

## **GUACOLDA ENERGÍA SPA.**

Financial statements for the years ended  
december 31, 2023 and 2022 and  
independent auditors report

## INDEPENDENT AUDITOR'S REPORT

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

### Opinion

We have audited the consolidated financial statements of Guacolda Energía SpA. and its subsidiary (the "Company's"), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company's as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### Basis for Opinion

We conduct our audits in accordance with auditing standards generally accepted in Chile. Our responsibilities under those standards are further described in the paragraphs of the "Auditor's Responsibilities for the Audit of the Financial Statements" section of this report. We are required to be independent of the Company's, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to assess whether there are conditions or events that, considered in the aggregate, give rise to substantial doubt about the ability of the Company's and its subsidiaries to continue as a going concern for at least, but not limited to, twelve months from the end of the reporting period.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Chile will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, concealment, misrepresentations, or management override of controls. Misstatements are considered material if, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.


In performing an audit in accordance with auditing standards generally accepted in Chile, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to an audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the appropriateness of the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events that, considered in the aggregate, raise substantial doubt about the Company's ability to continue as a going concern for at least, but not limited to, twelve months from the end of the reporting period.

We are required to communicate to those charged with governance, among other matters, the planned scope and timing of the audit, and the significant audit findings, including any significant deficiency and material weakness in internal control that we identified during the audit.

# Deloitte.

March 28, 2024  
Santiago, Chile

**DocuSigned by:**  
  
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Pablo Vasquez Urrutia  
Partner



## **CONSOLIDATED FINANCIAL STATEMENTS**

Guacolda Energía SpA and Subsidiary

For the years ended December 31, 2023 and 2022

This document includes the following sections:

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

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## Guacolda Energía SpA and Subsidiary

### Classified Consolidated Statements of Financial Position

As of December 31, 2023 and 2022

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

	Note	December 31, 2023 ThUS\$	December, 31 2022 ThUS\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	55,169	91,868
Other financial assets, current	9	-	15,960
Other non-financial assets, current		164	247
Trade receivables and other accounts receivable, current	11	63,771	99,330
Inventories	12	51,210	95,793
Current tax assets	13	89	-
<b>TOTAL CURRENT ASSETS</b>		<b>170,403</b>	<b>303,198</b>
<b>NON-CURRENT ASSETS</b>			
Trade receivables and other accounts receivable, non-current	11	587	182
Intangible assets other than goodwill	14	1,176	584
Property, plant and equipment	15	372,969	481,106
Right-of-use assets	16	1,848	2,378
Other non-financial assets, non-current		8	-
Deferred tax assets	13	-	12,357
<b>TOTAL NON-CURRENT ASSETS</b>		<b>376,588</b>	<b>496,607</b>
<b>TOTAL ASSETS</b>		<b>546,991</b>	<b>799,805</b>

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

**Guacolda Energía SpA and Subsidiary**  
**Classified Consolidated Statements of Financial Position**

As of December 31, 2023 and 2022

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

	Note	December 31, 2023 ThUS\$	December, 31 2022 ThUS\$
<b>CURRENT LIABILITIES</b>			
Other financial liabilities, current	17	22,812	4,194
Trade accounts payable and other accounts payable	18	51,148	67,198
Current tax liabilities	13	-	85
Employee benefits provisions, current	20	3,625	3,473
Other non-financial liabilities, current	21	172	251
<b>TOTAL CURRENT LIABILITIES</b>		<b>77,757</b>	<b>75,201</b>
<b>NON-CURRENT LIABILITIES</b>			
Other financial liabilities, non-current	17	232,011	452,462
Other provisions, non-current	19	91,609	97,489
Provisions for employee benefits, non-current	20	1,248	1,484
Other non-financial liabilities non-current	21	80,500	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>405,368</b>	<b>551,435</b>
<b>TOTAL LIABILITIES</b>		<b>483,125</b>	<b>626,636</b>
<b>EQUITY</b>			
Issued capital	22	678,840	882,340
Accumulated profit	22	(56,854)	(151,001)
Other reserves	22	(558,120)	(558,170)
<b>TOTAL EQUITY</b>		<b>63,866</b>	<b>173,169</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>546,991</b>	<b>799,805</b>

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



## Guacolda Energía SpA and Subsidiary

### Consolidated Statements of Comprehensive Income Classified by Function

For the years ended December 31, 2023 and 2022

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

	Note	December 31, 2023 ThUS\$	December 31, 2022 ThUS\$
<b>PROFIT</b>			
Income from ordinary activities	23	565,257	577,545
Cost of sales	24	(472,453)	(520,982)
<b>GROSS PROFIT</b>		<b>92,804</b>	<b>56,563</b>
Administrative expenses	24	(13,923)	(14,769)
Other income (losses)	25	(58,940)	(2,343)
Financial income	26	115,834	31,413
Financial costs	26	(28,562)	(30,111)
Exchange differences	26	(790)	(3,013)
<b>Income, before tax</b>		<b>106,423</b>	<b>37,740</b>
Income tax expenses	13	(12,276)	(209)
<b>Net income for the period</b>		<b>94,147</b>	<b>37,531</b>

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

## Guacolda Energía SpA and Subsidiary

### Consolidated Statements of Integral Income

For the years ended December 31, 2023, and 2022

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

	December 31, 2023 ThUS\$	December 31, 2022 ThUS\$
<b>INCOME</b>	<b>94,147</b>	<b>37,531</b>
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)
Total other comprehensive income before tax	-	(3,177)
Other comprehensive income items that will not be reclassified to profit or loss in subsequent period		
Remeasurement gain on defined benefit plans	50	-
	50	-
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)
Total of income tax relating to other comprehensive income items	-	(523)
Total Other Comprehensive Income	50	(3,700)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>94,197</b>	<b>33,831</b>

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

## Guacolda Energía SpA and Subsidiary

### Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(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
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Balance as of January 1, 2023	882,340	(558,170)	-	-	(558,170)	(151,001)	173,169	-	173,169
Income	-	-	-	-	-	94,147	94,147	-	94,147
Other comprehensive income	-	-	-	50	50	-	50	-	50
<b>Comprehensive income</b>	-	-	-	50	50	94,147	94,197	-	94,197
Issue (reduction) social capital (See Note 20.2)	(203,500)	-	-	-	-	-	(203,500)	-	(203,500)
Total changes in Equity	(203,500)	-	-	50	50	94,147	(109,303)	-	(109,303)
<b>BALANCE AS OF DECEMBER 31, 2023</b>	<b>678,840</b>	<b>(558,170)</b>	<b>-</b>	<b>50</b>	<b>(558,120)</b>	<b>(56,854)</b>	<b>63,866</b>	<b>-</b>	<b>63,866</b>

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
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
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	-	-	-	-	-	37,531	37,531	-	37,531
Other comprehensive income	-	-	(3,479)	(221)	(3,700)	-	(3,700)	-	(3,700)
<b>Comprehensive income</b>	-	-	(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
<b>BALANCE AS OF DECEMBER 31, 2022</b>	<b>882,340</b>	<b>(558,170)</b>	<b>-</b>	<b>-</b>	<b>(558,170)</b>	<b>(151,001)</b>	<b>173,169</b>	<b>-</b>	<b>173,169</b>

## Guacolda Energía SpA and Subsidiary Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

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

	December 31, 2023 ThUS\$	December 31, 2022 ThUS\$
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		
<b>Classes of collections from operating activities</b>		
Collections from sale of goods and provision of services	742,200	635,410
<b>Classes of payment</b>		
Payments to suppliers for the supply of goods and services	(435,679)	(590,880)
Payments to and by employees	(13,822)	(10,256)
Other payments for operating activities	(17,912)	(22,695)
Interest received	5,412	1,201
Other cash inflows (outflows)	-	3,379
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>280,199</b>	<b>16,159</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(23,603)	(5,048)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(23,603)</b>	<b>(5,048)</b>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
Payment of loans	(74,364)	(17,486)
Shareholders payment	(203,500)	(9,000)
Interest net payment	(15,166)	(22,363)
Lease payment	(663)	(347)
Other cash inflows (outflows)	-	(15,960)
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>	<b>(293,693)</b>	<b>(65,156)</b>
Net increase (Decrease) in cash and cash equivalents, before effects of effect of exchange differences	(37,097)	(54,045)
Effect of exchange differences on cash and cash equivalents	398	(1,153)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(36,699)</b>	<b>(55,198)</b>
Cash and cash equivalents at the beginning of the period	91,868	147,066
<b>CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD</b>	<b>55,169</b>	<b>91,868</b>

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 Águila Energy II SpA, who already controlled 49.9999995% of the shares of Guacolda Energía SpA. As a result, El Águila Energy II SpA holds 100% of the shares of the Company.

