April 29, 2020

ENGIE ENERGÍA CHILE REPORTED EBITDA OF US$99 MILLION AND NET INCOME OF US$26 MILLION IN THE FIRST QUARTER OF 2020.

EBITDA AMOUNTED TO US$99.1 MILLION IN THE FIRST QUARTER OF 2020, A 3% INCREASE COMPARED TO THE FIRST QUARTER OF 2019. THE EBITDA IMPROVEMENT IS PRIMARILY EXPLAINED BY AN INCREASE IN PHYSICAL ENERGY SALES AND LOWER AVERAGE ENERGY SUPPLY COSTS.

- **Operating revenues** amounted to US$335 million in the first quarter of 2020, a 2% decrease compared to the first quarter of 2019, mainly due to lower average realized energy prices, in turn explained by lower fuel prices.
- **EBITDA** amounted to US$99.1 million in the first quarter; that is, a 3% increase compared to the first quarter of 2019, mainly due to the decrease in energy purchases from the spot market and lower average energy supply costs.
- **Net income** amounted to US$25.6 million in the first quarter of 2020, a 40% decrease as compared to the net income figure reported in the first quarter of 2019. This was largely because of the make-whole premium paid to bondholders in the context of the early redemption of the US$400 million 144A/RegS bond originally maturing in January 2021. This bond was prepaid in full with the proceeds of a new US$500 million 144A/RegS issue maturing in January 2030.

Financial Highlights (in US$ millions)

	1Q19	1Q20	Var %
Total operating revenues	**343.8**	**335.3**	*-2%*
Operating income	62.2	56.8	*-9%*
EBITDA	**96.3**	**99.1**	*3%*
EBITDA margin	28.0%	29.6%	*0,1pp%*
Total non-operating results	0.1	(25.6)	*n.a*
Net income after tax	45.6	25.6	*-44%*
Net income attributed to controlling shareholders	**42.9**	**25.6**	*-40%*
Net income attributed to minority shareholders	2.7	-	*-100%*
Earnings per share (US$/share)	0.041	0.024	
Total energy sales (GWh)	2,649	2,957	*12%*
Total net generation (GWh)	888	1,779	*100%*
Energy purchases on the spot market (GWh)	1,729	1,063	*-39%*
Energy purchases - back up (GWh)	122	125	*2%*

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 March 31, 2020, ECL accounted for 9% of the SEN's installed capacity. ECL primarily supplies electricity to large mining and industrial customers, and it also supplies electricity distribution companies throughout Chile. ECL is currently 52.76% indirectly owned by ENGIE (formerly known as GDF SUEZ). The remaining 47.24% of ECL's shares are publicly traded on the Santiago stock exchange. For more information, please refer to www.engie-energia.cl.

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HIGHLIGHTS:

- **Corona virus**: The Corona virus, or COVID-19, was first detected in Chile on March 3, 2020, and as of April 28, 2020, 14,365 cases have been confirmed and 207 deaths have been reported. The current situation has been cataloged as Phase 4, and the country remains under constitutional state of catastrophe. The COVID-19 pandemic is deemed to be the worst sanitary and economic crisis in recent times. Economists estimate that the Chilean economy will contract between 0.5% and 4% in 2020 as a result of the pandemic. Electricity demand has decreased overall by approximately 8.2% since the second week of March, while the demand from our unregulated clients has so far remained stable. The COVID-19 pandemic has posed several challenges forcing us to adapt ourselves and to respond quickly along three lines of action: first, ensuring the safety and wellbeing of our teams; second, ensuring our company's operational continuity, which is essential in providing continued electricity supply in our country; and, finally, coordinating ourselves as best as possible with our stakeholders including our customers, shareholders and communities to keep an open, direct and collaborative dialogue. Since the beginning of this crisis we established a crisis committee and have implemented contingency plans, adopting sanitary measures in our sites as necessary to comply with the authority's instructions. Similarly, we have monitored the situation and actions taken by our suppliers and contractors, asking them to comply with safety standards with their own staff. At present, approximately 70% of our staff is working from home, while approximately 300 direct employees and 400 contractors are working in shifts in ten different sites to ensure the continuity of our operations. Our operations are functioning normally and we believe we can continue doing so under even stricter sanitary requirements.

SUBSEQUENT EVENTS:

- **PPA renegotiations**: On April 1, 2020, in a Material Event notice filed with the *Comisión para el Mercado Financiero* (the Capital Markets Commission of "CMF") the company informed about new commercial agreements with its client, Minera Centinela, an affiliate of Antofagasta Minerals S.A. (AMSA). In first place, the agreement comprises the amendment of the existing energy supply contracts between our subsidiary, Inversiones Hornitos S.A. and Minera Centinela concerning its Esperanza and El Tesoro mines for an aggregate volume of 186 MW. This amendment considers the application of a price discount during 2020 and 2021 and a change in the contract maturity date to December 31, 2021. In addition, the agreement includes the execution of a new 186 MW power supply contract between EECL and Minera Centinela for the period between January 2022 and December 2033 with prices indexed to CPI. There will be one tariff applicable for the period between 2022 and 2028 and a lower tariff for the period running between 2029 and 2033. This new contract and its price scheme will allow the company to gradually adapt its electricity production to generation with renewable sources and at the same time will extend the average life of its contracts with Minera Centinela by 7.5 years. Finally, the agreement considers the amendment of the shareholders' agreement ruling the ownership and corporate governance of Inversiones Hornitos S.A., including (a) an agreement not to distribute any dividends until Inversiones Hornitos' debt with EECL is repaid in full and to use any excess cash to repay this debt; and (b) the transfer to EECL by December 2021 of 40% of Inversiones Hornitos's shares, which up to the date of this agreement belonged to Inversiones Punta de Rieles Limitada, an affiliate of Antofagasta Minerals S.A.. The objective of this new contract structure is to support our client in its own transformation by gradually replacing conventional power sources with renewable energy. Under the agreement, EECL will control 100% of Inversiones Hornitos S.A. and, as a result, no minority interest will be reported as from March 31, 2020.

- **Annual Ordinary Shareholders' Meeting**: On April 28, 2020, the Company's shareholders agreed the following:

    a) **Definitive Dividends:** No final dividends will be paid on account of 2019's net income, and any undistributed earnings will be retained in the company. This decision takes into account that the sum of provisional dividends paid on June 21, 2019 and December 13, 2019, equivalent to US$90 million, accounts for approximately 81% of 2019's net earnings. This largely exceeds the 30% regulatory minimum distribution established by Law and the company's dividend policy.

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

c) **Local Rating Agencies:** To confirm "Feller Rate Clasificadora de Riesgo" and "Fitch Chile Clasificadora de Riesgo Ltda." as the agencies that will rate the company's shares according to the national rating scale.

RECENT EVENTS

1Q20

- **Price stabilization fund**: On March 11, 2020, the National Energy Commission ("CNE") published Exempt Resolution #72 setting the rules for the implementation of the temporary price stabilization mechanism for clients subject to regulated tariffs, as established in Law #21,185 dated November 2, 2019. This price stabilization mechanism froze electricity tariffs at the levels prevailing in the first half of 2019 until year-end 2027, subject to certain adjustments, from time to time, as provided by the law. At the same time, the tariffs charged by generation companies to distribution companies continue to follow the indexation formula set in the prevailing contracts among them. The mechanism will therefore produce a differential between the tariffs that generation companies are entitled to charge according to the terms of their contracts with distribution companies and the tariffs actually collected from regulated end-consumers. As a result of this price differential, generation companies have begun to build up an account receivable from distribution companies, which taken as a whole, gives birth to the so-called price stabilization fund. According to Law #21,185 this fund may increase until the first to occur between July 2023 or until it reaches a global amount of US$1,350 million. The authority expects that once lower-priced power supply agreements awarded in more recent auctions become effective, the average prices in the contract between generation and distribution companies will begin to decrease gradually starting 2021. At some point contract prices will fall below the stabilized price that will remain unchanged until December 31, 2027, subject to certain adjustments defined by the law. When average contract tariffs fall below the stabilized price, distribution companies will begin repaying the accounts with generation companies that form part of the stabilization fund. As of March 31, 2020, EECL reported approximately US$94 million in accounts receivable related to the price stabilization mechanism.

