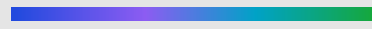




AES Gener



Integrated Annual
Report 2020



[102-1, 102-3, 102-5, 102-53]

AES Gener S.A.

94272000-9

Open Corporation
Registration with the Registry of Securities
No. 0176.

Rosario Norte 532, piso 19
Las Condes, Santiago, Chile
Phone: (56) 2 2686 89 00
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www.aesgener.cl

Santiago Stock Exchange Mnemonic Code AESGENER

For queries or comments about this
Annual Report, contact the AES GENER Communications Management
at comunicaciones.aesgener@aes.com

References

United States Dollars	US\$
Thousands of United States Dollars	thUS\$
Chilean Pesos	CLP\$
Thousands of Chilean pesos	thCLP\$
Colombian Pesos	Col\$
Thousands of Colombian pesos	thCol\$
Argentine Peso	Ar\$
Thousands of Argentine pesos	thAr\$
Development Unit (<i>Unidad de Fomento</i>)	UF
Giga watt	GW
Giga Watt per hour	GWh
Tera Watt	TW
Tera Watt per hour	TWh
Mega Watt	MW
Mega Watt per hour	MWh



2020

Integrated Annual
Report

AES Gener



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Company Profile

[102-1, 102-2, 102-3, 102-5, 102-6]

Our mission is to improve lives by accelerating a safer and sustainable energy future. We operate a portfolio of generation assets in Chile, Colombia and Argentina, with a total capacity of 5,196 MW.

We provide electrical energy in three independent markets: SEN (National Electrical System) in Chile, SIN (National Interconnection System) in Colombia, and SADI (Argentine Interconnection System) in Argentina. We are Chile's second largest company in terms of generation and installed capacity, with 3,512 MW in operation as of the end of 2020. The combination of different generation sources and technologies gives us competitive advantages, for not being exclusively dependent on a certain resource to produce electricity.

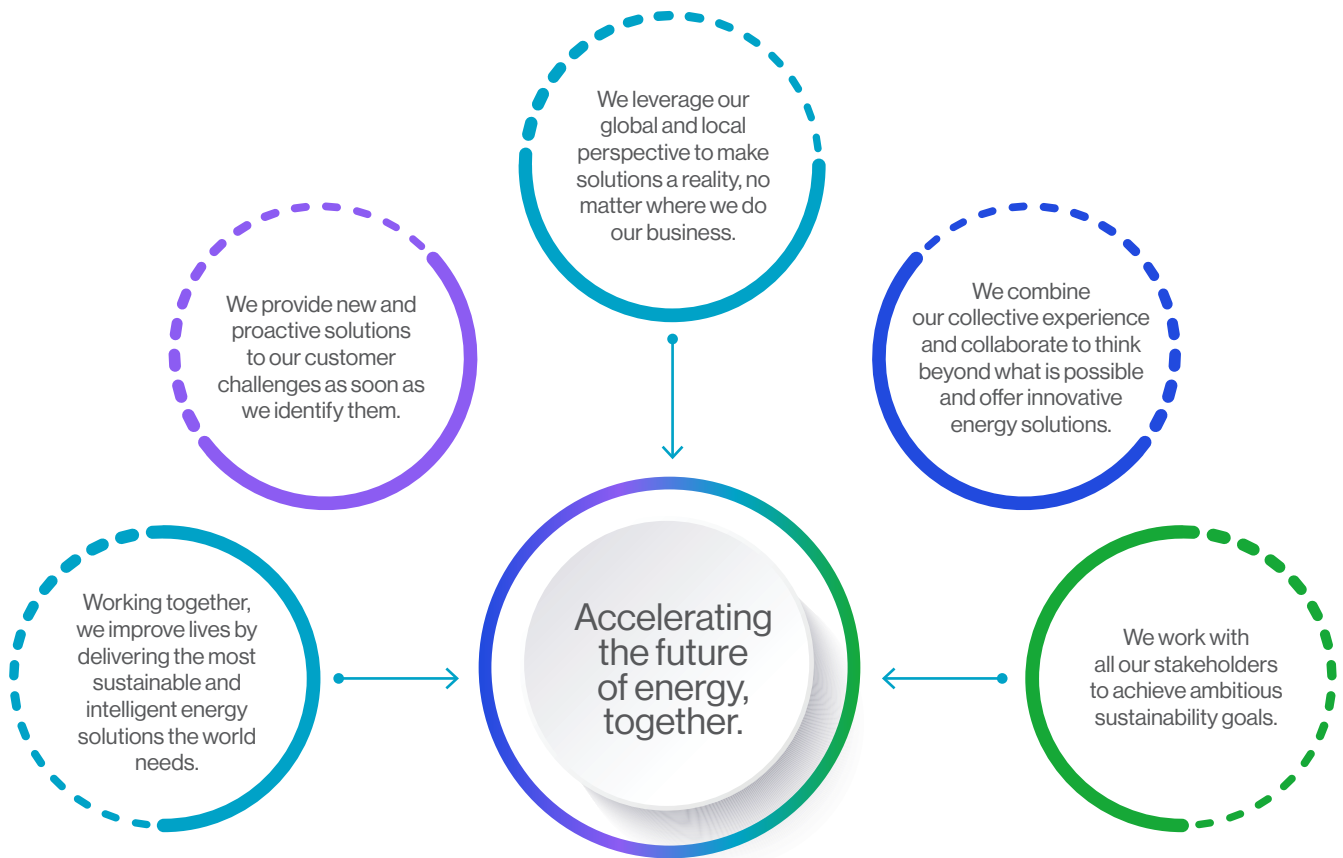
We are an open corporation listed in two Chilean stock exchanges: the Santiago Stock Exchange and the Electronic Stock Exchange of Chile, and we have been included in the DJSI (Dow Jones Sustainability Index Sustainability Index) Chile and MILA. The US company, AES Corporation, is the indirect controller of AES Gener, through its 66.7% shareholding interest as of December 31, 2020

In Colombia, through AES Colombia, we are one of the main operators of the SIN that, with an installed capacity of 1,041 MW.

In Argentina, our subsidiary Termoandes has an installed capacity of 643 MW and makes sales to the SADI.

Our purpose is to accelerate the future of energy together.

[102-16]



At AES Gener, we know that every client, community and country where we operate is taking the path they have defined to meet their sustainability goals. We are working with each of them to support them in their transition by

providing them with sustainable and innovative energy solutions. We combine our experience in energy generation with our ongoing innovations and technological solutions to transform and create value for the society as a whole.

Corporate Values

Our values define how we work with each other and with our stakeholders. They are the essence of our culture and our momentum. We strive every day to act in accordance with

them to meet our purpose of accelerating a more sustainable energy future, together.

Putting safety first	Safety is at the core of everything we do. We always identify potential risks to our people, contractors, customers, partners, and communities. We measure success based on the security with which we work together, while contributing to a more sustainable energy future.
We apply the highest standards	We act with the greatest integrity with our employees, customers and partners. The solutions we offer together meet global standards of excellence.
All together	We work as a team with our customers and partners. We meet changing customer needs with agility and enjoy celebrating everyone's success, solving significant challenges as a team.



AES Gener at a Glance

[102-7]

Capital Structure

Shareholders

US\$ 1,861

Million

Financial Indebtedness

US\$ 3,736

Million

Cash balance

US\$ 271

Million

Dividends
paid in 2020

US\$ 310

Million

Stock Exchange
Capitalization

US\$ 1.4

Billion

Share Price: \$118/share

No. of Shares

8,400,318,891

(1,693 shareholders)

Operational Capital

Market share (based on generation)

Chile
25%

Colombia
5%

Argentina
3%

1,133 MW under **construction**

4,689 MW under **Development**



531 MW
Hydro



251 MW
Wind



239 MW
Solar



112 MW
Batteries



3,195 MW
Wind



1,032 MW
Solar

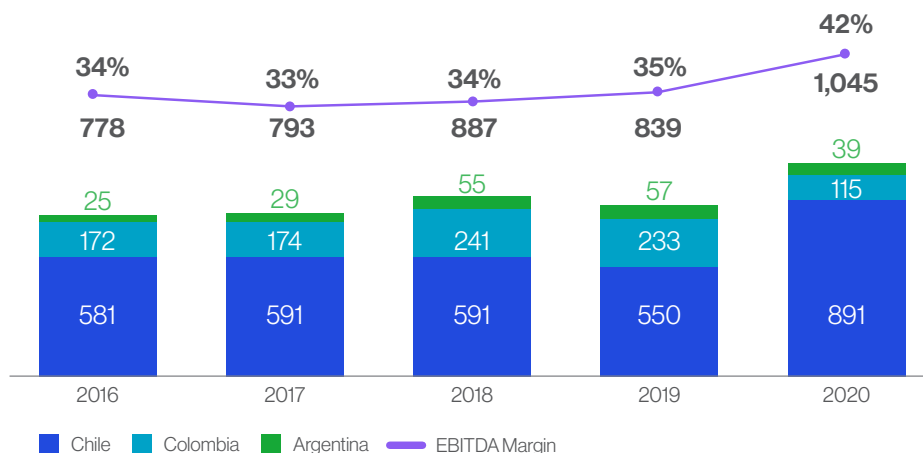


462 MW
Batteries

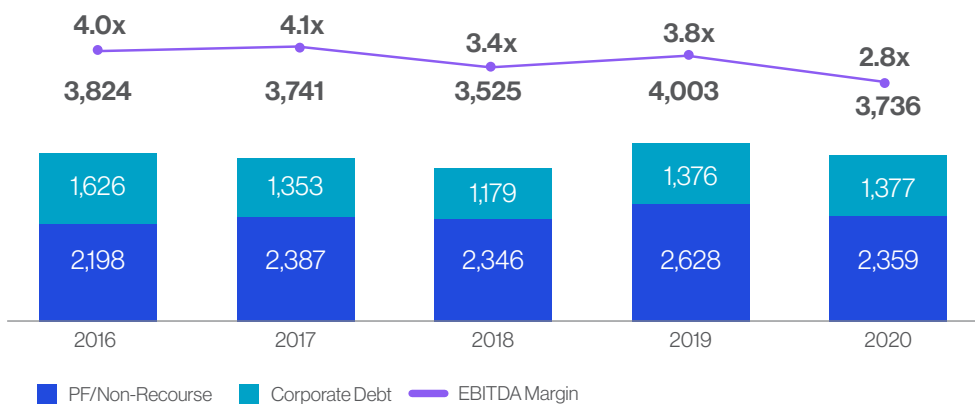
(885MW contract/ 3,804MW non-contract)

Financial Capital

EBITDA & EBITDA margin



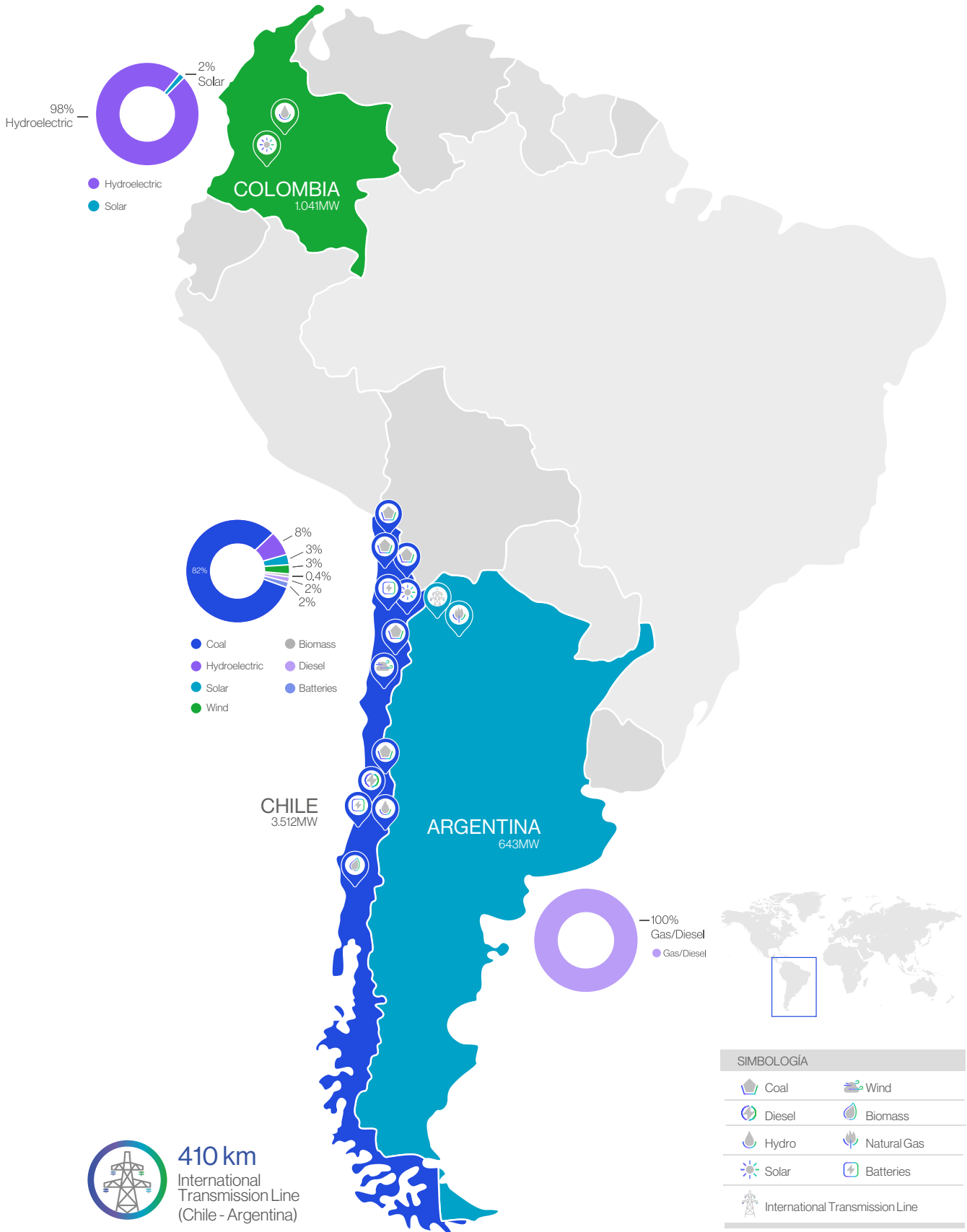
Total Debt and Net Debt / EBITDA



*Data as of December 31, 2020

Total Capacidad Operativa: 5.196MW

[102-4, 102-6]



Sustainability Capital



HUMAN CAPITAL

Recognized as A Great Place to Work in CHILE, COLOMBIA, ARGENTINA

1,309 workers.
14.13% women
85.87% men

79.45%
Unionized employees

We regret the fatal accident of 1 construction contractor workers.

US\$ 983,533 invested in training and education.

90%
Trained male employees

79%
Trained female employees

Total payment to suppliers
US\$1,450 million.

3,083 suppliers not including fuel suppliers.

Chile: 2,481 (80%)

Colombia: 364 (12%)

Argentina: 238 (8%)



CAPITAL STOCK

CLP\$ 210,344,566 in infrastructure projects of community use.



CLP\$ 498,527,598 in social development.



CLP\$ 401,098,430 in support of the community due to COVID-19.



472
Local workers in Alto Maipo.



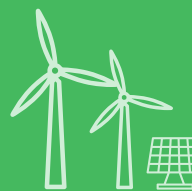
ENVIRONMENTAL CAPITAL

Accelerating carbonization



On December 29, 2020 we request the withdrawal of Ventanas 1 and 2.

On the same date, Ventanas 1 moved to Strategic Reserve Status (ERE) get into a Strategic Reserve Operational State (ERE, for its acronym in Spanish). Ventanas 1 and 2 add up to a total capacity of 322 MW, with its the withdrawal, approximately 2,000,000 tons of CO₂ will be reduced.

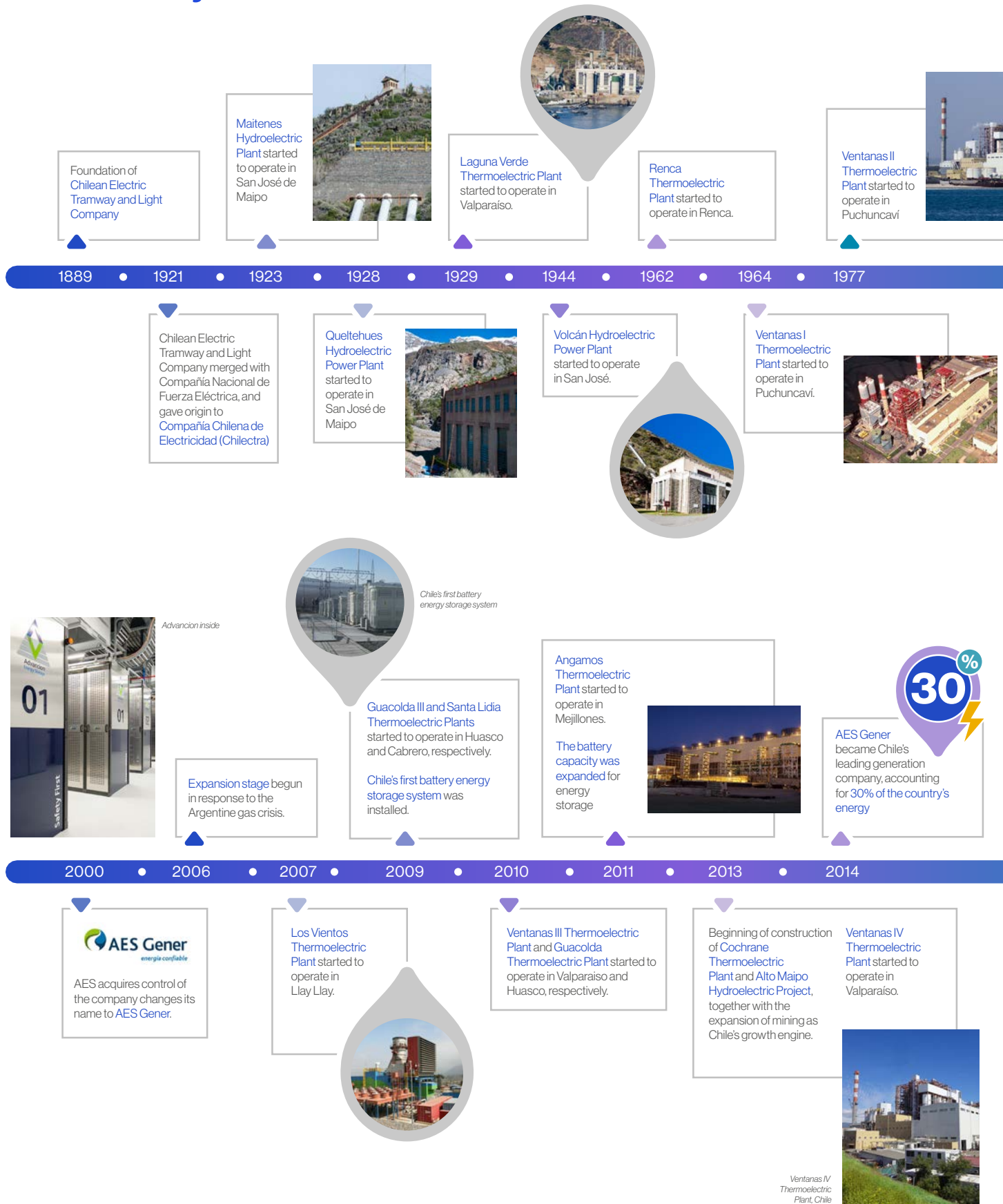


US\$ 496 million Investment in renewable generation projects

US\$ 15 million Environmental Expenditures

US\$ 2 million Environmental Investment

Our History



1981 • The privatization process is completed and Chilectra changed its name to Chilgener.

