GUACOLDA ENERGÍA SPA.
AND SUBSIDIARY

Consolidated Financial statements for the
years ended December 31, 2021 and 2020 and
independent auditor's report

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Directors of
Guacolda Energía SpA.

We have audited the accompanying consolidated financial statements of Guacolda Energía SpA. and Subsidiary, which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management’s Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (“IASB”). This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the consolidated financial statement referred to above present fairly, in all material respects, the financial position of Guacolda Energía SpA. and Subsidiary as of December 31, 2021, and the results of their operations and their cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB").

Other matters

The consolidated financial statements of Guacolda Energía SpA. and Subsidiary as of December 31, 2020 were audited for other auditors who issued an unmodified opinion dated Abril 20, 2021.

Deloitte

April 21, 2022
Santiago, Chile

Pablo Vasquez Urrutia
Partner

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CONSOLIDATED FINANCIAL STATEMENTS
Guacolda Energía SpA and Subsidiary

For the years ended
December 31, 2021 and 2020

This document includes the following sections:

- Classified Consolidated Statements of Financial Position
- Consolidated Statements of Comprehensive Income Classified by Cost Function
- Consolidated Statements of Changes in Shareholders' Equity
- Consolidated Statements of Direct Cash Flows

Content

GUACOLDA energía

Guacolda Energía SpA and Subsidiary

Classified Consolidated Statements of Financial Position

As of December 31, 2021 and 2020

(amounts are expressed in thousands of United States dollars, unless otherwise stated)

	Note	December 31, 2021	December 31, 2020
CURRENT ASSETS			
Cash and cash equivalents	8	147,066	124,441
Other financial assets		-	1,824
Other non-financial assets		44	39
Trade and other accounts receivable	10	61,824	92,000
Accounts receivable from related parties	11	-	13,559
Inventory	12	56,777	28,809
Current tax assets	14	-	33
Total Current Assets		**265,711**	**260,705**
NON-CURRENT ASSETS			
Trade and other accounts receivable, non-current	10	8,879	6,794
Intangible assets other than goodwill	15	658	736
Property, plant and equipment	16	502,324	511,970
Deferred tax assets	14	12,340	100
Total Non-Current Assets		**524,201**	**519,600**
TOTAL ASSETS		**789,912**	**780,305**

The accompanying notes are integral part of these consolidated financial statements.

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Guacolda Energía SpA and Subsidiary
Classified Consolidated Statements of Financial Position
As of December 31, 2021 and 2020
(amounts are expressed in thousands of United States dollars, unless otherwise stated)

	Note	December 31, 2021	December 31, 2020
CURRENT LIABILITIES			
Other financial liabilities	17	3,905	4,042
Trade and other accounts payable	18	68,597	61,599
Accounts payable to related parties	11	-	11,650
Current tax liabilities	14	88	82
Provisions for employee benefits	20	2,518	2,483
Other non-financial liabilities	22	102	3,657
Total Current liabilities		**75,210**	**83,513**
NON-CURRENT LIABILITIES			
Other financial liabilities	17	497,786	497,153
Other provisions	19	104,241	110,180
Non-current provisions for employee benefits	20	253	272
Total Non-Current Liabilities		**602,280**	**607,605**
TOTAL LIABILITIES		**677,490**	**691,118**
SHAREHOLDERS' EQUITY			
Issued capital	21	891,340	901,340
Retained earnings (loss)	21	(224,448)	(404,054)
Other reserves	21	(554,470)	(408,099)
Shareholders' Equity attributable to Parent Company's owners		**112,422**	**89,187**
Non-Controlling Interest			
Total Shareholders' Equity		**112,422**	**89,187**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**789,912**	**780,305**

The accompanying notes are integral part of these consolidated financial statements.

GUACOLDA energía

Guacolda Energía SpA and Subsidiary

Consolidated Statements of Comprehensive Income Classified by Cost Function

for the years ended December 31, 2021 and 2020

(amounts are expressed in thousands of United States dollars, unless otherwise stated)

	Note	December 31, 2021	December 31, 2020
Income from ordinary activities	23	433,825	464,487
Cost of sales	24	(403,683)	(333,435)
Gross profit		**30,142**	**131,052**
Administrative expenses	24	(20,442)	(16,639)
Other income (losses)	26	45,488	(413,592)
Financial income	25	601	3,342
Financial costs	25	(24,670)	(26,574)
Exchange differences	25	(12,814)	4,544
Income (loss) before taxes		**18,305**	**(317,867)**
Income tax benefits (expenses)	14	11,651	780
Income (loss) from continuing operations		**29,956**	**(317,087)**
Income (loss) from discontinued operations		-	-
Net income (loss) for the period		**29,956**	**(317,087)**
Income (loss) attributable to			
Income (loss) attributable to owners of parent company		29,956	(317,087)
Income (loss) attributable to non-controlling interests		-	-
Income (loss)		**29,956**	**(317,087)**

The accompanying notes are integral part of these consolidated financial statements.

Guacolda Energía SpA and Subsidiary
Consolidated Statements of Comprehensive Income Classified by Cost Function
for the years ended December 31, 2021, and 2020
(amounts are expressed in thousands of United States dollars, unless otherwise stated)

	December 31, 2021	December 31, 2020
Income (loss)	**29,956**	**(317,087)**
Other comprehensive income items that will not be reclassified to profit or loss for the period, before taxes		
Actuarial Gains (Losses) for Defined Benefit Plans	-	(16)
Other comprehensive income items that will be reclassified to profit or loss for the period, before taxes		
Unrealized gains (losses) on cash flow hedges	3,642	6,324
Total other comprehensive income before tax	**2,916**	**6,308**
Income tax relating to other comprehensive income items that will not be reclassified to profit or loss for the period		
Income Tax relating to Defined Benefits Plans	-	4
Income tax relating to other comprehensive income items that will be reclassified to profit or loss for the period		
Income Tax related to Cash Flow Hedges	(363)	(1,040)
Total of income tax relating to other comprehensive income items	**(363)**	**(1,036)**
Total Other Comprehensive Income	**3,279**	**5,272**
Total Comprehensive Income	**33,235**	**(311,815)**
Comprehensive Income attributable to		
Comprehensive income attributable to owners of the parent company	33,235	(311,815)
Comprehensive income attributable to non-controlling interests	-	-
Total Comprehensive Income	**33,235**	**(311,815)**

The accompanying notes are integral part of these consolidated financial statements.

Guacolda Energía SpA and Subsidiary

Consolidated Statements of Changes in Shareholders' Equity

for the years ended December 31, 2021 and 2020

(amounts are expressed in thousands of United States dollars, unless otherwise stated)

		Other reserves							
Statement of Changes in Shareholder's Equity	Issued capital	Other miscellaneous reserves	Reserve of Cash Flow Hedges	Reserve for Defined Benefit Plans	Total Other reserves	Retained earnings (loss)	Shareholders' Equity attributable to Parent	Non-Controlling Interest	Total Shareholders' equity
Balance as of January 1, 2021	**343,170**	**149,650**	**200**	**221**	**150,071**	**(403,160)**	**90,081**	-	**90,081**
Increase (decreases) through adjustment of prior year(*)	558,170	(558,170)	-	-	**(558,170)**	**(894)**	**(894)**	-	**(894)**
Equity restated	**901,340**	**(408,520)**	**200**	**221**	**(408,099)**	**(404,054)**	**89,187**	-	**89,187**
Changes in equity									
Comprehensive income									
Income (loss)	-	-	-	-	-	29,956	**29,956**	-	**29,956**
Other comprehensive income	-	-	3,279	-	**3,279**	-	**3,279**	-	**3,279**
Comprehensive income	-	-	**3,279**	-	**3,279**	**29,956**	**33,235**	-	**33,235**
Dividends	-	-	-	-	-	-	-	-	-
Issue (reduction) social capital	(10,000)	-	-	-	-	-	**(10,000)**	-	**(10,000)**
Increase (decrease) trough transfers and other changes, equity	-	(149,650)	-	-	**(149,650)**	**149,650**	-	-	-
Total Changes in Equity	**(10,000)**	**(149,650)**	**3,279**	**-**	**(146,371)**	**179,606**	**23,235**	**-**	**23,235**
Balance as of December 31, 2021	**891,340**	**(558,170)**	**3,479**	**221**	**(554,470)**	**(224,448)**	**112,422**	**-**	**112,422**
Balance as of January 1, 2020	**343,170**	**149,650**	**(5,084)**	**233**	**144,799**	**(86,073)**	**401,896**	-	**401,896**
Changes in equity									
Comprehensive income									
Income (loss)	-	-	-	-	-	(317,087)	(317,087)	-	(317,087)
Other comprehensive income	-	-	5,284	(12)	5,272	-	5,272	-	5,272
Comprehensive income	-	-	**5,284**	**(12)**	**5,272**	**(317,087)**	**(311,815)**	-	**(311,815)**
Dividends	-	-	-	-	-	-	—	-	-
Total Changes in Equity	-	-	**5,284**	**(12)**	**5,272**	**(317,087)**	**(311,815)**	-	**(311,815)**
Balance as of December 31, 2020	**343,170**	**149,650**	**200**	**221**	**150,071**	**(403,160)**	**90,081**	-	**90,081**

The accompanying notes are integral part of these consolidated financial statements.

(*) See Note 21

Guacolda Energía SpA and Subsidiary

Consolidated Statements of Direct Cash Flows

for the years ended December 31, 2021 and 2020
(amounts are expressed in thousands of United States dollars, unless otherwise stated)

	December 31, 2021	December 31, 2020
Cash flows from (used in) operating activities		
Classes of collections from operating activities		
Collections from sale of goods and provision of services	531,191	621,114
Classes of payment		
Payments to suppliers for the supply of goods and services	(433,794)	(351,089)
Payments to and by employees	(12,905)	(10,547)
Other payments for operating activities	(24,291)	(25,553)
Interest received	169	144
Other cash inflows (outflows)	8,844	(1,257)
Net cash flows from (used in) operating activities	**69,214**	**232,812**
Cash flows from (used in) investing activities		
Purchase of property, plant and equipment	(8,548)	(8,183)
Net cash flows from (used in) investment activities	**(8,548)**	**(8,183)**
Net cash flows from (used in) financing activities		
Loan received	-	37,773
Payment of loans	-	(137,999)
Interest payment	(22,800)	(24,736)
Capital reduction	(10,000)	-
Net cash flows from (used in) financing activities	**(32,800)**	**(124,962)**
Net increase (Decrease) in cash and cash equivalents, before effects of effect of exchange differences	**27,866**	**99,667**
Effect of exchange differences on cash and cash equivalents	**(5,241)**	**(3,174)**
Net increase (decrease) in cash and cash equivalents	**22,625**	**96,493**
Cash and cash equivalents at the beginning of the period	124,441	27,948
Cash and cash equivalents at the end of the period	**147,066**	**124,441**

The accompanying notes are integral part of these consolidated financial statements.

NOTE 1 - OVERVIEW

Guacolda Energía SpA. (hereinafter the “Company” or “Guacolda”), a corporation by shares, was incorporated under the name of Guacolda Energía S.A., by means of public deed on December 12, 2014, granted at the Santiago Notary Public Eduardo Javier Diez Morello. An excerpt of the public deed was registered in page 95,308, number 58,237, in the Registry of Commerce of the Real Estate Registrar of Santiago, in the year 2014 and published in the Official Gazette on December 18 of the same year. Its ownership structure was constituted by El Aguila Energy II SpA and AES Gener S.A. (“AES”) each holding 50% of Guacolda’s shares.

In September 2015, Guacolda Energía S.A. merged with its related company Empresa Eléctrica Guacolda S.A., by acquiring the latter. By virtue of that merge, Guacolda became the owner and holder of all the assets, including amog othwrs, the generation power plant of Huasco (“Central Huasco”), liabilities, rights, and obligations of Empresa Eléctrica Guacolda S.A.

On December 16, 2020, in Extraordinary Shareholders meeting of Guacolda, it was agreed to change the nature of the company by transforming it into Guacolda Energía SpA, a corporation by shares (by its acronym in Spanish “Sociedad por Acciones”).

As of June 20, 2021, AES sold and transferred all its shares in Guacolda, representing 50.0000005% of the shares of the Company, to El Aguila Energy II SpA, who was already controlling 49.9999995% of the shares of Guacolda Energía SpA. Thus, the shareholding structure of the company resulted conformed by El Aguila Energy II SpA holding 100% of the shares of Guacolda.

Guacolda’s main businesses are the generation, purchase, and sale of electric energy and the provision of port services. The registered and main office of Guacolda Energía SpA is located in Apoquindo 3472, Floor 7 - Las Condes, Santiago, Chile.

The present financial statements include the financial information of the subsidiary Compañía Transmisora del Norte Chico S.A. (hereinafter “CTNC”), whose 99.995% is controlled by Guacolda.

These consolidated financial statements have been approved by the Guacolda’s Board of Directors held on April 21, 2022.