Guacolda’s main businesses are the generation, sale and purchase 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 financial information of the subsidiary Compañía Transmisora del Norte Chico S.A. (hereinafter “CTNC”), that 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 27, 2024.

## 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 classified consolidated statements of financial position as of December 31, 2023 and 2022, classified consolidated statements of comprehensive income by function for the years ended December 31, 2023 and 2022, statements of changes in equity and cash flows presented using the direct method for the years ended December 31, 2023 and 2022, 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.

Preparation of these consolidated financial statements requires the use of certain critical accounting estimations. 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, 2023

A number of new standards, amendments to standards, and interpretations are effective for annual periods beginning on or after January 1, 2023.

Amendments to IFRS		Mandatory Effective Date
<b>Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)</b>	<p>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'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.</p> <p>The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.</p> <p>The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.</p>	Annual periods beginning on or after January 1, 2023.
<b>Definition of Accounting Estimates (Amendments to IAS 8)</b>	<p>The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".</p> <p>The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:</p> <ul style="list-style-type: none"> <li>A change in accounting estimate that results from new information or new developments is not the correction of an error.</li> <li>The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.</li> </ul>	Annual periods beginning on or after January 1, 2023.

<b>Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)</b>	<p>The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, 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 affects neither accounting nor taxable profit.</p> <p>Following the amendments to IAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.</p>	Annual periods beginning on or after January 1, 2023.
<b>International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)</b>	<p>In March 2022, the Organization for Economic Cooperation and Development (OECD) released technical guidance on its 15% global minimum tax agreed as ‘Pillar’ Two of a project to address the tax challenges arising from digitalization of the economy. This guidance elaborates on the application and operation of the Global Anti-Base Erosion (GloBE) Rules agreed and released in December 2021 which lay out a coordinated system to ensure that multinational enterprises (MNE) with revenues above €750 million pay tax of at least 15% on the income arising in each of the jurisdictions in which they operate. For Pillar Two to take effect, the countries that have agreed to the framework will need to enact laws that align to the GloBE rules. Due to the nature of the rules, once a single jurisdiction within which an MNE operates enacts tax laws in accordance with the Pillar Two framework, the MNE and all its underlying entities will be subject to Pillar Two.</p> <p>On May 23, 2023, the IASB issued amendments to International Accounting Standard (IAS) 12, Income Taxes, arising from Pillar Two. The amendments (1) introduce a mandatory temporary exception from accounting for deferred income taxes arising from Pillar Two income taxes and (2) require an entity to disclose that it has applied the temporary exception. These amendments are effective immediately upon issuance. In addition, effective for annual periods beginning on or after 1 January 2023, in periods in which Pillar Two legislation is enacted or substantively enacted, but not yet in effect, an entity is required to disclose known or reasonably estimable information that helps users of financial statements understand the entity’s exposure to Pillar Two income taxes.</p>	Annual periods beginning on or after January 1, 2023.

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**

Amendments to IFRS	Mandatory Effective Date
<b>Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)</b>	<p>The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.</p> <p>The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.</p> <p>Annual periods beginning on or after January 1, 2024.</p>
<b>Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)</b>	<p>The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such 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 commencement date.</p> <p>The amendments do not affect the gain or loss recognized by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognized a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.</p> <p>As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability.</p> <p>Annual periods beginning on or after January 1, 2024.</p>
<b>Non-current Liabilities with Covenants (Amendments to NIC 1)</b>	<p>The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such 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 (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).</p> <p>The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.</p> <p>Annual periods beginning on or after January 1, 2024</p>



<b>Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)</b>	<p>The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.</p> <p>The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.</p> <p>To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements: (i) the terms and conditions of supplier financing arrangements; (ii) the carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements; (iii) the carrying amount, and associated line items for which the suppliers have already received payment from the finance providers; (iv) the ranges of due dates; and (iv) information on liquidity risk.</p>	<p>Annual periods beginning on or after January 1, 2024</p>
<b>Lack of Exchangeability (Amendments to IAS 21)</b>	<p>In August 2023, the IASB has published amendments to IAS 21 that specify how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not.</p> <p>Applying the amendments, a currency is exchangeable when an entity is able to exchange that currency for the other currency through market or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose. However, a currency is not exchangeable into the other currency if an entity can only obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose.</p> <p>When a currency is not exchangeable at the measurement date, an entity is required to estimate the spot exchange rate as the rate that would have applied to an orderly exchange transaction at the measurement date between market participants under prevailing economic conditions. In that case, an entity is required to disclose information that enables users of its financial statements to evaluate how the currency's lack of exchangeability affects, or is expected to affect, the entity's financial performance, financial position and cash flows.</p>	<p>Annual periods beginning on or after January 1, 2025</p>
<b>Amendments to the SASB standards to enhance their international applicability</b>	<p>On December 19, 2023, the International Sustainability Standards Board (ISSB) issued amendments to the Sustainability Accounting Standards Board (SASB) standards to enhance their international applicability.</p> <p>When the ISSB inherited the SASB standards, it found that a small subset of the standards incorporated references to specific jurisdictional laws and regulations that may be globally inapplicable, introduce regional bias, increase application costs, and decrease the comparability and decision-usefulness of the resulting disclosures. The ISSB has therefore developed a methodology for enhancing the international applicability of the SASB standards and SASB standards taxonomy updates without substantially altering the standards' structure or intent. This methodology has been applied to the relevant SASB standards.</p> <p>With the amendments published, the ISSB intends to make the SASB standards more internationally applicable and GAAP-agnostic. The amendments remove and replace jurisdiction-specific references and definitions, without substantially altering industries, topics, or metrics.</p>	<p>Annual periods beginning on or after January 1, 2025</p>

Management has not had the opportunity to consider potential impacts of the adoption of amendment to the new standards and amendments 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, 2023 and December 31, 2022, (ii) consolidated statements of classified comprehensive income by function and (iii) the statements of changes in shareholder's equity and cash flows presented using the direct method for the years ended December 31, 2023 and 2022.

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 assets acquired, is recognized as goodwill.

The chart shown below, shows the subsidiary included in the consolidation:

Taxpayer id (R.U.T.) number	Name of the Company	Country	Functional Currency	Percentage of Interest			
				December 31, 2023			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 interests not resulting in a change of control, involves an equity transaction with no recognition of profits and/or losses in the income statement. Any difference between the price paid and the relevant proportion of the carrying amount of the subsidiary's net assets is recognized as equity distribution or contribution.