1991 • Guacolda I Thermoelectric Plant started to operate in Huasco.
Laja Biomass Plant started to operate in Cabrero.

1997 • Nueva Tocopilla Thermoelectric Plant started to operate in Tocopilla.

1999 • Termoandes Thermoelectric Plant started to operate in Salta, Argentina.

1991 • The company is restructured, and Chilectra Generation started to operate independently.

1991 • Alfalfal Hydroelectric Plant started to operate in San José de Maipo.

1996 • Chivor Hydroelectric Plant was acquired in the Boyacá Region of Colombia.
Guacolda II Thermoelectric Plant started to operate in Huasco.
La Esmeralda Reservoir, AES Colombia.

1998 • The Company changes its name to Gener as a result of the internationalization.
Nueva Renca Thermoelectric Plant started to operate in Renca.
Nueva Renca, Santiago, Chile

2015 • *Tujinta hydroelectric plant, Colombia*

2016 • Cochran Thermoelectric Plant started to operate in Mejillones.
The battery capacity was expended for energy storage.
Tujinta Hydroelectric Plant started to operate in Bocayá, Colombia.

2019 • *Catilla Solar, Colombia.*
The decarbonization agreement of the Chilean energy matrix is executed.
The largest self-generation solar power plant in Colombia, Castilla Solar, started to operate.
Expansion of Non-Conventional Renewable Energies (NCRE) was started with the acquisition of 110 MW Los Cururos Wind Farm, the construction of two wind farms - Los Olmos and Mesamávida-, the expansion of Solar Andes 2 and the construction of the pioneer Virtual Reservoir project.
We issued the America's first hybrid green bond for US\$450 million in international markets.

2015 • Guacolda V Thermoelectric Plant started to operate in Huasco.
The Angamos desalination plant started commercial operation and the construction of Andes Solar project was completed in Antofagasta.
2015, Andes Solar started to operate

2016 • The transformational GREENTEGRA strategy is launched.
Sociedad Eléctrica Santiago Spa, including Renca, Nueva Renca, Los Vientos and Santa Lidia plants, and Compañía Transmisora del Norte Grande S.A. are sold.
Los Cururos, Coquimbo, Chile

2020 • The company announces an investment of US\$ 1,800 million in solar and wind power projects for 1,600 MW in Chile and Colombia.
AES Gener anticipates the retirement of 322 MW from its Ventanas plant, by requesting the withdrawal of Units 1 and 2 from the complex as from December 29, 2020.
The company inaugurates its Smart Center, which allows remote operation of all plants in Chile and is used as a digital innovation hub.
Smart Center, Chile



Letter from the Chairman of the Board and the Chief Executive Officer

[102-14]

Dear Shareholders,

Without a doubt, 2020 was a very challenging year as a result of the crisis caused by the Covid-19. The pandemic has radically transformed our lives and demanded agility and flexibility from the corporate world, without disregarding our purposes and principles to achieve our goals.

AES Gener's case is not different, since the beginning of the pandemic, our mission and values have guided our action. The safety of our employees and their families, meeting our purpose of delivering reliable energy, and working together for a sustainable reactivation in the countries where we are present, have been the priorities of our company.

While we were not immune to the impacts and challenges imposed by the global outbreak of COVID-19, the results and achievements of 2020 highlight the resilience of our business model, operations and collaborators. The digitization process we started in 2018 allowed us to be better prepared and to have the tools we need to work remotely and operate our power plants efficiently. In this regard, the start-up of the Smart Center, a remote operation center for our plants in Chile, was key.

The pandemic highlighted the fragilities in which we live and the importance of working together to achieve the goals of development and prosperity that we want as a society.

In 2020, it affirmed the core commitment of our Greentegra strategy to support renewable energy. The path to an emissions-free future will not be free of challenges, but at AES Gener we do not envisage an energy world that is not fully renewable.

The acceleration in our transformation supports our commitment to work together against climate change, which is much more than our commitment, it is the mandate of our society and we assume it.

During 2020, we have rapidly advanced in the execution of our Greentegra strategy and its three core objectives: to make the electrical supply more sustainable and competitive, to reduce our portfolio's carbon intensity, and to strengthen the company's investment grade.

In the year, we signed several contracts that will be supplied by our growing renewable portfolio, including solar, wind, and hydroelectric power, and batteries. Many of these contracts are helping to make mining and the oil sector more sustainable, one of the most important productive sectors in Chile and Colombia.

An example of this are the contracts entered into with the mining company Teck, whose target for its operations in Chile for 2030 is that all its consumption will be supplied with renewable energy. The agreements include the supply to Carmen de Andacollo mine and the operation of Quebrada Blanca 2 mining project, one of Chile's most important ones. We also executed renewable agreements with Minera Los Pelambres and Sierra Gorda.

In Colombia, we will deliver renewable energy for 15 years to Ecopetrol's subsidiary, Cenit, through San Fernando solar project, which was awarded to us in 2020. San Fernando has joined the Castilla project, already in operation, since 2019.



We are also contributing to the responsible energy transition in the markets where we operate and its sustainable reactivation through the implementation of our strategy and renewable energy investment plan.

During 2020, we announced investments to finance our growth in renewable energies for almost US\$ 3 billion, which promotes the transformation of our portfolio with the incorporation of solar, wind and battery projects for more than 2,300 MW in Chile and Colombia as of 2023. During the construction, we will be generating approximately 7,000 direct jobs.

A significant portion of the resources needed to finance the green growth during 2020 were obtained through the monetization of our coal assets with the early termination of the contracts of subsidiary Angamos with BHP subsidiaries, and also with the incorporation of Toesca as a partner in the property owned by Cochrane.

This has allowed us to have the necessary liquidity and reduce the amount of the capital increase to US\$ 306 million, which was successfully executed early in 2021.

Along with the new investments, we also made significant progress on the projects we have under construction. In this way, Andes Solar IIa (80 MW), the most efficient solar project in the world, started to operate.

In addition, Alto Maipo (531 MW), Chile's most important renewable energy project completed the excavation of the 74.6 kilometers of tunnels in early 2021 and is moving forward on a schedule to start commercial operations in the second half of 2021. Meanwhile, the Los Olmos and Mesamávida wind farms (178 MW) continue to make progress and start operations in the coming months.

Construction began in three major projects, for 365 MW: Andes Solar IIb, Campo Lindo and San Fernando. Campo

Lindo (73 MW) a wind project in the Biobío region. Andes Solar IIb will have 112 MW of lithium battery storage, the largest in Latin America. San Fernando (59 MW) will be Colombia's largest self-generation solar plant when it starts operating in 2021 by supplying power to Ecopetrol.

Innovation is a fundamental part of the solutions we offer and continue to incorporate into our projects. During 2020, the Virtual Reservoir, a world-pioneering project that is the first energy storage system integrated into a run-of-the-river hydroelectric power plant, started to operate. We also announced that AES Corporation chose the Andes Solar IIb project to test Maverick technology, which is intended to develop the way photovoltaic parks are built all over the world by reducing the construction time to one third and doubling the power per square meter.

In line with our goal of reducing the carbon intensity of our portfolio, we reaffirm our commitment to accelerate the retirement of our coal-fired plants at the earliest date the system allows, after meeting our contractual commitments.

In line with the above, by 2024, we will have closed, sold or dissociate from our contractual obligations 72% of our coal generation capacity. As of December 29, 2020, in advance of our commitment in more than two years, we requested the withdrawal of Units 1 and 2 of the Ventanas Complex, which results in a reduction of approximately 2,000,000 tons of CO₂, equivalent to withdrawing 800,000 vehicles from the Chilean streets.

Our performance and sustainable management was recognized for the sixth consecutive year, with our inclusion in the Dow Jones Sustainability Index Chile. Moreover, for the second year, we were included in the Latin American Integrated Market Index (MILA) which measures the performance of corporate markets in the Pacific Alliance countries. We were also recognized as a great place to work in Chile, Argentina and Colombia.

Our mission and values have guided our action.

The safety of our employees and their families, meeting our purpose of delivering reliable energy, and working together for a sustainable reactivation in the countries where we are present, have been the priorities of our company.

Neither our achievements nor the completion of our mission to improve lives by delivering safe and sustainable energy would have been possible without the great commitment of our workers.

This year, more than ever, we took every precaution to keep them safe and protected. The safety measures and protocols, along with the support programs we implemented, have been effective and allowed us to fulfill our purpose of delivering reliable energy to Chile, Argentina, and Colombia.

We also reaffirm our commitment to maintain the presence of women in our workforce, which allowed us to close the year with 16% more than the previous year.

We appreciate your trust and the trust of our shareholders, our customers and business partners, the support of our partners Toesca, GIP, WEG, Mitsubishi and Strabag and the commitment of each and every one of our employees for the great contribution to the company in this transformation process.

Working together, companies, employees, contractors, communities, and authorities will continue to contribute to the sustainable development of Chile, Argentina and Colombia.

We are committed to accelerating the future of energy together.

Thank you for your confidence.



Julián Nebreda

Chairman of AES Gener Board



Ricardo Manuel Falú

Chief Executive Officer of AES Gener





1. Description of a Sustainable Business

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1.1 Our Strategy: Accelerate a Safer and more Sustainable Energy Future

1.1.1 Greentegra | 2018-2024

The energy sector is going through a period of great change and transformation, guided not only by technological developments and innovations, but also by the reality of climate change.

At AES Gener, we are a key player in that transformation and in 2018 we defined our transformational Greenegra strategy that, with sustainability as a cross-cutting basis, would enable us to efficiently manage the risks and opportunities of the current and future context, and generate value for all our stakeholders through three strategic objectives:

Guided by our mission to *improve lives by accelerating a safer and more sustainable energy future* and by our values, we will become the leading renewable company in South America.

With the execution of Greentegra, by 2024 more than half of our generation and two-thirds of our EBITDA will come from renewable energy sources. Thanks to the integration of renewable projects into our portfolio and a gradual and responsible decarbonization process, our CO₂ intensity will be reduced by 44%. We are committed to our coal-fired plants not remaining in operation for a single day longer than our contractual obligations require and as needed by our electrical system for reliability purposes. In addition,

Turn AES Gener into South America's leading renewable company.

Strategic Goals

Decarbonize the supply of electric power to our customers

Reduce **CO intensity₂** in our portfolio

Strengthen our **investment grade**



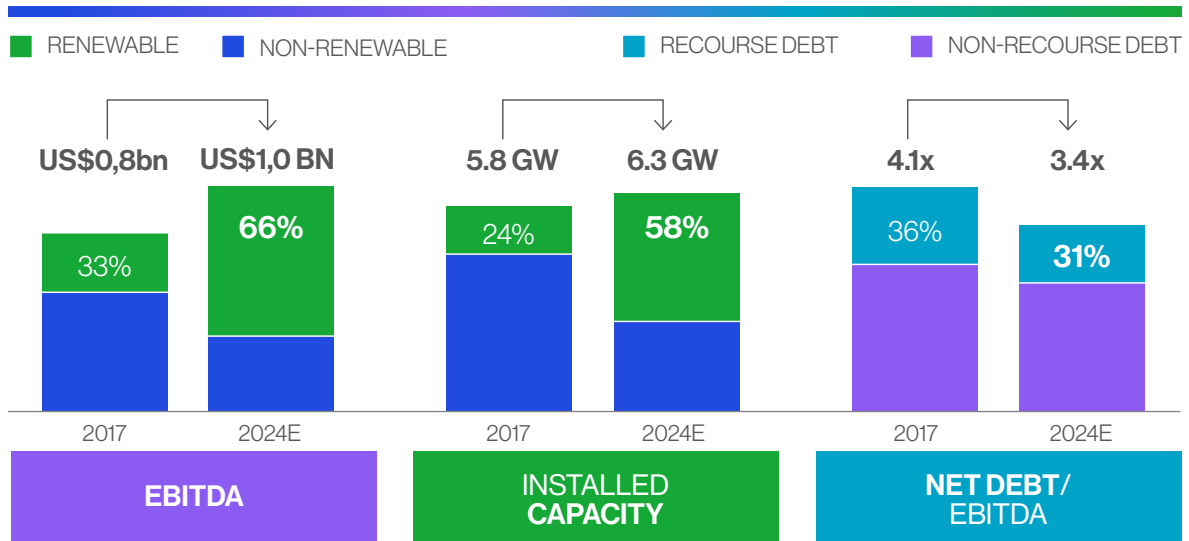
by 2024, we will have strengthened our Investment Grade by optimizing our net debt level over EBITDA by less than 3.5 times, thanks to a strong financing strategy of our transformation and an efficient debt management.

The value of strategic discipline.

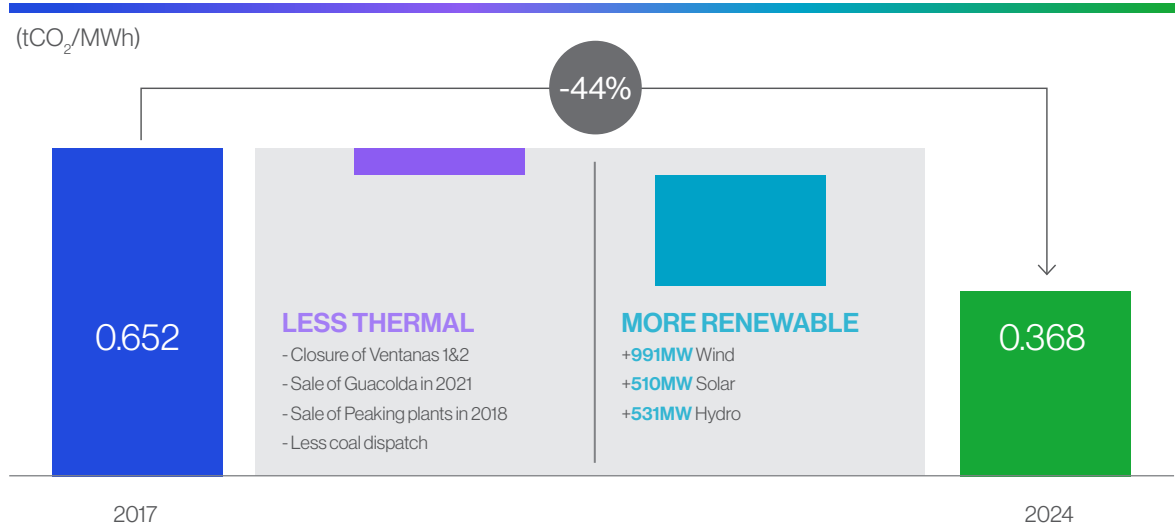
The sustainable management of our business was demonstrated during 2020, when despite the worldwide

situation as a result of the COVID-19 pandemic, we made progress in achieving our goals. We accelerated our decarbonization plan in Chile and entered into renewable energy contracts with our clients that will allow us to continue growing both in Chile and Colombia, and the construction of our renewable projects were not subject to any significant delays. We also secure financing for almost all the projects that will begin construction soon and will allow 2.3GW of new renewable capacity to be added to our portfolio by 2024.

Proforma for 2024 based on achievements up to 2020



Carbon emission reduction



Our Customers

Our business partners are always at the center of our decisions and we focus on their needs to deliver innovative energy solutions that add value, increase their competitiveness, and enable them to meet their sustainability goals. We explore, co-create, and jointly develop projects based on five business solutions that are part of Greentegra: Coal to Green, Blextend, Transflex, GenerFlex and WPA.

During 2020, we entered into agreements for 4TWh/year of renewable energy which, together with what was previously executed since the beginning of Greentegra, add up to 10.5TWh/year in commercial agreements with both existing and new customers, delivering innovative and competitive solutions to contribute to the achievement of their sustainability goals.

Greentegra

COAL to GREEN

De-carbonizing the supply of our customers

BLEXTEND

Extending our business relationships

GenerFlex

New customers, new energy solutions

WPA

Water desalination

TRANSFLEX

Integration of batteries into transmission Lines

Our Portfolio

The execution of these new contracts will enable us to execute our renewable transformation in a sustainable and competitive way, integrating into our portfolio 2.3GW of new emissions-free capacity by 2024. Also, by that year we will have reduced our generation with coal-fired plants by 54% and, as a result of both achievements, we will have significantly reduced our intensity of CO₂.

In 2020 we announced that our coal-fired plants, Ventanas 1 and Ventanas 2, for a total of 322MW, will cease operations. Working together with authorities, communities and employees, we managed to significantly accelerate this milestone planned for 2022 and 2024, in the voluntary decarbonization agreement entered into in 2019, reinforcing our commitment to the sustainability of the markets where we operate.

At the same time, during 2020, the following projects started to operate: Andes Solar Ila plant with a capacity of 80MW in the Atacama desert started to operate, whose innovative

double-sided panels and conditions in the region turn it into the most efficient solar project in the world; and Virtual Reservoir, a lithium battery system of 50MWh (10MW per 5 hours) integrated to a run-of-the-river hydroelectric plant in our Cordillera complex, which will make it possible to store and inject energy into the system at a time when renewable energies are not available to replace the use of thermal plants.

This project pioneered the integration of these technologies all over the world, and it was awarded the first innovation award in the category Electric Companies presented by Avonni in Chile. Once Alto Maipo started operating in the second half of 2021, and Virtual Reservoir expands to its full potential, Cordillera Complex will provide 802MW of emission-free capacity plus 1,250MWh of battery-stored energy to the Chilean electrical system.