NOTE 2 - BASIS OF PREPARATION

2.1.- Basis of Preparation of the Consolidated Financial Statements

The Company prepares its consolidated Financial Statements according to the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

These consolidated financial statements of Guacolda Energía SpA. and subsidiary include the classified consolidated statements of financial position as of December 31, 2021 and 2020, the classified consolidated statements of comprehensive income by cost function for the fiscal years ended December 31, 2021 and 2020, the statements of changes in shareholders’ equity and cash flows presented using the direct method for the years ended December 31, 2021 and 2020, and their accompanying notes.

These consolidated financial statements were prepared following the going concern principle through the application of the cost method, except, according to IFRS, for the assets and liabilities recognized at fair value.

The preparation of these consolidated financial statements requires the use of certain critical accounting estimates. It also requires Management to exercise its judgment in the process of applying the Company's accounting policies. Note 6 reveals areas that imply a greater degree of judgment or complexity or the areas where hypothesis and estimates are significant for the consolidated financial statements.

An asset or liability is considered to be current when it is expected to be realized, sold or consumed in the normal course of entity's operating cycle, is held primarily for trading purposes or is expected to be realized within 12 months after the date of the reporting period.

The information contained in these consolidated financial statements is the responsibility of the Management of Guacolda Energía SpA. In the preparation of the consolidated financial statements the policies deriving from Guacolda were used for the subsidiary included in the consolidation.

2.2.- New Accounting Pronouncements

A number of new standards, amendments to standards, and interpretations are effective for annual periods beginning after January 1, 2021.

Amendments NIIF	Date of mandatory application
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	Annual periods beginning on or after January 1, 2021.
COVID-19 Related Rent Concessions beyond 30 June 2021. (Amendment to IFRS 16)	Annual periods beginning on or after April 1, 2021.

i. Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The amendments in Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR ("Interbank Offered Rates") reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

The amendments are effective for annual periods beginning on or after January 1, 2021 and are to be applied retrospectively. Early application is permitted. Restatement of prior periods is not required; however, an entity may restate prior periods if, and only if, it is possible without the use of hindsight. The application of these amendments has had no impact on the Company's financial statements.

ii. COVID-19 Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2021.

Since lessors continue to grant COVID-19-related rent concessions to lessees and since the effects of the COVID-19 pandemic are ongoing and significant, the IASB decided to extend the time period over which the practical expedient is available for use.

The changes amend IFRS 16 to:

a) permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022 (rather than only payments originally due on or before June 30, 2021);

b) require a lessee applying the amendment to do so for annual reporting periods beginning on, or after April 1, 2021;

c) require a lessee applying the amendment to do so retrospectively, recognising the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment; and

d) specify that, in the reporting period in which a lessee first applies the amendment, a lessee is not required to disclose the information required by paragraph 28(f) of IAS 8.

The amendment is effective for annual reporting periods beginning on or after April 1, 2021 (earlier application permitted, including in financial statements not yet authorized for issue at the date the amendment is issued). The application of these Amendments has not had a significant effect on the amounts reported in these financial statements, however, they could affect the accounting for future transactions or agreements.

iii. Standards and Amendments to IFRS that have been issued but their application date is not yet effective:

New NIIF	Date of mandatory application
IFRS 17, Insurance Contracts	Annual periods beginning on or after January 1, 2023.
Amendments to IFRS	**Date of mandatory application**
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	Annual periods beginning on or after January 1, 2023.
Reference to the Conceptual Framework (Amendments to IFRS 3)	Annual periods beginning on or after January 1, 2022.
Property, Plant and Equipment – Proceeds before Intended Used (Amendments to IAS 16)	Annual periods beginning on or after January 1, 2022.
Onerous Contracts – Costs of Fulfilling a Contract (Amendments to IAS 37)	Annual periods beginning on or after January 1, 2022.
Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)	Annual periods beginning on or after January 1, 2022.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	Annual periods beginning on or after January 1, 2023
Definition of Accounting Estimates (Amendments to IAS 8)	Annual periods beginning on or after January 1, 2023.
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	Annual periods beginning on or after January 1, 2023.

Management has not had the opportunity to consider the potential impact of the adoption of the new standards and amendment to the standards.

NOTE 3 - BASIS OF CONSOLIDATION

The Consolidated Financial Statements include the financial statements of Guacolda Energía SpA. and its subsidiary as of December 31, 2021 and 2020, the consolidated statements of classified comprehensive income by cost function and the statements of changes in shareholders' equity and cash flows presented using the direct method for the years ended December 31, 2021 and 2020.

The financial statements of the subsidiary are prepared as of and for the same periods as the parent company and the same accounting policies are consistently applied.

3.1.- Subsidiaries

According to IFRS 10, Subsidiaries are all those entities controlled by Guacolda. An investor controls an investee if the investor:

1. has power over the investee,
2. is exposed, or has rights, to variable returns from its involvement with the investee, and
3. the ability to affect those returns through its power over the investee.

It is considered that an investor has power over an investee when the investor has existing rights that give it the ability to direct the relevant activities, i.e., the activities that significantly affect the investee's returns. In the case of the Company, in general, the power over it subsidiary is derived from the ownership of a majority of voting rights granted by capital instruments of the subsidiary.

If the Company has less than the majority of the voting rights of an investee, it has power over the investee when these voting rights are sufficient to grant it, in the usual practice, the ability to unilaterally direct the relevant activities of the investee. The Company considers all the events and circumstances to assess whether the voting rights in an investee are sufficient to grant it the power, including:

1. the number of voting rights held by the investor relative to the number and dispersion held by the other vote holders;
2. potential voting rights held by the investor, other vote holders and other parties;
3. rights arising from other contractual arrangements; and

4. any additional facts and circumstances that indicate that the investor has, or does not have, the current ability to direct the relevant activities when decisions need to be made, including voting patterns at previous shareholders' meetings.

The investor shall reassess whether it controls an investee if facts and circumstances indicate that there have been changes to one or more of the three elements of control listed above. Consolidation of a subsidiary shall begin from the date the investor obtains control of the investee and shall cease when the investor loses control of the investee. Specifically, the income and expenditure of a subsidiary acquired or sold during the year are included in the Income Statement since the date on which the Company obtains control until the date on which the Company ceases to control the subsidiary.

The acquisition method is used to recognize the acquisition of subsidiary. The acquisition cost is the fair value of the assets delivered, the equity instruments issued, and the liabilities incurred or assumed on the date of exchange. Identifiable assets and liabilities acquired, and identifiable contingencies assumed in a business combination are initially recognized at fair value on the acquisition date, irrespective of the extent of non-controlling interest. The excess of the acquisition cost over the fair value of the interest of Guacolda in the net identifiable assets acquired is recognized as goodwill. If the acquisition cost is less than the fair value of the net assets of the acquired subsidiary, the difference is directly recognized in the income statement.

The chart shown below, is a detail of the subsidiary included in the consolidation:

Tax payer id (R.U.T.) number	Name of the Company	Country	Functional Currency	Percentage of Interest			
				December 31, 2021			December 31, 2020
				DIRECT	INDIRECT	TOTAL	TOTAL
99.588.230-2	CIA TRANSMISORA DEL NORTE CHICO S.A	CHILE	US$	99.9950 %	-%	99.9950 %	99.9950 %

3.2.- Non-Controlling Interest

Non-controlling interests represent the portion of profits or losses and net assets of the subsidiaries that are not wholly owned by Guacolda. Non-controlling interests are presented separately in the income statement and in the consolidated statement of financial position within equity, separately from the equity of the parent. Guacolda applies the policy of considering transactions with non-controlling investors as equity transactions. The disposal or acquisition of non-controlling interest not resulting in a change of control, involves an equity transaction with no recognition of profits and/or losses in the income statement. Any difference between the price paid and the relevant proportion of the carrying amount of the subsidiary's net assets is recognized as equity distribution or contribution.

The summary financial information as of December 31, 2021 and 2020 is detailed as follows:

	Financial information as of December 31, 2021						
	% Interest	Current Assets	Non-current Assets	Current liabilities	Non-current liabilities	Ordinary Income	Net income
CIA TRANSMISORA DEL NORTE CHICO S.A	0.005%	707	8,383	484	72	646	378

	Financial information as of December 31, 2020						
	% Interest	Current Assets	Non-current Assets	Current liabilities	Non-current liabilities	Ordinary Income	Net income
CIA TRANSMISORA DEL NORTE CHICO S.A	0.005%	1,002	10,411	3,201	55	708	673

NOTE 4 - SUMMARY OF MAIN ACCOUNTING POLICIES

4.1.- Foreign currency transactions

1. Presentation and functional currency

The items included in the financial statements of each of the entities of the Company are measured using the currency of the principal economic environment in which the entity operates (functional currency). The consolidated financial statements of Guacolda are expressed in United States dollars, which is the functional and reporting currency of the Company and its subsidiary.

2. Transactions and balances

Transactions in foreign currencies other than the functional currency are translated into functional currency using the exchange rates at the date of the transactions. Exchange differences arising from the settlement of these transactions or the translation using the closing exchange rates of the monetary assets and liabilities in foreign currency, are recognized in profit or loss, except if they differ in shareholders' equity, such as cash flow hedges.

Non-monetary items in a currency other than functional currency carried at historical cost are translated into the functional currency using the exchange rates at the date of each initial transaction. Non-monetary items in a currency other than functional currency carried at fair value are translated into the functional currency using the exchange rate of the date when the fair value was determined.

3. Translation basis

Assets and liabilities in a currency other than the functional currency and those denominated in Unidad de Fomento (UF) are presented using the following exchange rates and closing values per US$1, respectively:

	Symbol	December 31, 2021	December 31, 2020
Chilean pesos	$	844,69	710,95
Unidad de Fomento	UF	0.03	0.02

UF are inflation-indexed monetary unit denominated in Chilean pesos. The UF rate is set daily in advance, based on the change in the consumer price index of the previous month.

4.2.- Property, plant and equipment

The plots of land of Guacolda are carried at historic cost, discounting accumulated impairment losses.

Plants, buildings, equipment, and transmission systems held for electricity generation and other items of property, plant and equipment are recognized at historical cost less accumulated depreciation and impairment losses.

The cost of an asset includes its purchase price, all costs directly attributable to bringing the asset to the location and condition necessary for it to be operational, as expected the Management, and the initial estimated costs of dismantling and removing the asset, either in whole or in part, and restoring the site where it is located. This is an obligation assumed by the Company at the time of purchasing the asset or as a consequence of using the asset during a certain period.

Subsequent costs are included in the initial asset value or recognized as a separate asset, only when, according to the recognition criteria of IAS 16 Property, Plant and Equipment, it is probable that the future economic benefits associated with the fixed asset will flow to the Company and the cost of the item can be measured reliably. The value of the replaced component is derecognized. Other repairs and maintenance are charged to income for the period as incurred.

The works in progress include, among other items, the following capitalized expenses during the construction period only:

1. Financial expenses relating to external financing that are directly attributable to constructions, both specific and generic in nature. In terms of generic financing, capitalized finance expenses are obtained by applying the weighted average cost of long-term financing to the average accumulated investment eligible for capitalization that is not specifically financed.

2. Directly related staff and other operative costs attributable to the construction.

Works in progress are transferred to Property, Plant and Equipment once the testing period is completed and they are available for use, at which time depreciation shall begin.

Depreciation of Property, Plant and Equipment is calculated using the straight-line method and considering the cost less the residual value over their estimated economic useful lives. The estimated useful lives for the main and most relevant asset classes are detailed in Note 16.

The residual value and the useful life of these assets are reviewed periodically and at least at each year-end and, where necessary, they are adjusted so that their remaining useful life is consistent with the expected useful life of the assets.

When the value of an asset exceeds its estimated recoverable amount, it is immediately reduced up to the recoverable amount through the recognition of impairment losses (See Note 4.4).

Gains and losses on sales of Property, Plant and Equipment are calculated by comparing the proceeds from the sale with their carrying amounts and are included in Other income (losses).

Derecognition of Property, plant and equipment is equivalent to the gross carrying amount less accumulated depreciation at the time of recording.

4.3.- Intangible assets

1. Computer programs

Licenses for purchased software are capitalized based on the costs incurred to purchase and prepare the specific programs for use. These costs are amortized over their estimated useful lives using the straight-line method (see Note 15).

Expenses related to software development or maintenance are expensed as incurred. Costs directly related to production of unique and identifiable software programs controlled by Guacolda, and which are likely to generate economic benefits greater than their costs for more than one year, are recognized as intangible assets. Direct costs include expenses incurred by the staff in developing the software. Software program development costs recognized as assets are amortized over their estimated useful lives.

2. Easements

Easement rights are carried at historical cost. As the exploitation period of these rights has no limit, they are considered as assets with an indefinite useful life and are therefore not subject to amortization. Nevertheless, the indefinite nature of a useful life is reviewed at each reporting period to determine whether it should still be regarded as such. These assets are tested for impairment annually. The exception to the rule of an indefinite useful life is only applicable to cases where there is an underlying agreement limiting the useful life of the easement (See Note 15).

