GUACOLDA ENERGÍA SPA.
AND SUBSIDIARY

Consolidated Financial Statements
for the years ended December 31, 2022 and 2021
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, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years 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 audits. 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.

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, 2022 and 2021, and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB").

Deloitte

March 13, 2023
Santiago, Chile

Pablo Vasquez Urrutia
Partner

CONSOLIDATED FINANCIAL STATEMENTS
Guacolda Energía SpA and Subsidiary

For the years ended December 31, 2022 and 2021

This document includes the following sections:

Content

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Guacolda Energía SpA and Subsidiary
Classified Consolidated Statements of Financial Position
As of December 31, 2022 and 2021
(amounts are expressed in thousands of United States dollars, unless otherwise stated)

	Note	December, 31 2022 ThUS$	December, 31 2021 ThUS$
CURRENT ASSETS			
Cash and cash equivalents	7	91,868	147,066
Other financial assets, current	12	15,960	-
Other non-financial assets, current		247	44
Trade receivables and other accounts receivable, current	9	99,330	61,824
Inventories	11	95,793	56,777
TOTAL CURRENT ASSETS		**303,198**	**265,711**
NON-CURRENT ASSETS			
Trade receivables and other accounts receivable, non-current	9	182	8,879
Intangible assets other than goodwill	14	584	658
Property, plant and equipment	15	483,484	502,324
Deferred tax assets	13	12,357	12,340
TOTAL NON-CURRENT ASSETS		**496,607**	**524,201**
TOTAL ASSETS		**799,805**	**789,912**

The accompanying notes are an 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, 2022 and 2021
(amounts are expressed in thousands of United States dollars, unless otherwise stated)

	Note	December, 31 2022 ThUS$	December, 31 2021 ThUS$
CURRENT LIABILITIES			
Other financial liabilities, current	16	3,625	3,905
Trade accounts payable and other accounts payable	17	67,198	68,940
Current tax liabilities	13	85	88
Employee benefits provisions, current	19	3,473	2,518
Other non-financial liabilities, current	21	820	102
TOTAL CURRENT LIABILITIES		**75,201**	**75,553**
NON-CURRENT LAIBILITIES			
Other financial liabilities, non-current	16	452,462	497,786
Other provisions, non-current	18	97,489	103,898
Provisions for employee benefits, non-current	19	1,484	253
TOTAL NON-CURRENT LIABILITIES		**551,435**	**601,937**
TOTAL LIABILITIES		**626,636**	**677,490**
EQUITY			
Issued capital	20	882,340	891,340
Accumulated profit/(deficit)	20	(151,001)	(224,448)
Other reserves	20	(558,170)	(554,470)
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT COMPANY		**173,169**	**112,422**
Non controlling interests		-	
TOTAL EQUITY		**173,169**	**112,422**
TOTAL EQUITY AND LIABILITIES		**799,805**	**789,912**

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

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Guacolda Energía SpA and Subsidiary
Consolidated Statements of Comprehensive Income Classified by Function
For the years ended December 31, 2022 and 2021
(amounts are expressed in thousands of United States dollars, unless otherwise stated)

	Note	December, 31 2022 ThUS$	December, 31 2021 ThUS$
PROFIT / (LOSS)			
Income from ordinary activities	22	577,545	433,825
Cost of sales	23	(520,982)	(400,115)
GROSS PROFIT		**56,563**	**33,710**
Administrative expenses	23	(14,769)	(20,442)
Other income	25	(2,343)	45,488
Financial income	24	31,413	601
Financial costs	24	(30,111)	(28,238)
Exchange differences	24	(3,013)	(12,814)
INCOME BEFORE TAX		**37,740**	**18,305**
Income tax (expense) benefit	13	(209)	11,651
NET INCOME FOR THE YEAR		**37,531**	**29,956**
INCOME (LOSS) ATTRIBUTABLE TO			
Income (loss) attributable to owners of parent company	24	-	-
Income (loss) attributable to non-controlling interests	24	-	-
INCOME (LOSS)		**37,531**	**29,956**

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

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Guacolda Energía SpA and Subsidiary
Consolidated Statements of Integral Income
For the years ended December 31, 2022, and 2021
(amounts are expressed in thousands of United States dollars, unless otherwise stated)

	December, 31 2022 ThUS$	December, 31 2021 ThUS$
INCOME (LOSS)	**37,531**	**29,956**
Other comprehensive income items that will be reclassified to profit or loss for the period, before taxes		
Unrealized gains (losses) on cash flow hedges	(3,177)	3,642
Total other comprehensive income before tax	**(3,177)**	**3,642**
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	(523)	(363)
Total of income tax relating to other comprehensive income items	**(523)**	**(363)**
Total Other Comprehensive (loss) Income	**(3,700)**	**3,279**
TOTAL COMPREHENSIVE INCOME	**33,831**	**33,235**

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

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Guacolda Energía SpA and Subsidiary
Consolidated Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(amounts are expressed in thousands of United States dollars, unless otherwise stated)

STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY	Issued capital	Other miscella-neous reserves	Reserve of cash flow hedges	Reserve for defined Benefit Plants	Total Other reserves	Retained earnings (loss)	Equity attributable to Parent	Non-Controlling Interest	Total Equity
Balance as of January 1, 2022	891,340	(558,170)	3,479	221	(554,470)	(224,448)	112,422	-	112,422
Increase (decrease) through adjustment of prior year (See Note 4.18)	-	-	-		-	35,916	35,916	-	35,916
Equity restated	891,340	(558,170)	3,479	221	(554,470)	(188,532)	148,338	-	148,338
Income (loss)	-	-	-	-	-	37,531	37,531	-	37,531
Other comprehensive income	-	-	(3,479)	(221)	(3,700)	-	(3,700)	-	(3,700)
Comprehensive income	**-**	**-**	**(3,479)**	**(221)**	**(3,700)**	**37,531**	**33,831**	-	**33,831**
Issue (reduction) social capital (See Note 20.2)	(9,000)	-	-	-	-	-	(9,000)	-	(9,000)
Total changes in Equity	**(9,000)**	**-**	**(3,479)**	**(221)**	**(3,700)**	**37,531**	**24,831**	**-**	**24,831**
BALANCE AS OF DECEMBER 31, 2022	**882,340**	**(558,170)**	**-**	**-**	**(558,170)**	**(151,001)**	**173,169**	**-**	**173,169**

STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY	Issued capital	Other miscella-neous reserves	Reserve of cash flow hedges	Reserve for defined Benefit Plants	Total Other reserve	Retained earnings (loss)	Equity attributable to Parent	Non-Controlling Interest	Total Equity
Balance as of January 1, 2021	343,170	149,650	200	221	150,071	(403,160)	90,081	-	90,081
Increase (decrease) 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
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**
Issue (reduction) social capital	(10,000)	-	-	-	-	-	(10,000)	-	(10,000)
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**

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

Guacolda Energía SpA and Subsidiary
Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021
(amounts are expressed in thousands of United States dollars, unless otherwise stated)

	Note	December, 31 2022 ThUS$	December, 31 2021 ThUS$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES)			
Classes of collections from operating activities			
Collections from sale of goods and provision of services		635,410	531,191
Classes of payment			
Payments to suppliers for the supply of goods and services		(591,227)	(433,794)
Payments to and by employees		(10,256)	(12,905)
Other payments for operating activities		(22,695)	(24,291)
Interest received		1,201	169
Other cash inflows (outflows)		3,379	8,844
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		**15,812**	**69,214**
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(5,048)	(8,548)
NET CASH FLOWS FROM (USED IN) INVESTMENT ACTIVITIES		**(5,048)**	**(8,548)**
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES			
Payment of loans		(17,486)	-
Interest payment		(22,363)	(22,800)
Other cash outflows		(15,960)	
Capital reduction		(9,000)	(10,000)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		**(64,809)**	**(32,800)**
Net increase (Decrease) in cash and cash equivalents, before effects of effect of exchange differences		(54,045)	27,866
Effect of exchange differences on cash and cash equivalents		(1,153)	(5,241)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(55,198)**	**22,625**
Cash and cash equivalents at the beginning of the period	7	147,066	124,441
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	7	**91,868**	**147,066**

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

NOTE 1 - OVERVIEW

Guacolda Energía SpA. (Hereinafter the "Company" or "Guacolda"), a corporation by shares, was created 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. At that time, 50% participation, respectively, was held by AES Gener S.A. and El Águila Energy II SpA.

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 merger, Guacolda became the owner and holder of all the assets, including among others, the generation power plant of Huasco ("Central Huasco"), liabilities, rights, and obligations of Empresa Eléctrica Guacolda S.A.

On December 16, 2020, in an Extraordinary Shareholders meeting of Guacolda, it was agreed to change the nature of the company by transforming it into Guacolda Energía SpA, a share corporation (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 already controlled 49.9999995% of the shares of Guacolda Energía SpA. As a result, El Aguila Energy II SpA holds 100% of the shares of the Company.

Guacolda's main businesses are the generation, sale and purshase of electric energy and the provision of port services. The registered and main office of Guacolda Energía SpA is located at Apoquindo 3472, office 701, Las Condes, Santiago, Chile.

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

These consolidated financial statements have been approved by Guacolda's Board of Directors held on March 13, 2023.

NOTE 2 - BASIS OF PREPARATION

2.1.- Basis of Preparation of the Consolidated Financial Statements

The Company prepares its consolidated financial statements according to 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, 2022 and 2021, the classified consolidated statements of comprehensive income by function for the years ended December 31, 2022 and 2021, the statements of changes in equity and cash flows presented using the direct method for the years ended December 31, 2022 and 2021, and their accompanying notes.