For new projects, the year ended with 1,133MW under construction, which progress according to the plan to start delivering emission-free energy during 2021 and 2022.



Chile



ANDES SOLAR IIa
80 MW



ANDES SOLAR IIb
180MW + 112MW - 5hr



LOS CURUROS
110 MW



ALTO MAIPO
531MW | COD 2021



VIRTUAL RESERVOIR
10MW - 5hr



CAMPO LINDO
73MW | COD 2022



MESAMÁVIDA
68MW | COD 2021



LOS OLMOS
110MW | COD 2021



SAN FERNANDO
59MW | COD 2021

Colombia



CASTILLA
21MW | COD 2019

Bogotá

And more than 621 MW* renewable energy under development

And more than 264 MW* renewable energy under development

- Under construction
- Under operation

• For more details of each project see Chapter 3, Our Projects under Construction and Development.

• COD: Commercial Operation Date

*Capacity under development with contracts.

Our Investment Grade

In order to incorporate the 2.3GW new renewable energy capacity into our portfolio, we are investing more than US\$3 billions in Chile and Colombia between 2019 and 2024.

We have developed an efficient financing strategy that includes the integration of partners, the contribution of our shareholders, debt and cash from the sale of non-strategic

assets and our operations. In this way, we already largely secure the resources needed to achieve this growth.

Thanks to this, and to an effective management of our liabilities, we are strengthening our Investment Grade rating, and we will meet the 2024 target of having a balance between Net Debt and EBITDA of less than 3.5 times.

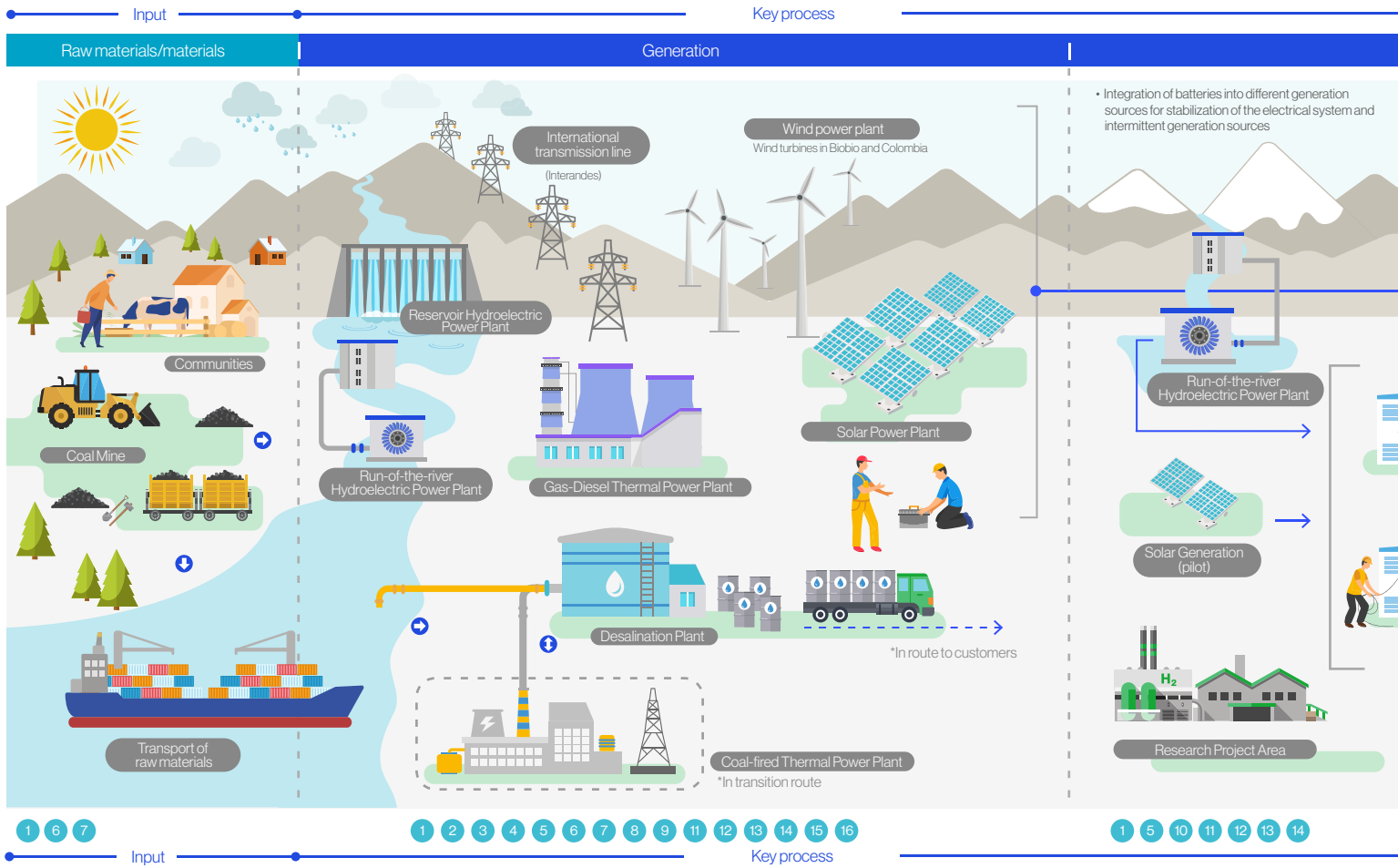


Together with our customers, partners, authorities and communities, we are **accelerating the future of energy**. Committed to the **sustainable reactivation** of the countries where we operate, our strategy is evidenced by our contribution to **local development**, generating employment and creating value for all our stakeholders.

We have confirmed the resilience of our Greentegra strategy by making steady progress in its implementation despite the challenges generated by the pandemic, ensuring the **renewable transformation of our company** by 2024.

Business Model

To improve lives by accelerating a safer and sustainable energy future



Capital



Financial Capital

It consists of the generation of cash from our businesses, capital contributed by our shareholders, issues in the capital market and bank loans.



Intellectual Capital

It consists of the reputation of the brand, the deep knowledge of the businesses where we operate, knowledge and ability to develop new technologies, products and services that generate competitive advantages and business improvement.



Productive Capital

It consists of the facilities and equipment of our operations, generation plants, transmission infrastructure, and renewable energy structures.



Human Capital

It consists of the skills, experiences and capacities of our workers, collaborators and the operational history of the group's operational units.



Social and Engagement Capital

It consist of the ethical and transparent engagement commitment of the companies and their stakeholders, which are key to the growth, development and continuity of AESGener and represent our social license.

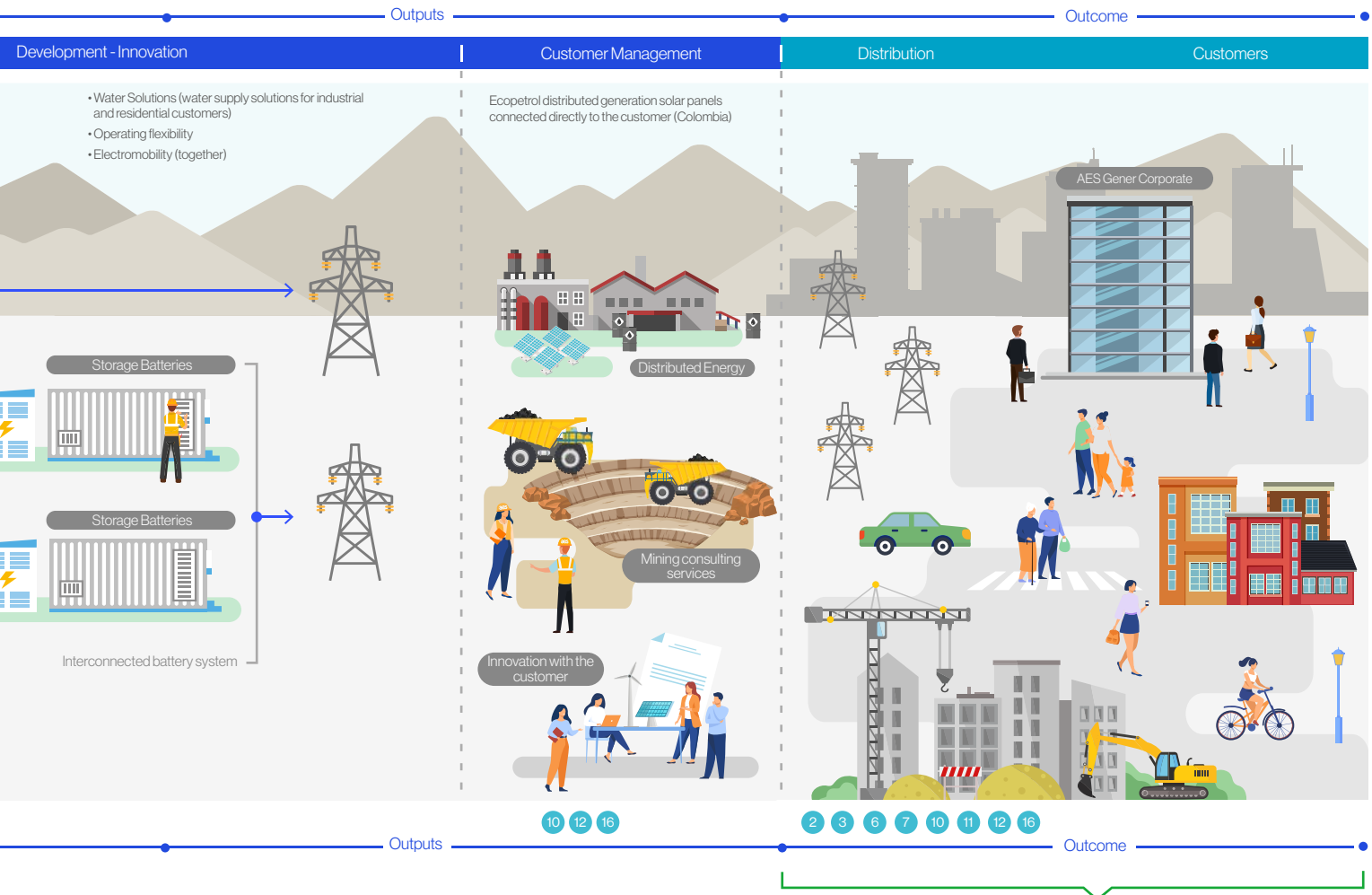


Environmental Capital

It consists of natural, renewable and nonrenewable sources which are used/consumed by our operations. Natural sources are essential and we understand that they are part of an ecosystem (water, coal, fuel, sun, etc.). Our operations generate waste, including greenhouse gases, which in turn contribute to global warming.

Material Issues

- 1 Biodiversity
- 2 Environmental regulation
- 3 Air emission and quality
- 4 Availability and management of water
- 5 Decarbonisation of the energy matrix and renewable energy diversity
- 6 Climate change strategy
- 7 Economic performance, profitability and value creation
- 8 Operational excellence and efficiency
- 9 Responsibility in the supply chain
- 10 Customer relationship and customercentric management and impact on products and services
- 11 Corporate governance, reputation, ethics and transparency
- 12 Business model and regulatory environment
- 13 Health and safety of workers
- 14 Management of people, diversity and equal opportunities
- 15 Development and involvement with communities
- 16 Information security / Cybersecurity



Our Results - Outcome

INVESTORS AND SHAREHOLDERS



- EBITDA 2020 US\$1,045M.
- Risk Rating: Baa3 / BBB- / by Moody's, S&P and Fitch.
- Distributed dividends US\$ 310M (2020).
- Goals to 2024: Increase renewable generation capacity in our portfolio to 51%.

WORKERS



- Payment of wages and benefits US\$ 71.6M
- Own Staff Lost Time Accidents: 0
- Occupational examinations of our staff.

CUSTOMERS



- Energy sold to customers 21,334 GWh.
- Number of customers +300 Chile, Argentina, Colombia.

COMMUNITIES



- CLP\$1,338,573,291 in social investment (considers Chile only).
- Participants: 73,818
- Public accounts

SUPPLIERS



- Payment to AES Gener Suppliers US\$ 1450 million
- Track No. of AES Gener Suppliers: 3,096
- 100% contract compliance >US\$ 100,000

ENVIRONMENT



- Ventanas 1 in ERE since December 29, 2020
- Request to close Ventanas 2 delivered to Chile's National Electricity Coordinator
- US\$496 million investment in renewable energy in 2020

1.2 Sustainability Strategy and Management

At AES Gener, sustainability management is critical to both our strategy and our culture. Our goal is to perform our role in the responsible generation of energy by seeking to strengthen our relationship with stakeholders day after day, and to contribute to the sustainable development of the communities where we integrate ourselves.

Working with our communities, partners, and customers, we are committed to improving our carbon footprint through both short- and long-term goals, and lead in the innovation of new technologies that also empower others and enable them to achieve their goals.

Sustainability is an integral part of this process, which manages risks and opportunities and generates material impact through the three Greentegra objectives, as described in 1.1. Our Strategy.

We have sought to gather the requirements contained in the corporate policies, local regulations, and international standards (ISO 14001 and OHSAS 18001) to develop our own integrated management system, called GENERA, which handles environmental, occupational health, and safety topics. GENERA covers all the operations of the Company and all of its affiliates in Chile, Argentina, and Colombia; and its environmental management systems are consistent with the requirements of The AES Corporation ENV-3 Protocol.

The tools of The AES Corporation that we replicate locally to facilitate the incorporation of sustainability into our business are the Environmental Policy and the EHS (Environmental, Health and Safety) Standards, which establish performance requirements to complement the local regulations applicable to each business. Another

example is the Code of Conduct that regulates the actions of all the people who work in our Company, ensuring compliance with the best practices or the Human Rights Policy.

During 2020 we have implemented a set of tools and instruments whose aim is to strengthen the sustainability management and to continue to follow the best practices in terms of sustainability and ESG. This process considers the design of a Sustainability Management System for the Chief Corporate Affairs Officer with the following goals:

- Identify gaps — we will identify work-planning gaps existing between the current situation and the required situation for the management of the Social Dimension criteria under the Dow Jones Sustainability Index
- Develop management indicators and tools — we will develop Key Performance Indicators (KPIs) to measure the social impact of the Company transactions and we will establish certain goals to measure the progress of social initiatives. In addition, we will develop tools to improve the management, monitoring, and reportability of the social dimension performance under the index
- Strengthen our communication mechanisms with communities throughout the life cycle of our projects. Meeting early and voluntarily with communities in the area of influence, reporting on the evaluation stages conducted by the authorities, and implementing complaint and feedback procedures with our neighbors

1.3 Transformation and innovation to improve lives

[103-1, 103-2, 103-3]

We understand innovation as the creation and capture of value for our business through the development of new solutions for our customers and the markets where we operate, and the improvement of processes and introduction of technologies to cause our operations to be efficient.

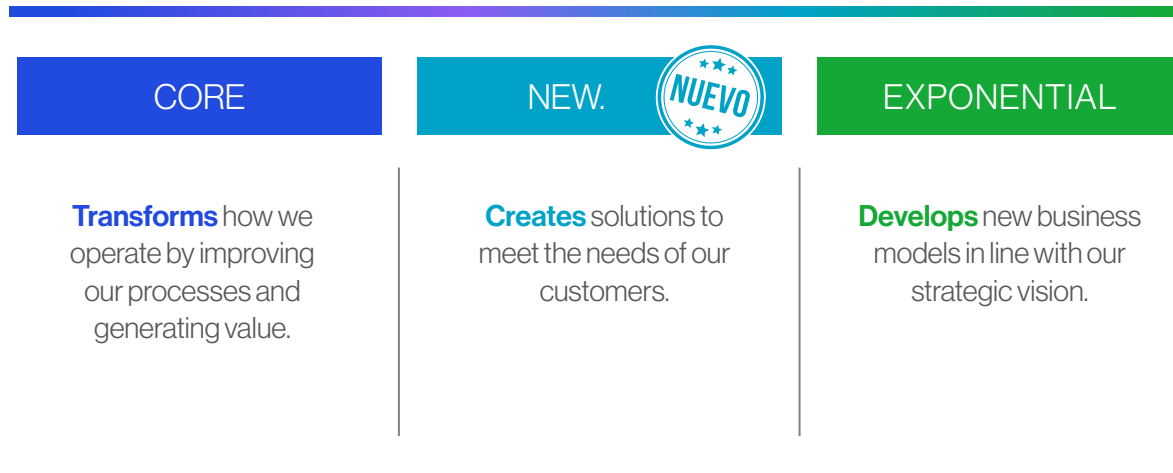
The innovation is stimulated throughout the company and we live it through three pillars to focus processes and

governance on the specific development of effective solution projects, both for our operation and for our customers.

We are dealing with Core, New and Exponential Innovation Systems that work with independent focal points, but sharing synergies and methodologies.



AES GENER INNOVATION SYSTEM



1.3.1 Core System

The Core System seeks to develop initiatives to improve our internal processes by transforming the way we operate and streamlining our internal management, working under the APEX (AES Performance Excellence) program and for the strategy defined by AES Corporation.

APEX Project Highlights

The Core System developed and implemented 24 APEX improvement projects that allowed to streamline processes in different areas of the business with significant benefits for the operation. Three projects under this pillar were highlighted by:

- a. evidencing the use of methodologies to identify sustainable solutions over time,
- b. having benefits associated with increased productivity, avoided costs, reduced revenue or costs, and
- c. being aligned with our strategy.

These projects are detailed below:

Credit Risk Management: supporting the commitment to the client

Considering portfolio diversification and the challenging needs of our customers, we sought to improve the efficiency of credit risk management and boost the digital transformation of our internal processes to ensure timely responses to our customers, having unique sources of information and centralized monitoring of both the credit rating of each client and the guarantees of our contracts.

We develop and implement digital platform by incorporating artificial intelligence for greater agility in identifying, controlling and mitigating portfolio exposure and guarantee follow-up, in addition to a better, real-time understanding of our customers' portfolio exposure, in order to achieve better performance to meet their needs according to our customer-centric strategy. The solution

allowed our risk team to reduce analysis execution time and manage an exponential volume of customers with better business decisions.

4R: Improved in material preservation

Developed for the comprehensive care of spare parts by improving the material preservation process to ensure the reliability of our assets and the commitment to our customers.

After a detailed improvement identification analysis the project managed to:

- a. reduce material storage space,
- b. create maintenance plans for spare parts,
- c. identify and install an automatic system to ensure optimal environmental storage conditions for more than 7,500 types of materials and
- d. correct inappropriate storage conditions of some materials.

In this way, we avoid incurring in significant costs for obsolescence and storage of materials.