4.4.- Impairment of non-financial assets

Assets subject to amortization and depreciation are tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. If there is an indication of impairment, the recoverable amount shall be estimated for the asset on an individual basis. If the recoverable amount cannot be determined for individual assets or the assets have an indefinite useful life, the entity shall determine the lowest level for which there are separately identifiable cash flows (“cash generating units”) and shall estimate the recoverable amount of the cash generating unit to which the asset belongs.

An impairment loss is recognized to the extent the carrying amount of the asset or cash-generating unit exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs to sell or its the value in use. The estimation of the value in use is based on the present value of the future expected cash flows at a pre-tax discount rate that reflects the current market assessments and the risks associated with the asset or cash generating unit. The best determination of the fair value less costs to sell includes prices of similar transactions. If the transactions cannot be identified in the market, a valuation model will be used.

Non-financial assets, other than goodwill, which might have suffered an impairment loss are assessed at every year-end to check for any events that would justify a reversal of the impairment loss. The reversal of an impairment loss shall not exceed the carrying amount that would have been obtained, net of amortization and depreciation, if no impairment loss would have been recognized for that asset in prior periods.

4.5.- Financial assets

Initial classification

Guacolda classifies its financial assets in the following categories: fair value through profit or loss, amortized cost, and fair value through Other Comprehensive Income. The classification is based on the business model within which they are held and their cash flow contractual characteristics. The Management determines the classification of its financial assets on initial recognition

1. **Financial Assets at fair value through profit or loss (FVTPL)**

These instruments are initially measured at fair value. Net income and losses, including any income from interest or dividends, are recognized in profit or loss for the year. The financial assets are classified in the category of financial assets at fair value through profit or loss when they are held for negotiation purposes or designated in their initial recognition at fair value through profit or loss. A financial asset is classified in this category if it is acquired mainly with the purpose of being sold in the short term. Income and losses from assets held for trading are recognized as profit or loss and the associated interest is recognized separately in financial income. Derivatives are also classified as acquired for trading purposes unless they are designated as hedges.

2. **Assets carried at amortized cost**

They are initially carried at the fair value of the transaction, plus or minus the transaction costs that are directly attributable to the acquisition or issuance of the financial asset or liability. They are held in order to collect contractual cash flows that meet the "Solely Payments of Principal and Interest" (SPPI) criterion. This category includes trade and other accounts receivable.

3. **Financial Assets at fair value through other comprehensive income (FVTOCI)**

These instruments are initially carried at fair value, with unrealized gains or losses reclassified to profit or loss for the period upon derecognition. The financial instruments in this category meet the SPPI criterion and are kept within the business model of the Company, both to collect and sell the cash flows.

The business model of Guacolda for the management of financial assets refers to how it manages financial assets to generate cash flows. A business model establishes whether the cash flows will result from collecting contractual cash flows or selling financial assets, or both.

The accounting policy used to determine the fair value is detailed in Note 4.16.

Subsequent Valuation

The financial instruments are afterwards measured at FVTPL, amortized cost, or FVTOCI. The classification is based on two criteria: (i) the business model within which the financial instruments are held, and ii) whether the contractual cash flows of the financial instruments are "Solely Payments of Principal and Interest".

1. Financial Assets measured at fair value through profit or loss (FVTPL):

These instruments are afterwards measured at fair value. Net income and losses, including any income from interest or dividends, are recognized in profit or loss for the period.

These instruments are held for trading purposes and mainly acquired with the purpose of selling or repurchasing them in the short term. Derivative instruments are also classified as held for trading, unless they are designated for hedge accounting. The financial instruments in this category are classified as Other current or non-current financial assets. They are subsequently measured through determination of the fair value, and changes in value are accounted for in the income statement as Other Income (losses).

2. Financial Assets measured at Amortized Cost:

These instruments are subsequently measured at amortized cost less accumulated depreciation through the effective interest method and adjusted through provisions for impairment losses, in the case of financial assets. Financial income and expense, exchange gains and losses and impairment are charged to income. Any profit or loss on derecognition are recognized in profit or loss of the period.

Loans and receivables are non-derivative financial instruments with fixed or determinable payments that are not listed in an active market. They are carried at amortized cost and the accrual of agreed terms is directly recorded as profit or loss.

3. Financial Assets measured at fair value through other comprehensive income (FVTOCI):

These instruments are afterwards measured at fair value. Revenue from interest calculated using the effective interest method, exchange gains and losses, and impairment are charged to income. Other net gains and losses are recognized in Other Comprehensive Income (OCI). Upon derecognition, retained earnings and losses in OCI are reclassified to profit or loss.

Impairment

As of each year-end, Guacolda assesses whether there is objective evidence that a financial asset or a set of financial assets may be impaired.

To establish whether there is an impairment or not on the portfolio, the Company performs a risk analysis, according to the historical experience on its uncollectible nature, which is adjusted by forward-looking factors and macroeconomic variables in order to obtain sufficient forward-looking information for the estimate.

The Company considers that the financial assets are in arrears when: (i) it is unlikely that the debtor will pay its credit obligations in full, without need for the Company to resort to actions such as insurance claims, or (ii) the financial asset has exceeded the maturity date contractually agreed.

The Company measures retained losses in an amount equal to the lifetime Expected Credit Losses (ECLs). ECLs are based on the difference between contractual cash flows, as provided for in the agreements, and all the cash flows that the Company expects to receive. The difference is then discounted through an approximation of the effective interest rate of the original asset. The carrying amount of the asset is reduced as the provision is used and the loss is recognized in the income statement within Sales cost. When a receivable is deemed uncollectible, it is written off against the provision for receivables.

Any subsequent recovery of previously written-off amounts is recognized in the income statement within Sales cost.

4.6.- Financial liabilities

Guacolda classifies its financial liabilities in the following categories: fair value through profit or loss, derivatives designated as effective hedging instruments (see Nota 4.7) and amortized cost. Management determines the classification of its financial liabilities on initial recognition.

Financial liabilities are derecognized when the obligation is paid, settled or expires. When an existing financial liability is replaced by another liability from the same lender under substantially different terms, or if the terms of the existing liabilities are substantially modified, such exchange or modification shall be treated as a derecognition of the original liability and a recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement.

Financial liabilities are initially recognized at fair value and, in the case of loans, they include costs directly attributable to the transaction. Subsequent measurement of financial liabilities depends on their classification, as explained below.

When Guacolda has the right to offset obligations with financial rights, the net amount shall not be reported in accordance with paragraph 42 of IAS 32 “Financial Instruments: Presentation”, as the Company intends to pay and collect those items independently. IFRS 7 “Financial Instruments: Disclosures” also applies to recognized financial instruments whose derivative contracts are subject to an enforceable netting arrangement or similar agreement, irrespective of the net or gross disclosure under IAS 32.

1. Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities are classified in the category of financial liabilities at fair value through profit or loss when they are held for trading, or they are designated on initial recognition at fair value through profit or loss. Income and loss for held-for-trading liabilities are accounted for as profit or loss. This category includes derivative instruments not designated for hedge accounting.

2. Financial liabilities at amortized cost

Other financial liabilities are subsequently carried at amortized cost using the effective interest rate method. The amortized cost is calculated by considering any premium or discount from the acquisition and includes costs of transactions which are an integral part of the effective interest rate. This category includes Trade and other accounts receivable, Trade and other accounts payable and loans included in Other current and non-current financial liabilities.

4.7.- Derivative financial instruments and hedging

Guacolda uses derivative financial instruments such as interest rate swaps to hedge its risks associated with fluctuations in interest rates. Derivatives are initially recognized at the fair value of the date on which the derivative agreement has been entered into and they are subsequently remeasured at their fair values. The method to recognize the gain or loss resulting from the change in fair value depends on whether the derivative has been designated as a hedging instrument, and, if so, the nature of the item that it is hedging. Guacolda designates certain derivatives as:

1. fair value hedges;
2. cash flow hedges;

At the beginning of the transaction, Guacolda documents the relation existing between hedging instruments and hedged items, as well as their objectives for risk management and the strategy to carry out various hedging transactions. Guacolda also documents its assessment, both at the beginning and on a continuous basis, about whether the derivatives that are used in hedging transactions are highly effective to offset changes in the fair value or cash flows of the hedged items, namely, when the hedge relationship meets the following efficacy requirements.

1. Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized in the income statement, together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk.

Guacolda has not used fair value hedges in the reporting periods.

2. Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in Other Reserves. Any loss or gain related to the ineffective portion is recognized immediately in the Income Statement within Financial costs or Exchange differences, according to their nature.

The amounts accumulated in Other reserves are accounted for in the income statement during the periods in which the hedged item affects the result. In the case of interest rate hedges, this means that the amounts recognized in equity are reclassified to profit or loss within Financial costs as interest on associated debts is accrued. For cross currency swaps, the amounts recognized in Other Reserves are reclassified to Financial costs as they accrue interest and to Exchange differences as a result of measuring the debts at closing exchange rates.

A hedge is considered to be highly effective when the changes in the fair value or cash flows of the underlying asset attributable to the hedged risk are offset against changes in the fair value or cash flows of the hedging instrument, with an effectiveness between 80% and 125%.

When a hedging instrument expires or is sold or when the requirements established for hedge accounting are not met, any profit or loss accumulated in Other reserves until that time shall remain in equity and shall be recognized when the expected transaction is finally recognized in the income statement. When it is expected that the transaction is not likely to occur, the cumulative gain or loss in shareholders' equity is immediately charged to the income statement under Financial cost or Exchange differences, according to their nature.

3. Derivatives not recorded under hedge accounting

Certain derivatives are not recorded under hedge accounting and are recognized as instruments at fair value through profit or loss. Changes in the fair value of any derivative instrument so recorded are recognized immediately in the income statement.

4. Embedded Derivatives

The Company assesses the existence of embedded derivatives in financial and non-financial instrument agreements to establish whether their characteristics and risks are closely related to the host contract, provided that the whole set is not classified as an asset or liability at fair value through profit or loss. If they are not closely related, embedded derivatives are accounted for separately from the host contract and recognized at fair value with variations immediately recognized in the Income Statement.

4.8.- Inventory

Inventories are carried at the lowest of its cost or net realizable value, except in the case of those elements that will be used in the production process if their value is expected to be recovered through the sale of the final product. The cost is calculated using the acquisition cost method. The net realizable value is the estimated selling price in the ordinary course of business, minus applicable variable selling costs.

4.9.- Cash and cash equivalents

Cash and cash equivalents include cash balances; time deposits in credit entities; other highly-liquid short-term investments with original maturity of three months or less; and bank overdrafts. In the Statement of Financial Position, bank overdrafts are classified as borrowed capital within Other current financial liabilities.

Restricted cash is included in the Statement of Financial Position within Cash and cash equivalents, except when the nature of the restriction is such that it ceases to be liquid or readily convertible to cash. In this case, restricted cash set aside for less than 12 months will be recognized within Other current financial assets and for more than 12 months will be recognized in Other non-current financial assets. The classification of cash and cash equivalents is consistent with the classification made in the Statement of Cash Flows.

IAS 7 sets forth that the entity must submit information on cash flows from operating activities using the direct or indirect method.

4.10.- Issued capital

Capital stock is represented by shares of a single class, with no par value, and entitled to one vote per share.

Incremental costs directly attributable to issuance of new shares or options are recognized in shareholders' equity as a deduction, net of taxes, of the amounts obtained from the issuance of new shares.

4.11.- Taxes

Income Taxes

The Company and it subsidiary determine their current income tax based on the taxable net income determined according to the current legal provisions for each fiscal year. The tax rates and laws used in the calculation of the income tax are those published as of the date of presentation of the Financial Statements.

The income tax gain or loss for the year is determined as the sum of the current tax of the Company and it respective subsidiary, and it results from the application of the tax on the taxable income for the year, which considers taxable income and tax-deductible expenses, plus the variation of assets and liabilities for deferred tax and tax credits.

Deferred Taxes

Deferred taxes arising from temporary differences and other events that create differences between the tax bases of assets and liabilities and their carrying amounts are recognized according to current standards set out in IAS 12 Income Taxes.

The differences between the carrying amounts of assets and liabilities and their tax bases generate (with a possible exception of investments in subsidiaries, associates, or interest in joint ventures, as stated below) deferred tax assets and liabilities, which are calculated using the tax rates that are expected to apply to the period when the assets and liabilities are realized. Deferred tax liabilities are recognized by all the taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint arrangements, except if the following conditions are met:

1. the parent company, investor or participant of a joint venture can control the timing for temporary difference reverses and
2. it is unlikely that the temporary difference will reverse in the foreseeable future.

A deferred tax asset is recognized by all deductible temporary differences originating from investments in subsidiaries, associates, or interests in joint businesses, only to the extent it is likely that:

1. the temporary differences will reverse in the foreseeable future; and
2. liquid taxable income is available against which temporary differences can be applied.

Current tax and changes in deferred taxes arising other than from business combinations, are recognized in profit or loss or in equity, based on how the income or loss originating them have been recognized.

