of the transmission infrastructure, making it necessary to expand it to prevent renewable energy losses.

Marginal Costs

2022	Real (Monthly Average per Node)				
Month	Crucero 220	Polpaico 220	Charrúa 220	Pto. Montt 220	Temuco 220
Ene	69	69	75	213	77
Feb	68	68	69	290	72
Mar	95	102	114	210	117
Abr	108	118	126	230	127
May	96	102	100	187	101
Jun	190	200	196	224	192
Jul	116	154	148	241	144
Ago	101	112	100	199	90
Sep	84	87	82	198	70
Oct	83	69	61	77	54
Nov	112	95	86	100	72
Dec	96	91	89	83	61
YTD	**101**	**105**	**104**	**188**	**98**

2023	Real (Monthly Average per Node)				
Mes	Crucero 220	Polpaico 220	Charrúa 220	Pto. Montt 220	Temuco 220
Ene	96	94	91	197	89
Feb	114	114	110	215	107
Mar	106	133	132	207	128
Abr	109	133	132	160	130
May	106	123	123	138	118
Jun	93	104	102	90	88
Jul					
Ago					
Sep					
Oct					
Nov					
Dec					
YTD	**104**	**117**	**115**	**168**	**110**

Source: Coordinador Eléctrico Nacional

In January 2023, marginal costs averaged US$96/MWh in the north and US$92/MWh in the center, while in the south they stood at US$197/MWh due to high temperature, transmission restrictions and higher demand.

In the first half of February 2023, there was a significant increase in marginal costs in the system (+30 US$/MWh in the north and center), due to transmission works, failures of own and third-party units, and lower hydroelectric contribution given the end of the thaw period.

During March, marginal costs reached US$106/MWh on average in the north and US$130/MWh in the center as a result of LNG purchases at market prices, while in the south they climbed to US$206/MWh due to the delay in the start of transmission works in the Araucanía region.

In April, both in the North and Center Zones of Chile, marginal costs maintained their high levels of the previous month reaching an average of 109 USD/MWh in Crucero and around 130 USD/MWh in the Center, whilst in the Puerto Montt Node, the average marginal cost dropped to 160 USD/MWh, mainly due to the rain registered in the South.

In May the marginal cost decreased somewhat to 106 USD/MWh, while in the Center Zone it reached around 123 USD/MWh and in the Puerto Montt node it decreased the most, reaching 138 USD/MWh. The main reason for these declines were the lower costs of fuels and the increase in rain during this month in the South.

In June the marginal costs reached 93 USD/MWh in the North, 102 USD/MWh in the Center and 90 USD/MWh in the South. The lower marginal costs reflect the lower fuels costs in the North of Chile and the higher precipitation level during this month in the South and in the Center of Chile towards the end of the month.

Fuel prices

International Fuel Prices Index

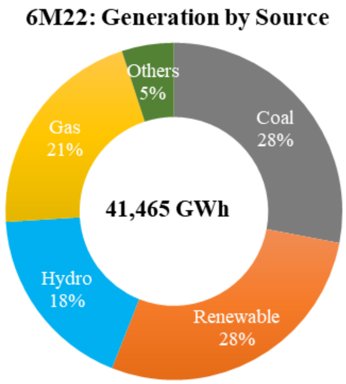
	WTI (US$/Barrel)			Brent (US$/Barrel)			Henry Hub (US$/MMBtu)			European coal (API 2) (US$/Ton)		
	2022	**2023**	**% Variation YoY**	**2022**	**2023**	**% Variation YoY**	**2022**	**2023**	**% Variation YoY**	**2022**	**2023**	**% Variation YoY**
Jan	84.3	78.1	*-7%*	86.2	82.2	*-5%*	4.32	3.18	*-27%*	167.2	167.5	*0%*
Feb	95.8	77.3	*-19%*	96.6	83.2	*-14%*	4.75	2.39	*-50%*	194.5	138.3	*-29%*
March	107.9	72.5	*-33%*	116.2	77.5	*-33%*	4.99	2.26	*-55%*	325.3	138.3	*-57%*
April	101.9	79.4	*-22%*	104.5	83.9	*-20%*	6.50	2.16	*-67%*	319.3	140.3	*-56%*
May	111.5	71.5	*-36%*	114.3	75.6	*-34%*	8.24	2.13	*-74%*	328.1	119.0	*-64%*
June	114.3	70.2	*-39%*	122.4	74.8	*-39%*	7.46	2.22	*-70%*	352.9	115.6	*-67%*
July	101.2			111.6			7.37			389.0		
August	93.7			100.7			8.76			364.9		
September	85.4			89.5			7.73			328.5		
October	87.6			93.3			5.69			267.9		
November	82.8			89.9			5.45			213.6		
December	76.0			80.3			5.52			227.9		

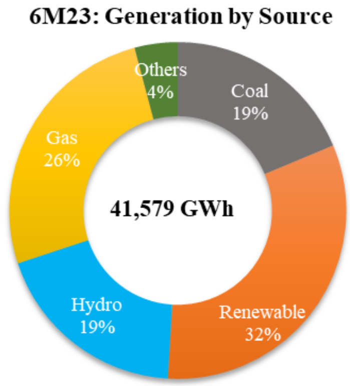
Source: Bloomberg, IEA

During the second quarter of 2023 prices maintained a similar trajectory as those of the first quarter, continuing with the downward trend already shown during that period, as compared with the higher levels of 2022. The prices of Natural Gas and Coal continued their decline showing the lowest average price during the month of June.

Generation

The following graphs provide a breakdown of generation in the SEN by fuel type:





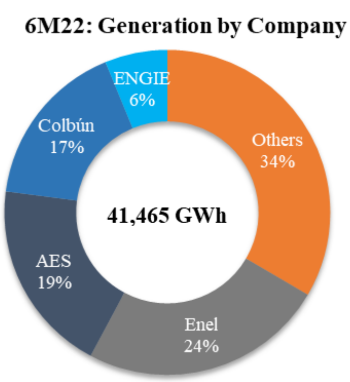
Source: Coordinador Eléctrico Nacional

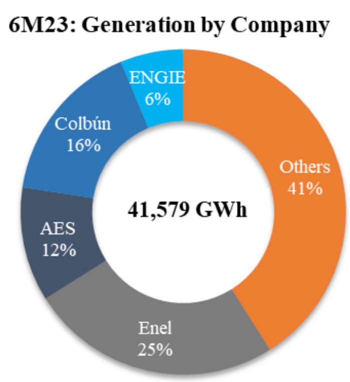
In the first half of 2023, demand reached a maximum of 11,499.7 MWh/h in June, 0.8% below peak demand in the first half of 2022. Sales reached 38,570.9 GWh in the first half, with a 2.5% increase in free customer sales and a 0.8% decrease in the regulated client segment as compared to the first half of 2022.

Regarding renewable energy, solar generation increased by 20.2%, while wind generation rose by 11.6% as compared to the first half of 2022. As of the end of June, the National Electricity System (SEN) reported total gross installed capacity of 33,659.1 MW, including 14,431.3 MW qualifying as non-conventional renewable energy capacity, as defined by Law #20,257.

In terms of hydraulic generation, as of July the estimated probability of exceedance for the April 2023-March 2024 hydrological year was 80%, representing an equivalent of approximately 23.5 TWh of energy; that is, 2 TWh more than last year. Compared to the same date of last year, energy stored in reservoirs increased by an estimated 1.7 TWh.

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 unaudited consolidated financial statements for the 6-month periods ended June 30, 2023, and June 30, 2022. These financial statements have been prepared in U.S. dollars in accordance with IFRS and 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 2023 compared to 1Q 2023 and 2Q 2022

Operating Revenues

Quarterly Information (In US$ millions)

	2Q22		1Q23		2Q23		% Variation	
Operating Revenues	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**QoQ**	**YoY**
Unregulated customers sales.………………….	230.7	*52%*	228.6	*43%*	223.2	*40%*	*-2%*	*-3%*
Regulated customers sales…………………….	178.5	*40%*	249.6	*47%*	222.7	*40%*	*-11%*	*25%*
Spot market sales………………………………..	32.0	*7%*	53.5	*10%*	106.5	*19%*	*99%*	*233%*
Total revenues from energy and capacity sales	**441.3**	*92%*	**531.8**	*90%*	**552.3**	*90%*	***4%***	***25%***
Gas sales…………………………..	9.5	*2%*	25.6	*4%*	29.6	*5%*	*15%*	*213%*
Other operating revenue……………………….	30.7	*6%*	30.4	*5%*	34.3	*6%*	*13%*	*12%*
Total operating revenues………………….	**481.4**	*100%*	**587.8**	*100%*	**616.2**	*100%*	***5%***	***28%***
Physical Data (in GWh)								
Sales of energy to unregulated customers (1)……	1,816	*60%*	1,655	*56%*	1,739	*58%*	*5%*	*-4%*
Sales of energy regulated customers……	1,204	*40%*	1,252	*43%*	1,249	*42%*	*0%*	*4%*
Sales of energy to the spot market……………	23	*1%*	31	*1%*	17	*1%*	*-46%*	*-27%*
Total energy sales………………………….	**3,043**	*100%*	**2,938**	*100%*	**3,005**	*100%*	***2%***	***-1%***
Average monomic price unregulated customers(U.S.$/MWh)(2)	**125.5**		**135.6**		**127.1**		***-6%***	***1%***
Average monomic price regulated customers (U.S.$/MWh)(3)	**148.2**		**199.4**		**178.2**		***-11%***	***20%***

(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$552.3 million in the second quarter of 2023, representing a US$111 million, or 25%, increase compared to the second quarter of 2022. This was explained by a 20% increase in tariffs to regulated customers, due to increases in inflation rates and fuel prices used in contract indexation formulas and an increase in volume sales to regulated clients.