Renewable Features

In line with our purpose, we generate a business plan on the different renewable features existing in the market, focusing on International Renewable Energy Certificates (I-REC) and Carbon Credits, by addressing aspects such as market analysis, sales prices, reportability, standardization of processes and contracts, among others.

We hear our customers regarding their need for sustainable solutions and take the lead in the market by improving the profitability of our renewable plants and adding even more value to our customers through a tool to compensate for CO₂ emissions.

Part of 2019 and during 2020, we commercialized I-REC certificates and made the first two sales in Chile for

carbon credits due to the 2014 and 2015 generation in Los Cururos plant. In the near future, we will issue carbon credits for the 2016-2020 generation.

High Impact Innovations for Sustainable Growth

We introduce large-scale technologies in the markets where we operate, favoring the integration of renewable sources into the energy matrix and supporting the sustainable growth of new customers in the region, being at the forefront of changes in the electricity market to deliver comprehensive, reliable and clean solutions to our customers.

Storage

We are pioneers in the implementation of battery storage technologies in Chile. As a complement to our thermal power plants, we made the first batteries available to the National Electricity Coordinator in 2009 to provide the primary frequency control service. In 2020, we shaped this technology as an important and useful tool for our growth strategy, materializing large-scale projects that consolidate the growth and maturity of these technologies in the country:

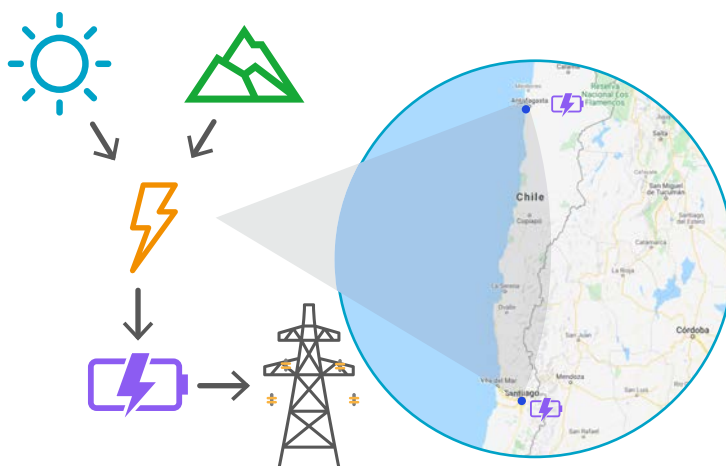
Virtual Reservoir (Stage 1)

It allows to store the energy generated by a run-of-the-river hydroelectric plant in our Cordillera Complex replacing the need for a water reservoir. With an initial storage capacity of 50 MWh, this type of virtual reservoir is the first of its kind in the world and will allow us to contribute to the stability of the electrical system with add-on services such as reserve and formation of islands for contingencies. The stored energy will allow the system to replace conventional fossil-fuel power plants during peak hours to reduce greenhouse gas emissions and operating costs.

Andes Solar IIb

It includes the construction and operation of a storage system associated with the photovoltaic project with a capacity of 560 MWh, turning it into the largest battery-based project in Latin America. Thanks to its high storage capacity, it will not only inject clean energy into the Chilean electrical system during solar power production hours, but also when the grid needs it most, replacing the fossil-fuel-based technologies necessary for the peak hours of the system.

Storage Batteries in Chile



In addition, we are developing other storage projects both in Chile and Colombia, which aim to complement flexibility in the generation sector and to ease restrictions on the transmission sector, by providing value to our customer operations through schemes for the intelligent use of stored energy intended for consumption.

Desalination Plants

The desalination projects adjacent to our thermoelectric plants in Chile generate value by providing a new source of water available in the face of water stress from droughts in the regions where we operate.

Innovation focuses on maximizing the use of authorized and operational electrical infrastructure as a new line of business based on the commercialization of industrial water, in line with the challenges of water scarcity and in direct collaboration to realize a technological conversion process toward a sustainable business that gives strength to the decarbonization process.

The Environmental Qualification Resolution (RCA) we have obtained for our Desalination Project in Ventanas (Desal Ventanas) in 2019 is a strong validation of this new line of business.

Electromobility

The move to electric mobility is one of the greatest revolutions worldwide and also in Latin America, where Chile is an undisputed leader in the area.

We are moving forward in the transformation of our internal personnel transport fleet by hiring the first electric buses for the Ventanas Complex and we already installed the loading stations for the beginning of their operation in 2021, as an initial kickoff of the transformation of the rest of the complexes.

These buses will be part of a contribution to the communities where we operate since we will make them available for free in different routes to be agreed with each of the communes. We are also working with our customers to provide solutions for making progress in their electromobility strategies.

Extension of Chivor plant's useful life

Our Chivor Hydroelectric Power Plant in Colombia has more than forty years of operation and the natural

sediments of the reservoir are already reaching the level of the current intakes. We continue with the construction of additional intakes to extend the useful life of the plant in at least 50 years with the advantage that the construction can be carried out in greater proportion over the minimum level of operation and progressively investing according to the commissioning requirement of each intake. This is the first time a modification of this nature was made in a hydroelectric plant with the characteristics of Chivor.

Digital Transformation in our Operations

In Chile, during 2020, innovation was part of our digital transformation strategy under which we capitalized the benefits of implementing our Smart Center (Smart Operations Center), which is the seat of the convergence of processes, people and technological tools to, among other things, centralize the remote operation of our operations using the ROCC (Remote Operation Control Center).

This tool allows us to carry out remote and centralized maneuvers in our existing plants in Chile, optimizing costs, improving performance and expediting dispatch decisions in order to ensure a reliable, safe operation in accordance with the requirements of the system, to become a true break of paradigms concerning the remote operation of generation units that have been locally managed for more than 20 years.

Additionally, as part of the Smart Center, during 2020 we started to operate the Performance Monitoring & Analytic Center (PMAC) for continuous and online asset performance monitoring, i.e., early detection of failures and efficiency losses, in-depth investigation of causes, and timely submission of recommendations for their implementation. By 2021, we will incorporate Advanced Analytics and Artificial Intelligence tools to make our decision-making capabilities more agile and reliable.

Moreover, during 2020 we completed the implementation of the emissions information integrator system for all our thermal power plants with CEMS in Chile (INERCO



Smart Center in Chile



PaaS), a system by which we also implemented the online connection with the Superintendency of the Environment (SMA) for the visualization of instantaneous information from stacks, as well as historical data and air quality monitoring stations.

On the other hand, state-of-the-art technology and robotic equipment, such as drones and ROVs (Remotely operated Vehicles), are already part of our basic tools of daily operation and predictive and corrective maintenance in our plants. We thus support the activities of system inspection, areas of difficult access and confined spaces, allowing us to collect integrated data with which, through the use of Automatic Learning and Artificial Intelligence technologies, we have been able to predict possible failures and generate maintenance routines with their consequent and significant savings in forced outages due to failures.

Digitalization and the Environment

In the area of Environment we have worked since 2015 in digital tools to support the management of environmental

compliance and its reportability to the authority, seeking to improve the tracking of goals and objectives and to centralize access to evidence of compliance with rapid delivery of timely and reliable information.

By the end of 2020, we initiated the pilot project for the implementation of an automated Monitoring, Reporting and Verification (MRV) platform for CO₂ reductions generated by renewable energy plants and other clean technologies.

The project was developed in partnership with a technological start-up that aims to facilitate, streamline and strengthen monitoring and MRV processes, together with the future possibility of making tangible and capitalizing environmental assets or carbon credits for non-conventional renewable energy projects. For instance, these carbon emission reduction records, hand in hand with clean energy generation, will be kept in blockchain to ensure immutability and traceability and will allow easy access to the information required to meet our legal and reporting commitments in a reliable and transparent manner.

Customer Innovation and Management

Seeking to leverage our customer-centric business strategy led us to continue improving in 2020 to support our processes and practices in automating the Customer Relationship Management (CRM) and Energy Trading Risk Management (ETRM) platforms. As both CRM and ETRM have a global reach for the AES Corporation we are strongly supported by and integrated with the other group companies in their digital transformation challenges. We also achieved strong development in the implementation of local tools to increase the productivity of core middle office and back office processes and thus focus efforts on innovation and on finding solutions in partnership with our customers.

Partnerships with Research and Development Centers

We are moving forward in the process of transforming our models of short- and long-term market projections with the integration of an agreement with the Faculty of Sciences and Mathematics of the University of Chile that, in coordination with its Energy Center, allows us to incorporate the latest generation tools in the future operation modeling of the Chilean electrical system, including a time detail with restrictions that were not considered in traditional long-term planning models. This is particularly relevant because of the high penetration of renewable energy sources and will allow us to better manage the risks and capture strategic advantages.

1.3.2 New System

The New System seeks to develop solutions or products to meet the needs of our customers by accompanying them in the path of energy efficiency. During 2020 we implemented it locally with strategic support and guidance from the AES Corporation.

Led by the Transformational Solutions area, it has an Innovation Committee, headed by the President of the South American region for AES and the participation of

the leaders from each country, which holds meetings every month to give support and strategic guidelines to the projects that go in this line.

In 2020, we worked on establishing the System's development bases, establishing processes and governance, and training teams that will be developing highly competitive products in the short term.

We also define innovation challenges in line with our strategy and the opportunities detected in our customers, allowing us to focus on customer-centric initiatives. Some of the projects in the process of being sales products for our customers are in the field of energy efficiency and green hydrogen development, aligned with our decarbonization business strategy.

During 2021 we will be more intensive in our external innovation relationship, capitalizing on the availability of technologies and solutions from different countries to expand our options and strengthen our proposals.

Demand Response

In recent years, customer relationship in the energy industry has changed dramatically with an increasing demand for complementary solutions and a more comprehensive service. Considering this need, our business team was focused on developing "Demand Response," which allows commercial and industrial consumers to answer to market signals by increasing or reducing their energy consumption.

We develop an optimal business model to enter into negotiations and to analyze and study alternatives to select those that are most beneficial for the company and the stakeholders. With a view that by reacting to the peaks of electricity supply or demand, our customers have the chance to generate new revenues and capitalize on their assets, creating greater flexibility and stability in the grid and promoting a more efficient use of infrastructure and energy resources. To open the window of opportunities in this market is to give our clients the tools to generate value and competitiveness, building a synergy with the development of the business.

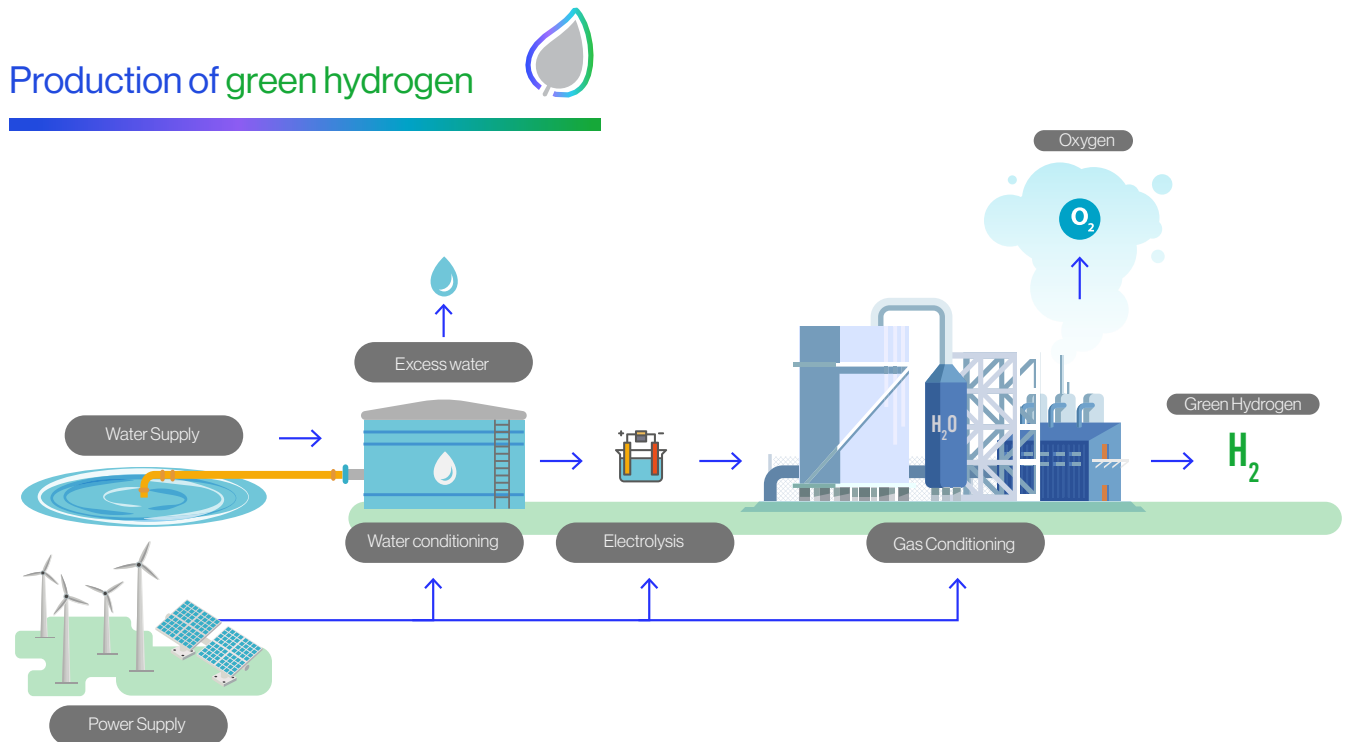
With this project, we generate new revenues for our company, attract potential customers for both the demand response program and the cross-sale of energy, and strengthen our business relationships, moving forward in our pursuit of transforming the relationship between companies and the electrical market and to make our customers an active part of the change.

Green Hydrogen

We are working on business model analysis for green hydrogen projects. In this context, we submitted a project route that aims to start small-scale green hydrogen

production for self-consumption in the short term, making it possible to accumulate knowledge, disclose minor industrial operations, and reduce CO₂ emissions from assets in service.

The plan is aimed at developing the basis for industrial scale projects in the short to medium term (2025) that allow the commercialization of green hydrogen and byproducts as a complement to decarbonization.



1.3.3 Exponential System

The Exponential System is under the umbrella of AES Next, a company of The AES Corporation created to develop new technology-focused businesses.

Some areas of interest are the digitalization and application of clean energies in the industries. AES Next has an Incubation Committee that defines innovation focuses and investment amounts, where AES Gener is represented by the Chairman of the Board.

This system seeks to generate strategic insight units that allow us to develop new lines of revenue in areas that are even outside our core business. From this perspective, initiatives such as the partnership with Fluence, as an ally in our battery storage development, and Uplight, as a partner in the development of a digital customer relationship platform, have emerged.

Uplight Digital Platform

Uplight is the leading provider of digital energy efficiency and demand management solutions in the United States. In line with our customer-centric strategy, in December we implemented our digital customer relationship platform by activating a pilot in Chile. For 2021 we expect its development and expansion to our customer portfolio in Chile and Colombia and the platform will allow us to offer a solution with easy access to consumption and billing information, in addition to accompanying our customers in the best decision making process to streamline their operations.



Ventanas 1 Disconnection Ceremony

1.4 Risk Management

[102-11, 102-15, 102-29, 102-30, 103-1, 103-2, 103-3, 201-2]

When we speak about risk, we refer to situations where there is a chance to change with respect to an expected outcome and we have identified it as a strategic process to manage it with **responsibility, effectiveness and efficacy toward profitable growth** and the addition of value with a focus on our stakeholders.

Our Risk Management strategy is consistent with the best practices implemented with the AES Corporation AND seeks to both to safeguard the stability and sustainability of the Company and to ensure the feasibility and effectiveness in the execution of the strategy taking into account all the relevant uncertainty components, in normal and special circumstances.

The company's risk unit performs qualitative and quantitative scenario analysis through its Xstrategy and Multiple Views of the Future business risk management processes, considering contexts that relate to the impact of geopolitical and economic alliances, and the regulation in the electricity sector, which includes Environmental, Social and Governance (ESG) issues that could affect the implementation of the strategy and its outcomes.

1.4.1 Risk Governance

The Risk Management Committee, with the permanent participation of our Chief Executive Officer and Chief

Risk and Strategy Officer, is responsible for identifying, analyzing, evaluating, and monitoring the risks and reporting the results to the Board for strategic risk analysis.

This area pursues the following goals:

- Establish, manage, and govern our risk management policies and procedures.
- Implement guidelines and standards to identify, analyze, measure, manage, and report all inherent and residual risks of the businesses and markets where we operate.
- Establish the necessary controls to regularly anticipate any variation of expected earnings, and make the decisions necessary to mitigate any impact.
- Set the risk management roles and responsibilities of each business and in every area where we are present.

- Promote a culture of risk to make the understanding and mitigation of risk part of the daily lives of each of our businesses.
- Manage our Enterprise Risk Management program.

1.4.2 Enterprise Risk Program Management

In our second year with the Enterprise Risk Management Program, we continue to analyze the state of the risks culture in the company and identify and analyze strategic and tactical risks that divert us from the performance of our strategy.

We entrusted people with risk management responsibilities, we created action plans and we implemented a systematic follow-up of any action plans, as reported in the Risk Management Committee. Once the action plans have been implemented, we carried out the annual review of the state of culture.

Risk Model

Our guidelines and systems are intended to handle, mitigate, and transfer the potential risks to which our business is exposed, with a model made up of three lines of defense:

1. The Risk Area establishes the policies and procedures and gives advice to the areas for the creation of a risk culture.
2. The Internal Auditing Area is an independent area that evaluates the design and effectiveness of the action plans to mitigate risks by establishing recommendations to improve processes.
3. The Managerial Control of each area, with their respective monitoring and follow-up resources, manages the risks during our regular course of business.

Considering the transition to a new business model within our Company, aimed at increasing renewable capacity in our portfolio, the sustainability risk is also part of our comprehensive risk analysis.

Risk Measurement

In AES Gener we have developed methods to measure the effectiveness and efficiency of risk strategies both prospectively and retrospectively.

We use and document various qualitative and quantitative measurement methodologies to adjust risk mitigation strategies and assess impacts.

Within the quantitative methodologies, we have:

- Maximum Potential Exposure (MPE).
- Conditional Value at Risk (CVaR).

Sensitivity Analysis and Stress Tests

We continuously monitor, in all of our businesses, the topics related to exposure to water stress, solar radiation, wind speed, and other possible impacts on the price of energy and our financial results.

To inform stakeholders about the strengths and resilience of the global business portfolio, the AES Corporation published its second climate scenario analysis report in accordance with the Task Force on Climate Financial Disclosures (TCFD) recommendations.