Deferred tax assets and tax credits are recognized to the extent that it is probable that sufficient future taxable profits will be available to recover deductible temporary differences and against which tax credits can be utilized.

Due to its accumulated tax loss, Guacolda recognizes a deferred tax asset that is likely to be utilized; therefore, the generation of future taxable profits and the expiration date of tax losses shall be considered. In Chile, tax losses have no expiration date.

4.12.- Employee benefits

Short-term Employee Benefits

The Company recognizes all short-term benefits to employees, such as salary, vacation, bonuses, and others, on an accrual basis, and considers the benefits arising as an obligation from the collective bargaining agreements as a usual practice of the Company.

Staff Seniority Indemnities

A provision for the Company's obligation concerning staff seniority indemnities agreed with the staff under relevant agreements is calculated at the present value of the total obligation using the projected benefit cost method with a discount rate based on performance of UF-denominated sovereign bonds issued by the Chilean Central Bank and average long-term projected inflation.

The actuarial assumptions considered in the calculation include the likelihood of such payments of benefits based on mortality (in the case of retired employees) and employee turnover, future costs and level of benefits and discount rate.

4.13.- Provisions

Provisions for environmental restoration, site restoration and asset removal, restructuring and litigation expenses are recognized when:

1. Guacolda has a present obligation, whether legal or constructive, as a result of past events;
2. it is likely that an outflow of resources will be needed to settle the obligation; and
3. the amount has been reliably estimated.

No provisions for future operating losses are recognized.

Provisions are measured at present value of the expenditure expected to be required to settle the obligation using a discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. Increases in provisions due to the passage of time are recognized as an interest expense.

4.14.- Revenue recognition

Revenues of the Company mainly come from the production and sale of energy and power. Revenues are recognized when the control of the assets and services is transferred to the customers and are recognized net of any tax collected that must be paid to the authorities of each country.

1. Revenues from sale of goods and services

Sale of goods

For contracts with customers where the sale of equipment is the only obligation, the adoption of IFRS 15 has no impact on the profits or losses or income of the Company, given that revenue recognition occurs at a point where control of the asset is transferred to the customer, upon delivery of goods. The Company has impacts associated with the sale of goods individually, as it is not currently engaged in the sale of goods under a single contract for sale of goods.

Provision of Services

The Company provides the energy and power supply services to regulated and non-regulated customers. Revenues from services are recognized based on the physical delivery of energy and power. The services are provided over time since the customer simultaneously receives and uses the benefits provided by the Company. As a result, the Company recognizes revenue from grouped service contracts over time instead of at a point in time. The main revenue recognition policies of the Company for each type of customer are described below:

1. Regulated Customers: The revenues from electric power sales are recognized based on the physical delivery of energy and power pursuant to long-term agreements at a tendered price.
2. Non-regulated Customers: The revenues from electric power sales for these customers are recognized based on the physical delivery of energy and power at the rates specified in the relevant contracts.
3. Spot Market Customers: The revenues from electric power sales for these customers are recognized based on the physical delivery of energy and power to other generating companies or the grid coordinator at the marginal cost of energy and power. The spot market, pursuant to the law, is organized through Dispatch Centers (CEN in Chile), where electric energy and power surpluses and deficits are traded. The surpluses of energy and power are recorded as income, and the deficits are recorded as expenditure under the consolidated statement of comprehensive income.

For those agreements where multiple committed goods and services are involved, revenues are allocated to each committed consideration based on independent sales prices using a market or expected cost plus a margin approach. In addition and in the event of variables considerations from contracts with customers, the Company distributes them in contracts among one or more, but not all, the different goods and services that are part of a consideration when: (i) the variable consideration is specifically related to the efforts made to transfer the different goods and services and (ii) the variable consideration represents the amount that the Company expects to be entitled to in exchange for the transfer of goods and services to the customer.

Guacolda determines the existence of significant financing components in its contracts, adjusting the value of the consideration if applicable, to reflect the effects of the time value of money.

Revenues from generation agreements are recognized using the output or transferred production/generation method considering that the transferred quantities of energy and power better represent the transfer of goods and services to the customers. The considerations involved in the contracts, including energy and ancillary services (such as operation, maintenance, and dispatch costs) are usually measured based on MWh delivered. Considerations associated with power are measured based on availability of generation plants.

When energy and power are sold or purchased in spot markets or to the regulator, the Company evaluates the facts and circumstances to establish the gross or net presentation of purchases and sales in the spot market. Generally, the nature of the consideration includes the sale of excess energy and power over the contractual commitments or the purchase of energy and power to overcome deficits in generation.

In some contracts of the Company, it is considered that the nature of the consideration includes the sale of excess energy and power contracted and unused by customers in the spot market, and the collection of a commission for these transactions. Given that energy and power have been contracted by customers and that the risk of loss from transfers in the spot market is assumed by the customers, it is considered that these services are controlled by the customers before they are transferred to the spot market.

4. Assets and Liabilities under Contracts

The timing for revenue recognition, billing and collection results in contractual liabilities and accounts receivable. Accounts receivable represent an unconditional right to a consideration and consist of billed and unbilled amounts typically resulting from long-term contracts when the recognized revenues exceed the amounts billed to the customer.

The Company has not recognized assets or liabilities associated with contracts with customers, since it uses the “right of billing” method for revenue recognition. There are no amounts associated with transferred compensations that have not been billed as of the year-end date.

5. Transaction Price of Remaining Performance Obligations

The transaction price allocated to remaining performance obligations represents a consideration for unsatisfied (or partially satisfied) performance obligations as of the end of the reporting period. As of December 31, 2020, the Company has no performance obligations committed and unsatisfied or partially satisfied.

4.15.- Dividends

Dividend distributions to the Company’s shareholders are recognized as a liability with the ensuing decrease in the shareholders’ equity in the consolidated financial statements of the Company for the period during which dividends are approved by the Shareholders’ Meeting of the Company.

4.16.- Fair value

Fair value is defined as the price that the Company would have received if it had sold an asset, or that it would have paid if it had transferred a liability, in an orderly transaction entered between market participants at the measurement date (namely, the disposal price). The definition of fair value emphasizes that fair value is a market-based, rather than an entity-specific measurement. When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk and other elements. As a result, the intention of the Company to hold an asset or to settle or otherwise fulfill a liability is not relevant when measuring fair value.

A fair value measurement requires an entity to determine the following:

1. the particular asset or liability being measured;
2. for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis;
3. the main or most advantageous market in which an orderly transaction would take place for the asset or liability; and
4. the appropriate assessment techniques to be used upon measuring the fair value. The valuation techniques implemented should maximize the use of relevant observable inputs and minimize unobservable inputs. Those inputs should be consistent with the inputs a market participant would use when pricing the asset or liability.

A fair value measurement assumes that a financial or non-financial liability or an own equity instrument of the Company (e.g. equity interests issued as consideration in a business combination) is transferred to a market participant at the measurement date. The transfer of a liability or an own equity instrument of the Company assumes the following:

1. A liability would remain outstanding, and the market participant transferee would be required to fulfill the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date.
2. An entity's own equity instrument would remain outstanding, and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise terminated on the measurement date.

The fair value hierarchy categorizes into three levels the inputs to the valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1 inputs) and lowest priority to unobservable inputs (Level 3 inputs). If the fair value uses some unobservable inputs, it is classified as Level 2, as long as, the number of unobservable inputs is not significant. Transfers between hierarchy levels are recognized as of the date of the event or change in circumstances that gave rise to the transfer.

4.17.- Adjustments and reclassifications

For the year ended December 31, 2020, minor adjustments and reclassifications have been made to facilitate comparison with the current period. These adjustments and reclassifications decreased the equity and result of the previous year by ThUS$894, while increasing Trade and other accounts receivable in ThUS$336 and decreasing Trade and other accounts receivable in ThUS$1,230.

NOTE 5 - FINANCIAL RISK MANAGEMENT

5.1.- Risk Management Policy

The risk management strategy is designed to safeguard the stability and sustainability of Guacolda in relation to all relevant components of financial uncertainty, both in normal and border circumstances.

Events of “financial risk” refer to situations in which the entity is exposed to conditions of financial uncertainty are classified according to the sources of the risk and associated mechanisms of transmission. For this reason, the strategy of the Management is to identify, evaluate, control and run with responsibility and effectiveness, all the components of the detected uncertainty related to the operation of the Company, both under normal and edge conditions.

The relevant aspects include, without limitation:

1. To provide transparency by establishing risk tolerances and determining guides that will make possible to develop strategies to mitigate significant exposure to the relevant risk.
2. To provide a formal discipline and process for assessing risks and implementing the commercial aspects of our businesses and industries.

The ongoing assessment and management of the financial risk is the responsibility of the Management, more specifically the Finance and Commercial Management.

5.2.- Market and financial risk

Market risk is the risk that the fair value of future cash flows of a financial instrument or asset will fluctuate due to changes in market or macroeconomic conditions. Among the market risks, the following three types are considered: exchange risk, interest rate risk, and fuel price risk. Financial risk refers to the likelihood of occurrence of events that have negative financial implications, including the credit risk and liquidity risk.

5.2.1.- Foreign exchange risk

The functional currency of the Company is the US dollar, given that the income, costs, investments in equipment and financial debt are mainly determined on the basis of the US dollar rate. Moreover, in Chile, the Company is authorized to file income tax returns and pay income taxes in US dollars. Foreign exchange risk is associated with any revenue, cost, capital expenditure (capex) and/or financial debt denominated in any currency other than US dollars. The main items denominated in Chilean pesos are the accounts receivable and payable for sale of electricity. As of December 31, 2021 and 2020, given the net asset position of the Company in Chilean pesos, the impact of a 10% devaluation in the Chilean peso to U.S. dollar exchange rate would have resulted in a negative realized variation of approximately ThUS$1,973 and ThUS$454 in Guacolda's income, respectively.

5.2.2.- Interest rate risk

The interest rate risk corresponds to fluctuations in the fair value or future cash flows of financial instruments, due to changes in market interest rates. The Company's possible exposure to the risk of changes in market interest rates would be primarily on its debt obligations. However, at the date of closure of the present financial statements, 100% of the corporate indebtedness is at a fixed rate, so there is no impact of the mentioned risk.

The following table shows the debt composition as per type of rate as of December 31, 2021 and 2020:

Rate	December 31, 2021	December 31, 2020
Fixed rate	100.00%	100.00 %
Variable rate	-%	- %

5.2.3.- Fuel price risk

The Company uses primarily coal as fuel, a raw material with international prices fixed by market factors, beyond the control of the Company. Since Guacolda's units are coal generating plants, the cost of coal represents an important portion of their operating costs. In addition, fuel price is a key factor for the dispatch of plants and spot prices in Chile.

Today, a portion of the power purchase agreements of the Company include indexation mechanisms that adjust the prices according to coal price variations, as per the indexes and adjustment periods established in each contract, to mitigate significant deviations in the cost of fuel. In addition, spot market sales allow fuel price variations to be transferred to the sale price.

5.2.4.- Risk credit

The credit risk is associated to the credit quality of Guacolda stakeholders. These risks are mainly reflected on trade receivables and financial assets, including bank or other financial institutions' deposits and, other financial instruments.

In respect to trade receivables, the customers of Guacolda are mainly highly creditworthy distributing companies and industrial customers. The sales of Guacolda in the spot market are compulsorily made to loss-making members of the *Coordinador Eléctrico Nacional* or “CEN”, according to the economic dispatch made by this entity.

Regarding to the financial investments made by Guacolda, such as repurchase agreements and time deposits, including derivatives, they are entered into with local and foreign financial entities with national and/or international risk rating greater than or equal to “A” according to Standard & Poor’s and Fitch and “A2” according to Moody’s. In addition, derivatives executed for the financial debt are entered into with first-level local and international entities. There are cash, investment, and treasury policies that define the cash management of the Company in order to minimize the credit risk.

5.2.5.- Liquidity risk

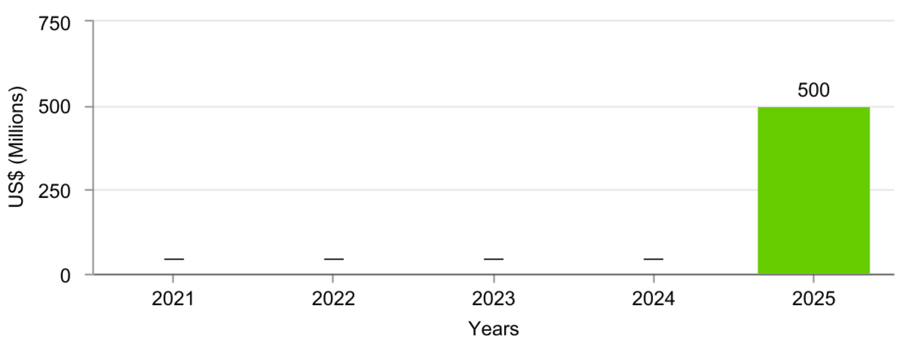
Liquidity risk is related to the obligation of ensuring the necessary funds to meet payment obligations. The Company's goal is to maintain the necessary liquidity and financial flexibility through normal operating flows, bank loans, public bonds, short term investments, committed and non-committed credit lines.