- **Annual expansion plan for the transmission system**: The CNE started the process for the annual expansion plan for the transmission system in the national electric system ("SEN"). The first phase of the process consists of the presentation of the companies' proposals, which will be analyzed considering their contribution to the system's safety and economic benefits to the system.

- **National valuation process report:** The CNE published the first draft of the valuation report for national transmission systems for the four-year period between 2020 and 2023. This report provides the basis on which the remuneration for national transmission systems is determined.

- **New 144-A/Reg S bond:** On January 23, 2020, following a series of investor meetings in Santiago, London, Boston, Los Angeles and New York, ENGIE Energía Chile successfully issued 10-year 144-A/Reg S notes in an amount of US$500 million at a 3.484% yield and a 3.4% annual coupon rate. The proceeds of the new issue were used primarily to fully refinance the US$400 million notes due on January 15, 2021 through a tender offer to be followed by a redemption of the notes that were not tendered. The Global Coordinators and Joint Bookrunning Managers were BofA Securities, Inc. Citigroup Global Markets Inc. and Scotia Capital (USA) Inc., while MUFG Securities Americas Inc. and Santander Investment Securities Inc.acted as Co-Managers. In addition, the company prepaid US$80 million in short-term debt with Scotiabank and Banco Estado. This bond placement, combined with the prepayment of existing bond and bank debt, allowed the company to extend the average maturity and significantly lower the average coupon rate of its financial debt.

INDUSTRY OVERVIEW

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

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

In addition to the interconnection, other factors contributed to the reduction and stabilization of marginal costs, including (i) contribution from hydraulic sources; (ii) greater volumes of Argentine gas supply; and (iii) greater LNG availability, which has caused some combined-cycle units to operate in an inflexible manner at zero marginal cost.

Marginal Costs

2019	Minimum				Average				Maximum			
Month	A. Jahuel 220	Charrúa 220	Crucero 220	P. Azúcar 220	A. Jahuel 220	Charrúa 220	Crucero 220	P. Azúcar 220	A. Jahuel 220	Charrúa 220	Crucero 220	P. Azúcar 220
Jan	15.0	14.7	-	-	63.1	61.5	51.5	55.1	166.6	161.3	148.0	161.4
Feb	41.5	40.8	-	-	64.0	62.6	51.2	55.8	162.1	157.2	155.0	155.6
Mar	45.4	44.7	-	-	63.5	62.1	49.2	53.0	152.2	148.9	118.1	123.5
Apr	45.3	44.5	-	-	71.6	70.1	49.3	56.4	178.0	173.3	168.8	172.1
May	40.7	39.6	34.6	-	68.5	66.7	51.9	55.2	198.0	192.2	148.9	145.0
Jun	37.5	36.5	32.5	32.5	53.0	51.3	48.2	50.0	83.3	80.6	78.8	79.9
Jul	36.1	35.4	30.3	6.5	49.6	48.1	46.3	47.7	73.1	69.9	72.1	72.6
Aug	37.5	36.6	29.7	-	52.5	50.3	50.7	50.2	106.1	100.4	106.7	105.5
Sep	28.0	27.3	25.9	26.8	42.9	41.3	40.8	42.0	69.1	65.4	69.9	69.2
Oct	23.5	23.1	21.6	-	37.8	36.2	38.8	36.5	80.2	75.6	403.2	81.3
Nov	23.3	23.1	21.7	-	35.1	34.2	34.0	32.5	70.3	67.4	140.3	69.8
Dic	26.6	26.1	26.0	-	35.0	34.2	34.0	31.7	40.0	38.5	41.2	41.5

2020	Minimum				Average				Maximum			
Month	A. Jahuel 220	Charrúa 220	Crucero 220	P. Azúcar 220	A. Jahuel 220	Charrúa 220	Crucero 220	P. Azúcar 220	A. Jahuel 220	Charrúa 220	Crucero 220	P. Azúcar 220
jan	18.9	18.5	18.8	-	41.6	40.4	41.9	39.9	151.8	147.8	149.9	148.5
Feb	25.1	24.8	23.7	-	43.1	42.1	40.1	40.4	148.7	146.6	140.3	143.4
March	28.0	27.7	26.9	-	68.7	67.6	64.3	67.2	182.4	178.1	180.2	179.4

Source: Coordinador Eléctrico Nacional

In March 2020, in particular, marginal costs increased as compared to previous months due to the unavailability of some power plants, plant trips and lower reservoir levels. Therefore, marginal costs at the Crucero node averaged US$64/MWh vs. US$42/MWh in January and US$40/MWh in February. The unavailability of some large, cost-efficient power plants in March led to the dispatch of higher-cost plants to meet the shortfall. Towards the end of the month, marginal energy costs began to return to previous levels and demand started to fall due to the COVID-19 outbreak.

Given the renewable production intermittence, a number of thermoelectric power plants have been required to lower their load. The operating costs reported by plants operating at their technical minimum are remunerated through the over-cost mechanism pursuant to Supreme Decree 130. System over-costs reached US$10.4 million in the first quarter of 2020, down from US$19.7 million in the first quarter of 2019. EECL's pro-rata was US$1.6 million in the first quarter of 2020, approximately 80% of which was passed through to energy prices.

Fuel prices

International Fuel Prices Index

	WTI (US$/Barrel)			Brent (US$/Barrel)			Henry Hub (US$/MMBtu)			European coal (API 2) (US$/Ton)		
	2019	2020	% Variation YoY	2019	2020	% Variation YoY	2019	2020	% Variation YoY	2019	2020	% Variation YoY
Jan	52.3	57.0	*9%*	60.3	63.2	*5%*	3.15	2.01	*-36%*	81.8	50.4	*-38%*
Feb	55.0	50.5	*-8%*	64.1	55.7	*-13%*	2.72	1.91	*-30%*	74.4	48.3	*-35%*
March	58.3	30.4	*-48%*	66.3	33.5	*-49%*	2.94	1.80	*-39%*	69.6	47.9	*-31%*
April	63.7			71.3			2.67			58.3		
May	60.6			71.3			2.63			56.5		
June	54.7			64.2			2.40			48.9		
July	57.1			63.8			2.36			58.4		
August	54.8			58.7			2.22			54.2		
September	56.3			62.2			2.52			60.4		
October	54.3			59.9			2.34			59.8		
November	57.0			63.4			2.67			56.1		
December	59.7			67.1			2.22			53.6		

Source: Bloomberg, IEA

In the first quarter of 2020, fuel prices decreased, with year-on-year drops of over 30%, particularly in March. This was primarily due to oversupply of coal, as evidenced by a global surplus of 28 million tons at year-end 2019. Moreover, in the specific case of API2, the index was further affected by the decarbonization process in Europe, and gas supply surpluses, which have turned gas more competitive than coal. Finally, the global drop in oil prices has led LNG prices in northeast Asia to a collision point with thermal coal, threatening coal's cost advantage for energy generation. It is likely that the COVID-19 driven world recession already declared by the IMF will continue to negatively impact commodity prices in general as it has already occurred with the dramatic drops in oil prices through April.