The report includes a discussion of the strategy of The AES Corporation and an approach of risk management regarding the treatment of uncertainties and opportunities related to climate change, as well as the presentation of the stress analysis results for the global portfolio of the AES Corporation (including our businesses).

Full report at this [link](#).

1.4.3 Strategic Risk Analysis in our Value Chain



Strategic Risks

- | | | | |
|-----------------------------|--------------------------|---------------------------------|---|
| 1 Technological Change Risk | 7 Commodities Price Risk | A Potential Litigation | G Group Opposition that can delay Projects |
| 2 Climate Change Risk | 8 Credit Risk | B Market Negative Externalities | H Impossibility to reach agreements with trade unions |
| 3 Regulatory Risk | 9 Liquidity Risk | C Unfavorable Economic Cycles | I Safety of Computer Systems |
| 4 Risk of Natural Disasters | 10 Sustainability Risk | D Terrorism and Accidents | J Failures in external dispatch facilities |
| 5 Foreign Exchange Risk | 11 Other Risks | E Adverse Financing Conditions | |
| 6 Interest Rate Risk | | F Adverse Government Decisions | |

For more details on each strategic risk of our value chain, see Schedule 1.

1.5 Relations with Stakeholders

Stakeholder groups are defined as any society actors that can become affected by our corporate decisions and the goals that we set as a Company. Since 2018, we used two corporate management tools that provide the main guidelines for establishing the relations with stakeholders in the territories where we develop operations and projects: AES Corporation guidelines for stakeholder relations and guidelines for the development of sustainable social programs. Also, for several years, AES Gener has a Community Engagement Policy.

The Stakeholder Engagement Plan specifies a series of definitions aimed at forging meaningful relationships over the long term. The objective and scope of this engagement are defined with the creation of roles and responsibilities. Relevant actors are identified and forms of dissemination of information and external communication are established. Together with them, as from the earliest stages of the projects, consultation and complaint mechanisms are also implemented.

In the operations and projects we develop in Chile, we establish a transparent and continuous dialog process for our corporate management.

The responsibility for stakeholder management and engagement includes, without limitation, to:

- Identify stakeholders
- Distinguish the nature of their demands
- Analyze and collaborate to prioritize their demands
- Identify areas and actors of the company that are related to these groups
- Establish the operation or performance spaces of these groups

- Develop their responses at an organizational level
- Monitor, check and run the social investment programs, and
- Follow up initiatives by assessing their respective impact

For that purpose, we resort to engagement mechanisms, including face-to-face meetings, forums for dialog and participation; working tables; public hearings; publications in national, regional and local mass media; procedures for queries and claims; guided tours in our plants; publications on our website; letters, e-mails and phone calls; studies, surveys and measurements.

Moreover, we assume that the basic requirement is to comply with all the regulations in force, both legal and ethical, that are applicable to the Company.

The stakeholder identification and selection process are carried out by both the corporate team and the local team through inhouse working meetings that are intended to make a constant evaluation and follow-up of the practices of AES Gener in terms of sustainability.

In the context of the pandemic caused by COVID 19, we saw the need to adapt the mechanisms to establish communications with our stakeholders in order to be able to comply with the health provisions stated by the authorities. Notwithstanding the limitations of the social distancing measures, there was a permanent and regular relationship with our stakeholders, including those actors with whom we exert collaborative efforts during the pandemic.

1.5.1 Our Stakeholders

[EU19 - 102-40, 102-42, 102-43]



Stakeholder Engagement

We have a permanent relationship with our stakeholders based on knowing and discussing relevant issues of mutual interest concerning our social, environmental, and economic impact and performance. Below there is information about the stakeholder engagement, including engagement opportunities and frequency.

In the context of the pandemic and in compliance with the health measures adopted throughout the year, most face-to-face meetings were suspended, giving priority to the use of technological communication tools such as videoconferencing, telephone calls, social networks, among others. Any required meetings or gatherings were held in accordance with all necessary security protocols.

STAKEHOLDER	ENGAGEMENT AND FREQUENCY	CONTEXT OF COVID 19
<p>Customers</p> <p>This group includes regulated customers (distributing companies) and non-regulated customers (business, industrial and mining companies). In addition, we consider any potential customer and other generating companies.</p>	<p>Permanent interaction. Monthly communications and calls. Semi-annual/quarterly meetings</p>	<p>Face-to-face meetings were suspended and replaced by meetings held through telematic means. Periodic communications via teleconference.</p>
<p>Government and Regulating Agencies</p> <p>This group includes the central, regional and local government; the Congress; the environmental authority and the environmental regulating agencies.</p>	<p>Monthly and bimonthly meetings concerning regulatory issues. Audits (with no specific frequency). Meetings to update information on projects or operations.</p>	<p>Face-to-face meetings were suspended and replaced by meetings held through telematic means. Emergency meetings and a crisis committee were organized to ensure power supply during the pandemic. Contact with local authorities was strengthened to develop coordination and help during the emergency.</p>
<p>Investors</p> <p>This group is made up of our shareholders, our partners with equity interest in AES Gener subsidiaries, note holders, and the financial market, including financial analysts, banks, asset managers, and risk rating agencies.</p>	<p>Permanent meetings, calls and communications, quarterly reports and calls to cover the progress made in the company strategy, relevant news and actions, financial results, ESG issues, among others.</p>	<p>Face-to-face meetings were suspended and replaced by meetings held through telematic means. Regular reports included information on continuity of operations and safeguards against the Covid-19 pandemic.</p>

STAKEHOLDER	ENGAGEMENT AND FREQUENCY	CONTEXT OF COVID 19
<p>Opinion leaders</p> <p>We consider that sector leaders, academic leaders, mass media, and social network leaders are the spokespersons of the public opinion.</p>	<p>Permanent informative communications</p>	<p>Face-to-face meetings were suspended and replaced by meetings held through telematic means with a focus on sharing the safeguards put in place as a result of the pandemic.</p>
<p>Industry - electrical sector</p> <p>This group includes the electric sector companies, as well as sector unions and associations.</p>	<p>Permanent engagement through trade associations, including the Chilean Association of Generating Companies or the Chilean Association of Renewable Energy (ACERA, for its acronym in Spanish)</p>	<p>Face-to-face meetings were suspended and replaced by meetings held through telematic means. Coordination meetings were held with the Government to ensure the power supply in the country.</p> <p>In the last part of the year, the union agenda was resumed and training, award ceremonies, and work sessions were conducted via online platforms.</p>
<p>Communities</p> <p>It is made up of our neighbors, the local communities and social leaders, as well as other local companies with which we have a relationship. We also include civil organizations of the territory.</p>	<p>Regular meetings with neighbors and social leaders Social Investment Programs. Participation in community events throughout the year Monthly visits to plants.</p> <p>Radio programs where necessary. Annual public accounts. Permanent working tables. Permanent communication via social networks.</p>	<p>Physical activities with neighbors and social leaders were suspended. Face-to-face care in community offices, monthly visits to the plants, and joint field activities were suspended.</p> <p>Training was carried out to develop working sessions and meetings with communities through telematic means. Internet equipment and devices were provided to ensure community engagement. Permanent communication through social networks and the use of non-traditional methods, such as channels of care via WhatsApp.</p>

STAKEHOLDER	ENGAGEMENT AND FREQUENCY	CONTEXT OF COVID 19
<p>Academy and civil organizations</p> <p>Includes universities and NGOs, both national and international, as well as other innovation-oriented reflection and research organizations.</p>	<p>Monthly participation in committees of industry organizations. Participation in seminars and direct dialog where necessary. Participating in advisory councils. Systematic delivery of information.</p>	<p>Face-to-face meetings were suspended and replaced by meetings held through telematic means. The delivery of periodic information regarding the safeguards was triggered during the emergency. Our leaders participated in technical and working sessions with different audiences.</p>
<p>Workers</p> <p>AES Gener workers, trade union organizations and leaders.</p>	<p>Permanent communications through various channels and activities.</p>	<p>Physical activities in offices and plants were suspended. Only workers that are essential for the operation and critical activities performed tasks on a physical basis. Crisis Committees were created. HR and OSH support groups were responsible for ensuring that all workers had the connectivity, space layout, furniture, and ergonomic conditions to perform their duties from their homes. Distance activities were developed to promote quality of life at work, mental health during the crisis, sports and recreational activities to develop with families. Work disconnection schedules were established. Feedback surveys were conducted on new working conditions.</p>
<p>Suppliers</p> <p>Suppliers of raw materials, technology, and products or services. In addition, this group includes the employees from any outsourced services that work in our premises.</p>	<p>Periodic communications in invitations to tenders, permanent communications between users and contractors</p>	<p>Face-to-face meetings were suspended and replaced by meetings held through telematic means. Emergency meetings were locally organized to ensure the supply of inputs and services during the pandemic. Contact with local providers was strengthened to help the communities most in need.</p>

Relevant topics of our stakeholders (materiality)

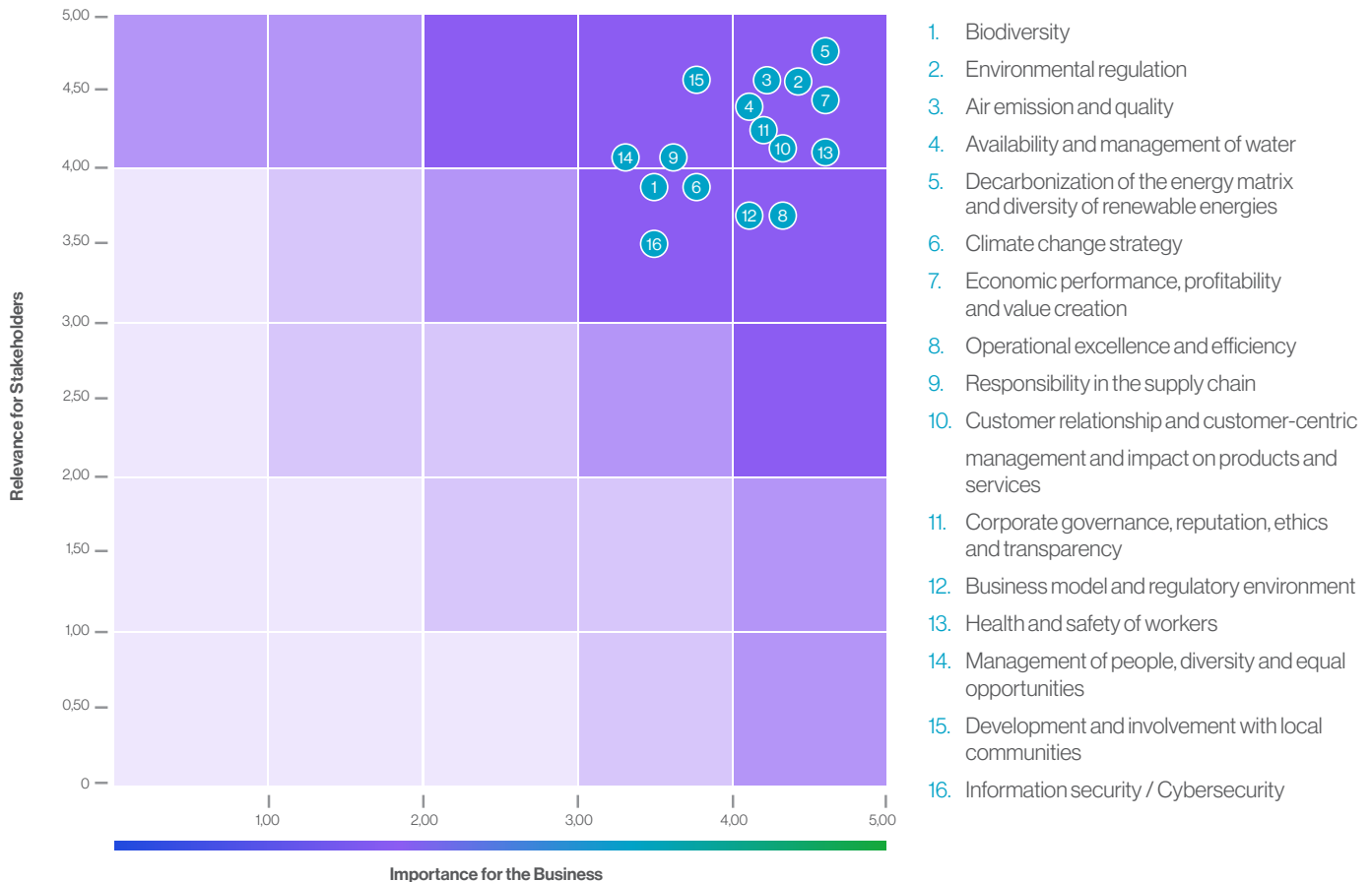
[102-44, 102-47]

As our stakeholders are the central point in business development, their concerns are considered in our decision-making process and in the definition of the contents to be reported in this Annual Report.

According to the Global Reporting Initiative (GRI) guidelines (which guide the preparation of this Annual Report), materiality is defined as those topics “that reflect the organization’s significant economic, environmental, and social impacts, or that substantively influence the assessments and decisions of stakeholders”. This definition provides a framework to establish the contents that will be informed by the companies in their annual accounts.

Materiality, or relevant sustainability issues for our stakeholders, are assessed through different consultations and analyzed based on both the internal (vision of the business) and external (national and international) context. The result is the definition of the main “sustainability topics” that imply mutual involvement between the company and its stakeholders, and includes the vision and learning of the industrial sector on the best practices in the field.

In the following matrix, the topics are positioned according to the level of importance to the business (horizontal axis) and the level of importance to the stakeholders involved in the consultations (vertical axis). The upper right quadrant shows the topics that are most relevant to both groups.



Material Topic Boundaries

[102-44, 102-47]

Given that the material topics have different weight among the various groups of stakeholders involved in the consultations (these may have different expectations about the same topic), below we show the coverage of each topic with respect to both internal and external stakeholders.

The topics mentioned in the table are the material topics of the Company about which internal and external stakeholders were consulted.

PLOTTED MATERIAL TOPIC	INTERNAL STAKEHOLDERS	EXTERNAL STAKEHOLDERS
Biodiversity	● ● ● ● ●	● ● ● ● ●
Environmental regulation	● ● ● ● ● ●	● ● ● ● ●
Air emission and quality	● ● ● ● ● ●	● ● ● ● ●
Availability and management of water	● ● ● ● ●	● ● ● ● ●
Decarbonization of the energy matrix and diversity of renewable energies	● ● ● ● ● ●	● ● ● ● ● ●
Climate change strategy	● ● ● ● ●	● ● ● ● ●
Economic performance, profitability and value creation	● ● ● ● ● ●	● ● ● ● ●
Operational excellence and efficiency	● ● ● ● ● ●	● ● ● ● ●
Responsibility in the supply chain	● ● ● ● ●	● ● ● ● ●
Customer relationship and customer-centric management and impact on products and services	● ● ● ● ● ●	● ● ● ● ●
Corporate governance, reputation, ethics and transparency	● ● ● ● ● ●	● ● ● ● ●
Business model and regulatory environment	● ● ● ● ●	● ● ● ● ●
Health and safety of workers	● ● ● ● ● ●	● ● ● ● ●
Management of people, diversity and equal opportunities	● ● ● ● ●	● ● ● ● ●
Development and involvement with communities	● ● ● ● ●	● ● ● ● ● ●
Information security / Cybersecurity	● ● ● ● ●	● ● ● ● ●

● Internal relevance level ● External relevance level

1.6 Acknowledgments and Memberships

[102-12, 102-13]

1.6.1 Acknowledgments

During 2020, we were recognized by important national and international entities, including the following:

Our commitment to sustainability is recognized by DSJI Chile and MILA

For the sixth consecutive year, we were included in the Dow Jones Sustainability Index for Chile, a ranking that brings together the 27 leading companies in our country in economic, environmental and social matters. Moreover, we remained for the second year in the Latin American Integrated Market Index (MILA) that measures the performance of business markets in Pacific Alliance countries.

In this new measurement, AES Gener again improved its overall score and added new areas with maximum score: Transmission, Risk Management, Innovation Management, Environmental Reporting, Water-Related Risks, Environmental Management Policies and System and Social Reporting.

We were the first electric generator selected by the Dow Jones Sustainability Index Chile and we have maintained our position during the 6 years that this measurement has been carried out in our country. Meanwhile, AES Corporation, the parent of AES Gener, remained for the seventh consecutive year in the Dow Jones Sustainability Index for North America.

We won Avonni Award with our innovative Virtual Reservoir battery solution

We obtained the first place in the Energy category, Electricity Companies, within the framework of the Avonni 2020 awards thanks to our Virtual Reservoir project. This innovative solution is the world's first energy storage system with a lithium-ion battery bank that is installed in a run-of-the-river hydroelectric power plant.

AES Gener was recognized by the National Security Council of Chile

The National Security Council of Chile recognized AES Gener Businesses for excellence in occupational health and safety management, for more details about these recognitions see Chapter 5 Occupational Health and Safety.

1.6.2 AES Gener Memberships and Participations

In order to enhance the development of the energy sector, in our Company and affiliates we maintain relations with various local, regional and national institutions.

In this context, we are part of union and business associations. The contributions we paid in Chile in 2020 amounted to \$280,854,658, being the main three contributions made to the Chilean Association of Generating Companies (\$209,206,134), SOFOFA (\$31,720,524) and the Chilean American Chamber of Commerce Amcham (\$39,928,000).

The list below shows the associations of which AES Gener is a member in Chile, and an (*) is added in those where we have an executive role.

It should be emphasized that we provide no funds to political parties, candidates or their representatives. Therefore, during 2020, no such contributions were made, and no lobbying activities were financed.

Acción Empresas		Cámara Chileno Argentina	
Asociación Chilena de Energías Renovables y Almacenamiento*		Fundación Generación Empresarial	
Asociación Gremial de Generadoras de Chile*		Fundación para la Sustentabilidad del Gaviotín Chico*	
Asociación Gremial de Industriales de Valparaíso		ICARE	
Asociación de Industriales de Antofagasta		Sociedad de Fomento Fabril (SOFOFA)	
North American Chilean Chamber of Commerce*		World Energy Council (WEC)*	

(*) Associations where AES Gener has an executive role.

Other participations of AES Gener in 2020

Global Compact Network in Chile and Colombia

We actively participated in the United Nations Global Compact in Colombia, to which we voluntarily adhered in 2013 as part of our commitment to the protection of human rights, labor rights, non-discrimination, environmental protection and the inclusion of good anti-corruption practices.