As of December 31, 2021, Guacolda has a balance in liquid available funds of ThUS$147,066 recognized in cash and cash equivalents (ThUS$124,441 as of December 31, 2020).

For details regarding contractual restrictions to the usage of funds, see Note 7 of the Financial Statements, Cash and cash equivalents.

The chart and table below show the maturity schedule, based on owed capital stock, in million United States dollars as of December 31, 2021:

Debt amortization table



		Contractual maturity date as of December 31, 2021 (In millions US$)					
	Average Interest rate	**2021**	**2022**	**2023**	**2024**	**2025**	**TOTAL**
Fixed rate							
144/A Bonds	4.56%	-	-	-	-	500	500
Total		-	-	-	-	**500**	**500**

	Average Interest rate	Contractual maturity date as of December 31, 2020 (In millions US$) 2021	2022	2023	2024	2025	TOTAL
Fixed rate							
144/A Bonds	4.56%	-	-	-	-	500	500
Total		-	-	-	-	**500**	**500**

5.3.- Risk Measurement

The Company has methods to measure the effectiveness and efficiency of risk strategies both prospectively and retrospectively.

The administration is continuously analyzing current available data including, projections of commodity values, dynamic data models to estimate future income, and macroeconomic projections using information from the Central Bank of Chile and other financial institutions; all to adjust risk and define mitigation strategies to anticipate those impacts.

NOTE 6 - USE OF ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

Management must make judgments and estimations of issues that might have a significant effect on the figures presented in the financial statements. Changes in these assumptions and estimations may have a major impact on the financial statements.

Next there is a detail of the estimates and critical judgments used by the Management:

a) The assumptions used in the actuarial calculation of post-employment obligations with employees, including the discount rate. (Note 20)

b) The useful lives and residual values of intangible assets and property, plant and equipment. (Note 15 and 16)

c) The assumptions used in the calculation of the fair value of financial instruments, including credit risk. (Note 9)

d) The probability of occurrence and liabilities amount of uncertain amount or contingent liabilities.(Note 27)

e) Future disbursements due to dismantling and asset removal obligations, including the discount rate (Note 19).

f) The determination of recoverable value in tests for impairment. (Note 16)

Even though these estimates have been made based on the best information available at the date of issuance of these consolidated financial statements, it is possible that current information or events that may take place in the future may lead to modifications (either upwards or downwards) in the next fiscal years. In such event, any changes would be made prospectively by recognizing the effects of those estimated modifications in the correspondent future consolidated financial statements, according to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

NOTE 7 – CHANGE IN ACCOUNTING ESTIMATES

As of December 31, 2021, a change was made in the useful lives of some classes of Property, Plant and Equipment, equivalent to a lower depreciation expense of ThUS$2,357 in the result for fiscal year 2021.

NOTE 8 - CASH AND CASH EQUIVALENTS

	December 31, 2021	December 31, 2020
Cash	-	3
Bank balance	11,990	124,438
Short-term deposits	135,076	-
Cash and cash equivalents	**147,066**	**124,441**

Short-term deposits expire in a period shorter than three months from the date of acquisition and accrue interest at market rates for this type of short-term investments.

Balances of Cash and Cash Equivalents included in the Consolidated Statement of Financial Position are consistent with the Consolidated Statement of Cash Flows.

This account as per types of currencies as of December 31, 2021 and 2020, is detailed as follows:

	December 31, 2021	December 31, 2020
$	14,380	1,729
US$	132,686	122,712
Total Cash and cash equivalents	**147,066**	**124,441**

As of December 31, 2021 and 2020, there are no restrictions to the use of funds by the Company.

NOTE 9 - FINANCIAL INSTRUMENTS

9.1.- Financial Instruments by Category

The classification of financial assets to the categories described in Note 4.5 is detailed as follows:

December 31, 2021	Cash and cash equivalents	Financial assets at amortized cost	Assets at fair value with change in income	Hedging derivative	Total
Cash and cash equivalents	147,066	-	-	-	147,066
Other current financial assets	-	-	-	-	—
Trade and other accounts receivable	-	61,824	-	-	61,824
Accounts receivable from related parties	-	-	-	-	—
Trade and other accounts receivable non-current	-	8,879	-	-	8,879
Total	**147,066**	**70,703**	**-**	**-**	**217,769**

December 31, 2020	Cash and cash equivalents	Financial assets at amortized cost	Assets at fair value with change in income	Hedging derivative	Total
Cash and cash equivalents	124,441	-	-	-	124,441
Other current financial assets	-	-	-	1,824	1,824
Trade and other accounts receivable	-	82,685	9,315	-	92,000
Accounts receivable from related parties	-	13,559	-	-	13,559
Trade and other accounts receivable non-current	-	6,015	779	-	6,794
Total	**124,441**	**102,259**	**10,094**	**1,824**	**238,618**

The carrying amount of financial assets such as Cash and cash equivalents and the current portion of Accounts receivable from related parties represent an approximation of their fair values, due to the short-term nature of their maturities.

The instruments recognized in Other current and non-current financial assets classified as financial assets at fair value through profit or loss and hedging derivatives are carried at fair value in the Consolidated Statement of Financial Position. In Note 8.2 valuation of derivatives, the methodology used for the calculation of fair values, is explained.

The classification of financial liabilities in respect to the categories described in Note 4.6 is detailed as follows:

December 31, 2021	Financial Liabilities at Fair Value through Profit or Loss	Hedging derivatives	Financial liabilities at amortized cost	Total
Other current financial liabilities	-	-	3,905	3,905
Trade and other accounts payable	-	-	68,597	68,597
Other non-current financial liabilities	-	-	497,786	497,786
Accounts payable to related parties	-	-	-	-
Total	**-**	**-**	**570,288**	**570,288**

December 31, 2020	Financial Liabilities at Fair Value through Profit or Loss	Hedging derivatives	Financial liabilities at amortized cost	Total
Other current financial liabilities	137	-	3,905	4,042
Trade and other accounts payable	-	-	27,711	27,711
Other non-current financial liabilities	-	-	497,153	497,153
Accounts payable to related parties	-	-	11,650	11,650
Total	**137**	**-**	**540,419**	**540,556**

The carrying amounts of the current portion of accounts payable to related entities and trade receivables approximate their fair values given the short-term nature of their maturities.

The instruments recorded in Other current financial liabilities classified as Financial liabilities at fair value through profit or loss (derivatives not designated as hedges) and hedging derivatives are carried at fair value in the Statement of Financial Position. In Note 9.2, the methodology used for the calculation of fair values, is explained.

The financial instruments recognized in Other current and non-current financial liabilities, involving Financial liabilities at amortized cost, show significant differences between the carrying amount and fair value mainly due to the fluctuations in the exchange rates (US dollar) and market interest rates. The calculation methodology is the present value of future debt flows discounted using a yield curve. Certain assumptions such as currency of debt, credit rating of the instrument, and credit rating of the Company are used to calculate the present value. The assumptions used as of December 31, 2021 and 2020 are classified as Level 2 within the Fair Value Hierarchy as defined in Note 9.2. The following table shows the carrying amount and fair value of the interest-bearing loans:

	December 31, 2021		December 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Interest-Bearing loans	501,691	500,000	501,058	500,000

9.2.- Measurement of derivative instruments

The Company uses the Reval Hedge Rx system to calculate the fair value of the interest rate and currency swaps and currency forwards of Guacolda. For the calculation of embedded derivatives, the Company has developed internal assessment models.

The main assumptions used in the valuation models for derivative instruments are detailed as follow:

1. Market assumptions such as spot prices and other price projections, credit risk (own and counterpart) and interest rates.
2. Discount rates such as risk-free rates, sovereign and counterparty spread (based on risk profiles and information available in the market).
3. Moreover, the variables incorporated in the model include, without limitation, volatility, correlations, regression formulas and market spread, using observable market information and techniques commonly used by market participants.

Derivative Instruments valuation method

1. Interest Rate Swaps

The valuation model of interest rate swaps projects the forward interest rates based on spot interest rates for each intermediate and final date of instrument settlement, and then flows are discounted using the zero-coupon LIBOR rate. The assumptions used in the model include, without limitation, observable market prices and rates, risk-free rates, country and/or counterparty risk, and the Company's own credit risk.

2. Foreign Currency Forward

Observable market forward prices are used and then cash flows are discounted according to a representative interest rate to calculate the fair value of the foreign currency forwards.

3. Hierarchy of Fair Value of Financial Instruments

Financial instruments carried at fair value in the Statement of Financial Position are classified based on the following hierarchies:

Level 1: Quoted prices in active markets for identical assets and liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for assets and liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3: Inputs for assets or liabilities that are not based on observable market data.

9.3.- Credit quality of financial assets

The Company is exposed to credit risk in its commercial activities as well as in its financial activities.

The Company assesses the credit quality of its counterparts (customers) which primarily include distributing companies and industrial customers. In the case of Guacolda most of them have a local risk classification and/or international investment grade. Credit ratings are provided by specialized rating agencies that assess the creditworthiness of a company based on a rating from “AAA” (highest rating) to “E” (lowest rating). “Investment grade” is obtained once BBB rating or above is achieved.

Regarding financial assets and derivatives, the investments made by Guacolda are entered into with local and foreign financial institutions with national and/or international credit rating greater than or equal to “A-” and “A3” according to Standard & Poor’s and Moody’s, respectively. In addition, derivatives executed for the financial debt are entered into with first class local and international entities. There are cash, investment, and treasury policies to guide the cash management of the Company and minimize the credit risk.

9.4.- Derivative instruments

Financial derivatives held by Guacolda consist mainly of transactions entered to protect variable rate loans against interest rate volatility.

The Company, following its risk management policy, enters interest rate derivatives (interest rate swaps) contracts to reduce the expected variability of the future cash flows of the underlying assets.

The portfolio of derivative instruments as of December 31, 2021 and 2020 is detailed as follows:

Derivative Instruments for Interest Rate Hedge Accounting

1. **Interest Rate Swaps**

The Company has not implemented hedging instruments cash flows for highly probable transactions that did not occur later.

2. **Foreign Currency Forward**

As of December 31, 2021 and 2020, the fair values of the currency forwards are detailed below as follows:

		December 31, 2021				December 31, 2020			
		Assets		Liabilities		Assets		Liabilities	
Derivative instruments	Classification	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Coal Forward	Hedge accounting	-	-	-	-	-	-	1,824	-
Total		**-**	**-**	**-**	**-**	**-**	**-**	**1,824**	**-**

During the third quarter of 2020, Guacolda entered into a foreign exchange forward agreement related to coal prices with Macquarie and J Aron for a total nominal amount of ThUS$9,285, with the last due date in December 2021. The nominal values as of December 31, 2020 amounted to ThUS$9,285.

1. **Derivative instruments not designated for hedge accounting**

As of December 31, 2021 and 2020, the Company has no current derivatives not designated for hedge accounting.

		December 31, 2021				December 31, 2020			
		Assets		Liabilities		Assets		Liabilities	
Derivative instruments	Classification	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Clients	Financial Asset at Fair Value with Changes in profit or loss	-	-	-	-	-	-	137	-
Total		-	-	-	-	-	-	137	-

During the fourth quarter of 2020, Guacolda entered into a foreign exchange forward agreement related to non-regulated customers with Scotiabank for a total nominal amount of ThUS$20,201, with the last due date in March 2021. The nominal values as of December 31, 2020 amounted to ThUS$20,201.

2. **Embedded Derivatives**

During the years covered in these financial statements, no embedded derivatives requiring a separate recognition were identified.

NOTE 10 - TRADE AND OTHER ACCOUNTS RECEIVABLE

The balances of Trade and other accounts receivable involve operations in the ordinary course of business of the Company, mainly operations for sale of energy, power, and transmission.

The balances of other accounts receivable relate primarily to advance payments to suppliers and accounts receivable associated with the staff, among others.

Items of these accounts as of December 31, 2021 and 2020, are detailed as follows:

	Current		Non-current	
	December 31, 2021	December 31, 2021	December 31, 2021	December 31, 2020
Trade receivables, gross (*)	64,635	91,904	8,879	6,794
Bad debt allowance	(3,001	(3,566)	-	-
Trade receivables, net	**61,634**	**88,338**	**8,879**	**6,794**
Other receivables, gross	190	3,662	-	-
Total	**61,824**	**92,000**	**8,879**	**6,794**

The fair values of trade and other accounts receivable are not significantly different from their carrying values.