These consolidated financial statements were prepared following the going concern principle. Assets and liabilities are presented at historic cost unless otherwise required to be presented at fair value under IFRS.

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 discloses areas that imply a greater degree of judgment or complexity or the areas where hypotheses 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 the 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 Guacolda management.

2.2.- New Accounting Pronouncements

i. Amendments that became effective on January 1, 2022

A number of new standards, amendments to standards, and interpretations are effective for annual periods beginning on or after January 1, 2022.

Amendments to IFRS		Mandatory Effective Date
Reference to the Conceptual Framework (Amendments to IFRS 3)	The change included the underlying references to the 2018 Conceptual Framework, instead of the 1989 Conceptual Framework without changing its requirements. The amendments add an exception to the recognition principle of IFRS 3 to determine whether at the acquisition date a present obligation exists as a result of past events that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Liens, if applicable, are incurred separately. The exception requires entities to apply the criteria of IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the date of acquisition. At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for acquisition date recognition.	Annual periods beginning on or after January 1, 2022.
Property, Plant and Equipment – Proceeds before Intended Used (Amendments to IAS 16)	The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any income derived from the sale of elements produced while that asset is brought to the location and condition necessary for it to operate in the manner intended by management. Instead, an entity recognizes the revenue from the sale of those items and the costs of producing those items in profit or loss. The amendment should be applied retrospectively only to PP&E items available for use in or after the beginning of the earliest period presented when the entity first applies the amendment.	Annual periods beginning on or after January 1, 2022.

Onerous Contracts – Costs of Fulfilling a Contract (Amendments to IAS 37)	In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify costs that an entity needs to include when evaluating whether a contract is onerous or loss-making and shall be effective for periods beginning on or after January 1, 2022. The amendments are intended to provide clarity and help ensure consistent application of the rule. Entities that previously applied the incremental cost approach will see an increase in provisions to reflect the inclusion of costs directly related to contract activities, while entities that previously recognized provisions for contractual losses using the guidance of the previous standard, IAS 11 Construction Contracts, should exclude the allocation of indirect costs of their provisions.	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)	IFRS 1: Subsidiary as a first-time adopter. The amendment allows a subsidiary that elects to apply paragraph D16(a) of IFRS 1, to measure the differences in cumulative translation using the amounts reported in the consolidated financial statements of the parent, based on the date of transition to IFRS of the parent if no adjustments were made for consolidation and for the effects of the combination of business in which the parent acquired the subsidiary. This modification also applies to an associate or joint venture that elects to apply paragraph D16(a) of the IFRS 1. IFRS 9: The amendment clarifies that when applying the "10 percent" test to assess whether a financial liability, an entity includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on behalf of the other. There is not similar proposed amendment to IAS 39. The amendment applies prospectively to modifications or exchanges that occur on or after the date the entity first applies the amendment. IFRS 16: Leasing incentives. The amendment in Illustrative Example 13 removes the illustration of the lessor's payments in connection with the leasehold improvements under IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16. IAS 41: Taxation on fair value measurements. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for tax when measuring the fair value of in-scope assets of IAS 41.	Annual periods beginning on or after January 1, 2022.

The application of these amendments has not had effects on the amounts reported in these financial statements however, they could affect the accounting for future transactions or agreements.

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

New Interpretations		Mandatory Effective Date
IFRS 17, Insurance Contracts)	IFRS 17 "Insurance Contracts" was issued in May 2017. This accounting standard for insurance contracts covers the recognition, measurement, presentation, and disclosure. Once it enters into force, it will replace IFRS 4 Insurance Contracts issued in 2005. The new standard applies to all types of insurance contracts, regardless of the type of entity that issues them, as well as certain guarantees and financial instruments with certain characteristics of discretionary participation. Some exceptions within the scope may be applied. In December 2021, the IASB amended IFRS 17 to add a transition option for a "classification overlay" to address potential accounting mismatches between financial assets and insurance contract liabilities in the information comparison presented in the initial application of IFRS 17. If an entity chooses to apply the classification overlay, it may only do so for comparative periods to which IFRS 17 applies (for example, from the date of transition until the date of initial application of IFRS 17). IFRS 17 is effective for reporting periods beginning on or after January 1. 2023, with comparative figures required. Early application is allowed, provided that the entity applies IFRS 9 Financial Instruments, on or before the date if first-time application of IFRS 17.	Annual periods beginning on or after January 1, 2023.

Amendments to IFRS		Mandatory Effective Date
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amounts or timing of recognition of any asset, liability, income or expense, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current should be based on the rights existing at the end of the reporting period, specify that the classification is not affected by expectations about whether an entity will exercise its right to defer the settlement of a liability; explain that rights exist if covenants are met at the end of the reporting period, and introduce a definition of "settlement" to clarify that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets, or services. The amendments are applied retrospectively for annual periods beginning on or after January 1, 2024. Earlier application is permitted.	Annual periods beginning on or after January 1, 2024.
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	The amendments change the requirements in IAS 1 regarding disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policy information". Information in an accounting policy is material if, when considered in conjunction with other information included in the entity's financial statements, it could reasonably be expected to influence the decisions that primary users of general-purpose financial statements make about the entity's financial statements. basis of those financial statements. The supporting paragraphs in IAS 1 have also been amended to clarify that information in an accounting policy that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Information in an accounting policy could be material due to the nature of the related transactions, other events, or conditions, even if the amounts are immaterial. However, not all information in an accounting policy related to material transactions, other events or conditions is itself material.	Annual periods beginning on or after January 1, 2023

	The IASB has also developed guidance and examples to explain and demonstrate the application of a "four-step materiality process" described in IFRS Practice Statement 2. The amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2023, their early application is permitted, and they are applied prospectively. The amendments to IFRS – Practice Statement 2 do not contain an effective date or transition requirements.	
Definition of Accounting Estimates (Amendments to IAS 8)	The amendments replace the definition of a change in accounting estimate with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in the financial statements that are subject to measurement uncertainty." The definition of a change in an accounting estimate was removed. However, the IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications: • A change in an accounting estimate that results from new information or new developments is not a correction of an error. • The effects of a change in an input or in a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not arise from the correction of prior period errors. The IASB added two examples (Examples 4-5) to the Guidance on Implementation of IAS 8, which is attached to the Standard. The IASB has removed one example (Example 3) as it could cause confusion considering the amendments. The amendments are effective for annual periods beginning on or after January 1, 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period. Earlier application is permitted.	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)	The amendments introduce additional exceptions to the initial recognition exception. Under the amendments, an entity does not apply the exemption from initial recognition for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax legislation, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and does not affect financial or tax profit. For example, this may arise when recognizing a lease liability and the corresponding right-of-use asset applying IFRS 16 at the inception date of a lease. Following the amendments to IAS 12, an entity is required to recognize the corresponding deferred tax asset and liability, and the recognition of any deferred tax asset is subject to the recoverability criteria of IAS 12. The IASB also added an illustrative example in IAS 12 that explains how the amendments apply. The amendments apply to transactions that occur on or after the beginning of the most recent comparative period presented. Additionally, at the beginning of the most recent comparative period an entity recognizes: • A deferred tax asset (to the extent that it is probable that taxable profits will be available against which the deductible tax difference can be used) and a deferred tax liability for all deductible and taxable temporary differences associated with: - Right of use of assets and liabilities for leases - Liabilities for dismantling, restoration and similar and the corresponding amounts recognized as part of the cost of the related asset	Annual periods beginning on or after January 1, 2023

	• The cumulative effect of applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date. The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.	
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	The amendments clarify how the seller-lessor subsequently measures sale-leaseback transactions that meet the requirements of IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' so that the seller-lessee does not recognize a gain or loss that relates to the right of use retained by the seller-lessee, after the start date. The amendments do not affect the gain or loss recognized by the seller-lessee in connection with the partial or total termination of a lease. The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted. If a lessee-seller applies the amendments for a prior period, it is required to disclose that fact. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale-leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in the that the entity applied IFRS 16 for the first time.	Annual periods beginning on or after January 1, 2023
Non-current Liabilities with Covenants (Amendments to NIC 1)	The amendments specify that only covenants that an entity must comply with on or before the end of the reporting period affect the entity's right to defer payment of a liability for at least twelve months after the reporting date (and, therefore, they must be considered when evaluating the classification of the liability as current or non-current). These covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (for example, a covenant based on the financial position of the entity at the reporting date whose compliance is assessed only after the reporting date). The amendments are applied retrospectively in accordance with IAS 8 for annual periods beginning on or after January 1, 2024. Early application is permitted.	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

These consolidated financial statements include (i) the statements of financial position of Guacolda Energía SpA. and its subsidiary as of December 31, 2022 and December 31, 2021, (ii) consolidated statements of classified comprehensive income by function and (iii) the statements of changes in shareholders' equity and cash flows presented using the direct method for the years ended December 31, 2022 and 2021.

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 its subsidiary is derived from the ownership of a majority of voting rights granted by shares of the subsidiary.

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 acquired and the liabilities 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.

The chart shown below, shows 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, 2022			December 31, 2022
				DIRECT	INDIRECT	TOTAL	TOTAL
99.588.230-2	CIA TRANSMISORA DEL NORTE CHICO S.A.	CHILE	US$	99.9950%	0.005%	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.