Generation

The following table provides a breakdown of generation in the northern segment of the SEN (ex – SING) by fuel type:

Total North SEN Generation by Fuel Type (in GWh)

2019

Fuel Type	1Q 2019 GWh	1Q 2019 % of total	2Q 2019 GWh	2Q 2019 % of total	3Q 2019 GWh	3Q 2019 % of total	4Q 2019 GWh	4Q 2019 % of total	12M 2019 GWh	12M 2019 % of total
Coal	2,878	*66%*	3,148	*65%*	3,137	*62%*	3,304	*69%*	12,466	*66%*
LNG	810	*19%*	1,072	*22%*	1,272	*25%*	721	*15%*	3,876	*20%*
Diesel / Fuel oil	4	*0%*	12	*0%*	0	*0%*	1	*0%*	18	*0%*
Renewable	670	*15%*	591	*12%*	652	*13%*	755	*16%*	2,668	*14%*
Total gross generation N-SEN	**4,362**	*100%*	**4,823**	*100%*	**5,061**	*100%*	**4,781**	*100%*	**19,027**	*100%*

2020

Fuel Type	1Q 2020 GWh	1Q 2020 % of total
Coal	3,036	*61%*
LNG	1,214	*25%*
Diesel / Fuel oil	11	*0%*
Renewable	679	*14%*
Total gross generation N-SEN	**4,940**	*100%*

Source: Coordinador Eléctrico Nacional

In the first quarter of 2020, gross power generation in the northern segment of the SEN increased 13% compared to the first quarter of 2019. At that time, power demand decreased due to temporary stoppages at mining operations due to floods caused by the altiplanic winter and environmental upgrade works at smelters to comply with new gas capture norms.

In the first quarter, the generation mix showed an increase in coal generation, mainly due to the operation of the IEM plant, which in the first quarter of 2019 was operating in test mode. Gas-based generation and renewable generation also increased in the first quarter of 2020 as peak demand in the northern segment of the SEN reached 3,075 MW, up from a maximum demand of 2,877 MW in the first quarter of 2019.

Electricity production in the northern segment of the SEN (ex-SING), broken down by company, was as follows:

Generation by Company (in GWh)

2019

Company	1Q 2019 GWh	1Q 2019 % of total	2Q 2019 GWh	2Q 2019 % of total	3Q 2019 GWh	3Q 2019 % of total	4Q 2019 GWh	4Q 2019 % of total	12M2019 GWh	12M2019 % of total
AES Gener	2,094	*48%*	2,226	*46%*	2,454	*48%*	2,573	*54%*	9,347	*49%*
EECL (with 100% of CTH)	966	*22%*	1,129	*23%*	1,216	*24%*	955	*20%*	4,266	*22%*
Enel Generación	249	*6%*	264	*5%*	236	*5%*	176	*4%*	925	*5%*
Other	1,054	*24%*	1,204	*25%*	1,154	*23%*	1,076	*23%*	4,488	*24%*
Total gross generation N-SEN	**4,362**	*100%*	**4,823**	*100%*	**5,061**	*100%*	**4,781**	*100%*	**19,027**	*100%*

2020

Company	1Q 2020 GWh	1Q 2020 % of total
AES Gener	2,421	*49%*
EECL (with 100% of CTH)	1,188	*24%*
Enel Generación	97	*2%*
Other	1,234	*25%*
Total gross generation N- SEN	**4,940**	*100%*

Source: Coordinador Eléctrico Nacional

During the first quarter of 2020, EECL reported a 23% increase in electricity generation, as compared to the first quarter of 2019, and it accounted for 24% of total power production in the north SEN. AES Gener continued being the leading contributor with 49%, while other non-traditional players, including the Tamakaya (Kelar) CCGT plant and renewable producers, reported a combined 25% share of total generation in the area.

Regarding EECL's maintenance schedule, the U-16 CCGT was out of service for an overhaul since October 15, 2019. It resumed operations on February 8, but had to be taken out of dispatch during part of March. Other cost-efficient coal-based plants, CTA, CTH, IEM and CTM1, reported dispatch limitations or were temporarily unavailable from time to time.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

*The following discussion is based on our unaudited consolidated financial statements for the 3-month periods ended March 31, 2020, and March 31, 2019. 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*).*

1Q 2020 compared to 4Q 2019 and 1Q 2019

Operating Revenues

Quarterly Information (In US$ millions)

	1Q 2019		4Q 2019		1Q 2020		% Variation	
Operating Revenues	Amount	% of total	Amount	% of total	Amount	% of total	QoQ	YoY
Unregulated customers sales………………….	163.0	*52%*	161.2	*54%*	164.0	*54%*	*2%*	*1%*
Regulated customers sales…………………….	150.6	*48%*	133.3	*45%*	134.1	*44%*	*1%*	*-11%*
Spot market sales……………………………..	1.6	*0%*	2.6	*1%*	7.8	*3%*	*201%*	*397%*
Total revenues from energy and capacity sales	**315.1**	*92%*	**297.1**	*89%*	**305.8**	*91%*	***3%***	***-3%***
Gas sales…………………………..	4.1	*1%*	4.3	*1%*	5.9	*2%*	*37%*	*46%*
Other operating revenue……………………..	24.6	*7%*	33.6	*10%*	23.5	*7%*	*-30%*	*-4%*
Total operating revenues…………………..	**343.8**	*100%*	**335.0**	*100%*	**335.3**	*100%*	***0%***	***-2%***
Physical Data (in GWh)								
Sales of energy to unregulated customers (1)……	1,423	*54%*	1,658	*58%*	1,672	*57%*	*1%*	*18%*
Sales of energy regulated customers……	1,220	*46%*	1,145	*40%*	1,285	*43%*	*12%*	*5%*
Sales of energy to the spot market…………….	6	*0%*	44	*2%*	-	*0%*	*n.a*	-
Total energy sales…………………………	**2,649**	*100%*	**2,847**	*100%*	**2,957**	*100%*	***4%***	***12%***
Average monomic price unregulated customers(U.S.$/MWh)(2)	**115.2**		**96.2**		**102.7**		***7%***	***-11%***
Average monomic price regulated customers (U.S.$/MWh)(3)	**118.7**		**116.4**		**104.3**		***-10%***	***-12%***

(1) Includes 100% of CTH sales.

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

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

Energy and capacity sales reached US$305.8 million in the first quarter of 2020, representing a US$9.3 million, or 3% decrease, compared to the first quarter of 2019, despite the increase in volume sales in both the regulated and unregulated segments. Revenues decreased due to lower average monomic prices explained by the drop in fuel prices used in the tariff indexation formulas.

Sales to unregulated clients increased 1% as compared to the first quarter of 2019 due to the demand recovery reported by Chuquicamata, Zaldívar, Glencore and El Abra, which at that time were affected by the Altiplanic winter and environmental upgrade works at their facilities. The 18% increase in physical sales offset the 11% drop in average monomic prices in the unregulated segment.

The 5% increase in physical sales to distribution companies, however, was insufficient to offset the 12% average price decrease mainly explained by the drop in Henry Hub and coal prices. Therefore, revenues to regulated customers decreased by 11% in the first quarter of 2020 as compared to the first quarter of 2019. Physical energy sales to regulated clients increased given EECL's larger share of system-wide energy sales to distribution companies following the expiration of some contracts from other players.

When compared to the fourth quarter of 2019, revenues from sales to unregulated customers increased 2% as a result of a 1% physical sales increase owing to an increase in demand from Centinela and new clients. The average realized monomic tariff increased 7% mainly due to capacity payment adjustments reported in the fourth quarter of 2019.