Past due, unpaid, and not impaired financial assets are detailed as follows:

December 31, 2021	Regulated Customers N° Costumers	Regulated Customers Gross portfolio	Non-regulated Customers N° Costumers	Non-regulated Customers Gross portfolio	Total Gross portfolio	Total Bad debts allowance	Total Net portfolio
As of day	-	-	113	3,115	3,115	-	3,115
1-30 days	2	2	260	55,547	55,549	-	55,549
31-60 days	-	-	39	228	228	-	228
61-90 days	-	-	44	118	118	-	118
91-120 days	-	-	-	-	-	-	-
121-150 days	-	-	38	20	20	-	20
151-180 days	-	-	-	-	-	-	-
181-210 days	-	-	4	1	1	-	1
211- 250 days	-	-	3	19	19	-	19
> 250 days	-	-	214	5,585	5,585	(3,001)	2,584
Total trade receivables	**2**	**2**	**715**	**64,633**	**64,635**	**(3,001)**	**61,634**

December 31, 2020	Regulated Customers N° Costumers	Regulated Customers Gross portfolio	Non-regulated Customers N° Costumers	Non-regulated Customers Gross portfolio	Total Gross portfolio	Total Bad debts allowance	Total Net portfolio
As of day	-	10,165	105	55,986	66,151	-	66,151
1-30 days	12	9,342	118	12,168	21,510	-	21,510
31-60 days	4	282	12	72	354	-	354
61-90 days	2	92	3	1	93	-	93
91-120 days	-	-	13	4	4	-	4
121-150 days	-	-	17	123	123	-	123
151-180 days	3	46	-	-	46	-	46
181-210 days	-	-	4	4	4	-	4
211- 250 days	1	42	12	11	53	-	53
> 250 days	2	52	337	3,514	3,566	(3,566)	-
Total trade receivables	**24**	**20,021**	**621**	**71,883**	**91,904**	**(3,566)**	**88,338**

The amounts for impaired trade and other accounts receivable are detailed as follows:

	Current balance
Balance as of January 1, 2020	**3,386**
Increase (decrease) for the period	180
Write-offs	-
Balance as of December 31, 2020	**3,566**
Increase (decrease) for the period	(565)
Write-offs	-
Balance as of December 31, 2021	**3,001**

NOTE 11 – BALANCES AND TRANSACTIONS WITH RELATED ENTITIES

The transactions between the Company and its subsidiary involve the usual operations regarding purpose and terms. These transactions have been eliminated in the consolidation process and are not broken down in this note.

11.1.- Balances and Transactions with Related Entities

The balances of accounts receivable between the Company and its non-consolidated related companies are detailed as follows:

Accounts receivables from related parties						Current	
Taxpayer Id. (R.U.T)	Company	Country	Transaction description	Nature of the relation	Currency	December 31, 2021	December 31, 2020
94.272.000-9	AES Gener S.A. (*)	Chile	Sales of energy and capacity	Direct shareholder	USD	-	13,058
		Chile	Sales of energy	(*)	CLP	-	24
		Chile	Other services		USD	-	22
76.004.976-K	Empresa Eléctrica Angamos SpA	Chile	Sales of energy	Indirect	USD	-	285
78.178.599-0	Parque Eólico Los Cururos SpA	Chile	Sales of capacity	Indirect	CLP	-	12
76.729.711-4	Compañía Transmisora La Cebada S.A.	Chile	Sales of tolls	Indirect	CLP	-	136
	Others					-	22
Total						-	**13,559**

There are no accounts receivable with related parties classified in non-current assets.
(*) As of June 20, 2021, AES sold and transferred all its shares in Guacolda, representing 50.0000005% of the shares of the Company, to El Aguila Energy II SpA, who was already controlling 49.9999995% of the shares of Guacolda Energía SpA.

The balances of accounts payable between the Company and its non-consolidated related companies are detailed as follows:

Accounts payables to related parties						Current	
Taxpayer Id. (R.U.T)	Company	Country	Transaction description	Nature of the relation	Currency	December 31, 2021	December 31, 2020
94.272.000-9	AES Gener S.A.	Chile	Purchase of energy and capacity	Direct shareholder	USD	-	3,953
		Chile	Transmission	(*)	USD	-	3,086
		Chile	Administrative services		USD	-	1,943
		Chile	Other services		USD	-	1,708
76.085.254-6	Empresa Eléctrica Cochrane SpA	Chile	Purchase of capacity	Indirect	CLP	-	40
76.004.976-K	Empresa Eleéctrica Angamos SpA	Chile	Purchase of energy and capacity	Indirect	CLP	-	553
76.004.976-K	Empresa Electrica Angamos SpA	Chile	Other services	Indirect	CLP	-	-
76.680.114-5	Cía Transmisora Angamos SpA	Chile	Other services	Indirect	USD	-	35
94.272.000-9	Compañía Transmisora La Cebada S.A.	Chile	Transmission	Indirect	CLP	-	55
76.178.599-0	Parque Eólico Los Cururos Spa	Chile	Purchase of energy and capacity	Indirect	CLP	-	253
	Others					-	24
Total						**-**	**11,650**

(*) As of June 20, 2021, AES sold and transferred all its shares in Guacolda, representing 50.0000005% of the shares of the Company, to El Aguila Energy II SpA, who was already controlling 49.9999995% of the shares of Guacolda Energía SpA.

The effects in the income statement of transactions with non-consolidated related parties for the periods ended December 31, 2021 and 2020 are detailed as follows:

Taxpayer Id. (R.U.T)	Company	Country	Transaction description	Nature of the relation	December 31, 2021	December 31, 2020
94.272.000-9	AES Gener S.A.	Chile	Direct shareholder	Sales of energy and capacity	-	75,459
		Chile	(*)	Other revenue	-	-
		Chile		Toll	-	1
76.085.254-6	Empresa Eléctrica Cochrane SpA	Chile	Indirect	Sales of energy and capacity	-	48
76.004.976-K	Empresa Eléctrica Angamos SpA	Chile	Indirect	Sales of energy and capacity	-	297
94.272.000-9	Compañía Transmisora La Cebada S.A.	Chile	Indirect	Transmission	-	124
76.178.599-0	Parque Eólico los Cururos Spa	Chile	Indirect	Sales of energy and capacity	-	14
				Total revenues	**-**	**75,943**
94.272.000-9	AES Gener S.A.	Chile	Direct shareholder	Purchase of energy and capacity	-	(13,880)
		Chile	(*)	Purchase of transmission	-	(11)
		Chile		Management Fee	-	(3,451)
		Chile		Other services	-	(13)
76.085.254-6	Empresa Eléctrica Cochrane SpA	Chile	Indirect	Purchase of energy and capacity	-	(1,238)
76.004.976-K	Empresa Eléctrica Angamos SpA	Chile	Indirect	Purchase of energy and capacity	-	(815)
76.004.976-K	Empresa Eléctrica Angamos SpA	Chile	Indirect	Transmission	-	(4)
94.272.000-9	Compañía Transmisora La Cebada S.A.	Chile	Indirect	Transmission	-	(41)
76.178.599-0	Parque Eólico los Cururos Spa	Chile	Indirect	Purchase of energy and capacity	-	(190)
				Total costs	**-**	**(19,643)**

(*) As of June 20, 2021, AES sold and transferred all its shares in Guacolda, representing 50.0000005% of the shares of the Company, to El Aguila Energy II SpA, who was already controlling 49.9999995% of the shares of Guacolda Energía SpA.

Transactions with related companies in general involve transactions inherent in the business of the Company and subsidiary, which are carried out in accordance with the legal provisions on equity terms regarding deadlines and at market prices.

As of the date of these Consolidated Financial Statements, there are no provisions for doubtful accounts.

11.2.- Key staff

Key Staff includes people with the authority and responsibility to plan, manage and control the activities of the Company, whether directly or indirectly.

1. Board

As of December 31, 2021, the Board of Directors is constituted by 6 members, provisionally appointed at the Ordinary Shareholders' Meeting in September 2021 until the Ordinary Shareholders' Meeting that will be held in April 2022, when a new Board of Directors will be designated for a period of 1 year.

Members of the Board of Directors:

Name	Position
Jorge Rodríguez	President
Fernán Gazmuri	Vice President
Juan Alberto Fernández	Director
Alejandro Ferreiro	Director
Katia Trusich	Director
Joaquín Villarino	Director

2. Board Compensation

According to the Corporations Law No. 18.046, in its article No. 33, the Ordinary Shareholder´s meeting held on September 3, 2021, established the Director fees for 2021 as follows:

a) Board of Directors fees: A monthly fix fee of UF400 for the president and UF200 for the rest of the Board members
b) Audit committee fees: UF20 per each session, with a maximum of 6 in the year (4 ordinary sessions, quarterly and 2 extraordinary)

3. Officers

As of December 31, 2021 and 2020, there are no guarantees in favor of the executive officers.

NOTE 12 – INVENTORY

Inventories have been valued according to the provisions of Note 4.8 and are detailed as follows:

	December 31, 2021	December 31, 2021
Coal	38,454	9,141
Oil	777	468
Materials	16,667	18,361
Other inventories	879	839
Total	**56,777**	**28,809**

Inventory costs recognized as expenses in the years ended December 31, 2021, and 2020, are detailed as follows:

	December 31, 2021	December 31, 2020
Coal	162,677	114,058
Oil	571	501
Other (1)	-	4,440
Total	**163,248**	**118,999**

1. The other inventory costs are mainly consumption of materials, lime, and biomass.

During the periods covered by these financial statements, there are no adjustments that may have significantly affected the carrying number of stocks.

NOTE 13 – OTHER FINANCIAL ASSETS

As of December 31, 2021 and 2020, other financial assets are detailed as follows:

	Current	
	December 31, 2021	December 31, 2020
Hedging assets	-	1,824
Total	**-**	**1,824**

NOTE 14 – TAXES

Current tax

Current tax assets as of December 31, 2021 and 2020 are detailed as follows:

	December 31, 2021	December 31, 2020
Monthly provisional payments	83	300
Sence credit	-	18
Taxes to be recovered	48	18
Others	-	5
Minus:		
Prov. for disallowed tax expenditure	92	8
Prov. First category tax	122	380
Others	5	2
Total	**(88)**	**(49)**

	December 31, 2021	December 31, 2020
Current tax assets	-	33
Current tax liabilities	88	82
Net current tax	**(88)**	**(49)**

Income taxes

Taxes charged to income for the periods ended December 31, 2021 and 2020, are detailed as follows:

Current and deferred income Tax Expenses (benefit)	December 31, 2021	December 31, 2020
Current tax expense	122	259
Other current tax expense	103	7
Current tax expense, net	**225**	**266**
Deferred expense (benefit) due to:		
Taxes relating to the creating and reversal of temporary differences	(11,876)	(1,046)
Deferred tax expense, net	**(11,876)**	**(1,046)**
Income tax expense (benefit)	**(11,651)**	**(780)**

The reconciliation between the income tax that would result from applying the effective rate and the statutory tax rate in Chile for the periods ended December 31, 2021 and 2020, are detailed as follows:

	December 31, 2021	December 31, 2020
Income (Loss) before tax	18,305	(317,867)
Current tax rate	27.0 %	27.0 %
Subtotal	**4,942**	**(85,824)**
Tax effect of:		
Non-Tax Deductible Expenses	103	7
New evaluation of deferred tax assets (valuation allowance)	(16,696)	84,765
Other decreases in charges for legal taxes	-	272
Expense (benefit) for taxes at the effective rate	**11,651**	**(780)**

The balances relating to taxes recognized in other comprehensive income re detailed as follows:

	December 31, 2021	December 31, 2020
Added deferred taxation concerning items charged to Shareholder's Equity	363	(1,036)
Taxes recognized in Other Comprehensive Income	**363**	**(1,036)**

Deferred taxes paid (charged) to Shareholders' Equity are those related to other comprehensive income due to cash flow hedging derivatives and defined benefit plans to employees.