When compared to the previous quarter, sales by volume to un-regulated customers increased by 5%, while sales by volume to regulated customers remained almost unchanged.

Sales of energy to the spot market include energy generation produced at the Kelar Plant, owned by BHP, which is operating under a tolling agreement with fuel supplied by EECL. This is the main reason of the increase in that line. However, in the physical statistics, the MWh generated by Kelar are registered under Gas sales by volume and not in the spot sales by volume account. In the second quarter of 2023, sales by volume in the spot market, excluding Kelar sales by volume which reached 407 GWh in the quarter, reached 17 GWh, a decrease as compared to the prior quarter where the San Pedro I and San Pedro II wind farms were still selling their whole generation to the spot market. In March 2022, supply contracts came into force under which CTH and Solar Los Loros began selling all their power generation to EECL. Spot sales in the first quarter of 2023 include the energy generated by the

San Pedro 1 and San Pedro 2 wind farms in Chiloé, which sold all their energy to the spot market. Both wind farms sold all their energy to EECL under supply contracts that became effective in the second quarter of 2023.

The increase in gas sales in the second quarter of 2023, as compared to the second quarter of 2022 and by a lesser extent to the first quarter of 2023, is primarily explained by spot gas sales made at higher prices. The increase in gas sales was achieved despite the agreement signed with the company's main liquefied natural gas supplier in February 2022, which allowed the company to optimize annual gas purchase volumes, as well as to resolve a commercial dispute over an LNG cargo that could not be dispatched in the first half of 2021. As a result of this agreement, the company recorded a one-time US$17 million income on its operating results in the first quarter of 2022.

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.

Operating Costs

Quarterly Information (In US$ millions)

	2Q22		1Q23		2Q23		% Variation	
Operating Costs	Amount	% of total	Amount	% of total	Amount	% of total	QoQ	YoY
Fuel and lubricants……………………………….	(203.2)	*38%*	(177.3)	*33%*	(194.2)	*34%*	*10%*	*-4%*
Energy and capacity purchases on the spot market……………………………	(212.0)	*40%*	(219.4)	*41%*	(224.3)	*39%*	*2%*	*6%*
Depreciation and amortization attributable to cost of goods sold……………………………	(44.0)	*8%*	(43.4)	*8%*	(45.1)	*8%*	*4%*	*2%*
Other costs of goods sold…………………….	(65.9)	*12%*	(83.5)	*16%*	(104.5)	*18%*	*25%*	*59%*
Total cost of goods sold……………….	**(525.2)**	*98%*	**(523.5)**	*99%*	**(568.0)**	*99%*	***9%***	***8%***
Selling, general and administrative expenses…	(9.6)	*2%*	(8.8)	*2%*	(11.6)	*2%*	*32%*	*21%*
Depreciation and amortization in selling, general and administrative expenses…………	(0.9)	*0%*	(1.3)	*0%*	(1.4)	*0%*	*7%*	*47%*
Other operating revenue/costs……………………….	1.3	*0%*	3.1	*-1%*	5.5	*-1%*		
Total operating costs….……………….	**(534.4)**	*100%*	**(530.5)**	*100%*	**(575.6)**	*100%*	***9%***	***8%***
Physical Data (in GWh)								
Gross electricity generation								
Coal………………………………………….	1,085	*62%*	351	*22%*	379	*22%*	*8%*	*-65%*
Gas…………………………………………..	423	*24%*	850	*53%*	910	*53%*	*7%*	*115%*
Diesel Oil and Fuel Oil…………………….	17	*1%*	7	*0%*	3	*0%*	*-54%*	*-81%*
Hydro/Solar/Wind……………………………….	226	*13%*	407	*25%*	412	*24%*	*1%*	*82%*
Total gross generation………………….	**1,751**	*100%*	**1,615**	*100%*	**1,705**	*100%*	***6%***	***-3%***
Minus Own consumption………………..	(128)	*-7%*	(61)	*-4%*	(64)	*-4%*	*5%*	*-50%*
Total net generation…………………….	**1,623**	***51%***	**1,555**	***53%***	**1,641**	***54%***	***6%***	***1%***
Energy purchases on the spot market……….	999	***31%***	552	***19%***	697	***23%***	*26%*	*-30%*
Energy purchases- bridge……….	561	***18%***	800	***28%***	724	***24%***	*-9%*	*29%*
Total energy available for sale before transmission losses………………………	**3,183**	***100%***	**2,906**	***100%***	**3,062**	***100%***	***5%***	***-4%***

Gross electricity generation decreased by 3%, compared to the same quarter of 2022, and by 6% compared to the first quarter of 2023. The decrease in coal-based generation compared to the second quarter of 2022 was primarily due to the maintenance and failure of the IEM plant which lasted until mid-May, less frequent dispatch of other coal units due to lower operating cost priority, and the closure of U15 in September 2022. Increased gas generation, which includes 402 GWh generated by BHP's Kelar unit under a tolling agreement, compensated for the decrease in coal generation.

Renewable generation continued its increase over the period under analysis, as compared to the second quarter of 2022 (82% increase), as a result of the start of commercial operations of the Calama wind farm (151.2 MW) at the end of 2021 and the Tamaya solar PV plant (114 MWac) in early 2022, the first injections of the Capricornio solar PV plant (88 MWac) starting April 2022, and Coya (180 MWac) beginning August 2022, and the incorporation of the San Pedro wind farms in mid-December 2022. The Coya PV plant obtained its COD as of March 24, 2023. Renewable generation increased by 1% as compared with the first quarter of 2023.

In the second quarter of 2023, the fuel cost item showed a 10% increase compared to the immediately previous quarter as a result of the fuel mix that included the burning of coal inventory acquired at the high prices in force in the last quarter of 2022 and the use of LNG purchased at higher prices. Compared to the second quarter of 2022, the cost of fuels decreased by 4%, reflecting the drop of fuel prices as compared to the sustained rise in fuel prices suffered during 2022.

The 'Cost of energy and capacity purchases' item increased by US$12.3 million (6%) compared to the same quarter of 2022. This was mainly due to higher marginal costs or average spot prices, which were offset by lower volumes of energy purchased in the spot market (30% less) and the greater purchases of energy under backup contracts with other generators, which amounted to 724 GWh in this quarter as compared to 561 GWh in the same quarter of 2022. As compared to the first quarter of 2023, the cost of purchasing energy and capacity rose by 2%, mainly due to the higher purchase prices in the spot market. In the second quarter of 2023, an increase in the supply of water toward the end of the quarter as well as an increase in Argentine gas supply in the system was observed, which translated into a decrease in marginal costs, especially toward the end of the quarter. These lower costs also reflected a lower cost of coal, since the stocks of coal bought at high prices during the second half of 2022 were increasingly consumed.

In the second quarter of 2023, depreciation costs increased mainly due to the start of operation of the PV Coya project.

Other direct operating costs included, among others, operating and maintenance costs, transmission tolls, insurance premiums and cost of fuels sold. These costs increased by 59% compared to the second quarter of 2022 and by 25% compared to the first quarter of 2023. These increases are mainly related to the higher gas sales to Escondida Mining Company.

SG&A expenses increased as compared to those reported in the first quarter of 2023 and second quarter of 2022, mainly due to higher advisory and third party services.

The Other operating revenue/cost item includes water sales and miscellaneous income as well as recoveries, single charges and provisions. EECL's share in TEN's net income, which amounted to US$1.1 million in the second quarter, is also included in this item.

Electricity Margin

Quarterly Information (In US$ millions)

	2022					2023	
	1Q22	**2Q22**	**3Q22**	**4Q22**	**2022**	**1Q23**	**2Q23**
Electricity Margin							
Total revenues from energy and capacity sales………	**365.8**	**441.3**	**461.8**	**485.8**	**1,754.7**	**531.8**	**552.3**
Fuel and lubricants…………………..	(128.4)	(203.2)	(161.7)	(154.9)	(648.2)	(177.3)	(194.2)
Energy and capacity purchases on the spot market……	(163.0)	(212.0)	(213.1)	(210.2)	(798.3)	(219.4)	(224.3)
Gross Electricity Profit	**74.4**	**26.1**	**87.0**	**120.7**	**308.2**	**135.1**	**133.8**
Electricity Margin	*20%*	*6%*	*19%*	*25%*	*18%*	*25%*	*24%*

In the second quarter of 2023, the electricity margin, or the gross profit from the electricity generation business, recovered, with a US$107.7 million increase, when compared to the second quarter of 2022, and represented 24% of energy and capacity revenues. This was because there was a slight reduction in fuel and energy purchase costs and an increase in energy and capacity revenues. Compared to the first quarter of 2023, the gross profit from the electricity generation business decreased by US$1.3 million, going from 25% to 24%. On the one hand, there were higher revenues from sales of energy and capacity (+US$20.5 million) due to the increase in the main tariff indexers (CPI and gas and coal prices). On the other hand, fuel costs increased by US$16.9 million due to higher fuel prices, and energy purchase costs increased by US$4.9 million.