Sales to distribution companies reached US$134.1 million in the first quarter of 2020; that is, a 1% increase compared to the last quarter of 2019. This was a result of a 12% increase in physical sales combined with a 10% decrease in average realized prices explained by the drop in the fuel prices used in the tariff formulas.

In the first quarter of 2020, the company reported minor spot sales revenue mainly from the Los Loros solar PV subsidiary, which were affected by low marginal costs in the system.

In the first quarter of 2020, gas sales amounted to US$5.9 million, slightly above those reported in the first quarter of 2019 and the fourth quarter of 2019. 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)

	1Q 2019		4Q 2019		1Q 2020		% Variation	
Operating Costs	Amount	% of total	Amount	% of total	Amount	% of total	QoQ	YoY
Fuel and lubricants…………………………….	(66.5)	24%	(72.2)	27%	(80.8)	29%	12%	22%
Energy and capacity purchases on the spot market………………………….	(122.9)	44%	(95.5)	35%	(93.2)	33%	-2%	-24%
Depreciation and amortization attributable to cost of goods sold………………………….	(33.2)	12%	(40.1)	15%	(41.2)	15%	3%	24%
Other costs of goods sold…………………….	(52.9)	19%	(50.3)	19%	(52.9)	19%	5%	0%
Total cost of goods sold……………….	**(275.5)**	98%	**(258.1)**	95%	**(268.1)**	96%	**4%**	**-3%**
Selling, general and administrative expenses…	(9.0)	3%	(12.1)	4%	(7.7)	3%	-36%	-15%
Depreciation and amortization in selling, general and administrative expenses………..	(0.9)	0%	(1.5)	1%	(1.1)	0%	-30%	24%
Other operating revenue/costs……………………….	3.9	-1%	0.7	0%	(1.6)	1%		
Total operating costs…………………..	**(281.5)**	100%	**(271.0)**	100%	**(278.5)**	100%	**3%**	**-1%**
Physical Data (in GWh)								
Gross electricity generation								
Coal………………………………………..	594	62%	1,169	75%	1,304	70%	12%	120%
Gas………………………………………..	356	37%	333	21%	493	26%	48%	39%
Diesel Oil and Fuel Oil…………………….	2	0%	4	0%	17	1%	335%	1018%
Hydro/Solar……………………………………..	14	1%	48	3%	46	2%	-5%	221%
Total gross generation…………………	**965**	100%	**1,554**	100%	**1,861**	100%	**20%**	**93%**
Minus Own consumption……………..	(78)	-8%	(116)	-7%	(82)	-4%	-29%	6%
Total net generation……………………	**888**	**32%**	**1,439**	**51%**	**1,779**	**60%**	**24%**	**100%**
Energy purchases on the spot market……….	1,729	**63%**	1,356	**48%**	1,063	**36%**	-22%	-39%
Energy purchases- bridge……….	122	**4%**	127	**4%**	125	**4%**	n.a	n.a
Total energy available for sale before transmission losses…………………….	**2,739**	**100%**	**2,838**	**100%**	**2,967**	**100%**	**5%**	**8%**

Gross electricity generation increased by 93% in the first quarter of 2020, as compared to the same quarter of 2019, and by 20% when compared to the last quarter of 2019. Coal-based generation increased mainly due to the IEM plant, which commenced commercial operations on May 16, 2019. Other less efficient units, like the units 14 and 15 in Tocopilla, had to be occasionally dispatched due to outages of other plants in the system. Gas generation also increased, despite the U16 CCGT's extended overhaul, and solar PV generation increased due to the acquisition of the Los Loros plant in April 2019.

The increase in the fuel cost item in the first quarter of 2020, as compared to both the first and last quarters of 2019, is explained by the increase in coal and gas generation, which offset the effect of the decrease in fuel prices. Heavier fuel costs, however, were offset by lower energy and capacity purchase volumes.

The spot electricity purchase cost item decreased 2%, as compared to the fourth quarter of 2019, and 24% as compared to the first quarter of 2019, due to the increase in our own generation. In the first quarter of 2020, our sales to distribution companies in the center-south zone, which normally require higher volumes of energy purchases for geographic reasons, reached 869 GWh, an 8% increase compared to the first quarter of 2019. Part of this contract was supplied with energy purchases under contracts with other generation companies (125 GWh). Our energy purchases, either through contracts or through the spot market, are accounted for under the same item labelled 'Energy and capacity purchases on the spot market'.

The spot electricity purchase cost item has decreased also because of inflexible gas supply and increased generation from renewables, particularly in the center-south zone of the SEN, which translated into average marginal costs of US$51/MWh in the first quarter of 2020, down from US$63/MWh on average in the first quarter of 2019 at the Charrúa and Alto Jahuel nodes. In the northern area of the SEN, at the Crucero node, marginal costs averaged US$48.8/MWh in the first quarter of 2020, down from US$50.6/MWh in the first quarter of 2019, but well above the US$35.6/MWh average price reported in the last quarter of 2019.

In the first quarter, depreciation costs in the costs-of-goods-sold item included IEM's depreciation, but they no longer include the depreciation of units N°12 and N°13, which were disconnected from the grid on June 7. Therefore, depreciation remained at similar levels as those reported in the fourth quarter of 2019, but increased as compared to the first quarter of 2019 due to the start-up of IEM in May 2019.

Other direct operating costs included, among others, operating and maintenance costs, transmission tolls, insurance premiums and cost of fuels sold.

SG&A expenses were slightly lower than those reported in the first and fourth quarters of 2019.

The Other operating revenue/cost item includes water sales and miscellaneous income as well as recoveries and provisions. EECL's share in TEN's net income, which amounted to US$1.3 million in the first quarter, is also included in this item.

Electricity Margin

Quarterly Information (In US$ millions)

	2018					2019
	1Q19	**2Q19**	**3Q19**	**4Q19**	**12M19**	**1Q20**
Electricity Margin						
Total revenues from energy and capacity sales………	**315.1**	**324.3**	**305.1**	**297.1**	**1,241.5**	**305.8**
Fuel and lubricants…………………..	(66.5)	(72.8)	(78.4)	(72.2)	(290.0)	(80.8)
Energy and capacity purchases on the spot market……	(122.9)	(102.8)	(72.1)	(95.5)	(393.3)	(93.2)
Gross Electricity Profit	**125.7**	**148.6**	**154.6**	**129.4**	**558.2**	**131.8**
Electricity Margin	*40%*	*46%*	*51%*	*44%*	*45%*	*43%*

In the first quarter, the electricity margin, or the gross profit from the electricity generation business, increased by US$6.1 million, when compared to the first quarter of 2019, and reached 43% of energy and capacity revenues. On the one hand, we can observe a US$9.3 million revenue decrease, explained by lower average realized monomic prices. On the other, despite the US$14.3 million decrease in fuel costs explained by an increase in generation, the company reported a US$29.7 million decrease in energy purchase costs owing to lower purchase volumes. The entrance of IEM, which reports one of the lowest variable generation costs among base-load plants in the north system, as well as lower energy purchase volumes and prices resulted in lower average energy procurement costs in the first quarter of 2020, as compared to the first quarter of 2019.