	Financial information as of December 31, 2022						
CIA TRANSMISORA DEL NORTE CHICO S.A.	% Interest	Current Assets	Non-current Assests	Current liabilities	Non-current liabilities	Ordinary Income	Net income
	0.0050%	630	155	455	-	100	260

	Financial information as of December 31, 2021						
CIA TRANSMISORA DEL NORTE CHICO S.A.	% Interest	Current Assets	Non-current Assests	Current liabilities	Non-current liabilities	Ordinary Income	Net income
	0.0050%	707	8,383	484	72	646	378

The summary financial information as of December 31, 2022 and 2021 is detailed as follows:

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). 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 are related to transactions recorded in other comprehensive income or 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, 2022	December 31, 2021
Chilean pesos	$	855.86	844.69
Unidad de Fomento	UF	0.02	0.03

Unidades de Fomento are inflation-indexed monetary units 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

Land of Guacolda is carried at historic cost, discounting accumulated impairment losses (if applicable).

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 by 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 (if applicable). This may be 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 any qualifying 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 construction, 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 qualifying asset balances eligible for capitalization. .

2. Directly related staff and other operating 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 15.

Residual value and 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 such derecognition.

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 14).

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.

2. Easements

When 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 and they are tested annually for impairment. When a useful life of the easement is an underlying agreement limiting the useful life of the easement, it is subject to amortization over the period of such agreement (See Note 14).

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 their carrying amounts may not be recoverable. If there is an indicator 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 , 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 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. 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 trading 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 the transaction costs that are directly attributable to the acquisition or issuance of the financial asset. They are held 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 4.17.

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.”

Impairment

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

The Company uses a simplified approach with the practical record of IFRS 9 in the stratification of portfolio maturities.

The Company makes estimates based on IFRS 9, according to the expected loss model. Impairment losses related to doubtful financial assets, such as Trade receivables and other accounts receivable, would be recorded in Comprehensive Income within the Administrative Expenses caption. Though as of December 31, 2021 and December 31, 2022, no impairment was neither found nor registered.

4.6.- Financial liabilities

Guacolda classifies its financial liabilities in the following categories: fair value through profit or loss, 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 debt, they include costs directly attributable to the transaction. Subsequent measurement of financial liabilities depends on their classification, as explained below.

When the Company 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”, unless the Company intends to pay and collect those items independently. IFRS 7 “Financial Instruments: Disclosures” also applies to derivative contracts which are subject to an enforceable netting arrangement or similar agreements.

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.

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 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 coal hedges. Derivatives are initially recognized at fair value at the date on which the derivative agreement has been entered into and they are subsequently remeasured under the same criteria. 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, on 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.

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 recorded in the income statement during the periods in which the hedged item affects the results.

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 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 its 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 cost or net realizable value. 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 and other highly-liquid short-term investments with original maturity of three months or less. . In the statement of financial position, bank overdrafts are classified within Other current financial liabilities.

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 its 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 or those substantially enacted.

The income tax expense (benefit) for the year is determined as the sum of the current tax of the Company and its 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 swing in the balances of deferred tax assets and liabilities.

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 reversals 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 are recognized to the extent that it is probable that sufficient future taxable profits will be available to recover deductible temporary differences.

Given its accumulated tax loss carryforward, Guacolda has recognized the associated deferred tax asset as it is likely to be realized. In Chile, tax loss carryforwards 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. .

Indemnities for years of service

An actuarial provision for the Company's obligation that represent the expected commitments, is estimated using the Projected Credit Unit Method, and therefore considering the particular characteristics of the beneficiaries and the economic, financial and demographic hypotheses assumed by the Company to determine said calculation. The obligation is calculated based on indicators like the discount rate of Chilean government bonds at the valuation date, long-term inflation rate, reported by the Chilean Central Bank on the valuation date, and an annual Salary Increase Rate defined by an internal study of the Company.

4.13.- Provisions

Existing obligations at the closing date of the consolidated financial statements, resulting from past events that may give rise to obligations which amount, and time of cancellation are indeterminate, are recorded as provisions for the present value of the most probable amount that the Company will owe disburse to settle the obligation.

Particularly, 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.

These 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 would be recognized as an interest expense.

4.14.- Revenue recognition

Revenues of the Company mainly come from the generation 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.

Revenues from sale of goods and services

Provision of Services

The Company provides energy and power supply services to non-regulated customers and spot market customers through the SEN - *Sistema Eléctrico Nacional*. Revenues from these 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 energy. As a result, the Company recognizes revenue over time instead of at a point in time.

Main revenue recognition policies of the Company for each type of customer are described below:

1. 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 corresponding contracts.
2. 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 a dispatch center (CEN for the acronym *Coordinador Eléctrico Nacional*), 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. A deficit occurs when dispatched energy is not sufficient to provide the contracted volume to non-regulated clients, and the Company has to purchase that deficit energy.

For those agreements where multiple services are involved, revenues are allocated to each performance obligation based on independent sales prices using a market or expected cost plus a margin approach.

If applicable, Guacolda identifies the existence of significant financing components in its contracts, like interest rates, adjusting the value of the consideration, to reflect the effects of the time value of money.

Revenues from generation agreements are recognized using the output or transferred generation method considering that the transferred quantities of energy and power better represent the transfer of goods and services to the customers. The other performance obligations in the contracts, including energy and ancillary services (such as operation, maintenance, and dispatch costs) are usually measured based on MWh delivered. Performance obligations 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.

3. Assets and Liabilities under Contracts

The timing for revenue recognition, and its billing results in accounts receivable. Accounts receivable represent an unconditional right and consist of billed and unbilled amounts, the latter 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 goods or services that have not been billed as of the year-end date.

4. Transaction Price of Remaining Performance Obligations

The transaction price allocated to remaining performance obligations represents amounts related to unsatisfied (or partially satisfied) performance obligations as of the end of the reporting period. As of December 31, 2022, the Company has no performed obligations.

4.15.- Subscribed and paid-in capital

Capital returns, once approved by the Shareholders' Meeting of the Company are recognized immediately as a decrease in equity.

4.16.- Leases

Contracts signed by the Company are initially evaluated to identify if they are, or contain, a lease. A contract is, or contains, a lease if it is associated with the right to control the use of an identified asset for a period of time, in exchange for compensation. To carry out this evaluation, the Company evaluates whether, during the period of use of the asset, the user has:

- The right to obtain substantially all of the economic benefits derived from the use of the asset identified (directly or indirectly);
- The right to decide the use of the identified asset.

When the Company is the Lessee

The Company from the point of view of the lessee, on the commencement date of a lease, recognizes an asset that represents the right to use the underlying asset during the term of the lease (the right-of-use asset) and a liability for lease payments (the liability for lease). Leases of a period less than 12 months without renewal, may be excluded, and those leases where the underlying asset is less than US$ 5,000. The Company separately recognizes interest expense on the lease liability and amortization expense on the right-of-use asset.

When the Company is the Lessor

The lessor's accounting under IFRS 16 is substantially the same as the lessor's accounting under IAS 17. Lessors will continue to classify at the inception of the arrangement if the lease is operational or financial, based on the essence of the transaction. The leases in which they are transferred substantially all the risks and rewards incidental to ownership of the underlying asset are classified as finance leases. The rest of the leases are classified as operating leases.

Operating lease payments are recognized as an expense on a straight-line basis over the term of the lease unless another systematic distribution base is more representative.

The Company does not hold assets under this classification.

4.17.- 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 amount resulting from 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.

4.18.- Reclassifications and correction of an error

During 2021, the company made a partial reversal of impairment on Property, plant and equipment (see note 15). This reversal did not consider a portion of impairment which was mistakenly attributed to Asset Restore Obligation in 2020, by ThUS$36,843, less the effect of the amortization of 2021 associated with the ARO of ThUS$927. Due to this, the company has recognized in these financial statements a reversal in the impairment of property, plant and equipment for the year 2021 the total adjustment corresponds to ThUS$35,916 and was corrected during 2022 affecting retained earnings as shown below:

Adjustments are detailed as follows:

	January 01,2022 Reported ThUS$	Adjustment ThUS$	January 01,2022 Restated ThUS$
CURRENT ASSETS			
Cash and cash equivalents	147,066	-	147,066
Other non-financial assets, current	44	-	44
Trade receivables and other accounts receivable, current	61,824	-	61,824
Inventories	56,777	-	56,777
TOTAL CURRENT ASSETS	**265,711**	**-**	**265,711**
NON-CURRENT ASSETS			
Trade receivables and other accounts receivable, non-current	8,879	-	8,879
Intangible assets other than goodwill	658	-	658
Property, plant and equipment	502,324	35,916	538,240
Deferred tax assets	12,340	-	12,340
TOTAL NON-CURRENT ASSETS	**524,201**	**35,916**	**560,117**
TOTAL ASSTES	**789,912**	**35,916**	**825,828**
CURRENT LIABILITIES			
Other financial liabilities, current	3,905	-	3,905
Trade accounts payable and other accounts payable	68,940	-	68,940
Current tax liabilities	88	-	88
Employee benefits provisions, current	2,518	-	2,518
Other non-financial liabilities, current	102	-	102
TOTAL CURRENT LIABILITIES	**75,553**	**-**	**75,553**
NON-CURRENT LAIBILITIES	497,786	-	497,786
Other financial liabilities, non-current	103,898	-	103,898
Other provisions, non-current	253	-	253
Provisions for employee benefits, non-current	**601,937**	**-**	**601,937**
TOTAL NON-CURRENT LIABILITIES			
	677,490	**-**	**677,490**
TOTAL LIABILITIES			
EQUITY			
Issued capital	891,340	-	891,340
Accumulated profit/(deficit)	(224,448)	35,916	(188,532)
Other reserves	(554,470)	-	(554,470)
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT COMPANY	**112,422**	**35,916**	**148,338**
Non controlling interests			
TOTAL EQUITY	**112,422**	**35,916**	**148,338**
TOTAL EQUITY AND LIABILITIES	**789,912**	**35,916**	**825,828**

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, commercial, and operational uncertainty, both in normal circumstances or when a level of risk has been identified.