Operating Results

Quarterly Information (in US$ millions)

EBITDA	**2Q22**		**1Q23**		**2Q23**		**% Variation**	
	Amount	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**QoQ**	**YoY**
Total operating revenues………………………	481.4	*100%*	587.8	*100%*	616.2	*100%*	*5%*	*28%*
Total cost of goods sold……………………	(525.2)	*-109%*	(523.5)	*-89%*	(568.0)	*-92%*	*9%*	*8%*
Gross income………………………….	**(43.8)**	*-9%*	**64.3**	*11%*	**48.1**	*8%*	***-25%***	***n.a.***
Total selling, general and administrative expenses and other operating income/(costs).	(9.2)	*-2%*	(7.0)	*-1%*	(7.6)	*-1%*	*8%*	*-18%*
Operating income…………………..	**(53.0)**	*-11%*	**57.3**	*10%*	**40.6**	*7%*	***-29%***	***n.a.***
Depreciation and amortization……..…………	45.0	*9%*	44.7	*8%*	46.5	*8%*	*4%*	*3%*
EBITDA……………….……………….	**(8.0)**	*-1.7%*	**102.0**	*17.3%*	**87.1**	*14.1%*	***-15%***	***n.a.***

EBITDA for the second quarter of 2023 reached US$87.1 million, a significant recovery compared to the first quarter of 2022 which showed a negative EBITDA of US$8 million. This recovery was mainly due to the increase in the electricity margin, as a result of higher operating revenues. On the other hand, the EBITDA showed a 15% decrease as compared to the first quarter of 2023, mainly due to a higher increase in costs of goods sold than in operating revenues.

Financial Results

Quarterly Information (In US$ millions)

	2Q22		**1Q23**		**2Q23**		**% Variation**	
Non-operating results	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**QoQ**	**YoY**
Financial income……..………………………	0.7	*0%*	1.3	*0%*	4.9	*1%*	*275%*	*635%*
Financial expense…………….…………………	(13.0)	*-3%*	(27.9)	*-5%*	(42.5)	*-7%*	*53%*	*227%*
Foreign exchange translation, net…………..	4.0	*1%*	(0.3)	*0%*	(0.4)	*0%*	*n.a.*	*n.a.*
Other non-operating income/(expense) net…	0.1	*0%*	(3.4)	*-1%*	(5.7)	*-1%*	*n.a.*	*n.a.*
Total non-operating results…………….	**(8.3)**	*-2%*	**(30.3)**	*-5%*	**(43.7)**	*-7%*		
Income before tax……………………. ………	(61.3)	*-13%*	27.1	*5%*	(3.1)	*-1%*	***n.a.***	***-95%***
Income tax………………………………………	17.1	*4%*	(7.4)	*-1%*	10.3	*2%*	*n.a.*	*-40%*
Net income from continuing operations after taxes …	(44.2)	*-9%*	19.7	*3%*	7.1	*1%*	*n.a.*	*n.a.*
Net income to EECL's shareholders	**(44.2)**	*-9%*	**19.7**	*3%*	**7.1**	*1%*	***n.a.***	***n.a.***
Earnings per share……………………..	**(0.042)**		**0.019**		**0.007**			

In the second quarter of 2023, interest expense increased by US$14.6 million compared to the first quarter of 2023 due mainly to financial expenses for US$12.6 million related to the last sale of accounts receivable related to the price stabilization law (PEC-1). As compared to the second quarter of 2022, the increase in financial expenses reached US$29.5 million, not only due to the above mentioned US$12.6 million financial expense related to the PEC-1 accounts receivable monetization, but also due to (1) the increase in the company's financial debt during 2022 to finance the increase in fuel costs, the investment in renewable projects, and the build-up of accounts receivable from distribution companies related to the tariff stabilization law, and (2) the successive increase in interest rates. This also explains the increase in financial income.

Exchange rate differences reached a US$0.4 million loss in the second quarter of 2023, which compares with a US$0.3 million loss in the first quarter of 2023 and a US$4 million gain in the second quarter of 2022. These fluctuations were explained by the exchange rate volatility. Fluctuations in exchange rates affect the value of certain assets and liabilities denominated in currencies other than the US dollar, the company's functional currency. These include some accounts receivable and payable, advances to suppliers, value-added tax credit and, more importantly, liabilities for onerous concessions on land and other assets recorded on the balance sheet under the IFRS16 norm.

Net Earnings

In the second quarter of 2023, the company reported net profits of US$7.1 million, a clear recovery as compared to the second quarter of 2022, when the Company reported a US$44.2 million net loss. However, the net profit registered in the second quarter of 2023 was lower than the US$19.7 million profit registered in the first quarter of the year, mainly due to a lower operating income as well as higher financial expenses. These reached US$42.5 million in the second quarter of 2023, mainly due to a higher debt level, higher interest rates and the discount of US$12.6 million related to the final sale of accounts receivable under the monetization program of the "PEC-1". In both the first and second quarters of 2023, the Company reported a decrease in fixed assets and intangibles, reporting a slightly higher level in the second quarter (US$8.4 million in the second quarter and US$6.2 million in the first quarter).

1H2023 compared to 1H2022

Operating Revenues

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

	6M22		6M23		Variation	
Operating Revenues	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**%**
Unregulated customers sales…………………..	408.6	*51%*	451.8	*42%*	*43.2*	*11%*
Regulated customers sales…………………….	348.2	*43%*	472.3	*44%*	*124.1*	*36%*
Spot market sales………………………………..	50.3	*6%*	160.0	*15%*	*109.7*	*218%*
Total revenues from energy and capacity sales……	**807.0**	*90%*	**1,084.0**	*90%*	***277.0***	*34%*
Gas sales…………………………..	29.6	*3%*	55.3	*5%*	*25.7*	*87%*
Other operating revenue……………………….	62.6	*7%*	64.7	*5%*	*2.0*	*3%*
Total operating revenues………………….	**899.2**	*100%*	**1,204.0**	*100%*	***304.7***	*34%*
Physical Data (in GWh)						
Sales of energy to unregulated customers (1)……	3,505	*58%*	3,394.5	*57%*	*-111*	*-3%*
Sales of energy regulated customers……	2,330	*39%*	2,501.2	*42%*	*171*	*7%*
Sales of energy to the spot market…………….	172	*3%*	47.6	*1%*	*-124*	*-72%*
Total energy sales………………………….	**6,007**	*100%*	**5,943**	*100%*	***-64***	*-1%*
Average monomic price unregulated customers(U.S.$/MWh)(2)	**124.8**		**177.7**		***52.9***	*42%*
Average monomic price regulated customers (U.S.$/MWh)(3)	**149.4**		**188.8**		***39.4***	*26%*

(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.

In the first half of 2023, total revenues from energy and capacity sales reached US$1.084,0 million, a 34% (US$277,0 million) increase as compared to the first half of 2022, due to the higher average monomic prices which increased 40% for un-regulated customers and 31% for regulated customers. The average prices of energy sold were higher due to the increase in the main tariff indexation parameters (CPI and coal and gas prices).

As for the volume of energy sold, there was a 4% decline in sales by volume to un-regulated customers while there was a 4% increase of volumes sold to regulated customers.

The sales by volume to the spot market increased as a result as sales of the generation from CTH and Los Loros during the first two months and the sales from Monte Redondo wind farm, explained by the maturity of one of its supply contracts. The sales to the spot market item also includes payments for annual capacity and monthly energy reliquidations done by the CEN. Injections of energy to the system by the Kelar power plant, which has been operating under a tolling agreement with EECL, are not being included in this account. This generation amounted to 717 GWh in the first semester, and was registered under gas generation.

The item gas sales showed a higher contribution than the previous period. As of February 2022, EECL reached an agreement with its liquified natural gas supplier that allowed it to optimize the annual gas purchase volumes, as well as resolving the commercial dispute related to an LNG cargo which hadn't been delivered in the first half of 2021. As a result of the agreement, the Company registered a positive impact of US$17 million in operating results in the first half of 2022. In the first half of 2023, the Company bought natural gas that allowed it to generate both in its own plants as well as through a tolling agreement in Kelar. These volumes also meant an increase in gas sales to the market. The other operating revenue account includes sub-transmission tolls and as well as port and maintenance services. The increase in this account is due to regulatory transmission revenues, *"cargo único"*. In January 2023, the CNE "unfroze" the fixing of the "*cargo único*" paid by end customers for the use of public service transmission installations, which had been frozen since December 2019. At the same time, in February 2023, the Decree which includes the new tariffs for transmission installations for the 2020-2023 period, was implemented retroactively by the Coordinador Eléctrico (as established by the Electricity Law). Both events together meant that EECL obtained higher than expected revenues related to the expected remuneration or tolling value, which will be discounted from future "*cargo único*" charges.