Deferred taxes

The balances of deferred taxes assets and liabilities as of December 31, 2021 and 2020 are detailed as follows:

	December 31, 2021	December 31, 2020
Deferred Tax Assets		
Depreciation	7,994	10,659
Provisions	1,918	2,191
Tax Losses	160,073	151,835
Valuation provision	(151,066)	(161,133)
Debts (difference between effective and cover rate)	1,142	1,674
Others	32,968	33,722
Subtotal	**53,029**	**38,948**
Deferred tax liabilities		
Depreciations	29,823	25,090
Provisions	318	266
Others	10,548	13,492
Subtotal	**40,689**	**38,848**
Net balance of deferred tax assets and (liabilities)	**12,340**	**100**

Reconciliation between balances of the statement of financial position and deferred tax tables are detailed as follows:

Statement of Financial Position	December 31, 2021	December 31, 2020
Deferred tax assets	12,340	100
Deferred tax liabilities	-	-
Net balance of deferred tax assets and (liabilities)	**12,340**	**100**

Deferred tax	December 31, 2021	December 31, 2020
Deferred tax assets	53,029	38,948
Deferred tax liabilities	40,689	38,848
Net balance of deferred tax assets and liabilities	**12,340**	**100**

Changes in deferred tax assets and liabilities for the periods ended December 31, 2021 and 2020 are detailed as follows:

	Assets	Liabilities
Balance as of January 01, 2020	**150,301**	**150,211**
Increase (decrease) in income (loss)	(110,313)	(111,359)
Increase (decrease) in comprehensive income	(1,040)	(4)
Balance as of December 31, 2020	**38,948**	**38,848**
Increase (decrease) in income (loss)	14,081	1,841
Increase (decrease) in comprehensive income	-	-
Balance as of December 31, 2021	**53,029**	**40,689**

NOTE 15 - INTANGIBLE ASSETS

15.1.- Detail of Intangible Assets

Changes in the main classes of intangible assets, which were measured according to the provisions of Note 4.3., are detailed as follows:

	December 31, 2021		
	Gross value	Accumulated Depreciation	Net value
Finite lived intangible assets	3,006	(2,798)	208
Indefinite lived intangible assets	450	-	450
Intangible assets	**3,456**	**(2,798)**	**658**
Computer programs	3,006	(2,798)	208
Easements	450	-	450
Identifiable intangible assets	**3,456**	**(2,798)**	**658**

	December 31, 2020		
	Gross value	Accumulated Depreciation	Net value
Finite lived intangible assets	2,846	(2,560)	286
Indefinite lived intangible assets	450	-	450
Intangible assets	**3,296**	**(2,560)**	**736**
Computer programs	2,846	(2,560)	286
Easements	450	-	450
Identifiable intangible assets	**3,296**	**(2,560)**	**736**

Balances of and changes in Intangible Assets as of December 31, 2021 and 2020, respectively, are detailed as follows:

	Computer Programs	Easements	Intangible Assets, net
Balance as of January 01, 2021	**286**	**450**	**736**
Additions	159	-	159
Amortization	(237)	-	(237)
Total Changes	(78)	-	(78)
Balance as of December 31, 2021	**208**	**450**	**658**

	Computer Programs	Easements	Intangible Assets, net
Balance as of January 01, 2020	**630**	**450**	**1,080**
Additions	20	-	20
Amortization	(364)	-	(364)
Total Changes	**(344)**	-	**(344)**
Balance as of December 31, 2020	**286**	**450**	**736**

Useful lives or amortization rates used for the most relevant assets of the Company are detailed as follows:

	Rate explanation	Life or maximum rate	Life or minimum rate
Computer programs	Years	5	3
Easements	Years	Indefinite	—

15.2.- Impairment of Indefinite Lived Intangible Assets

As of December 31, 2021 and 2020, there were no impairment losses recorded in intangible assets or at CGU level.

GUACOLDA energía

NOTE 16 - PROPERTY, PLANTS AND EQUIPMENT

16.1.- Property, Plants and Equipment

The balances of the various categories during the periods ended December 31, 2021 and 2020, are detailed as follows:

	December 31, 2021		
Class	Gross value	Accumulated depreciation	Net value
Constructions in Progress (2)	4,902	-	4,902
Plots of land	5,193	-	5,193
Buildings	4,010	(1,317)	2,693
Plant and equipment	1,258,868	(810,234)	448,634
IT equipment	6,308	(5,783)	525
Fixed facilities and accessories	2,432	(1,760)	672
Motor vehicles	66	(47)	19
Other property, plants and equipment (1)	43,087	(3,401)	39,686
Total	**1,324,866**	**(822,542)**	**502,324**

	December 31, 2020		
Class	Gross value	Accumulated depreciation	Net value
Constructions in Progress (2)	2,665	-	2,665
Plots of land	5,193	-	5,193
Buildings	3,944	(1,013)	2,931
Plant and equipment	1,154,010	(702,476)	451,534
IT equipment	6,308	(5,680)	628
Fixed facilities and accessories	2,432	(1,619)	813
Motor vehicles	51	(43)	8
Other property, plants and equipment (1)	59,800	(11,602)	48,198
Total	**1,234,403**	**(722,433)**	**511,970**

1. The asset made up of the cost of Decommissioning Obligations is included within Other property, plants, and equipment.
2. The value of constructions in progress consists mainly of investments associated with minor projects.

The useful lives of the most relevant assets of the Company are disclosed below:

	Rate explanation	Minimum life	Maximum life
Buildings	Years	20	35
Plant and equipment	Years	5	35
IT equipment	Years	2	5
Fixed facilities and accessories	Years	2	20
Motor vehicles	Years	2	5
Other property, plants and equipment	Years	5	25

The transactions of property, plant and equipment during the fiscal years ended December 31, 2021 and December 31, 2020, are detailed as follows:

	Constructions in Progress	Lands	Buildings	Plant and equipment	IT equipment	Fixed facilities and accessories	Motor vehicles	Other property, plants and equipment	Property, Plant and Equipment, net
Balance as of January 01, 2021	**2,665**	**5,193**	**2,931**	**451,534**	**628**	**813**	**8**	**48,198**	**511,970**
Additions	7,609	-	-	-	-	-	14	3,167	10,790
Withdrawals	-	-	-	-	-	-	-	-	-
Depreciation	-	-	(304)	(51,084)	(103)	(141)	(3)	(1,669)	(53,304)
Impairment (See Note 16.2)	-	-	-	43,038	-	-	-	-	43,038
Other Changes (*)	-	-	-	-	-	-	-	(10,010)	(10,010)
Completed works	(5,372)	-	66	5,146	-	-	-	-	(160)
Total changes	**2,237**	-	**(238)**	**(2,900)**	**(103)**	**(141)**	**11**	**(11,521)**	**9,646**
Balance as of Dec 31, 2021	**4,902**	**5,193**	**2,693**	**448,634**	**525**	**672**	**19**	**39,686**	**502,324**

	Constructions in Progress	Lands	Buildings	Plant and equipment	IT equipment	Fixed facilities and accessories	Motor vehicles	Other property, plants and equipment	Property, Plant and Equipment, net
Balance as of January 01,	**2,926**	**5,193**	**3,151**	**858,412**	**730**	**965**	**10**	**93,488**	**964,875**
Additions	6,418	-	-	494	34	-	-	-	**6,946**
Withdrawals	-	-	-	(9)	-	-	-	(5,191)	**(5,200)**
Depreciation	-	-	(220)	(46,172)	(136)	(188)	(2)	(3,256)	**(49,974)**
Impairment	-	-	-	(367,834)	-	-	-	(36,843)	**(404,677)**
Completed works	(6,679)	-	-	6,643	-	36	-	-	-
Total changes	**(261)**	-	**(220)**	**(406,878)**	**(102)**	**(152)**	**(2)**	**(45,290)**	**(452,905)**
Balance as of Dec 31, 2020	**2,665**	**5,193**	**2,931**	**451,534**	**628**	**813**	**8**	**48,198**	**511,970**

(*) For Other property, plant, and equipment, it consists of the effects due to valorization to Provisions for Decommissioning, Restructuring and Rehabilitation costs

During 2021 and 2020 no interest has been capitalized

The Company purchases insurance contracts for its generation plants, including business interruption all risks insurance policy, which cover, among other things, damages caused by fire, flood, and earthquake.

16.2.- Asset impairment

As of December 31, 2021, an impairment test was performed on the Company's assets, resulting in a present value of future flows greater than the book value of said assets, because of the Company's new business-projections. The amount recorded as reversal of impairment loss is ThUS$43,038, in Other Gains (Losses).

Previously the Company recognized an impairment for the year 2019 of ThUS$253,993 and for the year 2020 of ThUS$404,677, in Other gains (losses).

NOTE 17 - OTHER FINANCIAL LIABILITIES

As of December 31, 2021 and 2020, other financial liabilities are detailed as follows:

	Current		Non-current	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Interest-Bearing Loans	3,905	3,905	497,786	497,153
Derivatives not designated as hedges	-	137	-	-
Total	**3,905**	**4,042**	**497,786**	**497,153**

17.1.- Interest-bearing Loans

Interest-bearing loans are detailed as follows:

	Current		Non-current	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Bank loans	-	-	-	-
Obligations with the public	3,905	3,905	497,786	497,153
Total	**3,905**	**3,905**	**497,786**	**497,153**

The fair value of non-current variable interest associated to bank loans shall not be significantly different than its carrying amount.

1.- Bank Loans

As of December 31 2021, 2020 the Company does not present banks loans.

2.- Obligations with the Public

The obligations with the public by debtor company, series, currency, cover rate, and maturity dates as of December 31, 2021, are detailed as follows:

Tax identification (RUT)	Company	Country	Instrument Registration and Identification	Serie	Currency	Annual effective rate	Annual nominal rate	Final deadline	Current	Non-current
76.418.918-3	Guacolda	Chile	Rule 144A Bond	SERIE A	US$	4.75%	4.56%	2025	3,905	497,786
								Total	3,905	497,786

Payments of principal and interest not discounted are detailed as follows:

		Current			Non-current					
Company	Instrument Registration and Identification	Less than 90 days	More than 90 days	Total current	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total non-current
Guacolda	Rule 144A Bond	-	22,800	22,800	22,800	22,800	511,400	--	-	557,000
		-	22,800	22,800	22,800	22,800	511,400	-	-	557,000

The obligations with the public by debtor company, series, currency, cover rate, and maturity dates as of December 31, 2020:

Tax identification (RUT)	Company	Country	Instrument Registration and Identification	Serie	Currency	Annual effective rate	Annual nominal rate	Final deadline	Current	Non-current
76.418.918-3	Guacolda	Chile	Rule 144A Bond	SERIE A	US$	4.75%	4.56%	2025	3,905	497,153
								Total	3,905	497,153

Payments of principal and interests not discounted are detailed as follows:

Company	Instrument Registration and Identification	Current			Non-current					
		Less than 90 days	More than 90 days	Total current	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total non-current
Guacolda	Rule 144A Bond	-	22,800	**22,800**	22,800	22,800	22,800	511,400	-	**579,800**
		-	**22,800**	**22,800**	**22,800**	**22,800**	**22,800**	**511,400**	-	**579,800**

3.- Changes in liabilities from financing activities

The variations of financial obligations of the Company, and the changes related to financing activities as of December 31, 2021 and 2020, are detailed as follows:

	Balance as of December 31, 2020	New obligation	Payment of obligation	Interest payment	Changes other than cash			Balance as of December 31, 2021
					Accrued interest	Change at fair value	Amort. of deferred cost	
Bank Loans	-	-	-	-	-	-	-	-
Obligations with the public	501,058	-	-	(22,800)	22,800	-	633	501,691
Hedging derivative instruments	137	-	-	-	-	(137)	-	-
Total	**501,195**			**(22,800)**	**22,800**	**(137)**	**633**	**501,691**

	Balance as of January 1, 2020	New obligation	Payment of obligation	Interest payment	Changes other than cash			Balance as of December 31, 2020
					Accrued interest	Change at fair value	Amort. of deferred cost	
Bank Loans	100,201	37,773	(137,999)	(1,936)	1,909	-	52	-
Obligations with the public	500,425	-	-	(22,800)	22,800	-	633	501,058
Hedging derivative instruments	1,892	-	-	-	-	(1,755)	-	137
Total	**602,518**	**37,773**	**(137,999)**	**(24,736)**	**24,709**	**(1,755)**	**685**	**501,195**

NOTE 18 - TRADE AND OTHER ACCOUNTS PAYABLE

As of December 31, 2021 and 2020, trade and other accounts payable are detailed as follows:

	Current	
	December 31, 2021	December 31, 2020
Trade payables	14,297	4,242
Unbilled trade payables	28,922	24,699
Other accounts payable (1)	25,378	32,658
Total	**68,597**	**61,599**

1. As of December 31, 2021 and 2020, it mostly includes liabilities for income tax on emissions, sales taxes and additional tax in addition to liabilities with third parties associated with workers.

Suppliers with no past due balances:

	Until 30 days	31-60 days	61-90 days	91-120 days	121-365 days	366 and more days	Total	Average payment days
Balance as of December 31, 2021	12,408	-	-	-	-	-	**12,408**	**21**
Balance as of December 31, 2020	4,152	-	-	-	-	-	**4,152**	**40**

Suppliers with past due balances:

	Until 30 days	31-60 days	61-90 days	91-120 days	121-365 days	366 and more days	Total
Balance as of December 31, 2021	1,621	100	67	101	-	-	**1,889**
Balance as of December 31, 2020	18	2	-	-	20	50	**90**

NOTE 19 - PROVISIONS

As of December 31, 2021 and 2020, the balances for provisions are detailed as follows:

	Non-current	
	December 31, 2021	December 31, 2020
Legal provisions	343	-
Decommissioning and restructuring costs (1)	103,898	110,180
Total	**104,241**	**110,180**

1. Decommissioning and restructuring costs

The non-current balance of these provisions is entirely consistent with the cost of removal and restoration of the land where the different assets are located, depending on the legal obligation of each unit of operation. The expected terms of disbursements depend on the expiration date of each environmental qualification resolution.

2. Variations in provisions

	Legal Provisions	Decommissioning and restructuring costs
Balance as of January 1, 2020	-	**111,657**
Increase (decrease) in existing provisions	-	(1,477)
Balance as of December 31, 2020	-	**110,180**
Increase (decrease) in existing provisions	343	6,282
Balance as of December 31, 2021	**343**	**103,898**

NOTE 20 - EMPLOYEE BENEFITS

Employee benefits are assessed and recorded in the financial statements in accordance with the criteria described in Note 4.12.