Events of "financial risk" refer to situations in which the entity is exposed to conditions of financial uncertainty and are determined according to the sources of the risk and how that risk can spread over. For this reason, the management strategy is to identify, evaluate, control, and operate with responsibility and effectiveness, all the components of the detected uncertainty related to the operation of the Company.

The relevant aspects include, without limitation:

1. To provide transparency by establishing risk tolerances and determining guides that will make possible developing 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 responsibility of the ongoing assessment and controlling of financial risks falls on the administration.

5.2.- Market and financial risks

Guacolda´s activities are exposed to market and financial risks, that may trigger negative economic implications or affect its assets in terms of present and/or future value due to changes in market or macroeconomic conditions.

The Company maintains insurance policies that cover risks on its assets, in addition to having civil liability insurances.

I. Market Risks

5.2.1.- 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.

5.2.2.- Regulatory Risks

Guacolda is subject to several different aspects of Chilean regulation and modifications to existing legislation that could potentially have an adverse effect on the Company's financial results. The Company cannot guarantee that the laws or regulations in Chile will not be modified or interpreted in a manner that could adversely affect the Company or that governmental authorities will effectively grant any approval requested. Guacolda, actively participates in the development of the regulatory framework, submitting comments and proposals to the proposed regulations presented by authorities.

During the year 2021, two bills were promoted that sought to advance the closure of coal-fired plants. The first of them, promoted by the Senate Mining and Energy Commission (bulletin 13196-12), sought to prohibit the installation and operation of coal-fired power plants throughout the country as of January 1, 2026. Subsequently, a second project was promoted by the same Commission (bulletin 14652-08), which promotes the generation of renewable energy. This second project, and the only one that has made progress to date, prohibits the injection into the National Electric System of energy from the combustion of fossil substances as of January 1, 2030. Indications have been presented that require revision, with the purpose to have evaluation mechanisms that allow emission reductions to be identified and give more flexibility to the removal of units.

II. Financial Risks

5.2.3.- Foreign exchange risk

The functional currency of the Company is the US dollar, given that it is the currency in which cash is generated and used. Prices of energy are determined in US$ since the main costs (coal) and investments in equipment are mainly determined on the basis of the US dollar rate. In addition, financial requirements like debt instruments and/or equity issued) are also nominated in US dollars. Moreover, in Chile, the Company is authorized to file income tax returns and pay income taxes in US dollars.

Foreign exchange risk for Guacolda, 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 from sale of electricity, which is not considered a material risk because the prices that defined said invoices were determined in US dollars, added to the fact that the weighted collection term is generally less than 20 days.

Exposure to balance sheet requirements in a distinct foreign currency than UD dollars, is mitigated through the application of a policy that indicates that cash must be maintained in its functional currency. Then, the proportion of cash held in currencies other than US dollar is minimum.

As of December 31, 2022 and 2021, given the net asset position of the Company in US dollars, the impact of a 10% devaluation in the Chilean peso to US. dollar exchange rate would have resulted in a realized variation of approximately +/- ThUS$488,372 in Guacolda's income.

5.2.4.- Interest rate risk

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, 2022 and 2021:

Rate	December 31, 2022	December 31, 2021
Fixed rate	100%	100%
Variable rate	0%	0%

5.2.5.- Credit Risk

The credit risk is associated with the credit quality of trade receivables and financial assets, including bank or other financial institutions' deposits and, other financial instruments.

Regarding 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.

Concerning trade receivables, Guacolda's clients are electricity distributing or generating companies and industrial customers. The sales of Guacolda in the spot market are compulsorily made to members of the *Coordinador Eléctrico Nacional* or "CEN", according to the economic dispatch made by this entity. Each entity has the obligation to maintain a guarantee to protect the risk of non-payment, and the related amounts are defined by the CEN itself.

5.2.6.- 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, 2022, Guacolda has a balance in liquid available funds of ThUS$91,868 recognized in cash and cash equivalents (ThUS$147,066 as of December 31, 2021).

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 United States dollars (millions) as of December 31, 2022:

Fixed rate	Average Interest rate	Contractual maturity date as of December 31, 2022 MMUS$				
		2022	2023	2024	2025	TOTAL
144/A RegS Bonds	4.56%	-	-	-	454	**454**

Fixed rate	Average Interest rate	Contractual maturity date as of December 31, 2021 MMUS$				
		2022	2023	2024	2025	TOTAL
144/A RegS Bonds	4.56%	-	-	-	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 estimates of issues that might have a significant effect on the figures presented in the financial statements. Changes in these assumptions and estimates may have an impact on the financial statements:

Estimations ad Critical Judgements		Note
a)	Calculation of the fair value of financial instruments, including credit risk	8
b)	Useful lives and residual values of intangible assets and property, plant, and equipment	14 and 15
c)	Determination of recoverable value in tests for impairment	15
d)	Asset retirement obligations	15
e)	Future disbursements due to dismantling and asset removal obligations, including the discount rate	18
f)	Actuarial calculation of- obligations with employees, including the discount rate	19
g)	The probability of occurrence and liabilities amount of uncertain amount or contingent liabilities	26

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 years. In such event, any changes would be made prospectively by recognizing the effects of those modifications in the corresponding future consolidated financial statements, according to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

NOTE 7 - CASH AND CASH EQUIVALENTS

	December 31, 2022 ThUS$	December 31, 2021 ThUS$
Bank balance	221	11,990
Short-term deposits	91,647	135,076
CASH AND CASH EQUIVALENTS	**91,868**	**147,066**

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 statements of financial position are consistent with the consolidated statement of cash flows.

This account as per types of currencies as of December 31, 2022 and 2021, is detailed as follows:

	December 31, 2022 ThUS$	December 31, 2021 ThUS$
Chilean pesos	21,417	11,990
US$	70,451	135,076
TOTAL CASH AND CASH EQUIVALENTS	**91,868**	**147,066**

As of December 31, 2022 and 2021, there are no restrictions to the use of funds by the Company.

NOTE 8 - FINANCIAL INSTRUMENTS

8.1.- Financial Instruments by Category

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

December 31, 2022	Cash and cash equivalents ThUS$	Financial assets at amortized cost ThUS$	Total ThUS$
Cash and cash equivalents	91,868	-	91,868
Other financial assets, current	-	15,960	15,960
Trade and other accounts receivable	-	99,330	99,330
Trade and other accounts receivable non-current	-	182	182
TOTAL	91,868	115,472	207,340

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December 31, 2021	Cash and cash equivalents ThUS$	Financial assets at amortized cost ThUS$	Total ThUS$
Cash and cash equivalents	147,066	-	147,066
Trade and other accounts receivable	-	61,824	61,824
Trade and other accounts receivable non-current	-	8,879	8,879
TOTAL	**147,066**	**70,703**	**217,769**

Book value of financial assets such as Cash and cash equivalents and the current portion of Accounts receivable represent an approximation of their fair values, due to the short-term nature of their maturities.

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

December 31, 2022	Financial Liabilities at Fair Value through Profit or Loss ThUS$	Financial liabilities at amortized cost ThUS$	Total ThUS$
Other current financial liabilities	-	3,625	3,625
Trade and other accounts payable	-	67,198	67,198
Other non-current financial liabilities	-	452,462	452,462
TOTAL	-	**523,285**	**523,285**

December 31, 2021	Financial Liabilities at Fair Value through Profit or Loss ThUS$	Financial liabilities at amortized cost ThUS$	Total ThUS$
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
TOTAL	-	**570,288**	**570,288**

Book value 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.

8.2.- Derivative instruments

Financial derivatives held by Guacolda consist mainly of transactions entered to hedge against coal price volatility.

The Company, following its risk management policy, enters into derivatives contracts to reduce the expected variability of the future cash flows of the underlying assets.

The portfolio of derivative instruments is detailed as follows:

Derivative instruments	Classification	December 31, 2022				December 31, 2021			
		Assets		Liabilities		Assets		Liabilities	
		Current ThUS$	Non-Current ThUS$	Current ThUS$	Non-Current ThUS$	Current ThUS$	Non-Current ThUS$	Current ThUS$	Non-Current ThUS$
Coal forward	Hedge accounting	-	-	-	-	-	-	1,824	-

During the third quarter of 2021, Guacolda entered into a foreign exchange forward agreement related to coal prices with the last due date in December 2021.

NOTE 9 - 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, 2022 and 2021, are detailed as follows:

	Current		Non-current	
	December 31, 2022 ThUS$	December 31, 2021 ThUS$	December 31, 2022 ThUS$	December 31, 2021 ThUS$
Trade receivables, gross (*)	70,916	64,635	182	8,879
Bad debt allowance	(36)	(3,001)	-	-
Advanced payments to suppliers	27,144	-	-	-
TRADE RECEIVABLE, NET	**98,024**	**61,634**	**182**	**8,879**
Other receivables, gross	1,306	190	-	-
TOTAL TRADE AND OTHER ACCOUNT RECEIVABLE	**99,330**	**61,824**	**182**	**8,879**

(*) Fair values of trade and other accounts receivable are not significantly different from their book values.