Operating Costs

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

	6M22		6M23		Variation	
Operating Costs	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**%**
Fuel and lubricants………………………………	(331.6)	36%	(371.5)	34%	39.9	12%
Energy and capacity purchases on the spot market…	(375.0)	40%	(443.6)	40%	68.6	18%
Depreciation and amortization attributable to cost of goods sold…	(88.5)	10%	(88.5)	8%	0.0	0%
Other costs of goods sold…………………….	(116.4)	13%	(188.0)	17%	71.5	61%
Total cost of goods sold………………..	**(911.5)**	98%	**(1,091.5)**	99%	**180.0**	**20%**
Selling, general and administrative expenses…	(18.3)	2%	(20.5)	2%	2.2	12%
Depreciation and amortization in selling, general and administrative expenses…	(1.9)	0%	(2.7)	0%	0.8	42%
Other operating revenue/costs……………………….	2.6	0%	8.6	n.a.	6.0	235%
Total operating costs…………………….	**(929.1)**	100%	**(1,106.0)**	100%	**176.9**	**19%**
Physical Data (in GWh)						
Gross electricity generation						
Coal………………………………………….	2,040	62%	730	22%	-1,309	-64%
Gas…………………………………………..	768	23%	1,760	53%	992	129%
Diesel Oil and Fuel Oil…………………….	17	1%	10	0%	-7	-41%
Hydro/Solar……………………………………….	446	14%	819	25%	374	84%
Total gross generation………………….	**3,271**	100%	**3,320**	100%	**49**	**2%**
Minus Own consumption………………..	(264)	-8%	(124)	-4%	139	-53%
Total net generation…………………….	**3,007**	**49%**	**3,196**	**54%**	**188**	**6%**
Energy purchases on the spot market………..	2,113	**35%**	1,249	**21%**	-864	-41%
Energy purchases- bridge………..	990	**16%**	1,523	**26%**	533	54%
Total energy available for sale before transmission losses………………………	**6,111**	**100%**	**5,968**	**100%**	**-143**	**-2%**

Total gross generation increased by 2% as compared to the first half of 2022, showing a change in the composition between both periods since coal generation decreased significantly (64%) due to a disruption in the IEM plant between February and May 2023, whilst generation with gas increased by 129% mainly with the objective of compensation the above mentioned decrease in coal generation. Generation with renewables increased by 373 GWh (84%) due to the commercial operation start of PV Coya park in the first quarter of 2023 as well as the purchase of the San Pedro I y II wind farms in December 2022.

In the first half of 2023, the cost of fuels registered a 12% (US$39.9 million) increase, due to the increase in fuel prices globally, mainly derived from the Ukraine – Russia conflict. Although fuel prices started declining significantly during the first half of 2023, the cost of fuels item in the income statement still reflects the use of coal inventories bought at higher prices during the second half of 2022.

The item “Energy and capacity purchases on the spot market” increased by US$68.6 million (18%) as compared to the first half of the previous year, mainly due to the combination of lower volumes of energy bought and higher realized prices when buying such energy. There was also a US$23.9 million increase in the cost of capacity purchases. In the first half of 2023, the depreciation cost remained at levels similar to those of the same period in 2022.

Other direct operating costs include, among others, transmission tolls, plant personnel salaries, operating and maintenance costs (third party services), insurance premiums and cost of fuels sold. The US$71.5 million increase in this item as compared to the first half of 2022 is mainly due to increases in cost of fuels sold related to the higher gas sales (US$39.5 million), maintenance costs (US$10 million), transmission tolls (US$ 10 million), third party services (US$8.4 million) and insurance premiums (US$2.4 million).

SG&A expenses (excluding depreciation), increased by 12% compared to the first half of 2022 due to higher third party services and consultants costs.

The other operating revenue/cost item includes water sales, recoveries, “cargo único”, other provisions, as well as EECL’s share in TEN’s net income, which amounted to US$1.6 million in the first half of 2023.

Operating results

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

EBITDA	**6M22**		**6M23**		**Variation**	
	Amount	**% of total**	**Amount**	**% of total**	**Amount**	**%**
Total operating revenues………………………	899.2	*100%*	1,204.0	*100%*	*304.7*	*34%*
Total cost of goods sold……………………	(911.5)	*101%*	(1,091.5)	*91%*	*180.0*	*20%*
Gross income………………………….	**(12.3)**	*-1%*	**112.4**	*9%*	***124.7***	***n.a.***
Total selling, general and administrative expenses and other operating income/(costs).	(17.6)	*2%*	(14.5)	*1%*	*-3.1*	*-17%*
Operating income…………………..	**(29.9)**	*-3%*	**97.9**	*8%*	***127.8***	***n.a.***
Depreciation and amortization……..…………	90.4	*10%*	91.1	*8%*	*0.8*	*1%*
EBITDA……………….………………..	**60.5**	*6.7%*	**189.0**	*15.7%*	***128.5***	***212%***

EBITDA for the first half of 2023 reached US$189 million, a 212% increase or US$128.5 million as compared to the same period of 2022, mainly due to the higher operating revenues which increased more than the operating costs.

Financial Results

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

	6M22		6M23		Variation	
Non-operating results	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**%**
Financial income………..………………………	1.8	*0%*	6.2	*1%*	*4.4*	*250%*
Financial expense……………..…………………	(28.7)	*-3%*	(70.4)	*-6%*	*-41.7*	*145%*
Foreign exchange translation, net…………..	(1.6)	*0%*	(0.7)	*0%*	*0.9*	*-55%*
Other non-operating income/(expense) net…	0.5	*0%*	(9.0)	*-1%*	*-9.5*	*n.a.*
Total non-operating results…………….	**(28.0)**	*-3%*	**(74.0)**	*-6%*		
Income before tax……………………. ………	(57.9)	*-6%*	23.9	*2%*	***81.8***	***n.a.***
Income tax………………………………………	17.5	*2%*	2.9	*0%*	*-14.6*	*-83%*
Net income from continuing operations after taxes	(40.4)	*-4%*	26.8	*2%*	*67.3*	*n.a.*
Net income to EECL's shareholders	**(40.4)**		**26.8**		***67.3***	***n.a.***
Earnings per share……………………..	**(0.038)**		**0.025**			

The US$41.7 million increase in financial expense during the first half of this year as compared to the same period of the previous year, mainly reflects the increase in financial debt during 2022 in order to be able to finance renewable projects CAPEX, higher operating costs and amounts related to accounts receivables accumulated due to the price stabilization mechanism to regulated customers. The increase was also related to the effect in results of the sale of amounts due to Engie for the transitory price stabilization mechanism applied to regulated customers tariffs (Law N°21.185 of November 2019 – "PEC"). The differential between the nominal amount of receivables sold and the purchase Price, which includes a discount applied and expenses related to the transaction, was registered as financial expense. In the first half of 2023, this expense amounted to US$12.6 million, while in the first half of 2022, US$3.9 million were registered for this item.

The Exchange rate difference reached a US$0.7 million loss in the first half of 2023, as compared to a US$1.6 million loss in the first half of 2022, as a result of greater exchange rate volatility with a local currency appreciation tendency in the first half of 2023, whilst the opposite occurred in the first half of 2022 when the Peso depreciated. Fluctuations in exchange rates affect the value of certain assets and liabilities denominated in currencies other than the US dollar (accounts receivable, advances to suppliers, value-added tax credit, accounts payable and provisions), and mainly, liabilities for onerous concessions on land recorded on the balance sheet under the IFRS16 norm.

Net Earnings

In the first half of 2023, net after-tax earnings reached US$26.8 million, a notorious improvement as compared to the first half of 2022, when net after-tax earnings registered a US$40.4 million loss. As mentioned earlier, the loss registered in the first half of the previous year was mainly related to the low operating result.

Liquidity and Capital Resources

As of June 30, 2023, EECL reported consolidated cash balances of US$128.4 million, while its nominal financial debt[1] amounted to US$1,835 million, including US$290 million of debt maturing within one year. With the objective of financing its CAPEX needs for renewable projects and for debt refinancing, the Company signed a 10 year loan for a total amount of US$400 million with the IFC and DEG development banks. At the same time, the Company expects to be able to monetize accounts receivable from distribution companies related to the second price stabilization law for regulated customers (Ley MPC), through mechanisms agreed on with the Interamerican Development Bank (IDB). These funds, which the Company expects to receive during the second half of 2023 and during 2024, and which amount to an estimate of more than US$400 million, will allow to restore the liquidity of the Company and extend its debt maturity profile.

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

Cash Flow	**2022**	**2023**
Net cash flows provided by operating activities…	(210.8)	98.7
Net cash flows used in investing activities………	(110.2)	(166.8)
Net cash flows provided by financing activities..	228.1	60.2
Change in cash………………...………….	**(131.9)**	**(7.9)**

Cash Flow from Operating Activities

The cash from operating activities registered a notorious recovery during the first half of 2023, where the Company's cash flow statement showed net cash flows from operating activities of US$98.7 million. This amount includes certain items described below. Cash flows from regular operations would have represented a net cash inflow of US$319.3 million mainly due to higher energy prices and lower fuel purchases explained by the inventory build-up in late 2022. However, these cash inflows could not be fully materialized due to the lower cash collection from sales to regulated customers as a result of the price stabilization law, which resulted in a US$176.5 million build-up in accounts receivable. Thus, net cash flows provided by operating activities amounted to US$142.7 million. A total amount of US$38.2 million received in cash as a result of the final sale of accounts receivable from PEC-1 should be added to the prior amount. Then, the following amounts should be deducted: (i) interest payments for US$43.5 million as well as (ii) income tax and green tax payments for US$38.7 million, reaching a total amount of US$98.7 million which are registered in the cash flow. In the first half of 2022, the cash flow from operating activities represented a net cash outflow of US$210.8 million, while the Company received sales of accounts receivable from distribution companies for US$9.6 million.