The summary financial information as of December 31, 2023 and 2022 is detailed as follows:

	Financial information as of December 31, 2023						
	% Interest	Current Assets	Non-current Assets	Current liabilities	Non-current liabilities	Ordinary Income	Net income
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
CIA TRANSMISORA DEL NORTE CHICO S.A.	0.005%	465	55	530	55	(343)	(343)

	Financial information as of December 31, 2022						
	% Interest	Current Assets	Non-current Assets	Current liabilities	Non-current liabilities	Ordinary Income	Net income
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
CIA TRANSMISORA DEL NORTE CHICO S.A.	0.005%	630	155	455	55	100	260

## **NOTE 4 - SUMMARY OF MAIN ACCOUNTING POLICIES**

### **4.1 Foreign currency transactions**

#### **4.1.1 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.

#### **4.1.2 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.

#### **4.1.3 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, 2023	December 31, 2022
Chilean pesos	\$	877.12	855.86
Unidad de Fomento	UF	0.02	0.02

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**

#### **4.3.1 Computer programs**

Licenses for purchased software are capitalized based on costs incurred to purchase and prepare programs for its 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.

#### **4.3.2 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](#)).

#### **4.3.3 Concessions**

Concessions acquired, all of them basically as part of the business, have no legal or any other type of limit. Consequently, since they are intangible assets with an indefinite life, they are not amortized, although their possible deterioration is analyzed.

### **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**

### **4.5.1 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](#).

### **4.5.2 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."

### **4.5.3 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, 2023 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 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 individual 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 customers simultaneously receives and uses energy. As a result, the Company recognizes revenue over time instead of at a point in time.

Company's main revenue recognition policies 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 customers, and the Company must 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 obligation 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 customers.

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, 2023, 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.- Adjustments and reclassifications**

For the year ended December 31, 2022, minor reclassifications have been made to facilitate comparison with the current period. These reclassifications considered: (i) decreased Property, Plant and equipment by ThUS\$2,378 while increasing Right-of-use-assets in the same amount; (ii) Other financial liabilities, current increasing in ThUS\$569 and other non-financial liabilities current decreasing in the same amount.

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.

## **NOTE 5 - FINANCIAL RISK MANAGEMENT**

### **5.1.- Risk Management Policy**

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, management strategy aims to identify, evaluate, control, and operate with responsibility and effectiveness, all the components of the detected uncertainty related to the operation of the Company.

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, its correspondent business interruption in case of failures, 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. On the other hand, sales in the spot market are remunerated according to the marginal cost of the system. The Company's marginal cost is determined by a series of variables where the most relevant is the price of coal, therefore, if the plant is dispatched, the income it receives reflects the variations in the price of fuel.

#### 5.2.2.- Regulatory Risks

Electric Power Generation industry in Chile is heavily regulated, and subject to the effects of changes in Chilean regulation, including changes aimed at countering the effects of climate change and promote the protection of the environment, 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.



In 2020 and 2021, two bills were promoted that sought to advance the closure of coal-fired plants. The second 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. It is important to highlight that during the year 2023 none of the bulletins presented movements.

On March 18, 2023, the National Energy Commission issued Exempt Resolution N°149, by which it rescinded temporary mechanism temporary mechanism Resolution N°52, dated January 31, 2018, which in turn complements and modifies Resolution N°659 of 2017, that sets forth technical provisions for the implementation of Article 8° of the 2014 Tax Reform, as a measure contained in the “Initial Agenda for a Second Half of the Energy Transition” of the Ministry of Energy. This resolution announced the elimination of the compensation called “Compensation B”, which determines the hourly compensation in those hours in which by instruction of the CEN the generating units have injected energy to the system at a variable operating cost higher than the marginal cost, thus eliminating the largest proportion of current compensation, to the detriment of the interannual margin of the generating companies that must pay taxes on emissions. In April 2023, the Company filed an Administrative Reinstatement against the decision of the National Energy Commission (“CNE”), to reinstate the regulatory provisions that allow the proper implementation of the green tax compensation established in the final paragraph of Article 8 of the 2014 Tax Reform, which was rejected by the CNE by means of the Exempt Resolution N° 360 dated August 9th, 2023.

## **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 based on 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 USD 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, 2023, 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\$16,348 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, 2023 and 2022:

Rate	December 31, 2023	December 31, 2022
Fixed rate	100%	100%
Variable rate	0%	0%

#### 5.2.5.- Credit Risk

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.

Financial investments made by Guacolda, such as repurchase agreements and time deposits, including derivatives, are trade 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 customers are electricity distributing or generating companies, and mainly mining, and industrial customers. 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, 2023, Guacolda has a balance in liquid available funds of ThUS\$55.169 recognized in cash and cash equivalents (ThUS\$91.868 as of December 31, 2022).

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

Table below shows the maturity schedule, based on capital and interests' obligations, in United States dollars (millions) as of December 31, 2023 and 2022:

Fixed rate	Average Interest rate	Principal and interest maturities as of December 31, 2023 MMUS\$				
		2024	2025	2026	2027+	TOTAL
Bonds	8,20%	38,2	123,4	35,8	113,4	315,5

### 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, 2023 ThUS\$	December 31, 2022 ThUS\$
Banks balance	4,275	221
Short-term deposits	50,894	91,647
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>55,169</b>	<b>91,868</b>

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, 2023 and 2022, is detailed as follows:

	December 31, 2023 ThUS\$	December 31, 2022 ThUS\$
Chilean Peso	448	21,417
US\$	54,721	70,451
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>55,169</b>	<b>91,868</b>

As of December 31, 2023 and 2022, 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, 2023	Cash and cash equivalents ThUS\$	Financial assets at amortized cost ThUS\$	Total ThUS\$
Cash and cash equivalents	55,169	-	55,169
Trade and other accounts receivable	-	63,771	63,771
Trade and other accounts receivable non-current	-	587	587
<b>TOTAL FINANCIAL INSTRUMENTS ASSETS</b>	<b>55,169</b>	<b>64,358</b>	<b>119,527</b>

Notes to the Consolidated Financial Statements

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
<b>TOTAL FINANCIAL INSTRUMENTS ASSETS</b>	<b>91,868</b>	<b>115,472</b>	<b>207,340</b>

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, 2023	Financial Liabilities at Fair Value through Profit or Loss ThUS\$	Financial liabilities at amortized cost ThUS\$	Total ThUS\$
Other current financial liabilities	-	23,370	23,370
Trade and other accounts payable	-	51,148	51,148
Other non-current financial liabilities	-	231,453	231,453
<b>TOTAL FINANCIAL INSTRUMENTS LIABILITIES</b>	<b>-</b>	<b>305,971</b>	<b>305,971</b>

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
<b>TOTAL FINANCIAL INSTRUMENTS LIABILITIES</b>	<b>-</b>	<b>523,285</b>	<b>523,285</b>

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.

## NOTE 9 – OTHER FINANCIAL ASSETS

Other financial assets as of December 31, 2023 and 2022 are detailed as follows.

	December 31, 2023 ThUS\$	December 31, 2022 ThUS\$
Other	-	15,960
<b>TOTAL OTHER FINANCIAL ASSETS, CURRENT</b>	<b>-</b>	<b>15,960</b>

\* During 2022, the company executed some open market repurchases of its own bond, that were registered under the name of Guacolda Energía SpA in February 2023. Those notes were canceled and therefore, reduced from the outstanding debt.

## 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, 2023, the Board of Directors is constituted by 6 members, appointed at the Ordinary Shareholders' meeting in April 2023 until the Ordinary Shareholders' meeting that will be held in April 2024, 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, 2023 and 2022, there are no guarantees in favor of the executive officers.