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

December 31, 2022	Regulated costumers		Non-regulated costumers		Gross portofolio ThUS$	Total bad debts allowance ThUS$	Net portfolio ThUS$
	N° Costumers	Gross portofolio ThUS$	N° Costumers	Gross portofolio ThUS$			
Current	-	-	2	2	2	-	2
1-30 days	-	-	190	70,967	70,967	-	70,967
31-60 days	-	-	21	402	402	-	402
61-90 days	-	-	11	101	101	-	101
91-120 days	-	-	22	(2)	(2)	-	(2)
121-150 days	-	-	5	-	-	-	-
151-180 days	-	-	3	(7)	(7)	-	(7)
181-210 days	-	-	7	-	-	-	-
211- 250 days	-	-	5	116	116	-	116
> 250 days (*)	-	-	-	(663)	(663)	(36)	(699)
TRADE RECEIVABLES	-	-	**266**	**70,916**	**70,916**	**(36)**	**70,880**

(*) Negative amounts correspond to unpaid credit notes.

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December 31, 2021	Regulated costumers		Non-regulated costumers		Gross portofolio ThUS$	Total bad debts allowance ThUS$	Net portfolio ThUS$
	N° Costumers	Gross portofolio ThUS$	N° Costumers	Gross portofolio ThUS$			
Current	-	-	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
TRADE RECEIVABLES	**2**	**2**	**715**	**64,633**	**64,635**	**(3,001)**	**61,634**

(*) Negative amounts correspond to unpaid credit notes.

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

	Current balance ThUS$
Balance as of January 1, 2021	3,566
Increase (decrease) for the period	(565)
Balance as of December 31, 2021	**3,001**
Increase (decrease) for the period	(2,965)
Balance as of December 31, 2022	**36**

NOTE 10 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES

There are no transactions with related parties.

10.1.- Key staff

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

Board

As of December 31, 2022, the Board of Directors is constituted by 6 members, appointed at the Ordinary Shareholders' Meeting in April 2022 until the Ordinary Shareholders' Meeting that will be held in April 2023, when a new Board of Directors will be designated for a period of 1 year.

Members of the Board of Directors	Position
Jorge Rodríguez Grossi	President
Fernán Gazmuri Arrieta	Vice President
Juan Alberto Fernández Dávila	Director
Alejandro Ferreiro Yazigi	Director
Katia Trusich Ortiz	Director
Joaquín Villarino Herrera	Director

Officers

As of December 31, 2022 and 2021, there are no guarantees in favor of the executive officers.

NOTE 11 – INVENTORY

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

	December 31, 2022 ThUS$	December 31, 2021 ThUS$
Coal	76,643	38,454
Oil	169	776
Materials	16,918	17,441
Other Inventory	2,063	106
TOTAL INVENTORIES	**95,793**	**56,777**

Costs of sales recognized as expenses in the years ended December 31, 2022, and 2021, are detailed as follows:

	December 31, 2022 ThUS$	December 31, 2021 ThUS$
Coal	298,721	162,677
Oil	3,421	571
Other	5,604	-
TOTAL COSTS OF SALES	**307,746**	**163,248**

NOTE 12 – OTHER FINANCIAL ASSETS

Other financial assets as of December 31, 2022 and 2021 are detailed as follows.

	December 31, 2022 ThUS$	December 31, 2021 ThUS$
Other	15,960	-
TOTAL OTHER FINANCIAL ASSETS, CURRENT*	**15,960**	**-**

* During 2022, the company executed some open market repurchases of its own bond in the secondary market. Due to delays in administrative processes by the custodian agent, as of December 31, 2022, these notes could not be registered under the name of Guacolda Energía SpA, therefore the company did not have the right to recognize these financial instruments neither its accrued interests. See Note 29 - SUBSEQUENT EVENTS, for further information.

NOTE 13 – TAXES

Current tax

Current tax assets as of December 31, 2022 and 2021 are detailed as follows:

	December 31, 2022 ThUS$	December 31, 2021 ThUS$
Monthly provisional payments	64	83
Taxes to be recovered	35	48
Disallowed tax expenditure accrual	(96)	(92)
First category tax accrual	(88)	(127)
TOTAL	**(85)**	**(88)**

	December 31, 2022 ThUS$	December 31, 2021 ThUS$
Current tax assets	99	131
Current tax liabilities	183	(219)
NET CURRENT TAX	**(85)**	**(88)**

Income taxes

Taxes charged to income for the periods ended December 31, 2022 and 2021, are detailed as follows:

	December 31, 2022 ThUS$	December 31, 2021 ThUS$
Current tax expense	10,188	122
Other current tax expense	-	103
CURRENT TAX EXPENSE, NET	**10,188**	**225**
Deferred expense (benefit) due to:		
Taxes relating to the creating and reversal of temporary differences	(9,979)	(11,876)
DEFERRED TAX EXPENSE, NET	**(9,979)**	**(11,876)**
INCOME TAX EXPENSE (BENEFIT)	**209**	**(11,651)**

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, 2022 and 2021, are detailed as follows:

	December 31, 2022		December 31, 2021	
	ThUS$	%	ThUS$	%
Income (Loss) before tax	37,740		18,306	
CURRENT TAX RATE	**10,188**	**27%**	**4,942**	**27%**
Tax effect of:				
Non-Tax Deductible Expenses	-	0.0%	103	0.6%
New evaluation of deferred tax assets (valuation allowance)	(9,979)	-26.4%	(16,696)	-91.2%
Other decreases in charges for legal taxes	-		-	
EXPENSE (BENEFIT) FOR TAXES AS THE EFFECTIVE RATE	**209**	**0.6%**	**(11,651)**	**-63.6%**

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

	December 31, 2022 ThUS$	December 31, 2021 ThUS$
Added deferred taxation concerning items charged to Shareholder's Equity	523	363
TAXES RECOGNIZED IN OTHER COMPREHENSIVE INCOME	**523**	**363**

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, 2022 and 2021 are detailed as follows:

	December 31, 2022 ThUS$	December 31, 2021 ThUS$
Depreciations	-	7,994
Provisions	16,800	1,918
Tax losses	147,486	160,073
Valuation	(120,567)	(151,066)
Debts	1,307	1,142
Others	5,430	32,968
DEFERRED TAX ASSETS	**50,456**	**53,029**
Depreciations	(36,324)	(29,823)
Provisions	(1,708)	(318)
Others	(67)	(10,548)
DEFERRED TAX LIABILITIES	**(38,099)**	**(40,689)**
NET BALANCE OF DEFERRED TAX ASSETS	**12,357**	**12,340**

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

STATEMENT OF FINANCIAL POSITION	December 31, 2022 ThUS$	December 31, 2021 ThUS$
Deferred tax assets	12,357	12,340
Deferred tax liabilities	-	-
NET BALANCE OF DEFERRED TAX ASSETS AND (LIABILITIES)	**12,357**	**12,340**

DEFERRED TAX	December 31, 2022 ThUS$	December 31, 2021 ThUS$
Deferred tax assets	50,456	53,029
Deferred tax liabilities	(38,099)	(40,689)
BALANCE OF DEFERRED TAX ASSETS AND (LIABILITIES)	**12,357**	**12,340**

Changes in deferred tax assets and liabilities for the periods ended December 31, 2022 and 2021 are detailed as follows:

	Assets ThUS$	Liabilities ThUS$
Balance as of January 01, 2021	**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**
Increase (decrease) in income (loss)	-	-
Increase (decrease) in comprehensive income	(2,573)	(2,674)
BALANCE AS OF DECEMBER 31, 2022	**50,456**	**38,099**

NOTE 14 - INTANGIBLE ASSETS

14.1.- Detail of Intangible Assets

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

	December 31, 2022		
	Gross value ThUS$	Accumulated Amortization ThUS$	Net value ThUS$
Finite-life intangible assets	3,005	(2,872)	133
Indefinite-life intangible assets	450	-	450
TOTAL INTANGIBLE ASSETS	**3,456**	**(2,872)**	**584**
Computer programs	3,006	(2,872)	134
Easements	450	-	450
IDENTIFIABLE INTANGIBLE ASSETS	**3,456**	**(2,872)**	**584**

	December 31, 2021		
	Gross value ThUS$	Accumulated Amortization ThUS$	Net value ThUS$
Finite-life intangible assets	3,006	(2,798)	208
Indefinite-life intangible assets	450	-	450
TOTAL 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**

Balances and changes in Intangible Assets as of December 31, 2022 and 2021, respectively, are detailed as follows:

INTANGIBLES ASSETS MOVEMENTS	December 31, 2022	
	Computer programs ThUS$	Easments ThUS$
Balance as of January 1, 2022	208	450
Amortization	(71)	-
Total changes	(71)	-
ENDING BALANCE OF IDENTIFIABLE INTANGIBLE ASSETS	**137**	**450**

INTANGIBLES ASSETS MOVEMENTS	December 31, 2021	
	Computer programs ThUS$	Easments ThUS$
Balance as of January 1, 2022	286	450
Additions	159	-
Amortization	(237)	-
Total changes	(78)	-
ENDING BALANCE OF IDENTIFIABLE INTANGIBLE ASSETS	**208**	**450**

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

Estimated Useful Lives or Amortization Rates used	Unit of measurement	Maximum Useful Life or Rate	Minimum Useful Life or Rate
Computer programs	Years	20	3
Easements	Years	20	10

14.2.- Impairment of Indefinite-life Intangible Assets

As of December 31, 2022 and 2021, there are no impairment losses recorded in intangible assets.