Cash Flow Used in Investing Activities

In the first half of 2023, cash flows related to investment activities resulted in a net cash outflow of US$167.1 million, mainly due to capital expenditures of US$181 million, including the BESS Coya energy storage project, the Lomas de Taltal wind farm and investments in transmission and major maintenance of generation and transmission, as detailed in the chart below. The investment in capital expenditures was partially offset by US$12.4 million positive results in financial derivatives. Cash outflows for investment activities in the first half of 2023 exceeded those reported in the first half of 2022, which amounted to US$110.2 million, including investment in the solar PV projects, Tamaya, Capricornio and Coya, the final payments for the Calama wind farm, and other assets.

(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.

Capital Expenditures

Our capital expenditures in the first quarters of 2022 and 2023 amounted to US$109.3 million and US$181 million, respectively, as shown in the following table.

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

CAPEX	**2022**	**2023**
Substation…………………	6.6	24.9
Overhaul power plants & equipment maintenance and refurbishing…………………	2.7	19.5
Overhaul equipment & transmission lines	3.0	1.4
PV Power Plant……………	73.0	82.8
Wind farm……………..	12.7	47.2
Others……………………………………………	11.2	5.2
Total capital expenditures……………………….	**109.3**	**181.0**

The capital expenditure amounts included in the table above include VAT payments as well as capitalized interest. In the first half of 2023 the latter amounted to US$3.4 million, whereas in the first half of 2022 capitalized interest was US$3.6 million.

Cash Flow from Financing Activities

In the first half of 2023, the main flows related to financing activities were (i) the renewal of short-term loans with BCP and Banco Santander for a total amount of US$80 million, (ii) a new US$50 million one-year loan from Banco Estado, (iii) a US$93 million disbursement under the US$170 million 5-year loan granted by Banco Santander on December 15, 2022, to finance the acquisition of the San Pedro wind farms in Chiloé, (iv) the prepayment of the long-term debt of Energías de Abtao (owner of the San Pedro II wind farm) with Banco Itaú, Banco Consorcio and Consorcio Seguros de Vida for a total amount of US$79.4 million, which EECL had assumed at the time of the acquisition of these assets in December 2022, and (v) the payment of two loans, one with Banco Santander for US$25 million and one with Itaú for US$30 million. Other payments included interest on the outstanding 144-A bonds, the Scotiabank loan, and short-term debt, which totaled US$43.5 million and were included in the cash from operations section.

In the first half of 2022, the main financial cash flows were the US$50 million short-term debt taken with Banco de Crédito del Perú, US$30 million in short-term loans from Banco Santander, US$50 million loan and the renewal of another existing US$50 million loan with Scotiabank, US$ 50 million short-term loan from BCI and US$30 million short-term loan with Itaú, as well as the interest and installment payments under the financial lease contracts.

Contractual Obligations

The following table sets forth the maturity profile of our debt obligations as of June 30, 2023.

Contractual Obligations as of 06/30/23
Payments Due by Period (in US$ millions)

	Total	**< 1 year**	**1 - 3 years**	**3 - 5 years**	**More than 5 years**
Bank debt…………………………………….……	910.0	215.0	155.0	439.3	100.8
Intercompany debt…………………………………	75.0	75.0	-	-	-
Bonds (144 A/Reg S Notes)……………………..	850.0	-	350.0	-	500.0
Financial lease - Tolling Agreement TEN………	52.6	1.8	4.1	4.9	41.8
Financial lease - IFRS 16………………………….	121.0	6.3	11.7	8.2	94.8
Deferred financing cost…………………………..	(15.6)	-	(6.5)	(5.7)	(3.3)
Accrued interest…………………………………..	26.9	26.9	-	-	-
Mark-to-market swaps……………………………	1.8	1.8	-	-	-
Total	**2,021.7**	**326.7**	**514.2**	**446.7**	**734.1**

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, 2023, the company’s consolidated debt totaled US$1,835 million (US$2,022 million including IFRS 16 financial leases).

Short-term debt maturities amounted to US$327 million, including accrued interest and the current portion of financial leases. Short-term bank debt amounted to US$215 million, while the Company also reported a US$75 million debt with its main shareholder ENGIE Austral. The bank debt comprised a US$50 million loan with Banco de Crédito del Perú, due August 1, 2023, two loans totaling US$30 million with Banco Santander, due February 6, 2024, a US$50 million loan with Banco de Chile maturing November 15, 2023, a US$50 million loan with Banco Estado maturing January 31, 2024, and a US$35 million loan with BCI maturing May 16, 2024. These loans are denominated in US dollars, they accrue a fixed interest rate and are 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.

Medium and long-term bank debt reached US$695 million as of June 30, 2023 (US$125 million with BID Invest, US$350 million with Scotiabank, US$50 million with BCI, and US$170 million with Santander). The US$79.4 million loan with Itaú, Banco Consorcio and Consorcio Seguros de Vida, related to the taking over of the project financing of the San Pedro II wind farm, was fully prepaid in February 2023. The outstanding loans are described in the following paragraphs.

On December 23, 2020, the Company and IDB Invest signed a financing agreement under which IDB Invest committed to 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, was used to finance 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 CO2 emissions achieved through the anticipated decommissioning of coal-based 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. On August 27, 2021, the company drew the full amount available under these facilities. As of June 30, 2023, the loan reported a remaining average life of 6.5 years.

On July 26, 2022, the company signed a US$250 million, 5-year bullet green financing facility with Scotiabank. The first loan under this facility, for an amount of US$150 million, was booked on July 28, and the remaining US$100 million was disbursed on September 7. The loan accrues variable interest, using the SOFR benchmark rate. To hedge against interest-rate risk, the company took interest-rate swaps with Banco de Chile for a notional amount equivalent to 70% of the facility, fixing the SOFR rate at 2.872% p.a.

The Company renewed two loans with Scotiabank for a total of US$100 million with a new maturity date on October 21, 2024. Another US$50 million loan with BCI was renewed, extending its maturity date to November 12, 2024. These loans have similar contractual characteristics than all the other short-term loans of the Company.

On December 15, 2022, the company signed a 5-year credit agreement for a total committed amount of US$170 million with Banco Santander. On that date, the first US$77 million of this financing were disbursed to pay for the purchase of shares of the San Pedro wind farms in Chiloé. The remaining US$93 million were disbursed on February 15, 2023. The loan accrues interest at a variable rate based on SOFR plus a margin. To hedge interest rate risk, the company took interest rate swap derivatives with Banco Santander for a notional amount equivalent to 70% of the loan principal. Through this swap, the SOFR rate was fixed at an average rate of 3.418% p.a. for such portion of the loan. This loan was syndicated, which meant that Santander transferred tranches amounting to US$34 million to Société Générale, Rabobank and Banco Estado.

On December 15, 2022, the Company took over the project financing held by Energías de Abtao S.A. (owner of the San Pedro II Wind Farm) with Itaú, Consorcio Seguros de Vida and Banco Consorcio for a total of US$79.4 million, of which US$4.3 million was due in 2023. The Company prepaid this loan with the proceeds of the second disbursement of the above-described Banco Santander loan.

EECL holds 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.

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$53 million and is payable in monthly instalments totaling approximately US$7 million per year until 2037.

As of June 30, 2023, the company reported leasing obligations related to land use concessions, vehicles, and other assets for a total amount of US$121 million, which qualified as financial debt under the IFRS 16 accounting norm. During the second quarter, the Company gave up one of the concessions it maintained in the Taltal area, which helps explain the decline in the lease obligations item.

Dividend Policy

Our dividend policy, last approved at the Annual Ordinary Shareholders' Meeting dated April 25, 2023, 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.

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. This dividend was paid on August 26, 2021. This dividend represented a distribution equivalent to 87.6% of the net income of the year 2021, so in April 2022 the board chose to propose to the Shareholders' Meeting that a definitive dividend not be distributed against the 2021 net profit in May 2022.

Considering the net loss recorded in 2022, the Ordinary Shareholders' Meeting held on April 25, 2023, approved not to distribute dividends against 2022 results.

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

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
Aug 26, 2021	Provisional (on account of 2021 net income)	41.5	0.03940

Risk management policy

The energy sector is subject to diverse and changing economic, political, regulatory, social and competitive conditions. In the normal course of business, EECL is exposed to several risk factors that may impact its operating and financial performance. Risk factors are monitored closely and periodically by each risk owner of the different business processes and are coordinated by the Planning and Business Control Areas of the company. 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 risk analysis, including the construction of a risk matrix called Enterprise Risk Management (“ERM”), which is updated and reviewed once a year. The progress of each action plan and the update of the risks are carried out permanently within the ERM framework, which aims to preserve and continuously improve the value, reputation and internal motivation, promoting a reasonable risk-taking in social, human, and legal terms, acceptable to stakeholders and economically sustainable.

Risk management is presented to the Board annually. The Company's financial risk management strategy is aimed at safeguarding the stability and sustainability of ENGIE Energía Chile in relation to all those components of financial uncertainty or relevant risk events.

Hedging Policy

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

Business Risk and Commodity Hedging

We import a significant portion of our fuel supply through short, medium and long-term contracts, making us vulnerable to potential supply shortfalls or defaults by our suppliers. We also source a significant portion of coal, natural gas and other fuels from a limited number of suppliers. If any of our relevant suppliers were to experience disruption in their production chain or were unable to meet their obligations under supply contracts, we may be forced to purchase at higher prices, either the same fuel or a substitute, and we may be unable to adjust the price of electricity sold according to the tariff adjustment mechanisms included in our contracts with customers, with the consequent reduction in our operating margins. This risk has materialized at the beginning of 2023 due to the fact that the main supplier of liquefied natural gas has not confirmed the provision of supply for the year 2023 under one of the long-term contracts for a total volume close to 13.2 TBtu, exposing the company to seek alternative sources of fuel supply and to initiate legal actions.