Human Rights Laboratory

For the second consecutive year, we are part of the “Human Rights Laboratory and Companies in the Mining and Energy Generation Sector”, a program developed by *Acción Empresas*, the Mining Council and the Chilean Association of Generating Companies. The objective of this program is to strengthen the capacities of the companies to integrate human rights issues into business management.

As part of the initiative, we participated in multi-stakeholder dialog tables with trade union, community and supplier representatives.

National Business and Human Rights Action Plan

We are part of the companies associated with Generators in Chile with a focus to contribute to the design and correct implementation of public policies related to community affairs, territory and energy.

Thus, in 2020, we joined the 360° Committee of the National Action Plan on Business and Human Rights seeking to provide greater clarity in terms of preventing, addressing and redressing possible consequences or adverse effects on human rights generated by their actions on citizens. The activity was led by the Undersecretary of Human Rights under the Ministry of Justice.

Aequales

In Colombia, considering gender equity as an issue of great importance that directly impacts on business competitiveness in the country, we decided to become part of a community of companies that actively works for gender equity in Colombia. Aequales, an organization that promotes the PAR Community, measures practices on gender equity, an initiative that AES Colombia has implemented since 2017.

Corporation Transparency for Colombia

Created with the aim of publicly expressing the commitment to the implementation of best practices in transparency and ethics in the sector, AES Colombia is currently a signatory member and participated as the creator of the initiative together with other companies and organizations in the Colombian electricity sector.

Following its commitment to promoting business ethics and combating corruption, AES Colombia participates in the measurement carried out by Transparency Corporation for Colombia with the aim of increasingly strengthening its corporate anti-corruption and information transparency practices.





2. Energy Industry and Market Context

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Regulatory Changes of Relevance to the Energy Sector	56
Areas of Business	58

2.1 Main Macroeconomic Aspects

During 2020, the economy was marked by restrictions associated with the COVID-19 pandemic that resulted in negative growth rates globally and a deep impact on employment and businesses. According to the World Bank's economic prospects review: *"COVID-19 has triggered a global crisis like no other – a global health crisis that, in addition to an enormous human toll, is leading to the deepest global recession since the Second World War."*

As mobility increased and vaccines appeared, financial markets started to recover with China in the lead, which by the end of 2020 already had several indicators that matched or exceeded its pre-pandemic levels. Nevertheless, the uncertainty surrounding the pandemic continues in 2021 as there have been new outbreaks in many countries and the immunization required to overcome the crisis has not yet been achieved.

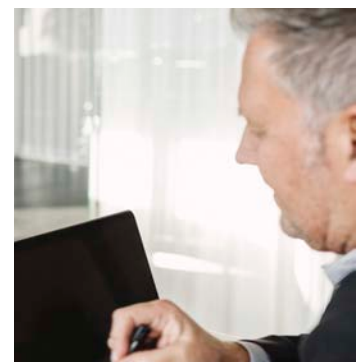
With regard to Latin America and the Caribbean, a region heavily affected from the health point of view and with an economic downturn of about 6.9%, according to the World Bank, a 3.7% growth is expected by 2021 provided that pandemic mitigation initiatives are implemented as expected, vaccines are distributed, the prices of the main commodities are stabilized, and the external conditions are improved.

2.1.1 Chile

Chile experienced a 6.0% drop in Gross Domestic Product (GDP), according to Latin Focus projections. According to the Central Bank of Chile, the country has gone through 16 months of crisis considering the social chaos and subsequent pandemic, which had its greatest impact in the second quarter of 2020. Nevertheless, it states that it is important to confine our attention to the next 15 months, when economic recovery, vaccination of the population, the election of new authorities and the drafting of a new Constitution are of the utmost importance for the projection of our country's future.

On the other hand, China's recovery has contributed to the dynamism of international trade in goods, which has positively impacted Chile on variables such as the price of copper, which increased by about 3% as compared to 2019.

In December 2020, the Central Bank of Chile decided to maintain the monetary policy rate at 0.50%, the lowest value since 2009. The price of the Chilean peso to the dollar showed a high volatility during the year, recording a maximum of 868 pesos per dollar; however, at the end of 2020 it had a 5% improvement to reach 711 pesos per dollar.



According to Latin Focus studies published in January 2021, a strong recovery in growth is expected for Chile which is driven by domestic recovery and capital expenditure amid supportive tax and monetary policies, and external demand for commodities. The Central Bank projected a growth between 5.5% and 6.5% for 2021.

2.1.2 Colombia

The positive trend of economic growth in Colombia was affected by the pandemic. According to Latin Focus, it had a 6.8% decrease mainly due to falls in the wholesale and retail trade and construction and manufacturing sectors. Nevertheless, during the last quarter, there was a slight decline in the industrial sector, a gradual recovery in oil prices and a strengthening of foreign demand.

According to the same analysis, the Colombian economy is expected to recover its growth rate to reach 4.3% in 2021 in terms of consumption and capital expenditure associated with domestic activity, while the good prospects for oil will strengthen the external sector.

The Central Bank of Colombia maintained the interest rate benchmark at 1,75% during its last meeting in December 2020, based on recovery signs and controlled inflation. Meanwhile, the local currency was devalued by 4.7% to Col\$4,433 per dollar by the end of 2020.

2.1.3 Argentina

The economy downturn grew deeper in 2020 given the restrictions associated with the pandemic with a 10.3% drop according to Latin Focus estimates.

In August, Argentina managed to renegotiate the sovereign debt for US\$65 billion and expects an

agreement with the IMF to extend its credit line in May 2021.

The Latin Focus analysis suggests that the Argentine economy should recover partially as the world economy reopens and domestic demand strengthens, but will remain fragile as a result of high inflation, capital controls, macroeconomic imbalances, and other policies that could negatively affect the market.

At the beginning of the year, Argentina's monetary authority implemented a managed floating exchange rate regime with the purpose of limiting the exchange rate volatility. The exchange rate in Argentina depreciated 41% during 2020 to AR\$84 per dollar by the end of 2020.



2.2 Regulatory Changes of Relevance to the Energy Sector

Below we describe the regulatory changes of relevance to the energy sector for the period 2020. For more details of the energy regulations in Chile, Argentina and Colombia where AES Gener operates, see Annex 3: Regulatory Framework.

2.2.1 Chile

On August 8, 2020, Law No. 21,249 was published in the Chilean official gazette, which exceptionally sets forth measures in favor of end users of electricity, health, and gas services. The law bars utility companies from shutting off electricity to residential customers as from the publication of the law for up to 90 days and also empowers the customer to prorate the debts incurred in 12 installments. On December 29, 2020, Law No. 21,301 was enacted to extend the effects of Law No. 21,249 by increasing the utility shut-off prohibition from 90 to 270 days and establishing that the debts incurred from March 18, 2020 to May 05, 2021 can be paid-off in 36 installments.

2.2.2 Colombia

On June 24, 2020, the Energy and Gas Regulatory Commission (CREG) published Resolution CREG 127/2020, which establishes the procedure for the annual verification of Firm Energy to plants in commercial operation with allocation of Obligations. In the event that the Firm Energy allocated to the Reliability Charge (ENFICC) (which was the case of the AES Colombia hydroelectric plant for the 2022-2023 allocation), the agent must deliver to the Superintendency of Public Services an action plan including the activities that it will

advance for the fulfillment of the obligations assumed.

In that sense, AES Colombia carried out the plan that was delivered in February 2021.

On November 09, 2020, the CREG published Res. 209 of 2020, through which, based on a review of the three indicators to trigger the Scheme for Shortage Risk Events (ESRD), it is set forth that the energy situation will be established through the aggregate level of the reservoir based on a reservoir reference path and therefore the beginning of the ESRD shall depend on this. This can be considered as a market intervention as far as the assumptions that establish such path are exposed to high levels of subjectivity and risk aversion from the regulator.

2.2.3 Argentina

On February 27, 2020, the Secretary of Energy amended, by means of Resolution 31/2020, the pricing scheme for electricity commercialized in the spot market established by Resolution 1/2019. It is established that the remuneration of generators is in Argentine pesos with monthly adjustments for inflation and that power prices are reduced. On April 8, 2020, the Secretary of Energy ordered CAMMESA (Management Company of the Wholesale Electricity Market) to postpone the application of Annex VI of Resolution 31/2020 regarding the update factor of the values stated in Argentine pesos until a new decision is made in such regard.

On December 2, 2020, the Secretary of Energy published Resolution 354/2020 to implement marketing schemes between gas producing companies and CAMMESA or generators as part of the "Plan to Promote the Production



of Argentine Natural Gas – Supply and Demand Scheme 2020-2024” issued by Decree 892/2020. The resolution establishes the firm volumes of natural gas for the generation sector represented by CAMMESA and the generating agents. Moreover, it establishes the option of adhering to the centralized dispatch involving the operational assignment to CAMMESA by the generators of the product and the contract transport capacity, added to the incorporation of a specific priority order number for Natural Gas according to its origin in the rules of dispatch and the reduction of the total cost of supply in accordance with the contractual obligations. Moreover, the option of requesting CAMMESA to supply natural gas is established for generators with Energía Plus contracts so that they can cover their contracts at the supply cost of each generator.

In Chile, the law bars utility companies from shutting off electricity to residential customers as from the publication of the law for up to 90 days and also empowers the customer to prorate the debts incurred in 12 installments.



2.3 Areas of Business

[102-4]

2.3.1 Chilean Electrical System

The total gross installed capacity for the electric supply in Chile by the end of 2020, considering the plants of all SEN member companies, reached 26406 MW. Of these, 26% come from hydroelectricity, 49% from thermoelectricity and 27% from wind, solar, biomass, mini-hydro, and geothermal power.

The electricity demand of the system in 2020 was affected by the repeated quarantines resulting from the COVID-19 pandemic that reduced commercial and industrial activity. At year-end, total energy sales nationwide remained at levels similar to those recorded in 2019 with a slight 0.24% increase, with a 3.6% increase in the free segment and a -4.5% reduction of the regulated segment.

Further to the implementation of our Greentegra strategy, on August 13 we started the commercial operation of the Andes Solar IIa photovoltaic plant of 80 MW, located in one of the sites with the highest solar radiation in the world with an estimated 37% plant factor.

In line with new innovative solutions, on December 2, we completed the construction and started the operation of the expansion of Alfafal run-of-the-river hydroelectric power plant through the Virtual Reservoir project with a storage of 10 MW and 50 MWh. This storage project is the first of its kind in the world and allows us to contribute to

the stability of the electrical system with add-on services such as reserve, grid sufficiency, and hourly energy management capacity.

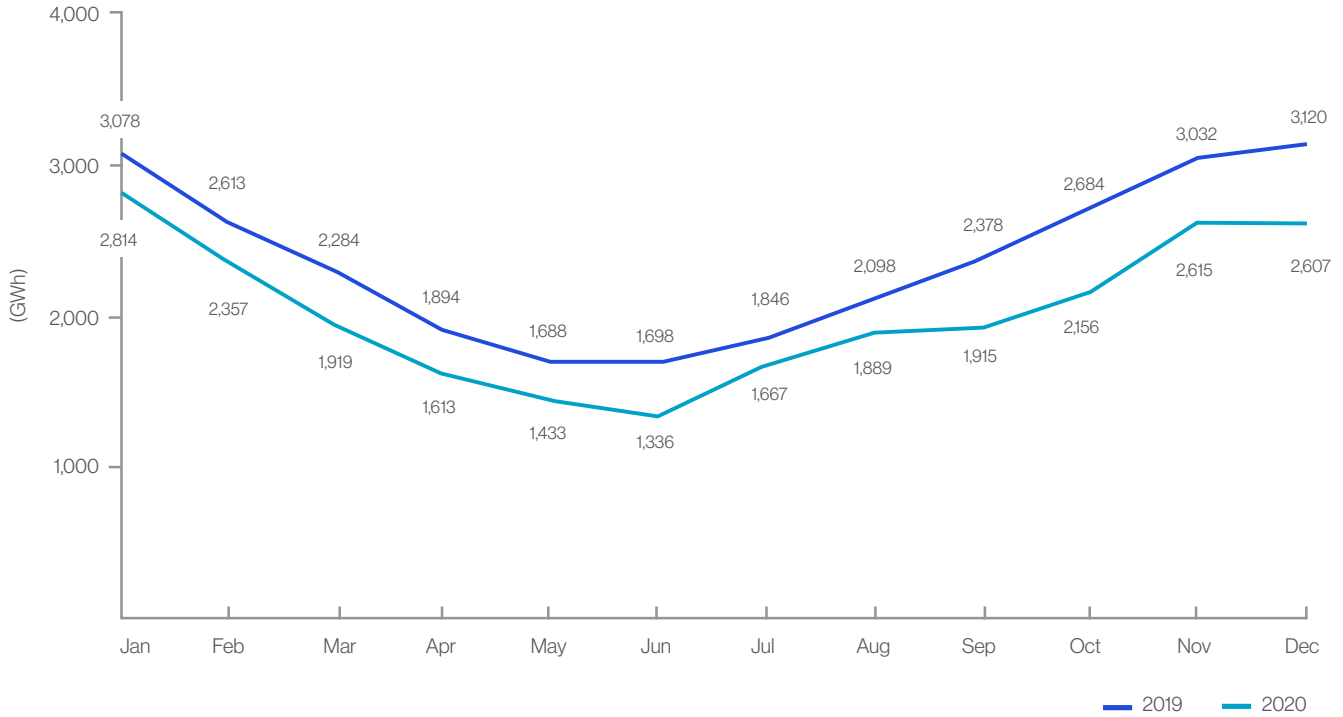
During 2020, we made progress in the construction of our projects, with relevant contributions to the renewable energy matrix. For more information, see Our Construction and Development Projects in Chapter 3.

We also highlight the progress made in the decarbonization plan, under which we started on December 29, 2020 the process of closing our Ventanas 1 unit of 114 MW, and went into a strategic reserve state. Additionally, we anticipate our closing schedule of the Ventanas 2 Plant of 208 MW subject to the dates estimated by the National Electricity Coordinator for the safe operation of the electrical system.

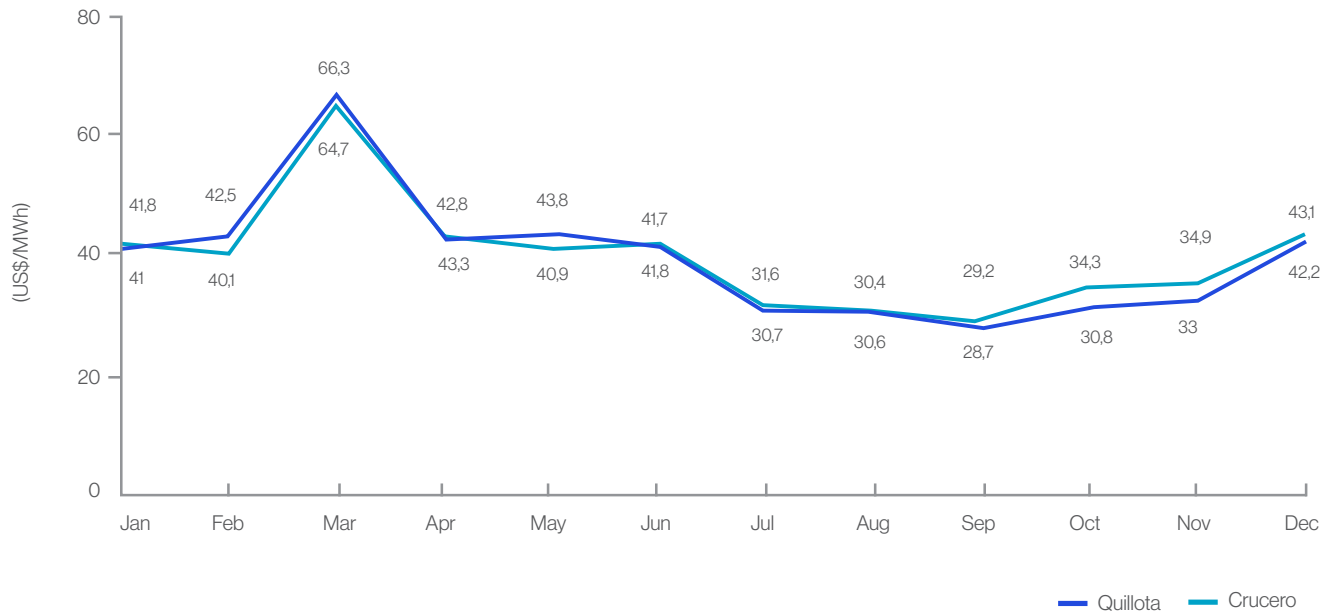
The incorporation of new efficient generation, the decrease in electricity demand, and the high availability of thermal generation, helped to attenuate the rise in the marginal costs of the SEN during 2020, recording an average marginal cost of US\$39.5/MWh which contrasts with the average US\$52.0/MWh for 2019 in the Quillota node. The same effect was seen in the north of the system, where the average marginal was US\$39.7/MWh in contrast to the average US\$45.5/MWh in 2019 at Crucero node.



Reservoir Energy in the past 12 Months



Marginal Cost of Energy in 2020 in Quillota and Crucero 200 Kv



MARGINAL COST OF ENERGY IN QUILLOTA, 220 KV (US\$/MWH)

MONTH	2017	2018	2019	2020
January	53,2	50,7	62,0	41,0
February	53,7	53,1	62,3	42,5
March	81,3	73,4	61,5	66,3
April	57,1	62,2	69,9	42,8
May	61,9	78,4	66,7	43,8
June	92,8	77,9	52,2	41,7
July	53,7	67,6	48,9	30,7
August	66,0	81,7	51,6	30,7
September	50,2	58,5	42,5	28,6
October	39,1	56,3	37,4	30,9
November	33,9	48,7	34,8	33,1
December	46,2	53,6	34,5	42,2

MARGINAL COST OF ENERGY IN CRUCERO 220 KV (US\$/MWH)

MONTH	2017	2018	2019	2020
January	61,0	54,4	51,4	41,9
February	60,2	42,7	51,2	40,1
March	57,4	43,5	49,2	64,7
April	51,4	51,3	49,8	43,3
May	60,4	56,7	51,9	40,9
June	54,5	54,0	48,3	41,7
July	48,5	56,0	46,6	31,6
August	47,2	59,8	50,7	30,4
September	48,9	54,4	40,8	29,2
October	58,1	55,8	38,1	34,3
November	59,8	55,2	34,0	34,9
December	57,6	51,4	34,0	43,1

ENERGY BALANCE OF AES GENER IN CHILE IN 2020

	ENERGY - GWh
Coal Net Generation	11,920
Hydro Net Generation	1,035
Biomass Net Generation	8
Wind Net Generation	231
Solar Net Production	158
Total Net Generation	13,352
Purchases to other generators	934
Spot Purchases	1,884
Total Purchases of Energy	2,818
Sales of Energy to Regulated Customers	3,375
Sales of energy to Non-Regulated Customers	10,477
Spot Sales of Energy	216
Spot Sales of Energy (rerouting)	2,102
Total Sales of Energy	16,170

Relevant News of the SEN

During 2020, the system installed capacity increased in 1,647 MW. Of our total incorporated power, 38MW came from hydroelectric generation, 313MW from thermal power generation, 531MW from wind generation, and 765 MW from solar generation. Among the latter, the following are highlighted: Granja Solar (105 MW), Andes Ila (80MW), Tolpán Sur (103 MW), Parque Eólico Cabo Leones II (206MW) y III (191) and Nuevo Quillagua (95 MW).