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT

15.1.- Property, Plant and Equipment

Detail of the balances of the different categories of fixed assets as of December 31, 2022 and December 31, 2021, are shown in the following table:

Class	December 31, 2022		
	Gross value ThUS$	Accumulated depreciation ThUS$	Net value ThUS$
Construction in Progress (1)	10,012	-	10,012
Land	5,193	-	5,193
Buildings	4,010	(1,678)	2,332
Plant and Equipment (2)	1,299,984	(902,319)	397,665
IT Equipment	6,308	(5,868)	440
Fixed facilities and accessories	2,432	(1,890)	542
Motor Vehicles	66	(51)	15
Leases	2,667	(289)	2,378
Assets associated with Retirement Obligation (3)	69,755	(17,402)	52,353
Other Property, Plant and Equipment (4)	11,950	-	11,949
TOTAL PROPERTY PLANT & EQUIPMENT	**1,412,378**	**(928,984)**	**483,484**

Class	December 31, 2021		
	Gross value ThUS$	Accumulated depreciation ThUS$	Net value ThUS$
Construction in Progress	4,902	-	4,902
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
Leases	-	-	-
Assets associated to Retirement Obligation	41,336	(11,521)	29,815
Other Property, Plant and Equipment	9,871	-	9,871
TOTAL PROPERTY PLANT & EQUIPMENT	**1,332,986**	**(830,662)**	**502,324**

1. Construction in progress consists mainly of undergoing projects. Among them the most important are the solar power generation plant Pucobre, increase in diesel storage capacity, structural developments, and other minor improvements. Constructions in progress are transferred to operating assets once the trial period ends or when they are available for use, from that moment its depreciation begins.

2. According to Financial Statements issued and published by the Company for the years ended December 31, 2018, 2019 and 2020, during each of the mentioned exercises, a calculation of the fair value of the fix assets of Guacolda was made, mainly due to the fact that it was expected that the then-present value of cash flows would be lower than the carrying amount of the asset, considering the prices revised downwards for future PPAs contracts. Additionally, it was considered that in June 2019, the main generators of the SEN system signed a Decarbonization Agreement with the Government to withdraw part of their coal generation facilities in advance, that did not include the Guacolda Units. Regardless of the above statement, current management believed that if the regulation was enacted as documented in that agreement, it was likely that Guacolda's expected future cash flows would be adversely affected. Therefore, a calculation of the recoverable amount was required, through the estimation of the present value of the expected future cash flows derived from the value in use of the assets, to evaluate if there was a loss in the carrying amount of the Property, plant and equipment. On the estimation of the recoverable value on the assets classified in Plants and equipment, the Company recognized as of December 31, 2020 an accumulated impairment of ThUS$920,169. For further details please see the revealed Financial Statements.

   The administration responsible for Guacolda, as of 2021, identified differences in the indicators of the valuation of fixed assets, especially because of the evolution of international coal prices. Therefore, during 2021 a new calculation was run, and given the new fair value analysis carried out by management and its consultants Sitka Advisors, the mentioned impairment was partially reversed on December 31, 2021 (+ThUS$43,038), resulting in a total impairment on the fixed assets of ThUS$877,131.

   As of December 31, 2022 the impairment test over the fix assets was run, not presenting significant variations with respect to the test carried out as of December 31, 2021.

   Given an error in the imputation of a fraction of the impairment of ThUS$(36,844) during the past years, as of December 31, 2022, a retroactive reclassification was made from January 1, 2022, in order to restore the correct net values of both the fixed asset and the Asset Retirement Obligation (“ARO”). The correction had an impact in Other income (losses) of +ThUS$36,844 as of January 1, 2022.

3. The Asset Retirement Obligation (“ARO”) is related to the obligation of removal and disposition of facilities. The obligation according to the Guacolda Environmental Impact Assessment (“EIA”), is that the Company has the obligation to carry out the dismantling at the period defined by the EIA. That obligation is associated with the five operational units of Guacolda, which also recognize an underlying asset to the required condition by the terms and conditions of the obligation.

   As previously said in point 2, a correction in the net value of the asset associated to the ARO was carried out as of January 1, 2022 to restore the asset net value. Additionally, as of December 31, 2022, management recognized a new estimation of the ARO obligation, generating an adjustment of -ThUS$10,175, which was accounted by means of a decrease in both asset and obligation. See note 18.

4. “Other property, plant and equipment” includes mainly inventories of spare parts of fixed assets and prepaid expenses.

Useful lives of the most relevant assets of the Company are shown below:

	Rate explanation	Minimum Life	Maximum Life
Buildings	Years	5	18
Plant and Equipment	Years	1	37
IT Equipment	Years	3	30
Fixed facilities and accessories	Years	1	15
Motor Vehicles	Years	8	10
Other Property, Plant and Equipment	Years	8	39

Property, plant, and equipment transactions during the years ended December 31, 2022 and December 31, 2021, are detailed as follows:

	Construction in Progress	Land	Buildings	Plant and Equipment	IT Equipment	Furniture	Motor Vehicles	Leases (1)	Asset Retirement Obligation	Other Property, Plant and Equipment	Property, Plant and Equipment, Net
Balance as of January 1, 2022	**4,902**	**5,193**	**2,693**	**448,634**	**525**	**672**	**19**	**-**	**29,815**	**9,871**	**502,324**
Increase (decrease) through adjustment of prior year (See note 4.18)	-	-	-	-	-	-	-	-	35,916	-	35,916
Balance as of January 1, 2022 restated	**4,902**	**5,193**	**2,693**	**448,634**	**525**	**672**	**19**	**-**	**65,731**	**9,871**	**538,240**
Additions	9,383	-	-	-	-	-	-	2,667	-	2,125	14,175
Withdrawals	-	-	-	-	-	-	-	-	-	(47)	(47)
Depreciation	-	-	(361)	(55,242)	(85)	(130)	(4)	(289)	(2,598)	-	(58,709)
Other Changes (See note 15.1.3)	-	-	-	-	-	-	-	-	(10,175)	-	(10,175)
Completed works	(4,273)	-	-	4,273	-	-	-	-	-	-	0
Total Changes	5,110	-	(361)	(50,969)	(85)	(130)	(4)	2,378	(12,773)	2,079	(54,756)
Balance as of December 31, 2022	**10,012**	**5,193**	**2,332**	**397,665**	**440**	**542**	**15**	**2,378**	**52,958**	**11,950**	**483,484**

	Construction in Progress	Land	Buildings	Plant and Equipment	IT Equipment	Furniture	Motor Vehicles	Leases (1)	Asset Retirement Obligation	Other Property, Plant and Equipment	Property, Plant and Equipment, Net
Balance as of January 1, 2021	**2,665**	**5,193**	**2,931**	**451,534**	**628**	**813**	**8**	**-**	**41,336**	**7,207**	**512,314**
Additions	7,609	-	-	-	-	-	14	-	(9,851)	-	(2,228)
Depreciation	-	-	(304)	(51,084)	(103)	(141)	(3)	-	(1,670)	-	(53,305)
Impairment (See Note 2)	-	-	-	43,038	-	-	-	-	-	-	43,038
Other Changes (*)	-	-	-	-	-	-	-	-	-	2,664	2,664
Completed works	(5,372)	-	66	5,146	-	-	-	-	-	-	(160)
Total Changes	2,237	-	(238)	(2,900)	(103)	(141)	11	-	(11,521)	2,664	(9,990)
Balance as of December 31, 2021	**4,902**	**5,193**	**2,693**	**448,634**	**525**	**672**	**19**	**-**	**29,815**	**9,871**	**502,324**

(1) Leases consists of the effect due recognizing the asset by application of IFRS 16

During 2022 and 2021 no interest has been capitalized

15.2.- Asset impairment

As of December 31, 2022, 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, therefore, the fix assets net value was maintained.

NOTE 16 - OTHER FINANCIAL LIABILITIES

16.1.- Interest-bearing Loans

As of December 31, 2022 and 2021, other financial liabilities are detailed as follows:

	Current		Non-current	
	December 31, 2022 ThUS$	December 31, 2021 ThUS$	December 31, 2022 ThUS$	December 31, 2021 ThUS$
Interest-Bearing loans	3,541	3,905	450,652	497,786
Lease liabilities	-	-	1,810	-
Other interest	84	-	-	-
TOTAL	**3,625**	**3,905**	**452,462**	**497,786**

1.- Bank Loans

As of December 31, 2022 and 2021 the Company does not present bank loans.

2.- Obligations with the Public

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

As of December 31, 2022

Tax identification (RUT)	Serie	Instrument Registration and Identification	Currency	Interest Payment	Annual effective rate	Annual nominal rate	Final deadline	Current ThUS$			Non- current ThUS$					Total ThUS$
								Less than 90 days	More than 90 days	Total	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	
76.418.918-3	A	144A/RegS Bond	US$	Biannual	4.42%	4.56%	Apr-2025	-	20,615	**20,615**	20,615	462,387	-	-	-	**503,617**

As of December 31, 2021

Tax identification (RUT)	Serie	Instrument Registration and Identification	Currency	Interest Payment	Annual effective rate	Annual nominal rate	Final deadline	Current ThUS$			Non- current ThUS$					Total ThUS$
								Less than 90 days	More than 90 days	Total	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	
76.418.918-3	A	144A/RegS Bond	US$	Biannual	4.43%	4.56%	Apr-2025	-	22,800	**22,800**	20,615	511,400	-	-	-	**579,800**

As of December 31, 2022, Guacolda has repurchased and registered under its name 9.58% of the total issuance and were allocated under a custody account in the USA. As the purchases of these coupons were registered under the name of Guacolda, the Company was able to derecognize the coupons at its nominal value. Therefore, repurchased for an amount of ThUS$17,487, recognizing a profit of ThUS$30,837 (Note 24), due to the fact that under IFRS 9 said purchase releases the debtor from its primary liability to the creditor (paragraph B3.3.2) and recognizing in profit or loss for the period the difference between the carrying amount assigned to the party derecognized and the consideration paid, including any non-cash assets transferred and any liabilities assumed, by the derecognized party (paragraph 3.3.4).