## NOTE 11 – 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, 2023 and 2022, are detailed as follows:

	Current		Non-current	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Trade receivables, gross (*)	62,544	70,916	587	182
Bad debt allowance	(54)	(36)	-	-
Advance payments to suppliers	715	27,144	-	-
<b>TRADE RECEIVABLE, NET</b>	<b>63,205</b>	<b>98,024</b>	<b>587</b>	<b>182</b>
Other receivables, gross	566	1,306	-	-
<b>TOTAL TRADE AND OTHER ACCOUNT RECEIVABLE</b>	<b>63,771</b>	<b>99,330</b>	<b>587</b>	<b>182</b>

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

## Notes to the Consolidated Financial Statements

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

December 31, 2023	Non-regulated costumers		Gross portfolio	Total bad debts allowance	Net portfolio
	Nº Costumers	Gross portfolio ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current	-	-	-	-	-
1-30 days	546	62,224	62,224	-	62,224
31-60 days	54	169	169	(1)	168
61-90 days	13	42	42	-	42
91-120 days	139	24	24	(3)	21
121-150 days	39	39	39	-	39
151-180 days	3	(9)	(9)	-	(9)
181-210 days	6	18	18	(17)	1
211- 250 days	2	-	-	-	-
> 250 days (*)	75	36	36	(33)	3
<b>TRADE RECEIVABLES</b>	<b>877</b>	<b>62,544</b>	<b>62,544</b>	<b>(54)</b>	<b>62,490</b>

December 31, 2022	Non-regulated costumers		Gross portfolio	Total bad debts allowance	Net portfolio
	Nº Costumers	Gross portfolio ThUS\$	ThUS\$	ThUS\$	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)
<b>TRADE RECEIVABLES</b>	<b>266</b>	<b>70,916</b>	<b>70,916</b>	<b>(36)</b>	<b>70,880</b>

(\*) Negative amounts correspond to unpaid credits notes.



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

	Current balance ThUS\$
Balance as of January 1, 2022	3,001
Increase (decrease) for the period	(2,965)
Balance as of December 31, 2022	36
Increase (decrease) for the period	18
Balance as of December 31, 2023	54

## NOTE 12 – INVENTORY

Inventories have been valued according to the provisions of [Note 4.8](#) and are detailed as follows:

	December 31, 2023 ThUS\$	December 31, 2022 ThUS\$
Coal	35,826	76,643
Oil	397	169
Materials	14,562	16,918
Other Inventory	425	2,063
<b>TOTAL INVENTORIES</b>	<b>51,210</b>	<b>95,793</b>

Costs of sales recognized as expenses in the years ended December 31, 2023, and 2022, are detailed as follows:

	December 31, 2023 ThUS\$	December 31, 2022 ThUS\$
Coal	249,318	299,485
Oil	2,861	1,045
Other Inventory	218	2,641
<b>TOTAL INVENTORIES</b>	<b>252,397</b>	<b>303,171</b>

## NOTE 13 – TAXES

### 13.1 Current tax

Current tax assets as of December 31, 2023 and 2022 are detailed as follows:

	December 31, 2023 ThUS\$	December 31, 2022 ThUS\$
Monthly provisional payments	17	64
Taxes to be recovered	72	35
Disallowed tax expenditure accrual	-	(96)
First category tax accrual	-	(88)
<b>TOTAL CURRENT TAX</b>	<b>89</b>	<b>(85)</b>

	December 31, 2023 ThUS\$	December 31, 2022 ThUS\$
Current tax assets	89	99
Current tax liabilities	-	(184)
<b>NET CURRENT TAX</b>	<b>89</b>	<b>(85)</b>

### 13.2 Income taxes

Taxes charged to income for the periods ended December 31, 2023 and 2022, are detailed as follows:

	December 31, 2023 ThUS\$	December 31, 2022 ThUS\$
Current tax expense	-	10,188
<b>CURRENT TAX EXPENSE, NET</b>	<b>-</b>	<b>10,188</b>
Deferred expense (benefit) due to:		
Adjustment of deferred assets of previous year	12,276	-
Taxes relating to the creating and reversal of temporary differences	-	(9,979)
<b>DEFERRED TAX EXPENSE, NET</b>	<b>12,276</b>	<b>(9,979)</b>
<b>INCOME TAX EXPENSE</b>	<b>12,276</b>	<b>209</b>

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, 2023 and 2022, are detailed as follows:

	December 31, 2023		December 31, 2022	
	ThUS\$	%	ThUS\$	%
Income before tax	167,268		37,740	
<b>CURRENT TAX RATE</b>	<b>45,162</b>	<b>27%</b>	<b>10,188</b>	<b>27%</b>
<b>Tax effect of:</b>				
New evaluation of deferred tax assets (valuation allowance)	(32,886)	-19.7%	(9,979)	-26.4%
Other decreases in charges for legal taxes			-	
<b>EXPENSE (BENEFIT) FOR TAXES AS THE EFFECTIVE RATE</b>	<b>12,276</b>	<b>7.3%</b>	<b>209</b>	<b>0.6%</b>

Balances related to taxes recognized in other comprehensive income are detailed as follows:

	December 31, 2023 ThUS\$	December 31, 2022 ThUS\$
Added deferred taxation concerning items charged to Shareholder's Equity	-	523
<b>TAXES RECOGNIZED IN OTHER COMPREHENSIVE INCOME</b>	<b>-</b>	<b>523</b>

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

## 13.3 Deferred taxes

Balances of deferred taxes assets and liabilities as of December 31, 2023 and 2022 are detailed as follows:

	December 31, 2023 ThUS\$	December 31, 2022 ThUS\$
Depreciations	-	-
Provisions	18,239	16,800
Tax losses	79,553	147,486
Valuation	(86,890)	(120,567)
Debts	1,752	1,307
Others	24,400	5,430
<b>DEFERRED TAX ASSETS</b>	<b>37,054</b>	<b>50,456</b>
Depreciations	(34,493)	(36,324)
Provisions	(2,515)	(1,708)
Others	(46)	(67)
<b>DEFERRED TAX LIABILITIES</b>	<b>(37,054)</b>	<b>(38,099)</b>
<b>NET BALANCE OF DEFERRED TAX ASSETS</b>	<b>-</b>	<b>12,357</b>

As of December 31, 2023, the Company has not recognized deferred tax assets, in compliance with IAS 12, because, according to an analysis of the probability of recovery of its deferred taxes, it does not have a time horizon defined on which it is expected that future taxable profit will be available against which tax losses can be totally utilized. Consequently, the Company does not record deferred taxes as of December 31, 2023.

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

STATEMENT OF FINANCIAL POSITION	December 31, 2023	December 31, 2022
	ThUS\$	ThUS\$
Deferred tax assets	37,054	12,357
Deferred tax liabilities	(37,054)	-
<b>NET BALANCE OF DEFERRED TAX ASSETS AND (LIABILITIES)</b>	<b>-</b>	<b>12,357</b>

Changes in deferred tax assets and liabilities for the periods ended December 31, 2023 and 2022 are detailed as follows:

	Assets	Liabilities
Balance as of January 01, 2022	53,029	40,689
Increase (decrease) in income (loss)	(2,573)	(2,590)
Increase (decrease) in comprehensive income	-	-
<b>BALANCE AS OF DECEMBER 31, 2022</b>	<b>50,456</b>	<b>38,099</b>
Increase (decrease) in income (loss)	(50,456)	(38,099)
Increase (decrease) in comprehensive income	-	-
<b>BALANCE AS OF DECEMBER 31, 2023</b>	<b>-</b>	<b>-</b>

## **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:

Intangible Assets	December 31, 2023		
	Gross value	Accumulated Amortization	Net value
	ThUS\$	ThUS\$	ThUS\$
Finite lived intangible assets	2,859	(2,754)	105
Indefinite lived intangible assets	1,070	-	1,071
<b>TOTAL INTANGIBLE ASSETS</b>	<b>3,930</b>	<b>(2,754)</b>	<b>1,176</b>
Computer programs	2,859	(2,754)	105
Easements	450	-	450
Concessions	620	-	620
<b>IDENTIFIABLE INTANGIBLE ASSETS</b>	<b>3,929</b>	<b>(2,754)</b>	<b>1,176</b>