Our share in the SEN

Our annual 2020 generation accounted for 25% of total SEN: 9% AES Gener, 5% Angamos, 5% Cochrane and 6% Guacolda.

In relation to the sale to our customers and other system producers, it increased to 16170 GWh (without including Guacolda), 3375 GWh of which were allocated to distributing companies.

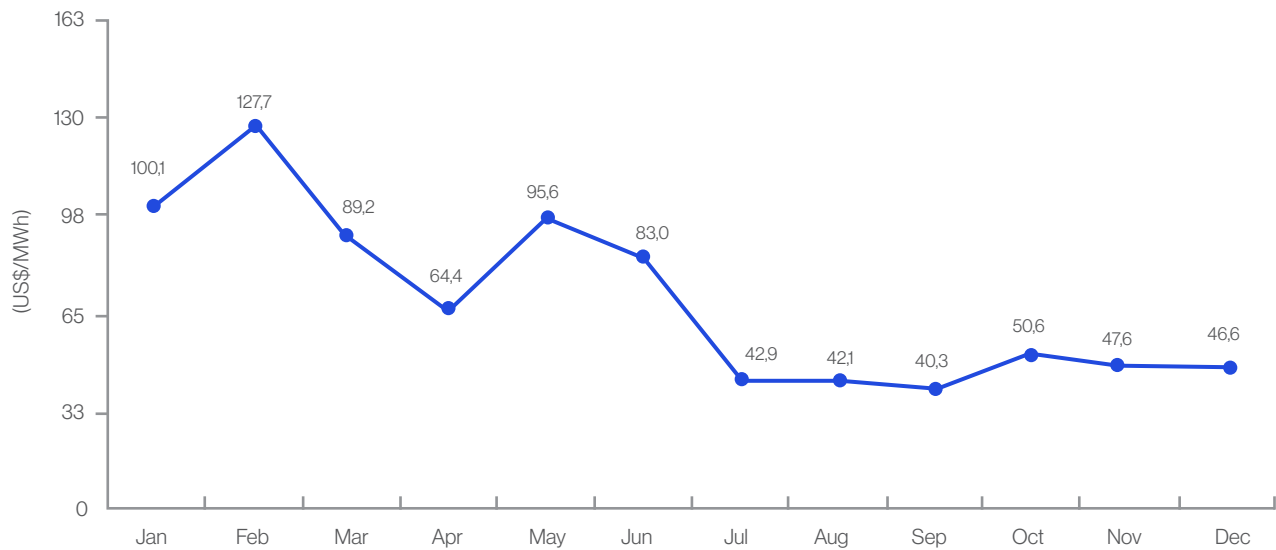


Plant
Thermoelectric
Angamos

At an annual physical level, 100% of the power sold to customers was covered with our own generation (including affiliates), and purchases from other producers of the system.

2.3.2 Colombian Electric System

Energy Price in the Colombian Market (SIN) in 2020



Since 1994, the Colombian electricity sector allows private involvement in different segments, within a framework of market competition for the generation and commercialization, and a regulated environment for transmission and distribution purposes.

The Colombian electricity system is structured in a single interconnected system, SIN, with an effective installed capacity of 17,415 MW as of December 31, 2020, 68.3% of which is water capacity, 30.4% thermal and the remaining, other type of technology.

The electricity demand of the system in 2020 was affected by the COVID-19 pandemic that had an impact on the supply of products in the country and household consumption. At year-end, the total energy demand nationwide decreased by 2.3% with a reduction in the regulated and unregulated market of 0.3% and 6.6%, respectively.

Regarding energy imports with Ecuador, they recorded an increase of 1,301 GWh. Exports amounted to 250.8 GWh, representing 0.4% of the demand served by the Colombian generator park.

Our assets in Colombia are made of: Chivor Hydroelectric Power Plant (with an installed capacity of 1,000 MW), and its La Esmeralda Reservoir, the run-of-the-river hydroelectric power plant Tunjita (20 MW), and Castilla, a 21 MW solar plant.

ENERGY BALANCE IN AES GENER IN COLOMBIA IN 2020

	ENERGY - GWh
Hydroelectric Net Generation	2,653
Solar Net Production	26
Total Net Generation	2,679
Contract Purchases	984
Spot Purchases	2,266
Total Purchases of Energy	3,250
Contract Energy Sales	4,753
Spot Sales of Energy	1,176
Total Sales of Energy	5,929

Hydrological Year in Colombia

At a macro level, from the climate point of view, 2020 was a year of transition. The first semester was marked by the El Niño phenomenon, however, in the second quarter the surface temperature of the sea in the Pacific decreased, giving way to La Niña phenomenon that reached the moderate category and began in August and lasted for the rest of the year. This had a great impact by decreasing rainfall in the country. Only July and November were above the monthly average, with the level of reservoirs closing the year at 80.48% for the SIN. As for the Chivor basin, the picture was no different, the monthly inputs were short with the exception of November, closing the year with a reservoir level of 71.27%.

During the first half of 2020, the hydrological inputs of the SIN amounted to 67.65%, as compared with the historical average, thanks to the ending stage of El Niño. During the second half, there was an some improvement with contributions of 91.77% the as compared to the historical input. As to Chivor Plant, the inputs recorded in the first semester were 65.99%, and during the second semester, 74.32% of the historical average.

As a result of these below-normal inputs (80.48% as compared to the historical average), electricity market prices increased by 9.9% as compared to 2019.

Share in the SIN

AES Colombia has a gross power generation capacity of 1041 MW, consisting of the Chivor Hydroelectricity Plant and Tunjita run-of-the-river hydroelectric plant, which represents 5.9% of the installed capacity for 2020. In addition, AES Gener has the Castilla Power Plant, a solar plant of 21 MW inaugurated in 2019 engaged in the supply of energy of Ecopetrol and is not connected to SIN.

2.3.3 Argentine Electrical System



*values of marginal operating costs published by Cammesa.

The generation and distribution activities in Argentina are developed through the SADI, an electrical energy transmission system covering the national territory.

During March 2020, the Social Preventive and Compulsory Isolation resulting from the COVID-19 pandemic was declared in Argentina, which affected the commercial and industrial activity in the country. The drop in the economic activity affected the electrical demand and reduced it by 1.27% as compared to 2019. Analyzing the variation by segment, industrial demand decreased by 11.49%, while the regulated segment (which includes residential and commercial demand) increased by 2.7%.

The total installed power, considering the plants of all company members of the SADI, reached 41,951 MW at 2020 year-end. 60.5% to conventional thermoelectric generation, 25.8% to hydroelectric power plants, 4.2% to

nuclear generation and the remaining 9.5% to renewable generation.

Electricity generation in the SADI was 135,375 Gwh, with a **growth of 1.06%** compared to 2019, with 60.8% from conventional thermal origin, 21.5% from hydroelectric origin, 7.4% from nuclear origin, 9.4% from renewable energy sources and 0.9% from imports.

ENERGY BALANCE OF AES GENER IN ARGENTINA IN 2020

	ENERGY - GWh
Total Net Generation	4,126
Spot Purchases	154
Contract Energy Sales	627
Spot Sales of Energy	3,653
Total Sales of Energy	4,280

Our share in the SADI

The Salta combined cycle natural gas plant of 643 MW owned by our subsidiary TermoAndes is connected to the SADI in Argentina and the SEN in Chile. As of December 2011, this plant, which until then only supplied the Chilean system through a transmission line owned by the subsidiary InterAndes S.A., has sold 100% of its generation to the SADI, due to the revocation of the energy export permit from Argentina to Chile.

During 2020, Salta Plant injected 4,126 GWh to the SADI, 100% of which were generated with natural gas. 627 GWh were sold to customers of the Energía Plus program and 3653 GWh were traded in the spot market.

There were no new incorporations of plants into the Energía Plus market in 2020.



Affiliate
TermoAndes





3.

Our Company and its Performance in 2020

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3.1 Organizational Documents

[102-5]

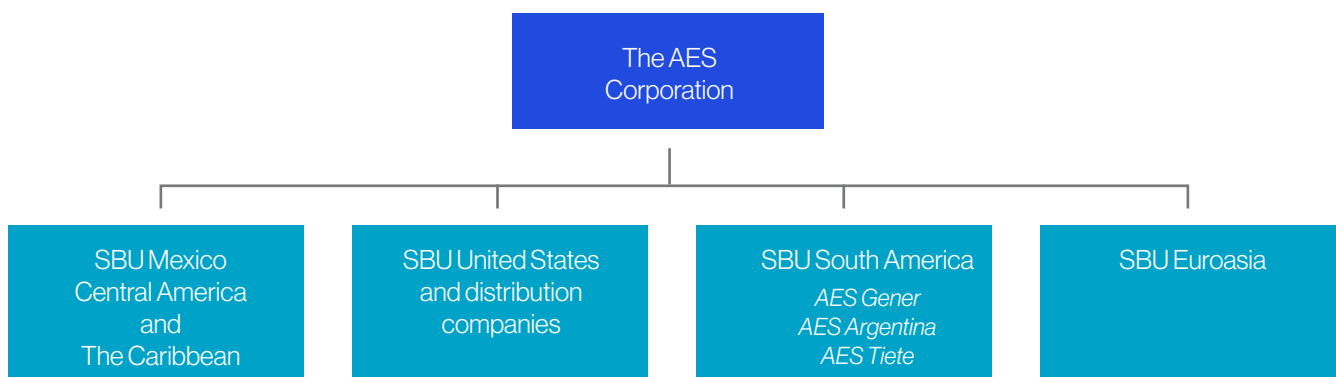
AES Gener is an open corporation created by means of public deed dated June 19, 1981 and delivered in Santiago by Notary Public Patricio Zaldivar Mackenna. Its business name was, at that time, Compañía Chilena de Generación Eléctrica S.A. (Chilectra Generation S.A.). The deed was then amended by means of public deed dated July 13, 1981 delivered in Santiago by Notary Public Jorge Zañartu Squella, Alternate for Notary Public Patricio Zaldivar Mackenna. An extract from this deed was published on July 23, 1981 in the Official Gazette and registered in page 13,107 number 7274 of the Commercial Registry of the Real Estate Conservator of Santiago for 1981. By means of Resolution No. 410-S dated July 17, 1981 issued by the Superintendency of Securities and Insurance, the Company was authorized to exist and its By-laws were approved, as briefly published in Official Gazette No. 31,023 dated July 23, 1981 and registered in page 13,107 number 7274 of the Commercial Registry of the Real Estate Conservator of Santiago for 1981.

3.1.1 About AES Corporation

The AES Corporation is a global energy company whose purpose is to accelerate the future of energy together.

As of December 31, 2020, its installed capacity of 30,308 MW and its workforce of more than 8,200 people allows us to generate and distribute electricity in 14 countries.

AES Corporation controls AES Gener through its subsidiary Inversiones Cachagua SpA, whose last major shareholding modification was a 4% stock exchange sale of AES Gener in November 2015. As of December 31, 2020, its shareholding interest was 66.7%.



3.2 Main Assets

[102-7]

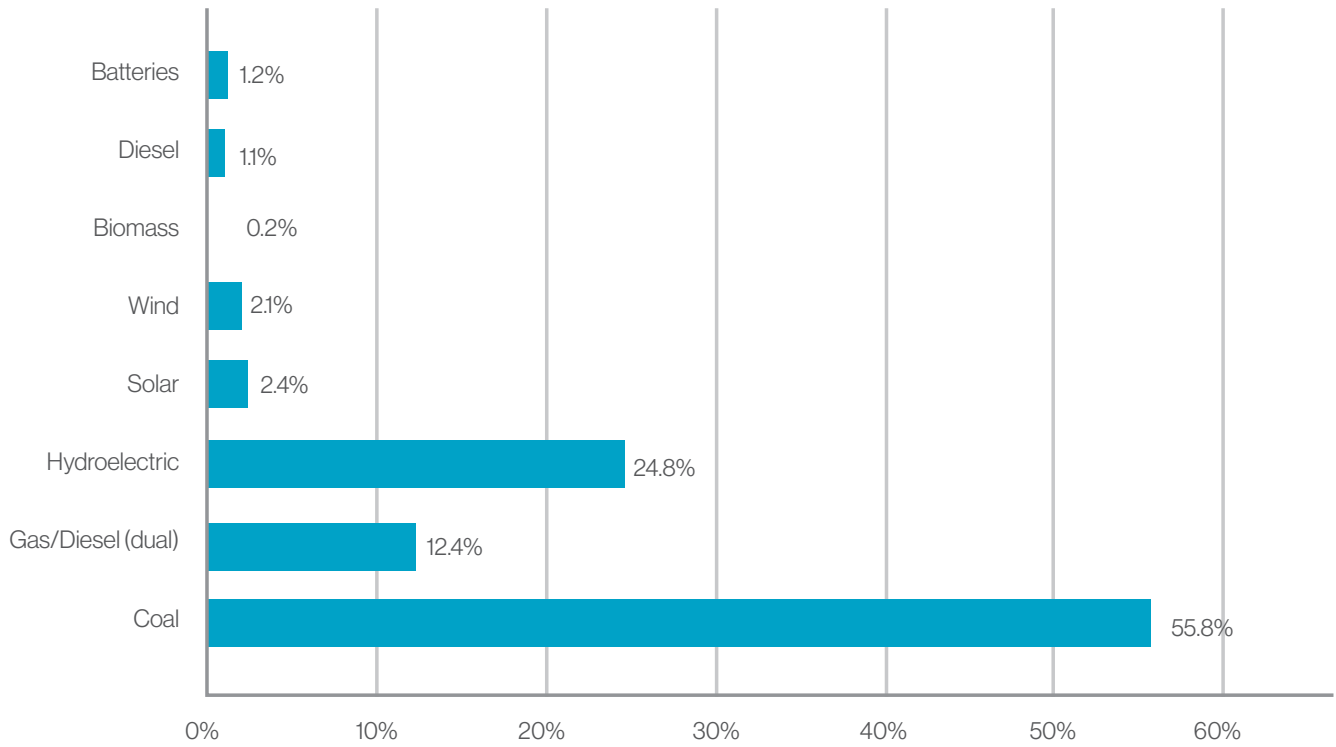
AES Gener and its subsidiaries have a portfolio of generation assets from various sources and technologies with an operating capacity of 5,196 MW as of December 31, 2020

and presence in Chile (through the SEN), Colombia (through the SIN) and Argentina (through the SADI).

TECHNOLOGY (MW)	CHILE	COLOMBIA	ARGENTINA	TOTAL
Hydro	267	1,020	-	1,287
Solar	102	21	-	123
Wind	110	-	-	110
Biomass	13	-	-	13
Gas	-	-	643	643
Diesel	58	-	-	58
Coal	2,900	-	-	2,900
Total	3,450	1,041	643	5,134
Storage Batteries	62	-	-	62
Total	3,512	1,041	643	5,196



Graph 1: Consolidated Operating Capacity in AES Gener



3.2.1 Our generation assets

[102-4]

We submit a summary of our main subsidiaries and affiliates, together with their respective power generation assets.



CHILE	
TYPE OF ENERGY	PLANT/MW
	1 AES Gener S.A. - Nueva Tocopilla 282 MW 12 MW Energy Storage
	2 Empresa Eléctrica Cochrane SpA 550 MW 20 MW Energy Storage
	3 Empresa Eléctrica Angamos SpA 558 MW 20 MW Energy Storage
	4 AES Gener S.A. - Andes Solar 102 MW
	5 Empresa Eléctrica Guacolda S.A. 764 MW
	6 Parque Eólico Los Cururos SpA. 110 MW
	7 AES Gener S.A. - Ventanas 208 MW Empresa Eléctrica Ventanas SpA. 539 MW
	8 AES Gener S.A. - Laguna Verde 58 MW
	9 AES Gener S.A. - Hydro Plants 267 MW (Alfalfal, Queltehues, Maitenes, Volcán) 10 MW Energy Storage
	10 AES Gener S.A. - Laja 13 MW
ARGENTINA	
	11 TermoAndes S.A. 643 MW
	12 InterAndes S.A. 410 KM (Chile-Argentina)
COLOMBIA	
	13 AES Chivor & Cia S.C.A. E.S.P. Chivor: 1.000 MW Tunjita: 20 MW
	14 Parque Solar Castilla 21 MW





3.2.2 Storage assets

62 MW is our energy storage capacity in four units:

- Andes BESS, adjacent to Andes Substation and with a capacity of 12 M - 15 min.
- Angamos BESS, adjacent to Angamos Plant, with a capacity of 20 MW - 15 min.
- Cochrane BESS, adjacent to Cochrane Plant, with a capacity of 20 MW - 15 min.
- Virtual Reservoir, integrated into Alfafal plant, with a capacity of 10 MW - 5 hr.

3.2.3 Transmission assets

The total number of transmission lines and substations in Chile and Argentina is 1,083 km: 945 km of transmission lines (including Guacolda transmission assets and 138 km that join the InterAndes line to connect the SEN to the SADI) and 18 substations are in Chile. The transmission losses of our SEN lines in 2020 were 0.5%. Every month, the CEN publishes transmission loss information in this [link](#).

In Argentina we have the Salta 345 kV Substations (owned by TermoAndes S.A.) and the Altiplano Sectioning Station (owned by InterAndes S.A.). Through our subsidiary InterAndes, we have the only transmission line (271

kilometers) that connects the SADI in Argentina with the SEN in Chile.

3.2.4 Gas Transport Assets

We participate in the natural gas transport, through Gasoducto GasAndes S.A. and Gasoducto GasAndes Argentina S.A.