Operating Results

Quarterly Information (in US$ millions)

EBITDA	**1Q 2019**		**4Q 2019**		**1Q 2020**		**% Variation**	
	Amount	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**QoQ**	**YoY**
Total operating revenues………………………	343.8	*100%*	335.0	*100%*	335.3	*100%*	*0%*	*-2%*
Total cost of goods sold……………………	(275.5)	*-80%*	(258.1)	*-77%*	(268.1)	*-80%*	*4%*	*-3%*
Gross income…………………………	**68.3**	*20%*	**76.9**	*23%*	**67.2**	*20%*	***-13%***	***-2%***
Total selling, general and administrative expenses and other operating income/(costs).	(6.0)	*-2%*	(12.9)	*-4%*	(10.3)	*-3%*	*-20%*	*72%*
Operating income…………………	**62.2**	*18%*	**64.0**	*19%*	**56.8**	*17%*	***-11%***	***-9%***
Depreciation and amortization…………………	34.1	*10%*	41.6	*12%*	42.3	*13%*	*2%*	*24%*
EBITDA……………………………………	**96.3**	*28.0%*	**105.6**	*31.5%*	**99.1**	*29.6%*	***-6%***	***3%***

First-quarter EBITDA reached US$99.1 million, a US$2.8 million increase compared to the same quarter of 2019. This was due to the decrease in average supply costs, which offset the decrease in revenues from energy and capacity sales primarily explained by the effect lower fuel prices on contract tariffs.

The comparison with the fourth quarter of 2019, however, shows a US$6.5 million decrease in EBITDA mainly due to lower average prices and higher fuel costs explained by the increase in our own generation. The price decrease was explained by the drop in fuel prices used in tariff indexation formulas in the regulated segment.

Financial Results

Quarterly Information (In US$ millions)

Non-operating results	**1Q 2019**		**4Q 2019**		**1Q 2020**		**% Variation**	
	Amount	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**QoQ**	**YoY**
Financial income……………………………………	1.2	*0%*	1.8	*1%*	1.6	*0%*	*-14%*	*28%*
Financial expense…………………………………	(3.2)	*-1%*	(12.5)	*-4%*	(28.5)	*-8%*	*128%*	*795%*
Foreign exchange translation, net…………..	1.1	*0%*	(1.0)	*0%*	(0.4)	*0%*		*-131%*
Other non-operating income/(expense) net…	0.9	*0%*	(95.1)	*-28%*	1.7	*1%*		*80%*
Total non-operating results…………….	**0.1**	*0%*	**(106.7)**	*-32%*	**(25.6)**	*-8%*		
Income before tax……………………. ………	62.4	*18%*	(42.7)	*-13%*	31.3	*9%*	***-173%***	***-50%***
Income tax………………………………………	(16.8)	*-5%*	11.2	*3%*	(5.6)	*-2%*	*-150%*	*-66%*
Net income from continuing operations after taxes …	45.6	*13%*	(31.5)	*-9%*	25.6	*8%*	*-181%*	*-44%*
Net income attributed to controlling shareholders…….	**42.9**	*12%*	**(32.2)**	*-10%*	**25.6**	*8%*	***-180%***	***-40%***
Net income attributed to minority shareholders……….	2.7	*1%*	0.6	*0%*	-	*0%*	*-100%*	*-100%*
Net income to EECL's shareholders	**42.9**	*12%*	**(32.2)**	*-10%*	**25.6**	*8%*	***-180%***	***-40%***
Earnings per share……………………..	**0.041**		**(0.031)**		**0.024**			

The increase in interest expense, as compared to the first and fourth quarters of 2019, is explained by two main factors: (i) costs related to the liability management transaction by which EECL prepaid a US$400 million 144A/RegS bond with the proceeds of a new US$500 million issue, and (ii) the fact that interest expense ceased to be capitalized upon the completion of the IEM project in May 2019. In January, 2020, EECL launched an Any and All tender offer on its US$400 million bonds maturing in January 2021, subject to the results of a new 10-year bond issue, which was successfully placed on January 23 in an amount of US$500 million at a 3.4% annual coupon rate. Immediately following the new issue, the Company announced a make-whole call to repay the remainder of the 2021 bond. Therefore, in February 2020, EECL completed the full repayment of the US$400 million bond and the payment of premiums in an amount of US$13.6 million, which were fully charged against first quarter results.

Foreign-exchange losses reached US$0.4 million in the first quarter of 2020 due to greater volatility in foreign exchange rates and the ongoing depreciating trend of the Chilean peso since the beginning of the year. Foreign exchange variations affect the valuation of certain assets and liabilities denominated in currencies other than the US dollar --the company's functional currency--, such as accounts receivable and payable, advances to suppliers, and value-added tax credit.

In the first quarter of 2020, the 'Other net non-operating income' account reported a turnaround compared to the US$95.1 million loss reported in the fourth quarter of 2019, when the company made impairments amounting to US$95.5 million related to the future decommissioning of the CTM1 and CTM2 plants in Mejillones. In the first quarter of 2019, this account included a US$2 million insurance recovery from a past loss at the U16 CCGT.

Net Earnings

The applicable income tax rate for both 2018 and 2019 is 27%.

In the first quarter of 2020, net after-tax profits reached US$25.2 million, a significant improvement compared to the fourth quarter of 2019 given the non-recurring asset impairments booked in such quarter following the announcement of the future decommissioning of the CTM1 and CTM2 coal-based plants. The make-whole amounts and premiums paid on the early redemption of our US$400 million 144A bond represented a US$9.9 million non-recurring loss on an after-tax basis. Therefore, in the first quarter of 2020, net recurring income amounted to US$35.1 million, slightly below the US$37.5 million recurring net income reported in the fourth quarter of 2019.

Liquidity and Capital Resources

As of March 31, 2020, EECL reported consolidated cash balances of US$184.6 million. This position compares with a total nominal financial debt[1] of US$850 million, with no debt principal payments scheduled until January 2025.

For the 3-month period ended march 31 (in US$ millions)

Cash Flow	**2019**	**2020**
Net cash flows provided by operating activities…	69.1	-30.2
Net cash flows used in investing activities……..	(13.3)	(44.2)
Net cash flows provided by financing activities..	(4.0)	19.8
Change in cash……………….....………….	**51.9**	**(54.5)**

Cash Flow from Operating Activities

In the first quarter of 2020, cash flow generated from operating activities reached approximately US$28.9 million. However, the cash flow statement shows a negative US$30.2 million cash flow from operating activities since this figure is presented after income and stamp taxes (US$18.4 million) and interest payments (US$40.6 million), which in turn include the US$13.6 million loss related to premiums paid on the early redemption of the US$400 million 144A bonds with original maturity in January 2021.

(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.

Cash Flow Used in Investing Activities

In the first quarter of 2020, cash flows from investing activities resulted in a net cash expenditure of US$44 million, mainly due to (i) cash investments in the Capricornio solar PV project (US$29 million) and the Calama windfarm project (US$8.7 million), and (ii) expenditures in plant maintenance and transmission assets (US$9.7 million). This item also shows a US$7.5 million cash inflow corresponding to debt repayments from the related company, TEN, in January 2020, and US$1 million in finance income.

Capital Expenditures

Our capital expenditures in the first quarter of 2019 and 2020 amounted to US$35.5 million and US$50.2 million, respectively, as shown in the following table. These amounts include VAT payments and capitalized interest.

For the 3-month period ended march 31 (in US$ millions)

CAPEX	**2019**	**2020**
CTA ………………………………………………….	-	-
CTA (New Port) ……………………………………..	0.2	-
CTH ……………………………………………….	-	-
IEM ………………………………………………….	28.0	0.5
Overhaul power plants & equipment maintenance and refurbishing……………….	3.2	2.6
Environmental improvement works…………….	0.2	-
Overhaul equipment & transmission lines	3.1	7.1
PV Power Plant	-	29.3
Power plant	-	8.7
Others………………………………………….	0.8	2.0
Total capital expenditures……………………….	**35.5**	**50.2**

Cash Flow from Financing Activities

The main financing cash flows in the first quarter of 2020 are related to the new 144A/RegS issue in an amount of US$500 million payable in a single principal installment in January 2030 with a 3.484% yield and a 3.4% coupon rate. The proceeds of the issue were used to fully prepay the US$400 million 144A/RegS bond with original maturity in January 2021 including accrued interest, financial costs, stamp taxes and premiums on early redemption of the bonds. The company also prepaid two short-term loans with Scotiabank and Banco Estado for an aggregate amount of US$80 million.