Intangible Assets	December 31, 2022		
	Gross value	Accumulated Amortization	Net value
	ThUS\$	ThUS\$	ThUS\$
Finite lived intangible assets	3,005	(2,872)	133
Indefinite lived intangible assets	450	-	450
<b>TOTAL INTANGIBLE ASSETS</b>	<b>3,456</b>	<b>(2,872)</b>	<b>584</b>
Computer programs	3,006	(2,872)	134
Easements	450	-	450
<b>IDENTIFIABLE INTANGIBLE ASSETS</b>	<b>3,456</b>	<b>(2,872)</b>	<b>584</b>

Balances and changes in Intangible Assets as of December 31, 2023 and 2022, respectively, are detailed as follows:

	December 31, 2023			
	Computer programs ThUS\$	Easements ThUS\$	Concessions ThUS\$	TOTAL ThUS\$
Balance as of January 1, 2023	135	450	-	584
Additions	-	-	620	620
Amortization	(29)	-	-	(29)
Total changes	(29)	-	620	591
<b>Ending Balance of Identifiable Intangible Assets as of December 31, 2023</b>	<b>106</b>	<b>450</b>	<b>620</b>	<b>1,176</b>

	December 31, 2022			
	Computer programs ThUS\$	Easements ThUS\$	Concessions ThUS\$	TOTAL ThUS\$
Balance as of January 1, 2022	208	450	-	658
Amortization	(74)	-	-	(74)
Total changes	(74)	-	-	(74)
<b>Ending Balance of Identifiable Intangible Assets as of December 31, 2022</b>	<b>134</b>	<b>450</b>	<b>-</b>	<b>584</b>

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

## 14.2.- Impairment of Indefinite-life Intangible Assets

As of December 31, 2023 and 2022, 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, 2023 and December 31, 2022, are shown in the following table:

Class	December 31, 2023		
	Gross value ThUS\$	Accumulated depreciation ThUS\$	Net value ThUS\$
Construction in Progress (1)	6,229	-	6,229
Land	9,293	-	9,293
Buildings	4,010	(2,019)	1,991
Plant and Equipment (2)	1,207,952	(912,890)	295,062
IT Equipment	6,485	(6,036)	449
Fixed facilities and accessories	2,226	(1,821)	405
Motor Vehicles	66	(55)	11
Assets Retirement Obligation (3)	58,674	(18,945)	39,729
Other Property, Plant and Equipment (4)	19,801	-	19,801
<b>TOTAL PROPERTY PLANT &amp; EQUIPMENT</b>	<b>1,314,736</b>	<b>(941,766)</b>	<b>372,969</b>

Class	December 31, 2022		
	Gross value ThUS\$	Accumulated depreciation ThUS\$	Net value ThUS\$
Construction in Progress	10,012	-	10,012
Land	5,193	-	5,193
Buildings	4,010	(1,678)	2,332
Plant and Equipment	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	(52)	14
Assets Retirement Obligation	69,756	(16,798)	52,958
Other Property, Plant and Equipment	11,950	-	11,950
<b>TOTAL PROPERTY PLANT &amp; EQUIPMENT</b>	<b>1,409,711</b>	<b>(928,605)</b>	<b>481,106</b>



1. Construction in progress consists mainly of undergoing operational projects. Once the trial period of the project ends and is available for use, it is transferred to the category of operating assets. From that moment its depreciation begins.
2. According to Financial Statements issued and published by the Company between 2018 and 2021, 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, 2021 an accumulated impairment of ThUS\$877,131. For further details please see the revealed Financial Statements. As of December 31, 2022 the impairment test over the fix assets was run, not presenting significant variations with respect to the last test carried out.

As of December 31, 2023, indications of impairment of the present value of the assets were verified, mainly due to changes in the conditions of the valuation model, such as: i) the change in price conditions in one of the PPA contracts between Guacolda and an unregulated customer, ii) change in the discount rate as a result of the change in macroeconomic parameters, iii) improvement in the prospects of Guacolda's generation business, which offsets the previous impacts. Therefore, the Company recognized an impairment of ThUS\$60,845 as of December 2023.

3. Asset Retirement Obligation ("ARO") is related to the obligation of removal and disposition of facilities. The obligation according to the Guacolda Environmental Impact Assessment, is that the Company has the obligation to carry out the dismantling at the period defined. That obligation is associated with the five operational units of Guacolda, which also recognizes an underlying asset to the required condition by the terms and conditions of the obligation. Please see note 19 for further details.
4. "Other property, plant and equipment" includes mainly inventories of fixed assets spare parts 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

**Notes to the Consolidated Financial Statements**

Property, plant, and equipment transactions during the years ended December 31, 2023 and December 31, 2022, are detailed as follows:

	Construction in Progress	Land	Buildings	Plant and Equipment	IT Equipment	Furniture	Motor Vehicles	Asset Retirement Obligation	Other Property, Plant and Equipment	Property, Plant and Equipment, Net
Balance as of January 1, 2023	10,012	5,193	2,332	397,665	440	542	15	52,958	11,950	481,106
Additions	8,957	4,100	-	1,686	129	-	-	5,856	3,982	24,710
Withdrawals	-	-	-	-	-	-	-	-	(1,076)	(1,076)
Depreciation	-	-	(341)	(56,184)	(120)	(137)	(4)	(2,147)	-	(58,933)
Impairment	-	-	-	(60,845)	-	-	-	-	-	(60,845)
Other Changes	-	-	-	-	-	-	-	(16,938)	4,945	(11,993)
Completed works	(12,740)	-	-	12,740	-	-	-	-	-	-
<b>Total Changes</b>	<b>(3,783)</b>	<b>4,100</b>	<b>(341)</b>	<b>(102,603)</b>	<b>9</b>	<b>(137)</b>	<b>(4)</b>	<b>(13,229)</b>	<b>7,848</b>	<b>(108,139)</b>
Balance as of December 31, 2023	6,229	9,293	1,991	295,062	449	405	11	39,729	19,798	372,968

	Construction in Progress	Land	Buildings	Plant and Equipment	IT Equipment	Furniture	Motor Vehicles	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	-	-	-	-	-	-	-	2,125	11,508
Withdrawals	-	-	-	-	-	-	-	-	(47)	(47)
Depreciation	-	-	(361)	(55,242)	(85)	(130)	(4)	(2,598)	-	(58,420)
Impairment	-	-	-	-	-	-	-	-	-	-
Other Changes	-	-	-	-	-	-	-	(10,175)	-	(10,175)
Completed works	(4,273)	-	-	4,273	-	-	-	-	-	-
<b>Total Changes</b>	<b>5,110</b>	<b>-</b>	<b>(361)</b>	<b>(50,969)</b>	<b>(85)</b>	<b>(130)</b>	<b>(4)</b>	<b>(12,773)</b>	<b>2,079</b>	<b>(57,134)</b>
Balance as of December 31, 2022	10,012	5,193	2,332	397,665	440	542	15	52,958	11,950	481,106

## NOTE 16 – RIGHT OF USE ASSETS

LEASES	December 31, 2023 ThUS\$
Balance as of January 1, 2023	2,378
Additions	-
Amortization	(530)
Total changes	(530)
<b>Ending Balance of Right of use Assets as of December 31, 2023</b>	<b>1,848</b>

LEASES	December 31, 2022 ThUS\$
Balance as of January 1, 2022	-
Additions	2,667
Amortization	(289)
Total changes	2,378
<b>Ending Balance of Right of use Assets as of December 31, 2022</b>	<b>2,378</b>

During 2023 and 2022 no interest has been capitalized.