We are exposed to commodity price volatility since electricity generation activities require continued supply of fossil fuels, mainly coal, gas and diesel oil, with international prices that fluctuate according to market and political variables beyond the company's control. Coal purchases are mostly made through annual contracts, the prices of which are linked to traditional indices such as API 2, API 10 or Newcastle. Purchases of diesel oil and certain purchases of liquefied natural gas are made at prices based on international oil values (ULSD or Brent). The company has long-term liquefied natural gas purchase contracts with prices tied to Henry Hub.

Fuel prices are a key factor for the dispatch of thermoelectric generation plants, the company's average generation cost and the marginal costs of the electricity system in which it operates. Therefore, 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. In the past, the company has periodically defined and executed financial hedging strategies to cover its residual exposure to international commodity price risks and is in the process of defining a hedging strategy for 2023-24. During 2021, and with greater intensity in the course of 2022 and the first few months of 2023, this risk has materialized. In our country, the hydrological years 2021-22 and 2022-23 have been extremely dry, extending this condition even up to June 2023, with the consequent decrease in hydraulic generation. This has coincided with difficulties in the supply of coal and natural gas due to the rise in demand together with restrictions on the world production of these fuels, as well as difficulties in freight, which resulted in price increases to very high levels even before the start of the war between Russia and Ukraine that raised prices to levels never seen before. Consequently, the average costs of own generation and the marginal costs of the system have reached levels much higher than those of previous years, which have been reflected in the reduction of the operating margins of the electricity business. Other variables have also affected marginal costs such as decoupling, transmission systems congestion, and unavailability of certain generating assets. The Company partially mitigates its exposure to the risk of fluctuations in fuel prices through (i) the signing of supply contracts with other generators in the system that have allowed it to reduce its energy purchases from the spot market (3.2 TWh contracted for 2023, versus 2.1 TWh for 2022 and 0.7 TWh in 2021) and its exposure to marginal cost; (ii) its long-term LNG supply contracts plus purchases in the LNG spot market; (iii) the start of operations of new renewable energy generation projects that reduce dependence on fossil fuels, (iv) the acquisition of uncontracted renewable generation assets, and (v) the transfer of higher costs to final tariffs. Potential non compliance of the contractual terms of our suppliers in the supply of natural gas or coal may also expose the Company to having to substitute its electricity generation with alternative fuels or with higher energy purchases in the spot market, increasing its exposure to the variables which affect the marginal costs in the system.

Foreign Currency Hedging

The exchange rate risk is the risk of the value of an asset or liability (including the fair value of the future cash flows on a financial instrument) fluctuating as a result of variations or volatility in exchange rates.

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 prices. 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. Although 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 and the MPC law published in August 2022. Per the Price Stabilization law and resolution #72, by which the National Energy Commission set the terms of its implementation, accounts receivable from distribution companies have accumulated 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 agreements with Goldman Sachs and IDB Invest to sell, without recourse, these accounts receivable from distribution companies to a special purpose company called 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. Upon the publication of the respective node price decrees, similar transactions were perfected on March 4, 2022, for the fourth group of accounts receivable and July 14, 2022, for the fifth group. The final group of receivables was sold on May 12, 2023. Since the sale of receivables is made in US dollars, without recourse to the generation companies, EECL and EMR have been able to reduce the foreign-exchange and credit exposure associated to these long-term accounts receivable and have improved their liquidity in exchange for a discount, which has impacted the income statement in 2021, 2022, and 2023 results. In 2021, the related financial expense reached US$51.0 million, while in 2022, it amounted to US$15.4 million, and US$12.6 million in 2023. With this, total financial expenses related to the PEC-1 program amounted to US$ 79.1 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. As of June 30, 2023, the Company reported forward FX contracts for a total nominal amount of US$54 million, with monthly maturities of US$9 million between July and December 2023, to mitigate the impact of foreign exchange fluctuations on the company's financial results. In addition, the company has entered into cash flow hedging derivative contracts associated with payments under EPC contracts related to project construction, which typically consider periodic payment flows in currencies other than the dollar (CLF, EUR) until the end of the respective project construction periods. In this way, the company has avoided variations in the cost of investment in fixed assets as a result of fluctuations in exchange rates beyond its control. Currently, there are forward dollar sales contracts for a total notional amount of US$77 million to cover periodic payments in UF to contractors of the Lomas de Taltal project. These derivatives were taken with Banco de Chile and cover periodic payment flows between March 2023 and March 2025.

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, 2023, 77.5% of our available cash and short-term investments were denominated in US dollars. The Company's exposure to other currencies is not significant.

The Company presents an exposure to foreign exchange risk of a purely accounting nature related to contracts for onerous concessions or other types of contracts such as real estate or vehicle fleet leases that are considered as financial leases under the IFRS16 standard. These contracts comprise assets for rights of use that correspond to non-monetary assets, recorded at their initial cost, in dollars, the company's functional currency. Their counterparts correspond to monetary liabilities reflecting the present value of the installments to be paid under the financial contracts. Most of these liabilities are denominated in Chilean currency, adjusted for inflation (*Unidades de Fomento (UF) or Unidades Tributarias (UTM)*). As these are monetary liabilities, they are periodically readjusted and converted into dollars at the exchange rate observed at the end of each accounting period. In short, the liability denominated in CLP, UF or UTM is subject to periodic readjustments, being exposed to fluctuations in exchange rates, while the asset remains fixed in dollars. This mismatch may give rise to accounting profits or losses in our income statements. However, financially, the value of the asset for rights of use is closely related to the value of the liability since both should reflect the present value of the installments payable under the financial contracts. As of June 30, 2023, lease liabilities denominated in currencies other than the dollar amounted to US$121 million.

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, 2023, 87.1% of our financial debt was at fixed rates or hedged through interest rate derivatives, while 12.9% (US$110 million of the IDB Invest financing, US$75 million of the Scotiabank loan, and US$51 million of the Santander loan) was at floating rates. We have excluded the IFRS 16 financial leases from this calculation. These obligations are mortgage-style liabilities payable in fixed equal installments.

As of June 30, 2023
Contractual maturity date (in US$ millions)

	Average interest rate	2023	2024	2025	2026	Thereafter	Grand Total
Variable Rate							
(US$)	7.6504% p.a.	-	-	2.8	5.0	102.3	110.0
(US$)	6.0912% p.a.	-	-	-	-	75.0	75.0
(US$)	7.8446% p.a.	-	-	-	-	51.0	51.0
Total Variable Rate		**-**	**-**	**2.8**	**5.0**	**228.3**	**236.0**
Fixed Rate							
(US$)	6.8141% p.a.	175.0	-	-	-	-	175.0
(US$)	6.6442% p.a.	-	265.0	-	-	-	265.0
(US$)	5.9680% p.a.	-	-	-	-	119.0	119.0
(US$)	1.0000% p.a.	-	-	-	-	15.0	15.0
(US$)	4.1724% p.a.	-	-	-	-	175.0	175.0
(US$)	3.4000% p.a.	-	-	-	-	500.0	500.0
(US$)	4.5000% p.a.	-	-	350.0	-	-	350.0
Total Fixed Rate		**175.0**	**265.0**	**350.0**	**-**	**809.0**	**1,599.0**
TOTAL		**175.0**	**265.0**	**352.8**	**5.0**	**1,037.3**	**1,835.0**

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. 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, although some level of delay in smaller clients' payments has been observed. Lower growth in energy demand from end consumers could adversely affect our financial condition, operating results and cash flows. While the Electricity Price Stabilization Law enacted in November 2019 is not expected to significantly affect our revenues as recognized in the income statement, it has been affecting our cash flow with higher working capital requirements and higher financial costs. To address this risk and mitigate the effects on its cash flow, in early 2021, the company signed agreements with Goldman Sachs and IDB Invest to sell, without recourse to the company, these receivables to a special purpose company called Chile Electricity PEC SpA. Between February 8, 2021 and May 12, 2023, the Company sold, in six different transactions, the accounts receivable corresponding to the Average Note Price decrees of January 2020, July 2020, January 2021, July 2021, January 2022 and July 2022, respectively, for a total nominal value of US$272.9 million, receiving liquid resources of US$193.8 million and reporting a financial cost of US$79.1 million. With the enactment of the MPC Act, accounts receivable have continued to be generated for the differential between the stabilized price (PEC) and the PPA price. With the publication of the Average Node Price decree of July 2022 and the Exempt Resolution that will lay the foundations for the effective application of the Law, the Treasury will issue Payment Certificates that the Company may sell under a mechanism similar to the one implemented for the PEC law, but this time without assuming costs for financial discounts. The deferral in the collection of accounts receivable resulting from the delay in the publication of decrees has significantly affected the company's liquidity and indebtedness.