As of December 31, 2021 and 2020, the balance of post-employment opportunities is detailed as follows:

	Current		Non-current	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Post-employment obligations (20.1)	15	15	253	272
Vacation provision	762	1,110	-	-
Share in profits and bonds	1,741	1,358	-	-
Total	**2,518**	**2,483**	**253**	**272**

20.1.- Present value of post-employment obligations

The variations in post-employment obligations for defined benefits in the years ended December 31, 2021 and 2020, are detailed as follows:

	December 31, 2021	December 31, 2020
Opening balance	**287**	**233**
Cost of obligation for current service	-	22
Cost of interest on obligation	-	9
Actuarial losses (gains) for obligation	-	16
Obligation contributions paid	(19)	7
Ending Balance	**268**	**287**

20.2.- Costs recognized as profit or loss

The amounts recognized in consolidated profit or loss and included in Sales cost and Administrative expenses in the statement of comprehensive income for the periods ended December 31, 2021 and 2020, are detailed as follows:

	December 31, 2021	December 31, 2020
Cost of current service for defined benefit plan	-	22
Cost for interest on defined benefit plan	-	9
Obligation settlement expenses	18	625
Total impact in profit or loss	**18**	**656**

20.3.- Other disclosures

1. Actuarial assumptions:

The assumptions used in the actuarial calculation are detailed as follows:

	December 31, 2021	December 31, 2020
Nominal discount rate used	3,22%	3.22 %
Average job turnover rate	7,49%	7.49 %
Expected rate of salary increases	4,86%	4.86 %
Mortality table	Tables issued according to joint regulations of CMF and the Superintendency of Pension-fund Managers (AFP)	

2. Sensitivity:

As of December 31, 2021, the sensitivity of the total value of post-employment obligations in the event of variations in medical cost, discount rate, salary increase rate and turnover rate, generates the following effects:

	Sensitivity rate	Reduction	Increase
Discount rate sensitivity	0.25%	(4)	4
Salary increases sensitivity	0.25%	4	(4)
Turnover rate sensitivity	1.00%	(22)	18

NOTE 21 - SHAREHOLDERS' EQUITY

21.1.- Capital management

The shareholders' equity includes issued capital, other reserves, and retained earnings (losses).

The main purpose of the capital management of the Company is to maintain a robust risk rating and sound capital indicators in order to support the business and maximize the value to the shareholders.

The Company manages its capital structure and makes adjustments based on changes in economic conditions. To maintain or adjust its capital structure, the Company may adjust dividend payments or capital returns to shareholders, or issue new shares.

During the years ended December 31, 2021 and 2020, no changes were made in the capital related goals, policies, or procedures of the Company.

21.2.- Subscribed and paid-in capital

The Company was established with an initial capital amounting to ThUS$901,340, divided into 217,691,230 registered shares of a single series of equal value and without par value.
According to shareholders agreement of October 12,2021, a decrease in capital of ThUS$10,000.

There are no changes in the number of shares during the period covered by these Consolidated Financial Statements.

21.3.- Dividend policy

No dividends were declared or paid during 2021 and 2020.

21.4.- Retained earnings (losses)

Retained earnings for each year are detailed as follows:

	December 31, 2021	December 31, 2020
Opening balance	(403,160)	(86,073)
Adjustment of prior years (*)	(894)	-
Result for the period	29,956	(317,087)
Other variations (See Note 21.5)	149,650	-
Definitive dividends	-	-
Ending balance	**(224,448)**	**(403,160)**

(*) Adjustments have been made to the Financial Statements ended December 31, 2020, with an immaterial decrease of ThUS$894 in the income and equity for that year.

21.5.- Other reserves

Other reserves as of December 31, 2021 and 2020, are detailed as follows:

	Other miscellaneous reserves	Reserve for Cash Flow Hedges	Reserve for Defined Benefit Plans	Total
Balance as of January 1, 2020	**149,650**	**(5,084)**	**233**	**144,789**
Variations in derivatives recognized in other reserves	-	6,324	-	6,324
Deferred taxes	-	(1,040)	4	(1,036)
Other variations	-	-	(16)	(16)
Balance as of December 31, 2020	**149,650**	**200**	**221**	**150,071**
Increase (decreases) through adjustment (*)	(558,170)	-	-	(558,170)
Balance as of December 31, 2020, restated	**(408,520)**	**200**	**221**	**(408,099)**
Variations in derivatives recognized in other reserves	-	3,279	-	3,279
Deferred taxes	-		-	
Other variations (**)	(149,650)	-	-	-
Balance as of December 31, 2021	**(558,170)**	**3,479**	**221**	**554,470**

(*) Reclassification made to Accumulated Result, corresponding to the effect generated by a corporate reorganization carried out in 2014, which had been recorded as Paid Capital.

(**) On December 22, 2021, according to an extraordinary shareholders' meeting, it was agreed to transfer the sum of ThUS$149,650 to the Accumulated Result equity account.

NOTE 22 - OTHER NON-FINANCIAL LIABILITIES

As of December 31, 2021 and 2020, the balances of Other non-financial liabilities are detailed as follows:

	Current	
	December 31, 2021	December 31, 2020
Accrued liabilities	-	83
Other liabilities	102	3,574
Total	**102**	**3,657**

Other liabilities include a provision for charges presented by the Superintendency of Electricity and Fuels (“SEC”), which brought charges against Guacolda Energía SpA, through Regular Official Letter 19519, dated September 7, 2018.

NOTE 23 - REVENUE

Ordinary revenue for the years ended December 31, 2021 and 2020 is detailed as follows:

	December 31, 2021	December 31, 2020
Sale of energy under regulated contracts	-	46,902
Sale of energy under non-regulated contracts	262,185	363,504
Spot sales of energy and capacity	139,190	11,738
Transmission income	28,095	37,426
Other ordinary revenue	4,355	4,917
Total	**433,825**	**464,487**

NOTE 24 - COMPOSITION OF RELEVANT RESULTS

24.1.- Expenses by nature

The main operating and administration costs and expenses for the years ended December 31, 2021 and 2020, as classified in the following items of comprehensive income: Sales cost and Administrative expenses, are detailed as follows:

	December 31, 2021	December 31, 2020
Purchase of energy and capacity	45,656	38,317
Fuel consumption	158,819	114,559
Transmission cost	32,149	37,010
Production and other sales costs	99,436	81,065
Productive staff costs	14,082	12,146
Depreciation	53,304	49,974
Amortization	237	364
Sales Cost	**403,683**	**333,435**
Insurance expenses	14,085	9,992
Management fee	4,010	3,484
Other administrative expenses	2,348	3,163
Administrative Expenses	**20,443**	**16,639**
Total	**424,126**	**350,074**

24.2.- Staff costs

Staff costs for the years ended December 31, 2021 and 2020, are detailed as follows:

	For years ended	
	December 31, 2021	December 31, 2020
Wages and salaries	13,046	10,899
Short-term employee benefits	584	601
Employment termination benefits	448	625
Other staff costs	4	21
Total	**14,082**	**12,146**

NOTE 25 - FINANCIAL RESULT

Results for the years ended December 31, 2021 and 2020, are detailed as follows:

	December 31, 2021	December 31, 2020
Income from financial assets	601	3,342
Total financial income	**601**	**3,342**
Interest on bank loans	(24,394)	(25,171)
Income/(loss) for measurement of net financial derivatives	-	82
Other expenses	(276)	(1,485)
Total financial expenses	**(24,670)**	**(26,574)**
Income (loss) for exchange differences	**12,814**	**4,544**
Total financial profit (loss)	**(11,255)**	**(18,688)**

NOTE 26 - OTHER INCOME (LOSSES)

Other income (loss) for the years ended December 31, 2021 and 2020, detailed as follows:

	December 31, 2021	December 31, 2020
Insurance claim recovery	-	-
Other several revenues (expenses)	2,450	(4,360)
Fair value adjustment accounts receivable	-	(2,772)
Impairment (1)	43,038	(406,460)
Total	**45,488**	**(413,592)**

(1) During the year ended December 31, 2021 an impairment reversal of ThUS$43,038, was registered for Property, plant and equipment. See Note 16. During previous years the Company had recognized an impairment of ThUS$406,460, equivalent to full value of that kind of assets.

NOTE 27 - LITIGATION AND CONTINGENCIES

27.1.- Litigation and/or Administrative Procedures

There is a lawsuit for the constitution of an electrical easement filed by the Cuesta La Arena Community, of ThUS$1,714. This trial is on stage of discussion, dilatory exceptions and the substitution of procedure by the court have not yet been resolved. It is estimated for this trial, a duration of two years and there have been no conversations between the parties. According to the evaluation of the Company's legal advisors, the probable loss of the litigation, amounts to ThUS$343, which has been recorded and ii is presented in the caption Other Non-Current Provisions.

NOTE 28 - GUARANTEES

Delivered guarantees

Beneficiary	Guarantee Description	Date		ThUS$
		Start date	Due date	
Indura S.A.	Secure compliance with the supply obligations awarded by Indura S.A.	11/06/17	07/01/22	102
Indura S.A.	Secure compliance with the supply obligations awarded by Indura S.A.	11/06/17	07/01/22	102
Indura S.A.	Secure compliance with the supply obligations awarded by Indura S.A.	11/06/17	07/01/22	102
Indura S.A.	Secure compliance with the supply obligations awarded by Indura S.A.	11/06/17	07/01/22	102
Indura S.A.	Secure compliance with the supply obligations awarded by Indura S.A.	11/06/17	07/01/22	102
Indura S.A.	Secure compliance with the supply obligations awarded by Indura S.A.	11/06/17	07/01/22	102
	Total			612

Guarantees Received

Grantor	Guarantee Description	Date		ThUS$
		Start date	Due date	
Mantoverde S.A.	Guarantee the credit for the discount granted by virtue of the electricity supply contract signed on 06-28-2019 between Guacolda and Mantoverde (*)	11/05/21	12/20/21	4,089
Mantoverde S.A.	Guarantee the credit for the discount granted by virtue of the electricity supply contract celebrated on 06-28-2019 between Guacolda and Mantoverde	03/01/22	03/31/22	4,185
Montajes del Pacífico S.A.	Guarantee of faithful compliance with the contract with guacolda for assembly and supplies of scaffold services	11/10/21	10/01/24	81
Ebara Bombas America Do Soul Ltda.	Related to the return of the advance in the amount of USD46,120.	04/29/21	05/15/22	46
	Total			7,251

(*) Renewed on March 2022.

NOTE 29 - ASSETS AND LIABILITIES IN FOREIGN CURRENCY

CURRENT ASSETS	Foreign currency	December 31, 2021	December 31, 2020
Cash and cash equivalents	CLP	14,380	1,729
	USD	132,686	122,712
Other financial assets	USD	-	1,824
Other non-financial assets	USD	27	39
	CLP	17	-
Trade and other accounts receivable	CLP	30,935	82,664
	USD	30,889	9,336
Accounts receivable from related parties	CLP	-	461
	USD	-	13,098
Inventory	USD	56,777	28,809
Current tax assets	CLP	-	33
Total Current Assets		**265,711**	**260,705**

CURRENT LIABILITIES	Foreign currency	December 31, 2021 Up to 90 days	December 31, 2021 From 91 days to 1 year	December 31, 2020 Up to 90 days	December 31, 2020 From 91 days to 1 year
Other Financial Liabilities	USD	-	3,905	-	4,042
Trade and other accounts payable	CLP	27,554	51	27,657	1,404
	USD	37,214	-	1,959	28,755
	Other currency	3,778	-	1,824	-
Accounts payable to related parties	CLP	-	-	-	1,118
	USD	-	-	6,875	3,657
Current tax liabilities	USD	88	-	82	-
Provisions for employee benefits	CLP	1,164	1,354	1,127	1,356
Other non-financial liabilities	CLP	102	-	-	83
	USD	-	-	-	3,574
Total Current liabilities		**69,900**	**5,310**	**39,524**	**42,760**

NON-CURRENT ASSETS	Foreign currency	December 31, 2021	December 31, 2020
Trade and other accounts receivable, non-current	CLP	753	-
	USD	8,126	6,794
Intangible assets other than goodwill	USD	658	736
Property, plant and equipment	USD	502,324	511,970
Deferred tax assets	USD	12,340	100
Total Non-Current Assets		**524,201**	**519,600**

NON-CURRENT LIABILITIES	Foreign currency	December 31, 2021 more than 1 year	More than 3 years	More than 5 years	December 31, 2020 more than 1 year	More than 3 years	More than 5 years
Other Financial Liabilities	USD	-	497,785	-	-	497,153	-
Other provisions	USD	343	-	103,898	10,763	7,730	91,687
Non-current provisions for employee benefits	CLP	43	43	167	53	53	166
Total Non-Current Liabilities		**386**	**497,828**	**104,065**	**10,816**	**504,936**	**91,853**

NOTE 30 - SUBSEQUENT EVENTS

As of the date of issuance of these consolidated financial statements, there are no other relevant facts that can significantly affect their presentation.

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