Guacolda has the intention to cancel the coupons in custody, an operation that will be carried out as soon as the administrative issue that maintains an additional volume of 8.99% of the coupons with an administrative restriction (revealed in Note 12) is resolved.

Considering that the Company will cancel the notes in the following months (see Note 29), as of December 31, 2022, Obligations with the Public are presented net of the portion of debt that Guacolda maintained registered under his name as a result of the repurchase of coupons, equivalent to 9.58%.

Once achieving the registration of the total notes repurchased in 2022, equivalent to 18.57% of the total obligation, the company will proceed to reduce the account receivable with third parties, by accounting the reduction in debt in order to show the net value of the obligation.

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, 2022 and 2021, are detailed as follows:

	Balance as of January, 2022	Changes in cash			Changes in other than cash			Balance as of December 31, 2022
		New obligation	Payments	Interest payments	Accrued interest	Nominal value	Amort. Of deferred costs	
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Obligations with the public	501,691	-	(17,082)	(21,999)	21,999	(30,837)	421	**454,193**
Lease liabilities	-	2,088	(347)	-	69	-	-	**1,810**
TOTAL	**501,691**	**2,088**	**(17,429)**	**(21,999)**	**22,068**	**(30,837)**	**421**	**456,003**

	Balance as of January, 2021	Changes in cash			Changes in other than cash			Balance as of December 31, 2021
		New obligation	Payments	Interest payments	Accrued interest	New obligation	Payments	
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
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**

NOTE 17 - TRADE AND OTHER ACCOUNTS PAYABLE

As of December 31, 2022 and 2021, trade and other accounts payable are detailed as follows:

	December 31, 2022 ThUS$	December 31, 2021 ThUS$
Trade payables	11,109	14,297
Accrued expenses	30,665	28,922
Income tax on emissions	17,864	24,762
Other accounts payables (*)	7,560	960
TOTAL TRADE AND OTHER ACCOUNT PAYABLE	**67,198**	**68,941**

(*) As of December 31, 2022 and 2021, it includes mainly sales and additional taxes, plus liabilities with third parties associated with workers.

Suppliers with no past due balances:

	Up to 30 days ThUS$	31-60 days ThUS$	61-90 days ThUS$	91-120 days ThUS$	121-365 days ThUS$	366 and more days ThUS$	Total ThUS$	Average payment days
Balance as of December 31, 2022	9,009	114	-	-	-	-	9,124	25
Balance as of December 31, 2021	12,408	-	-	-	-	-	12,408	21

Suppliers with past due balances:

	Up to 30 days ThUS$	31-60 days ThUS$	61-90 days ThUS$	91-120 days ThUS$	121-365 days ThUS$	366 and more days ThUS$	Total ThUS$
Balance as of December 31, 2022	1,675	303	8	-	(6)	-	1,980
Balance as of December 31, 2021	1,621	100	67	101	-	-	1,889

NOTE 18 – PROVISIONS

As of December 31, 2022 and 2021, the balances for provisions are detailed as follows:

	December 31, 2022 ThUS$	December 31, 2021 ThUS$
Asset Retirement Obligation and restructuring costs (1)	97,489	103,898
PROVISIONS	**97,489**	**103,898**

1. Decommissioning and restructuring costs

According to the Environmental Impact Assessment ("EIA") of the generation Units of Guacolda, the Company has the obligation to carry out dismantling tasks at the end of the term defined by EIA. A provision was made based on the expected costs of dismantling and future cleanup activities, which is annually reviewed, increasing or decreasing the value of the asset based on the results of said estimation, based on third parties' studies that may not represent the actual value of doing such activities.

As of December 31, 2022, a new estimation of the obligation was carried out, generating an adjustment of -ThUS$10,175, which was accounted by means of a decrease in both asset and obligation.

2. Variations in provisions

	Decommissioning costs ThUS$	Others ThUS$	Total ThUS$
Balance as of January 1, 2021	110,180	-	110,180
Increase (decrease) in existing provisions	(6,282)	-	(6,282)
Balance as of December 31, 2021	**103,898**	-	**103,898**
Increase (decrease) in existing provisions	(6,404)	(5)	(6,409)
Balance as of December 31, 2022	**97,494**	(5)	**97,489**

NOTE 19 - 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, 2022 and 2021, the balance of employment opportunities is detailed as follows:

	Current		Non-current	
	December 31, 2022 ThUS$	December 31, 2021 ThUS$	December 31, 2022 ThUS$	December 31, 2021 ThUS$
Post-employment obligations (20.1)	212	15	1,484	253
Vacation provision	1,075	762	-	-
Share in profits and bonuses	2,185	1,741	-	-
TOTAL EMPLOYEE BENEFITS	**3,473**	**2,518**	**1,484**	**253**

19.1.- Present value of employment obligations

The variations in post-employment obligations for defined benefits in the years ended December 31, 2022 and 2021, are detailed as follows:

	December 31, 2022 ThUS$	December 31, 2021 ThUS$
Balance as of January 1, 2022	268	287
Cost of obligation for current service	1,347	-
Cost of interest on obligation	81	-
Obligation contributions paid	-	(19)
Balance as of December 31, 2022	**1,696**	**268**

19.2.- 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, 2022 and 2021, are detailed as follows:

	December 31, 2022 ThUS$	December 31, 2021 ThUS$
Cost for interest on defined benefit plan	81	-
Obligation settlement expenses	1,231	18
TOTAL IMPACT PROFIT (LOSS)	**1,313**	**18**

19.3.- Other disclosures

1. **Actuarial assumptions:**

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

	December 31, 2022	December 31, 2021
Nominal discount rate used	1.75%	3.22%
Average job turnover rate	9.20%	7.49%
Expected rate of salary increases	1.60%	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, 2022, the sensitivity of the total value of employment obligations in the events of variations in medical cost, discount rate, salary increase rate and turnover rate, generates the following effects:

	Sensitivity rate	Reduction ThUS$	Increase ThUS$
Discount rate sensitivity	1%	186	(158)
Salary increases sensitivity	1%	(160)	184

NOTE 20 - SHAREHOLDERS' EQUITY

20.1.- 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 ensure liquidity and compliance with obligation, in addition to maximize the value to the shareholders.

The Company manages its capital structure and proposes adjustments based on changes in economic conditions. To maintain or adjust its capital structure, the Company may adjust dividend payments (if apply) and/or capital returns to shareholders.

Except as indicated in the next paragraph, no other changes have been made to the objectives, policies or procedures related to capital during the years ended December 31, 2022 and 31 December, 2021.

20.2.- 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.

By public deed dated June 16, 2022 under repertoire 9.675-2022, El Águila Energy II SpA as the only shareholder of the Company, performed a capital decrease of ThUS$9,000 (paid in cash), that is, from the amount of 891,340,017.23 dollars of the United States of America, divided into 217,691,230 registered shares, of a single series, of equal value and no par value, fully subscribed and paid, to the amount of 882,340,017 United States dollars of America, divided into the same 217,691,230 registered shares, of a single series, of equal value and no par value.

20.3.- Dividend policy

No dividends were declared or paid during 2022 and 2021.

20.4.- Accumulated deficit

Accumulated deficit for each year are detailed as follows:

	December 31, 2022 ThUS$	December 31, 2021 ThUS$
Opening balance	(224,448)	(403,160)
Adjustment of prior years (See Note 4.18)	35,916	(894)
Result for the period	37,531	29,956
Other variations (*)	-	149,650
ENDING BALANCE	**(151,001)**	**(224,448)**

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

20.5.- Other Reserves

Other reserves as of December 31, 2022 and 2021, are detailed as follows:

STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY	Other miscellaneous reserves ThUS$	Reserve of cash flow hedges ThUS$	Reserve for defined Benefit Plants ThUS$	Total ThUS$
Balance as of January 1, 2021	(408,520)	200	221	(408,099)
Variation in derivative recognized in other reserves	-	3,279	-	3,279
Other variations (*)	(149,650)	-	-	(149,650)
Balance as of December 31, 2021	**(558,170)**	**3,479**	**221**	**(554,470)**
Other variations	-	(3,479)	(221)	(3,700)
Balance as of December 31, 2022	**(558,170)**	**-**	**-**	**(558,170)**

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

Other miscellaneous reserves corresponding to the effect generated by a corporate reorganization carried out in 2014, which had been recorded as Paid Capital. This amount was re-clasificated from Paid Capital as of January 1, 2021.