In sum, in the first quarter of 2020 cash from financing activities resulted in a net cash inflow of US$19.8 million, an increase compared to a US$4 million net cash outflow reported in the first quarter of 2019.

Contractual Obligations

The following table sets forth the maturity profile of our debt obligations as of March 31, 2020.

Contractual Obligations as of 03/31/20

Payments Due by Period (in US$ millions)

	Total	< 1 year	1 - 3 years	3 - 5 years	More than 5 years
Bank debt…………………………………….….	-	-	-	-	-
Bonds (144 A/Reg S Notes)……………………..	850.0	-	-	350.0	500.0
Financial lease - Tolling Agreement TEN……..	57.6	1.3	2.9	3.5	49.9
Financial lease - IFRS 16………………………..	37.1	2.7	5.6	3.3	25.4
Deferred financing cost………………………...	(21.0)	-	(5.8)	(6.0)	(9.2)
Accrued interest………………………………...	5.6	5.6	-	-	-
Mark-to-market swaps………………………….	13.4	13.4		-	
Total	**942.7**	**23.0**	**2.7**	**350.8**	**566.1**

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.

EECL has two bonds under the 144A/RegS format. The first one is a US$350 million issue with a single principal payment in January 2025 and a 4.5% p.a. coupon rate. On January 28, 2020, the company closed a new 144A/RegS issue to fully refinance the US$400 million notes originally due in January 2021. The new issue amounts to US$500 million, has a 3.4% coupon rate and is due on January 28, 2030. This bond allowed EECL to extend the average maturity of its total debt to a new average of 7.7 years and to lower the average coupon rate of its debt to a new average of 3.85% per annum.

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$57.6 million and is payable in monthly instalments totaling approximately US$7 million per year.

As of March 31, 2020, the company reported leasing obligations in respect to vehicles and other assets for a total of US$37.1 million, which qualify as financial debt under IFRS 16 accounting norm.

Dividend Policy

Our dividend policy 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 two provisional dividends based on the net results of the first three quarters plus the definitive dividend to be paid in May of each year.

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

On May 28, 2019, the company's Board of Directors approved the distribution of a provisional dividend on account of 2019's net earnings, in an amount of US$50 million or US$0.047469416 per share. The dividend was paid on June 21, 2019, in Chilean pesos using the peso-dollar observed rate published by the Official Gazette on June 19, 2019. Such dividend was approved in consideration to the company's cash generation and the fulfillment of an intensive investment period.

On December 13, 2019, the company paid its second provisional dividend on account of 2019 net profits in an amount of US$40 million, or US$0.03798 per share, as approved by the Board of Directors on November 26, 2019.

On April 28, 2020, at the Annual Ordinary Shareholders' Meeting our shareholders agreed not to distribute a final dividend on account of 2019's net income. Therefore, total dividends paid on account of 2019's net income amounted to US$90 million, equivalent to 81% of 2019's US$110.8 million net income.

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

Risk management policy

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

EECL has established risk management procedures, which include a description of the risk assessment methodology and a risk matrix. Additionally, the company established a Risk and Insurance Committee, responsible for the risk matrix review, analysis and approval as well as the proposal of risk mitigation measures. The risk matrix is updated and reviewed semiannually, while action plans are monitored on a permanent basis. Management presents the company's risk management performance to the board on an annual basis.

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

Hedging Policy

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

Business Risk and Commodity Hedging

Our business is subject to the risk of variations in the availability of fuels and their prices. 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 recent trend to dissociate PPA price indexation from fossil fuel price fluctuations, we maintain residual exposure to certain international commodity prices. For example, the tariff of our contract with distribution companies in the northern SEN, which became effective at the beginning of 2012, is readjusted semiannually according to the Henry Hub and the US CPI. However, there is a mismatch between the Henry Hub index used to define the contract tariff (four-month average prior to the tariff fixing, which takes place every six months) and the Henry Hub index prevailing at the time each LNG shipment is made. In the specific case of this contract, this risk is mitigated by an automatic tariff indexation triggered any time the price formula reports a fluctuation of 10% or more. Hence, we periodically execute financial hedging strategies to cover our residual exposure to international commodity price risks. Therefore, we have occasionally taken financial swap contracts to reduce our residual exposure to Brent and Henry Hub.

Currency Hedging

Given that most of our revenues and costs are denominated in US dollars and that we seek to incur debt in US dollars, we face limited exposure to foreign exchange risk. Our main costs denominated in Chilean pesos are personnel and administrative expenses, which account for 10% of our total operating costs as of March 31, 2020. 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. Therefore, the foreign currency exposure related to these contracts is limited to the time lag with which the price adjustment is transferred to final consumers. Given the US dollarized nature of most of our revenues, the portion of operating and administrative costs in Chilean pesos represents our main exposure to foreign-currency risks. Therefore, we have hedged a portion of our recurrent costs in Chilean pesos through forward contracts and zero-cost collars.

Furthermore, we and our subsidiary CTA signed foreign-currency derivative contracts to hedge the UF and EUR cash flows stemming from the EPC contracts with S.K. Engineering and Construction and Belfi, respectively, to avoid variations in cash flows and in the final value of the investments resulting from foreign currency fluctuations that are beyond management's control. As of March 31, 2020, there were no outstanding derivative contracts associated with such EPC contract cash flows.

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 in order to minimize interest-rate exposure. As of March 31, 2020, 100% of our financial debt, for a principal amount of US$850 million, was at fixed rates.

As of March 31, 2020
Contractual maturity date (in US$ millions)

	Average interest rate	2019	2020	2021	2022	Thereafter	Grand Total
Fixed Rate							
(US$)	3.400% p.a.	-	-	-	-	500.0	500.0
(US$)	4.500% p.a.	-	-	-	-	350.0	350.0
Total		**-**	**-**	**-**	**-**	**850.0**	**850.0**

Credit Risk

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

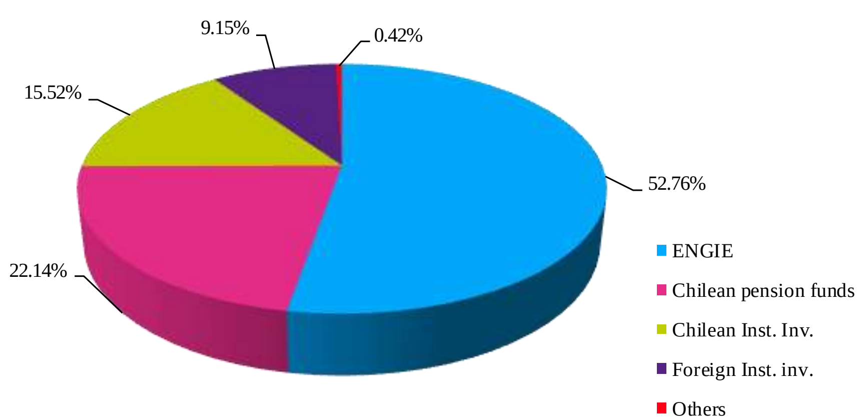
Over the last years, the electricity generation business and its customer base have evolved. In particular, consumers with demand between 500 kW and 5 MW are allowed to contract their power supply directly with generation companies rather than through distribution companies. This disintermediation trend has led us to sign contracts with smaller commercial and industrial clients with potentially higher credit risk. To mitigate this risk, we have implemented a commercial counterparty risk policy, which among other considerations, requires the review of the credit risk of the client before entering into a power supply agreement. As of March 31, 2020, the contracts signed with smaller commercial and industrial clients represented a low percentage of our overall client portfolio.