## NOTE 17 - OTHER FINANCIAL LIABILITIES

### 17.1.- Interest-bearing Loans

As of December 31, 2023 and 2022, other financial liabilities are detailed as follows:

	Current		Non-current	
	December 31, 2023 ThUS\$	December 31, 2022 ThUS\$	December 31, 2023 ThUS\$	December 31, 2022 ThUS\$
Interest-Bearing loans	22,171	3,541	233,639	453,798
Borrowing Cost			(2,827)	(3,146)
Lease liabilities	641	569	1,199	1,810
Other interest	-	84	-	-
<b>TOTAL</b>	<b>22,812</b>	<b>4,194</b>		

### 1.- Bank Loans

As of December 31, 2023 and 2022 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, 2023

Instrument Registration and Identification	Currency	Interest Payment	Annual effective rate	Annual nominal rate	Final deadline	Current ThUS\$			Non- current (Nominal Value) 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	
Bond	US\$	Biannual	4.56%	4.56%	Apr-2025	-	634	634	-	83,380	-	-	-	83,380
Bond	US\$	Quarterly	10.7%	10.0%	Dec-2030	3,506	18,031	21,537	24,041	24,041	24,041	24,041	54,093	150,259
TOTAL									24,041	107,422	24,041	24,041	54,093	233,639

As of December 31, 2022

Instrument Registration and Identification	Currency	Interest Payment	Annual effective rate	Annual nominal rate	Final deadline	Current ThUS\$			Non- current (Nominal Value) 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	
Bond	US\$	Biannual	4.4%	4.6%	Apr-2025	-	3,436	3,436	-	453,798	-	-	-	453,798

During 2023 Guacolda completed the registration of the total notes of the Bond 144A/RegS issued in April 2015, repurchased in 2022 equivalent to 18,57% of the total obligation. Additionally, it made new purchases by means of two tender offers, reaching a total of 49.6% of the issuance. In parallel, Guacolda offered to bondholders an exchange of the current notes in order to extend the maturity period until December 2030, a process that resulted in the postponement of US\$168.3 million. As a result of those operations, the outstanding nominal debt reached US\$83.4 million that expire in April 2025.

Finally, after the liability management process, the company's debt reached US\$251,7 million.

### 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, 2023 and 2022, are detailed as follows:

	Balance as of January, 2023	Changes in cash			Changes in other than cash				Balance as of December 31, 2023
		Borrowing cost	Payments	Interest payments	Accrued interest	Other	Gain nominal value	Amort. Of deferred costs	
Obligations with the public	454,193	(3,027)	(74,364)	(15,166)	15,866	(15,960)	(110,152)	1,593	252,983
Lease liabilities	2,378	-	(663)	-	(125)	-	-	-	1,590
<b>TOTAL</b>	<b>456,571</b>	<b>(3,027)</b>	<b>(75,027)</b>	<b>(15,166)</b>	<b>15,742</b>		<b>(110,152)</b>	<b>1,593</b>	<b>254,573</b>

	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	Other	Gain nominal value	Amort. Of deferred costs	
Obligations with the public	501,691	-	(17,082)	(21,999)	21,999	-	(30,837)	421	454,193
Lease liabilities	-	2,656	(347)	-	69	-	-	-	2,378
<b>TOTAL</b>	<b>501,691</b>	<b>2,656</b>	<b>(17,429)</b>	<b>(21,999)</b>	<b>22,068</b>	<b>-</b>	<b>(30,837)</b>	<b>421</b>	<b>456,571</b>

## NOTE 18 - TRADE AND OTHER ACCOUNTS PAYABLE

As of December 31, 2023 and 2022, trade and other accounts payable are detailed as follows:

	December 31, 2023 ThUS\$	December 31, 2022 ThUS\$
Trade payables	9,377	11,109
Unbilled trade payables	23,261	30,665
Income tax on emissions	15,364	17,864
Other accounts payables (*)	3,146	7,560
<b>TOTAL TRADE AND OTHER ACCOUNT PAYABLE</b>	<b>51,148</b>	<b>67,198</b>

(\*) As of December 31, 2023 and 2022, it includes mainly sales and additional taxes, plus liabilities with third parties associated with workers.

Suppliers with no past due balances:

	Until 30 days ThUS\$	31-60 days ThUS\$	61-90 days ThUS\$	91-120 days ThUS\$	121-365 days ThUS\$	366 and more ThUS\$	Total ThUS\$	Average payment days
Balance as of December 31, 2023	7,882	65	-	-	-	-	7,947	29
Balance as of December 31, 2022	9,009	114	-	-	-	-	9,123	25

Suppliers with past due balances:

	Until 30 days	31-60 days	61-90 days	91-120 days	121-365 days	366 and more	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Balance as of December 31, 2023	1,352	66	12	-	-	-	1,430
Balance as of December 31, 2022	1,675	303	8	-	-	-	1,986

## NOTE 19 – PROVISIONS

As of December 31, 2023 and 2022, the balances for provisions are detailed as follows:

	December 31, 2023 ThUS\$	December 31, 2022 ThUS\$
Asset Retirement Obligation and restructuring costs	91,609	97,489
<b>TOTAL TRADE AND OTHER ACCOUNT PAYABLE</b>	<b>91,609</b>	<b>97,489</b>

### 19.1 Decommissioning and restructuring costs

Asset Retirement Obligation (“ARO”) is related to the obligation of removal and disposition of facilities. The obligation according to the Guacolda Environmental Impact Assessment, is that the Company has the obligation to carry out the dismantling at the period defined. That obligation is associated with the five operational units of Guacolda, which also recognizes an underlying asset to the required condition by the terms and conditions of the obligation. As of December 31, 2023, the estimation of the ARO obligation, generated an adjustment of - ThUS\$11,081, which was accounted by means of a decrease in both asset and obligation due to i) variations in market conditions that modified both the expected inflation rate and the discount rate of the model (-ThUS\$16,937) and, ii) the incorporation of a new ARO obligation related to the purchase of a generation plant of 66 MW located in Huasco (+ThUS\$5,856).

### 19.2 Variations in provisions

	Decommissioning costs ThUS\$	Total ThUS\$
Balance as of January 1, 2022	103,898	103,898
Increase (decrease) in existing provisions	(6,404)	(6,404)
Balance as of December 31, 2022	97,494	97,494
Increase (decrease) in existing provisions	(5,885)	(5,885)
Balance as of December 31, 2023	91,609	91,609

## NOTE 20 - EMPLOYEE BENEFITS

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

As of December 31, 2023 and 2022, the balance of employment opportunities is detailed as follows:

	Current		Non-current	
	December 31, 2023 ThUS\$	December 31, 2022 ThUS\$	December 31, 2023 ThUS\$	December 31, 2022 ThUS\$
Post-employment obligations	205	213	1,248	1,484
Vacation provision	1,025	1,075	-	-
Share in profits and bonds	2,395	2,185	-	-
<b>TOTAL EMPLOYEE BENEFITS</b>	<b>3,625</b>	<b>3,473</b>	<b>1,248</b>	<b>1,484</b>

### 20.1.- Present value of employment obligations

The variations in post-employment obligations for defined benefits in the years ended December 31, 2023 and 2022, are detailed as follows:

	December 31, 2023 ThUS\$	December 31, 2022 ThUS\$
Opening balance	1,696	268
Cost of interest on obligation	79	81
Increase (decrease) in P&L	(272)	1,347
Remeasurement gain/losses in Other comprehensive income	(50)	-
<b>Ending Balance</b>	<b>1,453</b>	<b>1,696</b>

### 20.2.- Costs recognized as profit or loss

The amounts recognized in consolidated profit or loss and included in Sales cost and Administrative expenses in the statement of comprehensive income for the periods ended December 31, 2023 and 2022, are detailed as follows:

	December 31, 2023 ThUS\$	December 31, 2022 ThUS\$
Cost for interest on defined benefit plan	79	81
Increase (decrease) in P&L	(273)	1,231
<b>Total impact in profit or loss</b>	<b>(194)</b>	<b>1,313</b>