NOTE 21 - OTHER NON-FINANCIAL LIABILITIES

As of December 31, 2022 and 2021, the balances of Other non-financial liabilities are detailed as follows:

	December 31, 2022 ThUS$	December 31, 2021 ThUS$
Accrued liabilities (IFRS16)	569	-
Other liabilities (*)	251	102
TOTAL OTHER NON FINANCIAL LIABILITIES	**820**	**102**

(*) Other liabilities considers tax obligations

NOTE 22 - REVENUE

Ordinary revenue for the years ended December 31, 2022 and 2021 is detailed as follows:

	December 31, 2022 ThUS$	December 31, 2021 ThUS$
Sale of energy under non-regulated contracts	340,153	262,185
Spot sales of energy and capacity	205,572	139,190
Transmission income	25,389	28,095
Other ordinary revenue	6,432	4,355
TOTAL REVENUES	**577,545**	**433,825**

NOTE 23 - COMPOSITION OF RELEVANT RESULTS

23.1.- Expenses by nature

The main operating and administration costs and expenses for the years ended December 31, 2022 and 2021, as classified in the following items of comprehensive income: Cost of sales and Administrative expenses, are detailed as follows:

	December 31, 2022 ThUS$	December 31, 2021 ThUS$
Purchase of energy and capacity	57,048	45,656
Fuel consumption	298,721	158,819
Transmission cost	25,444	32,149
Production and other sales costs	65,506	95,867
Productive staff costs	15,480	14,082
Depreciation	58,709	53,305
Amortization	74	237
COST OF SALES	**520,982**	**400,115**
Insurance expenses	9,143	14,085
Management fee	386	4,009
Other administrative expenses	5,240	2,348
ADMINISTRATIVE EXPENSES	**14,769**	**20,442**
TOTAL	**537,283**	**420,557**

23.2.- Staff costs

Staff costs for the years ended December 31, 2022 and 2021, are detailed as follows:

	December 31, 2022 ThUS$	December 31, 2021 ThUS$
Wages and salaries	12,879	13,046
Short-term employee benefits	659	584
Employment termination benefits	1,856	448
Other staff costs	86	4
TOTAL STAFF COSTS	**15,480**	**14,082**

NOTE 24 - FINANCIAL RESULT

Results for the years ended December 31, 2022 and 2021, are detailed as follows:

	December 31, 2022 ThUS$	December 31, 2021 ThUS$
Income from financial assets	576	601
Financial income*	30,837	-
Total financial income	**31,413**	**601**
Interest on bank loans	(27,602)	(27,961)
Other expenses	(2,509)	(276)
Total financial expenses	**(30,111)**	**(28,237)**
Loss for exchange differences	**(3,013)**	**(12,814)**
Total financial profit (loss)	**(1,711)**	**(41,051)**

*Income resulting from the repurchase of the 9.58% of the coupons of the debt (see note 16.2). The purchase releases the debtor from its primary liability to the creditor.

NOTE 25 - OTHER INCOME (LOSSES)

Other income (loss) for the years ended December 31, 2022 and 2021, is detailed as follows:

	December 31, 2022 ThUS$	December 31, 2021 ThUS$
Other (loss) income	(2,343)	2,450
Impairment (*)	-	43,038
TOTAL OTHER INCOME (LOSSES)	**(2,343)**	**45,488**

(*) During the year ended December 31, 2021 an impairment reversal of ThUS$43,038, was registered for Property, plant and equipment. See Note 16.

NOTE 26 - LITIGATION AND CONTINGENCIES

26.1.- 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. The parties agreed, through a judicially approved agreement, to constitute a continuous, apparent, voluntary, perpetual, onerous and irrevocable easement, in favor of GUACOLDA ENERGIA SpA, for the transmission line Number Two Guacolda- Maitencillo 2x220 kV, having to pay for a single time, the single and total sum of ThU$319 once the parties have signed the respective public deed. This amount has been recorded and it is presented in the item Other Non-Current Provisions.

There are 2 electricity supply contracts signed in 2019; one between Guacolda Energía SpA and Manto Verde S.A. and another between Guacolda Energía SpA and Manto Copper S.A. It is possible that the new procedures: "Accumulation and Use of Water Reserve" and "Valuation and Remuneration of Water Reserve" issued by the National Electricity Coordinator in 2022, generate economic effects in the application of these Contracts. In the absence of consensus between the parties that the costs are transferred in full to our clients, the issue of who and how should bear these costs, will be submitted to an Arbitration where Guacolda, in the worst scenario, would assume ThUS$196 and transfer 143 ThUS$ to said clients.

NOTE 27 - GUARANTEES

Delivered guarantees

Beneficiary	Guarantee Description	ThUS$
COORDINADOR INDEPENDIENTE DEL SISTEMA ELECTRICO NACIONAL	Compliance of payment chain between coordinated companies	27,037
TOTAL		**27,037**

Guacolda maintains a guarantee slip with the National Electrical Coordinator, issued by Banco Consorcio. The credit line that supports the financial instrument is guaranteed by a coal warrant, which consists of delivering a certain volume of coal (valued at ThUS$48,667) to the creditor in order to mitigate the credit risk during the period in which said guarantee must be in force. The guarantee has been issued by Tattersall Warrants, an entity that certifies that the committed volume is physically kept in the storage yards of the Guacolda plant in Huasco district. The operation is covered by the law N°. 18,690 on General Deposit Warehouses issued by the Comisión para el Mercado Financiero en Chile (“CMF”).

Guarantees Received

Beneficiary	Relationship	ThUS$
MANTOVERDE S.A	Vendor/contractor	4,358
SERVICIOS INDUSTRIALES LIMITADA	Vendor/contractor	709
EBARA BOMBAS AMERICA DO SUL LTDA.	Vendor/contractor	216
SERVICIOS MARITIMOS Y PORTUARIOS LIMITADA	Vendor/contractor	205
TRITEC INTERVENTO SPA	Vendor/contractor	168
B BOSCH S.A	Vendor/contractor	102
MONTAJES DEL PACIFICO	Vendor/contractor	90
ATLAS COPCO CHILE SPA	Vendor/contractor	70
ORLANDO DEL CARMEN CHELME ARAYA	Vendor/contractor	31
PROTERM S.A	Vendor/contractor	28
COSEMAR SERVICIOS INDUSTRIALES SA	Vendor/contractor	6
AGQ CHILE SA	Vendor/contractor	4
SECURITAS S.A.	Vendor/contractor	4
INV Y SERV VICTOR A GUZMAN M EIRL	Vendor/contractor	4
PROTERM S.A	Vendor/contractor	4
SERVICIOS Y PROYECTOS AMBIENTALES S.A	Vendor/contractor	4
ALGORTIMOS Y MEDICIONES AMBIENTALES SPA	Vendor/contractor	4
RENTOKIL INITIAL CHILE SPA	Vendor/contractor	2
TOTAL		**6,009**

NOTE 28 - ASSETS AND LIABILITIES IN FOREIGN CURRENCY

CURRENT ASSETS	Foreign currency	December 31, 2022 ThUS$		December 31, 2021 ThUS$	
		Up to 90 days ThUS$	From 91 days to 1 year ThUS$	Up to 90 days ThUS$	From 91 days to 1 year ThUS$
Cash and cash equivalents	CLP	21,406	-	14,380	-
	US$	70,462	-	132,686	-
Other financial assets	US$	15,960			
Other non-financial assets	CLP	-	-	27	-
	US$	247	-	17	-
Trade and other accounts receivable	CLP	26,318	-	30,935	-
	US$	73,012	-	30,889	-
Inventory	US$	95,793	-	56,777	-
TOTAL		**303,198**	-	**265,711**	-

CURRENT LIABILITIES	Foreign currency	December 31, 2022		December 31, 2021	
		Up to 90 days ThUS$	From 91 days to 1 year ThUS$	Up to 90 days ThUS$	From 91 days to 1 year ThUS$
Other Financial Liabilities	US$	-	(3,625)	-	3,905
Trade and other accounts payable	CLP	21,992	-	27,554	51
	US$	45,206	-	37,214	-
	Other currency	-	-	3,778	-
Current tax liabilities	US$	85	-	88	-
Provisions for employee benefits	CLP	3,473	-	1,164	1,354
Other non-financial liabilities	CLP	647	-	102	-
	US$	173	-	-	-
TOTAL		**71,576**	**(84)**	**69,900**	**5,310**

NON-CURRENT ASSETS	Foreign currency	December 31, 2022 ThUS$	December 31, 2021 ThUS$
Trade and other accounts receivable, non-current	CLP	182	753
	US$	-	8,126
Intangible assets other than goodwill	US$	584	658
Property, plant and equipment	US$	483,484	502,324
Deferred tax assets	US$	12,357	12,340
TOTAL		**496,607**	**524,201**

NON-CURRENT LIABILITIES	Foreign currency	December 31, 2022		December 31, 2021	
		More than 1 ThUS$	More than 3 ThUS$	More than 1 ThUS$	More than 3 ThUS$
Other Financial Liabilities	CLP	-		-	497,785
	US$	-	(452,462)	-	-
Other provisions	US$	(97,489)	-	343	-
Non-current provisions for employee benefits	CLP	-	-	-	-
	CLP	(1,484)	-	43	43
TOTAL		**(98,973)**	**(452,462)**	**386**	**497,828**

NOTE 29 - SUBSEQUENT EVENTS

(i) Debt Repurshase

As mentioned in Note 12, during 2022, the Company instructed BofA to buy in the name of Guacolda, debt coupons of its own issuance in the secondary market. Due to a delay in the administrative process, the coupons acquired by the custodian agent as of December 31, 2022, could not be registered under the name of Guacolda Energía SpA, which is why the company did not have the right to recognize the financial instrument neither its accrued interests.

On February 7, 2023, the Company was informed about the transfer of the coupons to a Guacolda custody account, which allowed Guacolda to take possession of the financial instruments. Upon completion of this transfer, the Company becomes the owner of 18.57% of the total debt issued. On March 10, 2023 the Company had started the process to cancel said proportion of the financial obligation.

(ii) Operational Failure of Unit 3

On February 20, 2023, Guacolda Energía SpA activated the "Loss Declaration" option, informing the National Electrical Coordinator - CEN, of the occurrence of a failure in Unit 3 of the Guacolda power plant located in Huasco district, after a disconnection on February 7, 2023. As of the date of issuance of these financial statements, the causes of the failure are still under investigation both by Guacolda personnel and by third parties hired for this purpose. These will be duly reported to the competent authority and the insurance companies, once all the information about the failure and about the description of the work plan for its repair is available.

According to what has been described, the current information allows us to estimate an economic impact for the Company in a range between US$ 2 to 4 million, considering the direct expenses and the deductibles of the committed insurance, both for Property and Business Interruption.

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

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