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

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

OWNERSHIP STRUCTURE AS OF MARCH 31, 2020

Number of shareholders: 1,789



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

APPENDIX 1

PHYSICAL DATA AND SUMMARIZED QUARTERLY FINANCIAL STATEMENTS

Physical Sales

Physical Sales (in GWh)

	2019					2020
	1Q19	**2Q19**	**3Q19**	**4Q19**	**12M19**	**1Q20**
Physical Sales						
Sales of energy to unregulated customers.	1,423	1,550	1,610	1,658	6,241	1,672
Sales of energy to regulated customers	1,220	1,183	1,232	1,145	4,780	1,285
Sales of energy to the spot market………	6	-	31	44	81	-
Total energy sales…………………………	**2,649**	**2,734**	**2,873**	**2,847**	**11,103**	**2,957**
Gross electricity generation						
Coal………………………………………..	594	911	867	1,169	3,541	1,304
Gas………………………………………...	356	569	764	333	2,022	493
Diesel Oil and Fuel Oil……………………..	2	1	8	4	14	17
Renewable…………………………………….	14	32	41	48	135	46
Total gross generation…………………	**965**	**1,513**	**1,680**	**1,554**	**5,713**	**1,861**
Minus Own consumption……………….	(78)	(106)	(131)	(116)	(431)	(82)
Total net generation……………………	**888**	**1,407**	**1,549**	**1,439**	**5,282**	**1,779**
Energy purchases on the spot market………..	1,729	1,307	1,128	1,356	5,520	1,063
Energy purchases- bridge	122	124	127	127	500	125
Total energy available for sale before transmission losses………………………	**2,739**	**2,838**	**2,804**	**2,921**	**11,302**	**2,967**

Quarterly Income Statement

Quarterly Income Statement (in US$ millions)

IFRS						
Operating Revenues	**1Q19**	**2Q19**	**3Q19**	**4Q19**	**12M19**	**1Q20**
Regulated customers sales………………………	150.6	146.9	146.1	133.3	576.9	134.1
Unregulated customers sales………………...	163.0	173.7	152.7	161.2	650.5	164.0
Spot market sales……………………………...	1.6	3.6	6.3	2.6	14.1	7.8
sales……………………………	**315.1**	**324.3**	**305.1**	**297.1**	**1,241.5**	**305.8**
Gas sales………………………...	4.1	4.2	4.4	4.3	16.9	5.9
Other operating revenue……………………….	24.6	94.1	43.7	33.6	196.0	23.5
Total operating revenues…………………	**343.8**	**422.5**	**353.2**	**335.0**	**1,454.5**	**335.3**
			-	-	-	-
Operating Costs			-	-	-	
Fuel and lubricants………………………………	(66.5)	(72.8)	(78.4)	(72.2)	(290.0)	(80.8)
Energy and capacity purchases on the spot	(122.9)	(102.8)	(72.1)	(95.5)	(393.3)	(93.2)
goods sold..	(33.2)	(38.4)	(40.0)	(40.1)	(151.7)	(41.2)
Other costs of goods sold…………………….	(52.9)	(49.2)	(54.8)	(50.3)	(207.2)	(52.9)
Total cost of goods sold………………..	**(275.5)**	**(263.2)**	**(245.3)**	**(258.1)**	**(1,042.1)**	**(268.1)**
Selling, general and administrative expenses…	(9.0)	(8.9)	(8.2)	(12.1)	(38.2)	(7.7)
Depreciation and amortization in selling, general and administrative expenses…	(0.9)	(1.9)	(1.2)	(1.5)	(5.6)	(1.1)
Other revenues………...……………………….	3.9	(0.2)	4.7	0.7	9.1	(1.6)
Total operating costs….………………	**(281.5)**	**(274.3)**	**(250.0)**	**(271.0)**	**(1,076.8)**	**(278.5)**
			0	0	0	0
Operating income….………………	**62.2**	**148.2**	**103.2**	**64.0**	**377.7**	**56.8**
EBITDA……………….….……………….	**96.3**	**188.5**	**144.4**	**105.6**	**534.9**	**99.1**
Financial income………...…………………….	1.2	1.5	0.6	1.8	5.2	1.6
Financial expense…………..…………………	(3.2)	(8.5)	(13.7)	(12.5)	(37.8)	(28.5)
Foreign exchange translation, net……………	1.1	(0.1)	(3.1)	(1.0)	(3.0)	(0.4)
the equity method	-	-	-	-	-	-
net………………………	0.9	(90.6)	4.2	(95.1)	(180.6)	1.7
Total non-operating results……………	**0.1**	**(97.7)**	**(12.0)**	**(106.7)**	**(216.3)**	**(25.6)**
Income before tax……………………...………	62.4	50.5	91.1	(42.7)	161.4	31.3
Income tax………………………………………	(16.8)	(13.9)	(23.1)	11.2	(42.6)	(5.6)
Net income from continuing operations after taxes …….	45.6	41.1	63.6	(31.5)	118.7	25.6
Net income attributed to controlling shareholders………………	**42.9**	**37.7**	**62.4**	**(32.2)**	**110.8**	**25.6**
Net income attributed to minority shareholders………………	2.7	3.4	1.2	0.6	7.9	-
Net income to EECL's shareholders…….	**42.9**	**37.7**	**62.4**	**(32.2)**	**110.8**	**25.6**
Earnings per share…………………….. (US$/share)	**0.041**	**0.036**	**0.059**	**(0.031)**	**0.105**	**0.024**

Quarterly Balance Sheet

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

	2019 December	2020 March
Current Assets		
Cash and cash equivalents (1)	239.1	184.6
Accounts receivable	108.6	116.8
Recoverable taxes	12.7	13.2
Current inventories	116.2	114.2
Other non financial assets	8.2	6.2
Total current assets	**484.8**	**435.0**
Non-Current Assets		
Property, plant and equipment, net	2,561.4	2,584.6
Other non-current assets	461.6	479.4
TOTAL ASSETS	**3,507.8**	**3,499.0**
Current Liabilities		
Financial debt	103.7	21.7
Other current liabilities	253.7	245.6
Total current liabilities	**357.5**	**267.3**
Long-Term Liabilities		
Financial debt	760.4	863.3
Other long-term liabilities	266.3	266.5
Total long-term liabilities	**1,026.7**	**1,129.8**
Shareholders' equity	2,059.3	2,101.9
Minority' equity	64.4	-
Equity	**2,123.6**	**2,101.9**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**3,507.8**	**3,499.0**

(1) Includes short-term investments classified as available for sale.

Main Balance Sheet Variations

The main balance-sheet variations between December 31, 2019, and March 31, 2020, are the following:

Cash and cash equivalents: The company's cash balances decreased by US$54.5 million to US$184.6 million mainly because of (i) capital expenditures for US$50.2 million, (ii) interest and other financial expenses incurred in connection with financing activities (US$40.6 million including US$13.6 million in early bond redemption premiums), and (iii) income and stamp tax payments for US$18.5 million. These cash expenditures were partially offset by operating cash flow and a US$7.5 million payment received from TEN. The proceeds of the new

US$500 million 144A/RegS issue were entirely used to prepay the US$400 million bond and US$80 million in short-term bank debt, which the company reported as of year-end 2019. Cash balances were invested in time deposits with strongly rated banks.