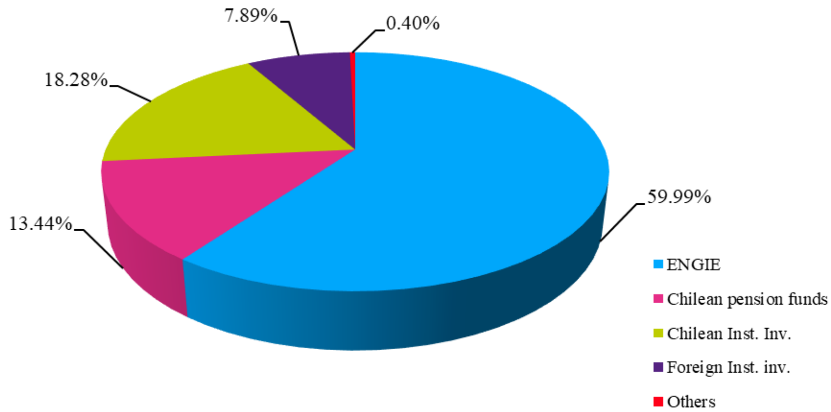
Over the last years, the electricity generation business and its customer base have evolved. Particularly, consumers with demand between 500 kW and 5 MW are allowed to contract their power supply directly with generation companies rather than through distribution companies. This disintermediation trend 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, 2023, the contracts signed with smaller commercial and industrial clients represented a low percentage of our overall client portfolio, and the company stopped actively marketing this segment in order to balance its contract portfolio and reduce its short position in the energy spot market.

Due to its contractual position, the company is normally one of the main net payers within the payment chain of the Chilean electricity sector. Although it is exposed to delinquencies or defaults by operators in the electricity sector, these amounts represent a relatively smaller percentage of monthly collections. Non-compliance by other electricity system operators could expose the Company to increasing sales volumes to regulated customers at the prices of its existing contracts. Insolvency situations of other operators in the electricity sector with whom the company maintains supply contracts (Backup PPAs) to reduce its exposure to the spot market may expose the company to increase its level of exposure to purchases in the spot market to prior levels.

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, 2023

NUMBER OF SHAREHOLDERS: 1,763



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

APPENDIX 1

PHYSICAL DATA AND SUMMARIZED QUARTERLY FINANCIAL STATEMENTS

Physical Sales

Physical Sales (in GWh)

	2022					2023		
	1Q22	**2Q22**	**3Q22**	**4Q22**	**12M22**	**1Q23**	**2Q23**	**1H23**
Physical Sales								
Sales of energy to unregulated customers.	1,689	1,816	1,796	1,773	7,074	1,655	1,739	3,394
Sales of energy to regulated customers	1,126	1,204	1,255	1,149	4,735	1,252	1,249	2,501
Sales of energy to the spot market………	149	23	48	18	238	31	17	48
Total energy sales…………………………	**2,964**	**3,043**	**3,100**	**2,940**	**12,047**	**2,938**	**3,005**	**5,943**
Gross electricity generation								
Coal………………………………………….	955	1,085	775	687	3,503	351	379	730
Gas…………………………………………..	345	423	382	289	1,439	850	910	1,760
Diesel Oil and Fuel Oil…………………….	1	17	1	1	19	7	3	10
Renewable……………………………………….	220	226	303	390	1,139	407	412	819
Total gross generation.…………………	**1,520**	**1,751**	**1,461**	**1,368**	**6,100**	**1,615**	**1,705**	**3,320**
Minus Own consumption………………..	(128)	(136)	(152)	(92)	(507)	(61)	(64)	(124)
Total net generation.……………………	**1,393**	**1,615**	**1,310**	**1,275**	**5,593**	**1,555**	**1,641**	**3,196**
Energy purchases on the spot market………..	999	1,114	1,308	1,081	4,501	552	697	1,249
Energy purchases- bridge	561	430	497	646	2,134	800	724	1,523
Total energy available for sale before transmission losses………………………	**2,952**	**3,159**	**3,115**	**3,002**	**12,228**	**2,906**	**3,062**	**5,968**

Quarterly Income Statement

Quarterly Income Statement (in US$ millions)

IFRS								
Operating Revenues	**1Q22**	**2Q22**	**3Q22**	**4Q22**	**12M22**	**1Q23**	**2Q23**	**1H23**
Regulated customers sales………………………	169.7	178.5	205.3	219.3	772.8	249.6	222.7	472.3
Unregulated customers sales…………………..	177.8	230.7	229.5	239.6	877.7	228.6	223.2	451.8
Spot market sales………………………………..	18.3	32.0	26.9	27.0	104.2	53.5	106.5	160.0
Total revenues from energy and capacity sales…………………	**365.8**	**441.3**	**461.8**	**485.8**	**1,754.7**	**531.8**	**552.3**	**1,084.0**
Gas sales…………………………..	20.1	9.5	11.8	7.6	48.9	25.6	29.6	55.3
Other operating revenue……………………….	32.0	30.7	26.2	27.9	116.7	30.4	34.3	64.7
Total operating revenues…………………	**417.9**	**481.4**	**499.7**	**521.3**	**1,920.3**	**587.8**	**616.2**	**1,204.0**
Operating Costs								
Fuel and lubricants………………………………	(128.4)	(203.2)	(161.7)	(154.9)	(648.2)	(177.3)	(194.2)	(371.5)
Energy and capacity purchases on the spot	(163.0)	(212.0)	(213.1)	(210.2)	(798.3)	(219.4)	(224.3)	(443.6)
Depreciation and amortization attributable to cost of goods sold..	(44.4)	(44.0)	(46.9)	(49.9)	(185.3)	(43.4)	(45.1)	(88.5)
Other costs of goods sold…………………….	(50.5)	(65.9)	(67.6)	(85.1)	(269.1)	(83.5)	(104.5)	(188.0)
Total cost of goods sold………………..	**(386.4)**	**(525.2)**	**(489.3)**	**(500.2)**	**(1,901.0)**	**(523.5)**	**(568.0)**	**(1,091.5)**
Selling, general and administrative expenses…	(8.7)	(9.6)	(9.2)	(6.3)	(33.8)	(8.8)	(11.6)	(20.5)
Depreciation and amortization in selling, general and administrative expenses…	(0.9)	(0.9)	(1.1)	(1.1)	(4.1)	(1.3)	(1.4)	(2.7)
Other revenues………..……………………….	1.3	1.3	9.2	6.5	18.3	3.1	5.5	8.6
Total operating costs…..………………	**(394.7)**	**(534.4)**	**(490.4)**	**(501.1)**	**(1,920.6)**	**(530.5)**	**(575.6)**	**(1,106.0)**
Operating income…..………………	**23.1**	**(53.0)**	**9.2**	**20.3**	**(0.3)**	**57.3**	**40.6**	**97.9**
EBITDA…………………..……………….	**68.5**	**(8.0)**	**57.3**	**71.3**	**189.0**	**102.0**	**87.1**	**189.0**
Financial income………..………………………	1.1	0.7	13.5	1.5	16.8	1.3	4.9	6.2
Financial expense…………….…………………	(15.7)	(13.0)	(27.4)	(19.3)	(75.5)	(27.9)	(42.5)	(70.4)
Foreign exchange translation, net……………	(5.6)	4.0	(3.9)	(9.2)	(14.7)	(0.3)	(0.4)	(0.7)
Other non-operating income/(expense) net………………………	0.5	0.1	(0.6)	(447.6)	(447.7)	(3.4)	(5.7)	(9.0)
Total non-operating results……………	**(19.7)**	**(8.3)**	**(18.4)**	**(474.7)**	**(521.1)**	**(30.3)**	**(43.7)**	**(74.0)**
Income before tax…………………….………	3.4	(61.3)	(9.1)	(454.4)	(521.4)	27.1	(3.1)	23.9
Income tax………………………………………	0.4	17.1	(8.6)	123.8	132.7	(7.4)	10.3	2.9
Net income from continuing operations after taxes …….	3.8	(44.2)	(17.8)	(330.6)	(388.8)	19.7	7.1	26.8
Net income attributed to controlling shareholders………………	**3.8**	**(44.2)**	**(17.8)**	**(330.6)**	**(388.8)**	**19.7**	**7.1**	**26.8**
Net income to EECL's shareholders…….	**3.8**	**(44.2)**	**(17.8)**	**(330.6)**	**(388.8)**	**19.7**	**7.1**	**26.8**
Earnings per share…………………….. (US$/share)	**0.004**	**(0.042)**	**(0.017)**	**(0.314)**	**(0.369)**	**0.019**	**0.007**	**0.025**

Quarterly Balance Sheet

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

	2022 December	2023 June
Current Assets		
Cash and cash equivalents	132.4	128.3
Accounts receivable	226.1	274.4
Recoverable taxes	35.2	19.5
Current inventories	264.1	177.0
Other non financial assets	178.1	223.5
Total current assets	**835.8**	**822.8**
Non-Current Assets		
Property, plant and equipment, net	2,576.6	2,650.6
Other non-current assets	915.8	1,009.4
TOTAL ASSETS	**4,328.3**	**4,482.8**
Current Liabilities		
Financial debt	389.5	326.2
Other current liabilities	270.7	355.0
Total current liabilities	**660.2**	**681.1**
Long-Term Liabilities		
Financial debt	1,579.5	1,695.0
Other long-term liabilities	274.6	270.8
Total long-term liabilities	**1,854.1**	**1,965.9**
Shareholders' equity	1,813.9	1,835.9
Equity	**1,813.9**	**1,835.9**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**4,328.3**	**4,482.8**

Main Balance Sheet Variations

The main balance-sheet variations between December 31, 2022, and June 30, 2023, are the following:

Cash and cash equivalent: The company's cash balances decreased by just US$4.0 million to a US$128.6 million balance as of June 30, 2023, mainly due to (i) net operating cash flows (US$143.3 million), (ii) US$ 38.2 million received from the final sale of accounts receivable from the PEC-1, (iii) interest payments (US$46.9 million), (iv) income tax and green tax payments (US$38.7 million), (v) capital expenditures (US$177.4 million), (vi) compensation for financial derivatives (US$12.4 million), and (vii) a US$60.2 million net debt increase.