## 20.3.- Other disclosures

### 1. Actuarial assumptions:

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

	December 31, 2023 ThUS\$	December 31, 2022 ThUS\$
Nominal discount rate used	5.53%	1.75%
Average job turnover rate	9.20%	9.20%
Expected rate of salary increases	4.65%	1.60%

### 2. Sensitivity:

As of December 31, 2023, the sensitivity of the total value of employment obligations in the events of variations in discount rate and salary increase rate, generates the following effects:

	Sensitivity rate	Reduction ThUS\$	Increase ThUS\$
Discount rate sensitivity	1%	116	(166)
Salary increases sensitivity	1%	(169)	116

## NOTE 21 - OTHER NON-FINANCIAL LIABILITIES

### 21.1 Current

As of December 31, 2023 and 2022, the balances of Other non-financial liabilities are detailed as follows:

	December 31, 2023 ThUS\$	December 31, 2022 ThUS\$
Result for the period	172	251
<b>TOTAL OTHER NON-FINANCIAL LIABILITIES</b>	<b>172</b>	<b>251</b>

(\*) Other liabilities consider tax obligations

### 21.1 Non-Current

	December 31, 2023 ThUS\$	December 31, 2022 ThUS\$
Deferred income	80,500	-
<b>TOTAL TOTAL OTHER NON-FINANCIAL LIABILITIES NON-CURRENT</b>	<b>80,500</b>	<b>-</b>

In May 2023, a one-time payment of US\$80.5 million was received from one of Guacolda's main customers in connection with the amendment of the PPA with such customer (that expires in 2027), in exchange for allowing such customer to purchase energy from third parties and reflecting a lower energy sales price from Guacolda for the years 2026 and 2027. As a result of this amendment future revenues related to the contract under this PPA could reduce over time compared to historical revenues from such customer. Deferred income will be recognized in those periods that would be affected by the new conditions of the contract.

## NOTE 22 - SHAREHOLDERS' EQUITY

### 22.1.- Capital management

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, 2023 and 31 December, 2022.

## **22.2.- 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 December 18, 2023 under repertoire 21.462-2023, El Águila Energy II SpA as the only shareholder of the Company, performed a capital decrease of ThUS\$53,500 (paid in cash), that is, from the amount of 732,340,017 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 678,840,017 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.

By public deed dated September 1, 2023 under repertoire 14.978-2023, El Águila Energy II SpA as the only shareholder of the Company, performed a capital decrease of ThUS\$140,000 (paid in cash), that is, from the amount of 872,340,017 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 732,340,017 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.

By public deed dated June 13, 2023 under repertoire 9.946-2023, El Águila Energy II SpA as the only shareholder of the Company, performed a capital decrease of ThUS\$10,000 (paid in cash), that is, from the amount of 882,340,017 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 872,340,017 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.

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.

## **22.3.- Dividend policy**

No dividends were declared or paid during 2023 and 2022.

## 22.4.- Accumulated deficit

Accumulated deficit for each year are detailed as follows:

	December 31, 2023 ThUS\$	December 31, 2022 ThUS\$
Opening balance	(151,001)	(224,448)
Adjustment of prior years (See Note 4.18)	-	35,916
Result for the period	94,147	37,531
<b>ENDING BALANCE</b>	<b>(56,854)</b>	<b>(151,001)</b>

## 22.5.- Other Reserves

Other reserves as of December 31, 2023 and 2022, 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, 2022	(558,170)	3,479	221	(554,470)
Other	-	(3,479)	(221)	(3,700)
<b>Balance as of December 31, 2022</b>	<b>(558,170)</b>	<b>-</b>	<b>-</b>	<b>(558,170)</b>
Other variations	-	-	50	50
<b>Balance as of December 31, 2023</b>	<b>(558,170)</b>	<b>-</b>	<b>50</b>	<b>(558,120)</b>

## NOTE 23 - INCOME FROM ORDINARY ACTIVITIES

Income from ordinary activities for the years ended December 31, 2023 and 2022 is detailed as follows:

	December 31, 2023 ThUS\$	December 31, 2022 ThUS\$
Sale of energy under non-regulated contracts	367,209	340,153
Spot sales of energy and capacity	174,809	205,572
Transmission income	21,020	25,389
Other ordinary revenue	2,219	6,431
<b>TOTAL INCOME</b>	<b>565,257</b>	<b>577,545</b>

## NOTE 24 - COMPOSITION OF RELEVANT RESULTS

### 24.1.- Expenses by nature

The main operating and administration costs and expenses for the years ended December 31, 2023 and 2022, as classified in the following items of comprehensive income: Cost of sales and Administrative expenses, are detailed as follows:

	December 31, 2023 ThUS\$	December 31, 2022 ThUS\$
Purchase of energy and capacity	62,012	57,048
Fuel consumption	252,397	303,171
Transmission cost	19,848	25,554
Production and other sales costs	64,443	60,946
Productive staff costs	14,792	15,480
Depreciation	58,932	58,709
Amortization	29	74
<b>SALES COSTS</b>	<b>472,453</b>	<b>520,982</b>
Insurance expenses	10,501	9,143
Management fee	17	386
Other administrative expenses	3,405	5,240
<b>ADMINISTRATIVE EXPENSES</b>	<b>13,923</b>	<b>14,769</b>
<b>TOTAL</b>	<b>486,376</b>	<b>535,751</b>

### 24.2.- Staff costs

Staff costs for the years ended December 31, 2023 and 2022, are detailed as follows:

	December 31, 2023 ThUS\$	December 31, 2022 ThUS\$
Wages and salaries	13,982	12,879
Short-term employee benefits	677	659
Employment termination benefits	37	1,856
Other staff costs	96	86
<b>TOTAL STAFF COSTS</b>	<b>14,792</b>	<b>15,480</b>

## NOTE 25 - OTHER INCOME (LOSSES)

Other income (loss) for the years ended December 31, 2023 and 2022, is detailed as follows:

	December 31, 2023 ThUS\$	December 31, 2022 ThUS\$
Other income	1,905	(2,343)
Impairment (*)	(60,845)	-
<b>TOTAL OTHER INCOME (LOSSES)</b>	<b>(58,940)</b>	<b>(2,343)</b>

(\*) During the year ended December 31, 2023 an impairment of ThUS\$60,845, was registered for Property, plant and equipment. See Note 15.

## NOTE 26 - FINANCIAL RESULT

Results for the years ended December 31, 2023 and 2022, are detailed as follows:

	December 31, 2023 ThUS\$	December 31, 2022 ThUS\$
Income from financial assets	5,682	576
Financial income (*)	110,152	30,837
<b>Total financial income</b>	<b>115,834</b>	<b>31,413</b>
Interest on bank loans	(27,662)	(27,602)
Other expenses	(900)	(2,509)
<b>Total financial expenses</b>	<b>(28,562)</b>	<b>(30,111)</b>
Loss for exchange differences	(790)	(3,013)
<b>Total financial profit</b>	<b>86,482</b>	<b>(1,711)</b>

\*Income resulting mainly from liability management process executed during 2022 and 2023.