Accounts receivable: The US$8.2 million increase comprises changes in two different accounts: On the one hand, accounts receivable from third parties reported an US$8.5 million increase. On the other hand, intercompany receivables decreased by US$0.4 million.

Current inventories: No significant changes were reported in this item in the first quarter of 2020. Inventories amounted to US$114.2 million as of March 31, 2020.

Recoverable taxes: This item reported no significant changes and remained at US$13.2 million as of March 31, 2020.

Other non-financial assets – current: The US$2 million decrease in this item is explained by a US$2.5 million decrease in advanced payments of insurance premiums that was partially offset by a US$0.5 million increase in the VAT fiscal credit balance.

Property, plant and equipment, net: The US$23.2 million increase in this account is principally explained by capital expenditures incurred in connection with plant overhauls and the construction of the Calama wind farm and the Capricornio solar PV plant (US$48.9 million), as well as the increase in assets with rights of use associated to the implementation of IFRS16 (US$11.9 million). The period's depreciation (US$37.2 million) caused a decrease in the net PP&E account and partially offset the effect of capital expenditures and increased IFRS16 transactions.

Other non-current assets: The US$17.8 million net increase in this item is explained by increases in certain items and decreases in others. Among the main increases, we can mention: (i) a US$20.9 million increase in accounts receivable associated to the enactment of the price stabilization law in the fourth quarter of 2019 and (ii) a US$5.7 million increase in company's investment in TEN. Among the items that reported a balance decrease, we can mention (i) intercompany receivables as a result of the US$7.5 million payment from TEN and (ii) intangible assets due to amortizations of US$4.3 million in the first quarter.

Financial debt – current: This item reported an US$82 million decrease due to the full prepayment of short-term debt (US$80.7 million including principal and interest). Furthermore, accrued interest decreased by US$11.9 million due to interest payments on our 144A bonds in January (US$19.3 million), which were partially offset by US$5.6 million of interest accrued during the first quarter. Due to the depreciation of the Chilean peso with respect to the US dollar, we reported an US$8.9 million increase in the mark-to-market of derivatives taken to hedge against foreign-exchange risks. Finally, we reported a US$1.1 million increase related to the leasing liabilities related to the IFRS16 rule.

Other current liabilities: The US$8.1 million net decrease in this item is explained by a US$9.4 million increase in accounts payable to suppliers and contractors working in our investment projects, which was offset by decreases in the following three items: (i) tax liabilities (US$5.3 million), (ii) provisions for employee benefits (US$4 million) and (iii) VAT payables (US$8.2 million).

Long-term financial debt: The almost US$100 million increase in this account is mainly explained by the new US$500 million bond issue, which proceeds were used to prepay the US$400 million bond originally maturing in January 2021.

Other long-term liabilities: This item amounted to US$266 million and did not report significant changes. This item includes deferred taxes (US$194 million), the current portion of the long term tolling agreement with the TEN affiliate, which we consider financial debt (US$56 million), and other provisions (US$16 million).

Shareholders' equity: The US$42.6 million increase in shareholders' equity is made up of (i) the net income reported in the first quarter of 2020 (US$25.6 million),and (ii) the absorption of the minority interest that Inversiones Punta de Rieles had in our subsidiary, Inversiones Hornitos, as a result of the agreement signed by its shareholders on March 31, 2020 (US$19 million). Pursuant to the terms of this agreement and IFRS rules, EECL began to consolidate 100% of Inversiones Hornitos's results in its financial statements, To a lesser extent, the equity increase was partially offset by a US$2.1 million decrease in the mark-to-market valuation of hedging instruments.

Minority interest: The elimination of minority interest is explained by the agreement between EECL and the minority shareholder of Inversiones Hornitos and its related companies, Minera Centinela and Antofagasta Minerals on March 31, 2020, as reported in a material fact notice filed with the CMF. As a result of this agreement, EECL took control over Inversiones Hornitos, consolidating 100% of its results in EECL's accounting records and eliminating minority interest, which as of year-end 2019 amounted to US$64 million.

APPENDIX 2

Financial information

	1Q19	2Q19	3Q19	4Q19	1Q20
EBITDA*	96.3	188.5	144.4	105.6	99.1
Net income attributed to the controller	42.9	37.7	62.4	-32.2	25.6
Interest expense	3.2	8.5	13.7	12.5	28.5

* Operating income + Depreciation and Amortization for the period

	Mar/19	Mar/20
LTM EBITDA	380.3	537.6
LTM Net income attributed to the controller	106.3	93.5
LTM Interest expense	13.2	63.1
Financial debt	892.7	885.0
Current	100.0	21.7
Long-Term	792.7	863.3
Cash and cash equivalents	113.7	184.6
Net financial debt	779.0	700.4

Financial Ratios

	FINANCIAL RATIOS				
			Dec/19	Mar/20	Var.
LIQUIDITY	Current ratio (current assets / current liabilities)	(times)	1.36	1.63	***20%***
	Quick ratio ((current assets - inventory) / current liabilities)	(times)	1.03	1.20	***17%***
	Working capital (current assets – current liabilities)	MMUS$	127.3	167.7	***32%***
LEVERAGE	Leverage ((current liabilities + long-term liabilities) / networth)	(times)	0.65	0.66	***2%***
	Interest coverage * ((EBITDA / interest expense))	(times)	14.14	8.52	***-40%***
	Financial debt –to- LTM EBITDA*	(times)	1.72	1.65	***-4%***
	Net financial debt – to - LTM EBITDA*	(times)	1.28	1.30	***2%***
PROFITABILITY	Return on equity* (LTM net income attributed to the controller / net worth attributed to the controller)	%	5.4%	4.5%	***-18%***
	Return on assets* (LTM net income attributed to the controller / total assets)	%	3.2%	2.7%	***-16%***

*LTM = Last twelve months

As of March 31, 2020, the current ratio and the quick ratio were 1.63x and 1.20x, respectively, an increase compared to year-end 2019's ratios. The main reason was the reduction of current liabilities due to the full repayment of the company's short-term debt (US$80 million). As a result, working capital, as measured by total current assets minus total current liabilities, increased. Liquidity remained strong due to the company's cash balances, strong cash generation ability, and absence of debt repayment commitments until January 2025.

The leverage ratio, as measured by total liabilities-to-equity, increased slightly to 0.66x as of March 31, 2020, due to the increase in our long-term debt.

The interest coverage ratio for the 12-month period ending March 31, 2020 was 8.52x. Although this is a strong ratio, it represents a sharp decrease compared to exceptionally high levels at year-end 2019, due to the increase in interest expense explained by the new bond issue and the early redemption costs of the US$400 million bond.

The leverage ratio, as measured by Gross financial debt-to-EBITDA, decreased to 1.65 times as a result of the EBITDA increase in the first quarter of 2020 as compared to the first quarter of 2019. Net financial debt-to-EBITDA increased slightly to 1.3 times due to lower cash balances as of March 31, 2020.

Return on equity and return on assets reached 4.5% and 2.7%, respectively, a decrease compared to the ratios reported at year-end 2019. Return on equity attributable to controlling shareholders decreased partly because of the absorption of the minority interest in Inversiones Hornitos, which caused an increase in shareholders' equity. Return on assets decreased mainly because of the lower net income reported in the first quarter of 2020 as compared to the first quarter of 2019, which was in turn due to higher interest expense including the premiums paid on the early redemption of the bonds originally due in January 2021.

CONFERENCE CALL 1Q2020

ENGIE Energía Chile is pleased to inform you that it will conduct a conference call to review its results for the period ended March 31, 2020, on Thursday, April 30, 2020
at 12:00 p.m. (USA-NY) – 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
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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 May 7, 2020, please dial
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