Accounts receivable: The US$48.3 million increase comprises changes in various different accounts: On the one hand, the following accounts showed increases (i) accounts receivable from third parties (+US$50.2 million), due to higher tariffs and because certain relevant invoices were collected ahead of their maturity in December 2022, (ii) accounts receivable from related companies, mainly GNLM and Engie Gas, and (iii) accounts receivable for other sales and services (+US$2.2 million). On the other hand, two accounts offset the prior increases:

(i) a US$2.4 million increase in the provision for uncollectible accounts, and (ii) a US$4.3 million reduction in accounts receivable, mainly related to personnel accounts (-US$3.6 million).

Current inventories: The US$87.0 million decrease in this item is explained mainly by an US$88.3 million drop in coal and limestone inventory, following the notorious fall in prices and reduction in purchases after the increase observed in 2022 explained by both price and volume increases. In the second half of 2022, the company decided to increase inventory stocks given the uncertain market context at the time. The US$3.7 million increase in LNG inventory is due to a more intensive use of this fuel during 2023 related to the tolling agreement with Kelar Plant. Also, a US$4.7 million increase in diesel fuel inventories was registered. Finally, impairments and obsolescence provisions remained at similar levels, reaching a total of -US$67.1 million.

Recoverable taxes: This item showed a reduction of US$15.6 million in recoverable taxes from previous years, which amounted to US$32.8 million at the end of December 2022, due to the drop in taxable income and the use of instant depreciation in the projects activated in recent years. The reduction is explained by the effective recovery of such taxes.

Other non-financial assets – current: The US$45.4 million increase in this item is explained by a US$37.2 million increase in the VAT fiscal credit balance due to the increase in fuel purchases and capital expenditures in new projects, as well as by an US$18.2 million increase in advances to suppliers, a US$2 million increase in deferred expenses, and the positive mark-to-market of financial derivatives, which increased by US$2.1 million in the first quarter of 2023. This was partially offset by a US$14.6 million decrease in prepaid expenses.

Property, plant and equipment, net: The US$74.0 million increase in PP&E was explained by capital expenditures related to investments in renewable energy which began commercial operations (+US$29.1 million increase in the plant and equipment item), and US$54 million in the construction in progress item for the BESS Coya, Lomas de Taltal Windfarm and other transmission projects. The depreciation of the period amounted to US$80.6 million.

Other non-current assets: The US$93.6 million net increase in this item resulted primarily from a US$125.8 million net increase in long-term accounts receivable associated to the enactment of the price stabilization law, as a result of the accumulation of accounts receivable for US$176.5 million and the sale of accounts receivable for a nominal amount of US$50.8 million. There was also a US$6.3 million increase in project development expenses and a US$5.8 million increase in deferred taxes. On the other hand, there was a US$5.4 million decrease in the book value of the company's equity share in TEN mainly driven by the variation in the market valuation of risk-coverage derivatives, and a US$34.9 million decrease in the recognition of assets by right of use associated with the IFRS16 Norm, mainly due to the return of an onerous concession on land in Taltal.

Financial debt – current: This item reported a US$63.3 million decrease due to the net effect of the following movements: (i) a new US$50 million loan with Banco Estado, (ii) a US$75 million loan with the related company, ENGIE Austral, (iii) the renewal and extension in tenor to more than 1 year of two loans for a total of US$150 million with Scotiabank and BCI, and (iv) repayment of loans for a total amount of US$75 million with Banco Santander, Itaú and BCP. For this exercise we have considered the US$75 million owed to ENGIE Austral as current financial debt, however, in our financial statements this item is included in liabilities with related companies.

Other current liabilities: The US$84.2 million net increase in this group of items, excluding the amount to be paid to ENGIE Austral, is explained by (i) a US$109.2 million increase in accounts payable to suppliers as a result of natural gas and coal purchases with extended payment conditions, as well as accounts payable to suppliers and contractors for projects, and (ii) a US$12.1 million increase in advances received for "*cargo único*". These increases were partially offset by (i) a US$31 million decrease in various provisions, (ii) a US$2.9 million decrease in current tax provisions, and (iii) a US$3.6 million decrease in provisions related to employee benefits.

Long-term financial debt: The US$115.5 million increase in this account is mainly explained by the following movements: (i) the second disbursement under the 5-year loan with Banco Santander amounting to US$93 million, combined with the prepayment of the San Pedro 2 wind farm project financing, which represented a US$75.1 million decrease in the long-term portion of financial debt; (ii) the transfer of the US$35 million BCI loan from long-term to short-term debt; (iii) the renewal of loans from Scotiabank and BCI for a total amount of US$150 million with tenors longer than 1 year; and (iv) a US$20.4 million decrease in liabilities registered under the IFRS16 Norm. This last decrease resulted from the net effect of increases for exchange differences together with reductions due to the return of rights of use over land in Taltal. Indeed, on June 19, 2023, the "*Ministerio de Bienes Nacionales*" issued Exempt Resolution N°150, declaring the onerous concession of the land named "*Pampa Yolanda*" extinct. This extinction had been requested by the company in April 2023.

Other long-term liabilities: Other long-term liabilities, which amounted to US$270.8 million, reported a US$3.8 million decrease due to a US$5.5 million decrease in deferred tax liabilities and a US$1.8 million increase in the plant dismantling provision.

Shareholders' equity: The US$21.9 million increase in shareholders' equity is primarily explained by the US$26.8 million net income reported in 1H23, which was partially offset by a US$4.9 million decrease related to the mark to market of financial instruments classified as accounting hedge, net of taxes.

APPENDIX 2

Financial information

	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23
EBITDA*	65.9	121.7	55.6	71.3	68.5	-8.0	57.3	71.3	102.0	87.1
Net income attributed to the controller	-17.6	47.6	8.7	8.7	3.8	-44.2	-17.8	-330.6	19.7	7.1
Interest expense	52.2	16.8	8.9	10.9	15.7	13.0	27.4	19.3	27.9	42.5

* Operating income + Depreciation and Amortization for the period

	Dec/21	Dec/22	Jun/23
LTM EBITDA	314.5	189.0	317.6
LTM Net income attributed to the controller	47.4	(388.8)	(321.5)
LTM Interest expense	88.8	75.5	117.2
Financial debt	1,258.6	1,969.0	2,021.2
Current	106.2	389.5	326.2
Long-Term	1,152.4	1,579.5	1,695.0
Cash and cash equivalents	215.7	132.4	128.3
Net financial debt	1,042.9	1,836.6	1,892.8

Financial Ratios

	FINANCIAL RATIOS				
			Dec/22	Jun/23	Var.
LIQUIDITY	Current ratio (current assets / current liabilities)	(times)	1.27	1.21	***-5%***
	Quick ratio ((current assets - inventory) / current liabilities)	(times)	0.87	0.95	***9%***
	Working capital (current assets – current liabilities)	MMUS$	175.6	141.7	***-19%***
LEVERAGE	Leverage ((current liabilities + long-term liabilities) / networth)	(times)	1.39	1.44	***4%***
	Interest coverage * ((EBITDA / interest expense))	(times)	2.50	2.71	***8%***
	Financial debt –to- LTM EBITDA*	(times)	10.42	6.36	***-39%***
	Net financial debt – to - LTM EBITDA*	(times)	9.72	5.96	***-39%***
PROFITABILITY	Return on equity* (LTM net income attributed to the controller / net worth attributed to the controller)	%	-21.4%	-17.5%	***-18%***
	Return on assets* (LTM net income attributed to the controller / total assets)	%	-9.0%	-7.2%	***-20%***

*LTM = Last twelve months

As of June 30, 2023, the current ratio and the quick ratio were 1.21x and 0.95 x, respectively, reflecting an increase in current assets and in current liabilities. The latter increased more due to the increase in financial debt and in trade payables. As a result, working capital, as measured by total current assets minus total current liabilities, decreased.

The leverage ratio, as measured by total liabilities-to-equity, increased to 1.44x ratio that is slightly higher than the one registered in December 2022.

The interest coverage ratio for the 12 months ended on June 30, 2023, was 2.71x, which represents an improvement compared to 2.50x reported at year-end 2022, mainly due to the EBITDA recovery in the first half, which offset the effect of higher interest expenses.

The leverage ratio, as measured by Gross financial debt-to-EBITDA, decreased to 6.36 times, including IFRS 16 financial leases, due to the increase in EBITDA in 2023. Net financial debt-to-EBITDA reached 5.96 times.

The last-twelve-month return on equity and return on assets reached -17.5% and -7.2%, respectively, due to the losses reported over the last four quarters, particularly the last two quarters of 2022, but were less negative that those reported in December 2022, mainly due to the recovery in results in the first two quarters of 2023.

CONFERENCE CALL 2Q23

ENGIE Energía Chile is pleased to inform you that it will conduct a conference call to review its results for the quarter ended June 30, 2023, on Wednesday August 9, 2023
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)

HD VOICE
https://hd.choruscall.com/?calltype=2&info=company&r=true

WEBCAST
https://webcastlite.mziq.com/cover.html?webcastId=25eaa574-5332-4c20-895d-bd4ebc192a3c

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 August 21, 2023, please dial
+**1 (877) 344-7529** / +**1 (412) 317-0088**
Passcode I.D.: 1080508