## NOTE 27 – GUARANTEES

### Guarantees Delivered

Beneficiary	Type	Description	ThUS\$	Initial date	Due date
BANCO CONSORCIO	Real	Coal Warrant N°469 issued by Tattersall Warrants	52,763	30-Nov-2022	02-Jan-2024
BANCO CONSORCIO	Mortgage	Land - Rol 153-37, Huasco	1	28-Apr-2023	04-Apr-2024
BANCO CONSORCIO	Pledge	Facilities Central Huasco	183,984	28-Apr-2023	04-Apr-2024

### Guarantees Received

Beneficiary	Relationship	ThUS\$
MANTOVERDE S.A.	Vendor/contractor	10,283
SERVICIOS INDUSTRIALES LIMITADA	Vendor/contractor	698
IMA INDUSTRIAL SPA	Vendor/contractor	283
SECURITAS S.A	Vendor/contractor	87
NEWREST MERY Y MERY SERVICIOS DE ALIMENTACION LIMITADA	Vendor/contractor	85
ATLAS COPCO CHILE SPA	Vendor/contractor	67
INSPIRE SPA	Vendor/contractor	36
INERCO TECNOLOGIA CHILE SPA	Vendor/contractor	25
FLEX SERVICIO Y LOGISTICA LIMITADA	Vendor/contractor	23
AGQ CHILE SPA	Vendor/contractor	22
FLEX SERVICIO Y LOGISTICA LIMITADA	Vendor/contractor	16
NEWREST MERY Y MERY SERVICIOS DE ALIMENTACION LIMITADA	Vendor/contractor	16
ENLASA ENERGIA S.A.	Vendor/contractor	16
CLIMATIZACION ARGUMONT LIMITADA	Vendor/contractor	15
SOCIEDAD DE INVERSIONES LAS VEGAS LTDA	Vendor/contractor	9
PROYECTOS Y SERVICIOS AMBIENTALES SPA	Vendor/contractor	9
ARRIMAS SPA	Vendor/contractor	9
JERALDO SANTANDER PATRICIO ALEJANDRO	Vendor/contractor	8
SERVICIOS DE HIGIENE AMBIENTAL VARDOR LIMITADA	Vendor/contractor	5
BUCEO COMERCIAL ESCOBAR LIMITADA	Vendor/contractor	4
R-9 INGENIERIA SPA	Vendor/contractor	3
<b>TOTAL</b>		<b>11,719</b>

## NOTE 28 - ASSETS AND LIABILITIES IN FOREIGN CURRENCY

CURRENT ASSETS	Foreign currency	December 31, 2023		December 31, 2022	
		Up to 90 days	From 91 days to 1 year	Up to 90 days	From 91 days to 1 year
Cash and cash equivalents	CLP	432	-	21,406	-
	USD	54,737	-	70,462	-
Other financial assets	USD	-	-	15,960	-
Other non-financial assets	CLP	185	-	-	-
	USD	(21)	-	247	-
Trade and other accounts receivable	CLP	274,322	-	26,318	-
	EUR	17	-	-	-
	UF	1,033	-	-	-
	USD	(211,602)	-	73,012	-
Inventory	CLP	(112,165)	-	-	-
	EUR	1,855	-	-	-
	GBP	5	-	-	-
	JPY	623	-	-	-
	UF	48	-	-	-
Inventory	USD	160,844	-	95,793	-
Current tax assets	CLP	89	-	-	-
<b>TOTAL</b>		<b>170,403</b>	<b>-</b>	<b>303,198</b>	<b>-</b>

NON-CURRENT ASSETS	Foreign currency	December 31, 2023	December 31, 2022
		ThUS\$	ThUS\$
Trade and other accounts receivable, non-current	CLP	587	182
	USD	-	-
Intangible assets other than goodwill	CLP	305	-
	USD	871	584
	EUR	2,656	-
	UF	7	-
	JPY	132	-
Property, plant and equipment	USD	385,078	481,106
Right-of-use assets	USD	1,848	2,378
Deferred tax assets	USD	-	12,357
Other non-financial assets, non-current	CLP	8	-
<b>TOTAL</b>		<b>391,493</b>	<b>496,607</b>



CURRENT LIABILITIES	Foreign currency	December 31, 2023		December 31, 2022	
		Up to 90 days	From 91 days to 1 year	Up to 90 days	From 91 days to 1 year
Other Financial Liabilities	USD	22,812	-	-	-
Trade and other accounts payable	CLP	(4,282)	-	21,992	-
	CLF	-	-	-	-
	GBP	4	-	-	-
	JPY	13	-	-	-
	UF	782	-	-	-
	EUR	64	-	-	-
	USD	54,566	-	45,206	-
Current tax liabilities	CLP	-	-	85	-
Provisions for employee benefits	CLP	1,275	-	3,473	-
	USD	(27)	-	-	-
Other non-financial liabilities	CLP	(935)	-	647	-
	EUR	81	-	-	-
	JPY	293	-	-	-
	USD	734	-	173	-
<b>TOTAL</b>		<b>56,709</b>	<b>-</b>	<b>71,576</b>	<b>-</b>

NON-CURRENT LIABILITIES	Foreign currency	Diciembre 31, 2023		Diciembre 31, 2022	
		More than 1 year	More than 1 year	More than 1 year	More than 3 years
Other Financial Liabilities	EUR	232,011	-	-	452,462
Other provisions	USD	91,609	-	97,489	-
Non-current provisions for employee benefits	CLP	1,248	-	1,484	-
Other non-financial liabilities, non-current	USD	80,500	-	-	-
<b>TOTAL</b>		<b>405,368</b>	<b>-</b>	<b>98,973</b>	<b>452,462</b>

## NOTE 29 - LITIGATION AND CONTINGENCIES

### 29.1.- Litigation and/or Administrative Procedures

- In January 2023, Guacolda Energía SpA paid a compensation corresponding to the single and total sum of ThUS \$319 to Comunidad Estancia Cuesta La Arena. After having been established by judicially approved Public Deed of Agreement in favor of GUACOLDA ENERGIA SpA, a continuous, apparently voluntary, perpetual, onerous and irrevocable electrical easement for the Transmission Line N°2 Guacolda Maitencillo 2x220 kV.
- There is an ongoing sanctioning process initiated by *Superintendencia de Medio Ambiente* ("SMA") ROL 032-2023, that filed 8 charges for possible violations against Guacolda Energía SpA. Guacolda Energía presented a Compliance Program, about which the SMA submitted observations dated January 26, 2024, through Res.Ex N°3. Guacolda responses were incorporated into the Compliance Program, presenting an update to it within the required period, so no provision adjustment is required as of December 2023, as it is considered that there should not be a significant impact.

- On March 18, 2023, the National Energy Commission issued Exempt Resolution N°149, by which it rescinded temporary mechanism temporary mechanism Resolution N°52, dated January 31, 2018, which in turn complements and modifies Resolution N°659 of 2017, that sets forth technical provisions for the implementation of Article 8° of the 2014 Tax Reform, as a measure contained in the “Initial Agenda for a Second Half of the Energy Transition” of the Ministry of Energy. This resolution announced the elimination of the compensation called “Compensation B”, which determines the hourly compensation in those hours in which by instruction of the CEN the generating units have injected energy to the system at a variable operating cost higher than the marginal cost, thus eliminating the largest proportion of current compensation, to the detriment of the interannual margin of the generating companies that must pay taxes on emissions. In April 2023, the Company filed an Administrative Reinstatement against the decision of the National Energy Commission (“CNE”), to reinstate the regulatory provisions that allow the proper implementation of the green tax compensation established in the final paragraph of Article 8 of the 2014 Tax Reform, which was rejected by the CNE by means of the Exempt Resolution N° 360 dated August 9th, 2023.
- On November 28<sup>th</sup>, 2023 Guacolda filed a lawsuit in arbitration against Indura, due to a discrepancy in the interpretation of its Addendum in relation to the validity of the Supply Contract. Guacolda's position establishes that the Termination Date of the Contract is March 31, 2024 and that the possibility of Indura requesting the renewal of its validity until 2027, at its sole discretion, is not established.

## **NOTE 30 - SUBSEQUENT EVENTS**

By public deed dated January 5, 2024 under repertoire 290-2024, El Águila Energy II SpA as the only shareholder of the Company, performed a capital decrease of ThUS\$5,100 (paid in cash), that is, from the amount of 678,840,017 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 673,740,017 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.

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