3.2.5 Water Desalination Assets

We have a reverse osmosis desalination unit of 56 L/s (in Angamos Plant), four TVC desalination units of 30 L/s each (two in Angamos Plant and two in Cochrane Plant) and four EDI demineralization units of 7 L/s each (two in Angamos Plant and two in Cochrane Plant).

139,045 m³
Sale of desalinated water

23,390 m³
Sale of demineralized water

3.3 Operational Performance and Maintenance

Throughout 2020 we can highlight the following milestones related to our operations:

Chile

(a) At the end of 2020, we started the dry commissioning of the Alto Maipo units, a process that is expected to be completed during 2021.

(b) On December 29, we incorporated the Strategic Reserve State in Ventanas 1 as part of Chile's decarbonization strategy.

(c) We made progress in the increase of operational flexibility in our conventional plants, which helped us to facilitate the penetration of new technologies for intermittent renewable energy generation into the SEN.

(d) We consolidated state-of-the-art technological tools designed to improve the performance and reliability of thermal units, in line with the digital transformation vision of the operations.

(e) We recertified the management systems, which included migration in Angamos and Cochrane Plants from OHSAS 18001 to ISO 45001.

(f) We advanced in the development of the water sales business, and we received the approval of the Environmental Impact Statement (DIA) for the construction and operation of the desalination plant in Ventanas. In addition to this, in 2020 we presented a modification to the project to optimize its operation. This optimization is in the qualification process.

(g) In Angamos Plant, during 2020, we sold more than 139,045 m³ of desalinated water and more than 22,390 m³ of demineralized water, which is a record in the volume of demineralized water sales. In the Inverse Osmosis plant, we started with the generation of the Photovoltaic Solar

plant, which provides energy to the auxiliary equipment of the desalination process.

(h) We started the operation of the 80MW Andes Ila Solar Plant in August.

(i) During 2020 we faced an operational challenge in Alfalfal and Maitenes run-of-the-river hydroelectric power plants as a result of the action of nature and the sedimentary characteristics of the water being turbined. Although this damage has not resulted in limitations to the generation, Central Alfalfal suffered limited access to Colorado Intake after the displacement of a mass of land and rocks that affected the complete structural integrity of Colorado Bridge. Reconstruction began and works are expected to be completed during 2021. Maitenes Plant had to isolate its sediment pond after the collapse of the bottom valve tower, which was rebuilt in 2020.

Argentina

(j) Commissioning of the Altiplano Sectioning Station at 345 kV above the InterAndes line, and start of operations in the SADI as an Independent Transporter in said system.

Colombia

(k) In the first half of 2020, we repaired the buckling in the Chivor II metal shielding originating during the construction of the pipeline. This work ensures the reliability of the Chivor hydroelectric generation plant.

(l) We continue with the construction of additional intakes to extend the useful life of Chivor plant by at least 50 years. We successfully carried out the partial emptying of the Chivor I loading tunnel to carry out the connection work of this tunnel with the new intakes.

SmartCenter and ROCC

During 2020, we capitalized on the benefits of our Smart Center and ROCC within the context of our digital transformation strategy, with the following milestones:

- We started the ROCC operation on March 23, 2020

- We integrate the following plants into the ROCC:

- Alfafal and Maitenes units.

- 110 MW Los Cururos Wind Farm, operating the load slots delivered by the National Electricity Coordinator with the supervision of wind turbine parameters and adjustments in tertiary frequency control.

- Andes, Angamos and Cochrane storage system.

- 22 MW Andes Solar I wind farm and beginning of commercial operation of the 80 MW Andes Solar IIa wind farm.

- Cochrane Units 1 and 2, being the remote operation of this type of units a milestone in the electrical industry.

- We received authorization from the National Electricity Coordinator for the commercial operation of the Virtual Reservoir Storage System, whose loading and unloading scheduling is carried out by the same National Electricity Coordinator.

- Angamos units were prepared for the early incorporation into the ROCC.



Virtual Reservoir, the world's first energy storage system, integrated into a run-of-the-river hydroelectric power plant.

3.4 Overall Asset Performance

We continuously monitor the performance of our units through key performance indicators (KPI). The indicators that we use are the same as those used by the AES Corporation for the follow-up in all of its plants all over the world which are based on the IEEE Standard 762.

The main operational indicators used are:

EAf: Equivalent Availability Factor

EFOF: Equivalent Forced Outage Rate

NCF: Net Capacity Factor

ESOF: Equivalent Scheduled Outage Factor

ENPHR: Equivalent Net Plant Heat Rate

CA: Commercial Availability

NFOM: Not Fuel Operational & Maintenance Cost We also included the performance indicator of thermal plants, which is the ratio between the input thermal energy expressed in British Thermal Units (BTU) and the output electrical energy expressed in MWh. To calculate the first of them, we establish the fuel mass entering the process (kg) and multiply the result by the calorific value (BTU/Kg) of the incoming fuel. The second variable is measured directly in the net energy meters of each plant.

$$\text{ENPHR} = \frac{\text{Fuel Consumption} * 1000}{\text{Net Generation}} \quad (\text{BTU/KWh})$$

Through the net power weighting of each unit we can obtain a single indicator for the entire fleet of the company, being the units with the highest power those contributing most to each indicator, as stated in the following table for 2020:

CONSOLIDATED AES GENER KPI

	EAF %	NCF %	ESOF %	EFOF %	ENPHR BTU/MWh	CA %	NFOM US\$/MWh
Norte Complex	93,70	76,38	3,59	2,7	9,720	-	-
Centro Ventanas Complex	90,78	54,76	5,75	2,14	10,405	-	-
Centro Cordillera Complex	94,46	43,89	4,69	0,84	-	-	-
Centro Laja Complex	95,98	8,47	2,61	1,41	13,468	-	-
Guacolda Complex	91,23	69,36	5,59	2,53	9,967	-	-
AES Gener Chile	92,56	63,58	4,64	2,32	9,947	97,46	75,33
Termo Andes (Argentina)	92,00	74,00	7,49	0,51%	6,986	92,92	11,68
AES Colombia	62,26	29,05	37,68	0,06	-	98,89	15,95
Consolidated AES Gener	87,12	57,6	-	1,72	9,785	97,84	59,50

For more information on the KPIs of each AES Gener Group plant in Chile, Argentina and Colombia, see Schedule 3.

3.4.1 More Life for Chivor Plant – New Intakes

Since 2018, we have been carrying out work in the intakes of La Esmeralda reservoir of Chivor Plant to extend the useful life of the plant by 50 years.





During 2020, several representative milestones of the project were met, where we can highlight the intervention works of La Esmeralda Reservoir: the construction of the Entrance Portal, the Load Tunnel 1, the construction of the Chamber where the Bureau gate was installed, and the reinforcement and instrumentation activities of the left abutment slope of the dam. Moreover, we successfully completed the construction of 90% of the Load Well and Connection Branches 1 and 2, including the Wells, Shielding areas and the connection works with Chivor I and Chivor II pipelines; the above achieves a cumulative 98% progress in the civil work that is added to the start of the mobilization and assembly of the Electromechanical Equipment in the Valve Chamber, closing the year with a 50% progress.

In spite of the fact that we made the greatest efforts, the restrictions associated with COVID-19 have affected the development of the works, extending the completion of the project by April 2021.



La Esmeralda Reservoir, Colombia

3.5 Our Projects under Construction and Development.

Project Portfolio				
	221 MW Under operation since Greentegra	1133 MW Under construction	885 MW With Contract under Development	3804 MW Without Contract under Development
 HYDRO	-	531 MW	-	-
 WIND	110 MW	251 MW	609 MW	2586 MW
 SOLAR	101 MW	239 MW	170 MW	862 MW
 BATTERIES	10 MW	112 MW	106 MW	356 MW

3.5.1 Energy projects under construction during 2020

Los Olmos (Chile)

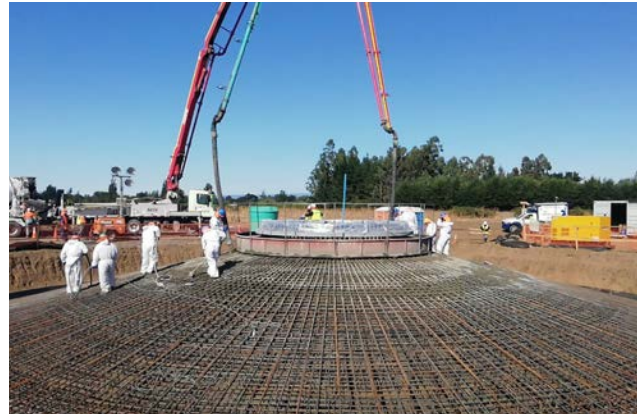
Taking advantage of the excellent wind conditions of southern Chile, in the Biobio region, we are building 3 wind projects, among which we can find Los Olmos of 110 MW. As of the end of December 2020, the progress of the project was 60%, most of the foundations and towers were built and most of the electromechanical equipment is in the country. Likewise, the works in the substation continue to be carried out.



Los Olmos

Mesamávida (Chile)

The Mesamávida wind project of 68 MW, also located in the Biobío region and close to Los Olmos project, started the construction of foundations and platforms in 2020. Meanwhile, the works in the substation are well under way. By the end of 2020, the project made a 31% progress.



Mesamávida



Mesamávida

Campo Lindo Project (Chile)

In the fourth quarter of 2020, we started the construction of Campo Lindo plant with a capacity of 73 MW, which will have 17 turbines of 4.3 MW each. This project is also located in the Biobío region and is part of a wind cluster that will take advantage of the excellent wind conditions in the area (see Renewable Energy Projects under Development during 2020). The progress of this project by the end of 2020 reached 3%.



Campo Lindo Project

Andes Solar IIb (Chile)

Andes Solar IIb is the second expansion of our Andes Solar Generation Park located in the Atacama Desert in the region of the same name. This solar project of 180 MW will include the largest storage system of 112 MW in Latin America for 5 hours (560 MWh of energy). In addition to including bifacial panels for most of its installed power, it will include 10 MW of a new and innovative technology called Maverick, which consists of a prefabricated, prewired solar solution that allows a 3 times faster deployment than traditional photovoltaic systems, while using only half the amount of land per MW than current projects.

In 2020, AES acquired an interest in 5B, the Australian company that developed the MAVERICK technology, and we see that its technology will give us an additional competitive advantage to meet the needs of our customers in the future and will allow us to capture Chile's greater solar potential.

The construction of Solar Andes IIb reached an 11% progress by the end of 2020.



Andes Solar IIb

Andes Solar



Alto Maipo Hydroelectric Project (Chile)

Alto Maipo will constitute an important source of energy for Chile through the provision of a volume of clean, efficient, and economic energy of approximately 2,200 GWh/year. In addition, the project involves 90% of underground works and no reservoir, and brings relevant advantages to the SEN concerning the security of supply resulting from its proximity to the city of Santiago and the consequent savings in electric power transmission, which involves only 17 kilometers of new transmission lines.

The Alto Maipo Hydroelectric Project (PHAM, for its acronym in Spanish) consists in the construction of two run-of-the-river plants in hydraulic series in the basin of the Maipo river called Alfalfal II (264 MW) and Las Lajas (267 MW), with a total installed capacity of 531 MW. The environmental approval of the project was granted in 2009, the transmission system was approved in 2010 and the electrical concession was obtained in 2012.

The project is located in the Commune of San José de Maipo, Metropolitan Region and, as of December 31,

2020, we have made a 94.8% total progress, including the construction of 73.9 km of tunnels out of a total of 74.6 km, in three excavation fronts, in addition to superficial works, electromechanical assembly, and civil works, in other work fronts. In March 2021, the excavation of the tunnels was completed, thus being the geological risk of the project overcome.

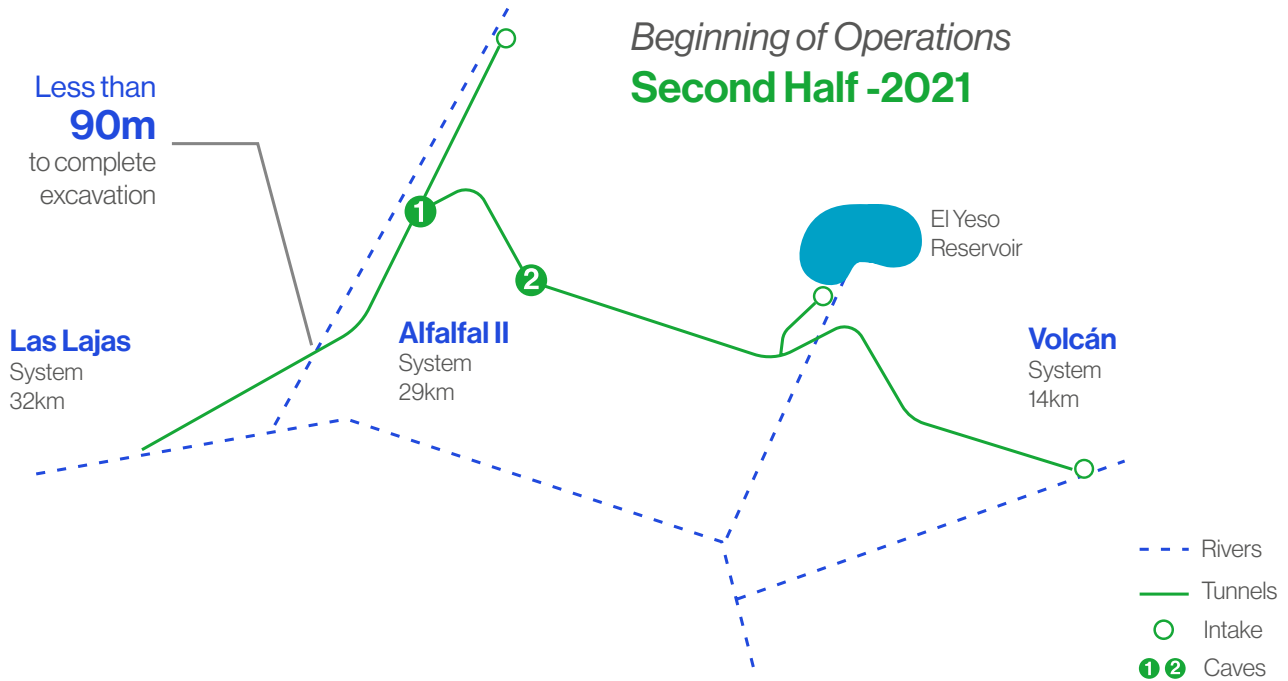
The construction of the main civil works and tunnels is carried out by an Austrian firm Strabag AG, with its Chilean subsidiary Strabag Spa (Strabag). Moreover, the subsidiaries of the German company Voith Hydro (Voith) are responsible for the supply and assembly of the electromechanical equipment of the plants.

Strabag completed the excavation of the Alfalfal II and Las Lajas caverns and Voith is installing and testing the electromechanical equipment.



Alto Maipo

Alto Maipo Project Scheme



San Fernando (Colombia)

In the second half of 2020, we entered into two energy supply agreements for 15 years; one with Ecopetrol Energía SAS ESP (subsidiary of the state-owned company Ecopetrol SA) for the supply of grid power, and another one with Cenit Transporte y Logística de Hidrocarburos SAS (also subsidiary of the state-owned company Ecopetrol SA) for the supply of energy from a solar plant of 59 MW to be built and operated by AES Chivor in the customer's land for its operations in San Fernando. Construction began in the fourth quarter of 2020 and is located very close to the Castilla solar plant that we completed in 2019 for Ecopetrol Energía SAS ESP.

San Fernando is Colombia's most innovative solar project. The combination of bifacial panels and tracking systems optimizes the orientation of the panels to capture the sun rays at all times.

The project should take less than a year to be built and will be operational in the second half of 2021. By the end of 2020, the project made a 9.4% progress.



San Fernando

3.5.2 Renewable Energy Projects under Development during 2020

In the search to generate a sustainable portfolio, all our projects are of renewable energy, in addition to different developments in water desalination plants.

We have a total of 4,689 MW in our portfolio of energy projects in different phases and a capacity of 720 l/s of desalination under development.

The total number of renewable projects is divided as follows:

Andes Solar Hub (Chile)

The Andes Solar field is located in the Atacama desert, with unparalleled solar radiation and low temperatures, which allows us to have a world-class plant factor (approximately 37%). At the site we have plants of 22 MW and 80 MW and we are undergoing a second expansion under construction that involves another 180 MW of solar power and a set of batteries with a storage capacity of 112 MW for 5 hours. This is the first large-scale solar project that uses bifacial technology in Chile.

Campo Lindo Hub (Chile)

The Campo Lindo wind farm is in the Biobío region and will have a capacity of 73 MW. The Campo Lindo project is part of the wind farm complex also called Campo Lindo with a potential of 521 MW of installed capacity, which also includes the San Matías 108 MW, Don Álvaro 68 MW and Rinconada 258 MW projects, all of them currently under development. The Campo Lindo project has one of the best plant factors in Chile thanks to its excellent wind and ground conditions.

Jemeiwaa Kai (Colombia)

Wind project group of 648 MW consisting of five projects in the Municipality of Uribia, Department of Guajira: Irraipa,

Carrizal, Casa Eléctrica, Apotolorry and Jotomana. Its location in one of the areas with the greatest wind potential all over the world according to wind measurements recorded since 2012 will allow a supplementary generation to Chivor and the hydrology of Colombia (annually and during the phenomenon “El Niño”) with transmission rights for 549 MW. As of October 2019, Casa Eléctrica and Apotolorry, of 187 MW and 77 MW respectively, have entered into long-term energy supply agreements for a total power of 264 MW, awarded during the Long-Term Contract Auction with renewable energy generation projects.

Other Projects

We are constantly seeking to diversify our portfolio of projects in order to meet the needs of any type of customer, with a portfolio of solar, wind and battery projects distributed among the interconnected systems of Chile and Colombia and, in addition, water desalination projects. In addition, we are initiating feasibility studies for green hydrogen projects.

Water Desalination Projects

Our corporate strategy for business development has been strongly directed to giving a solution to the current market demands, streamlining the opportunities of natural synergies with existing assets. During 2020, we have successfully made progress in the development of desalination plant projects to allow the expansion of the current capacity of industrial water supply and serve a large variety of customers ranging from mining and industrial companies to health service providers, thus generating a solution for the water shortages affecting some parts of the country.

The desalination business is consistent with the technological transition of our coal-fired thermoelectric plants within the framework of a business reconversion under the decarbonization process and considers projects with low environmental impact and high competitiveness for being carried out in existing industrial facilities.



We have a total of **4,689 MW** in our portfolio of **energy projects** in different phases and a capacity of **720 l/s** of **desalination under development**.



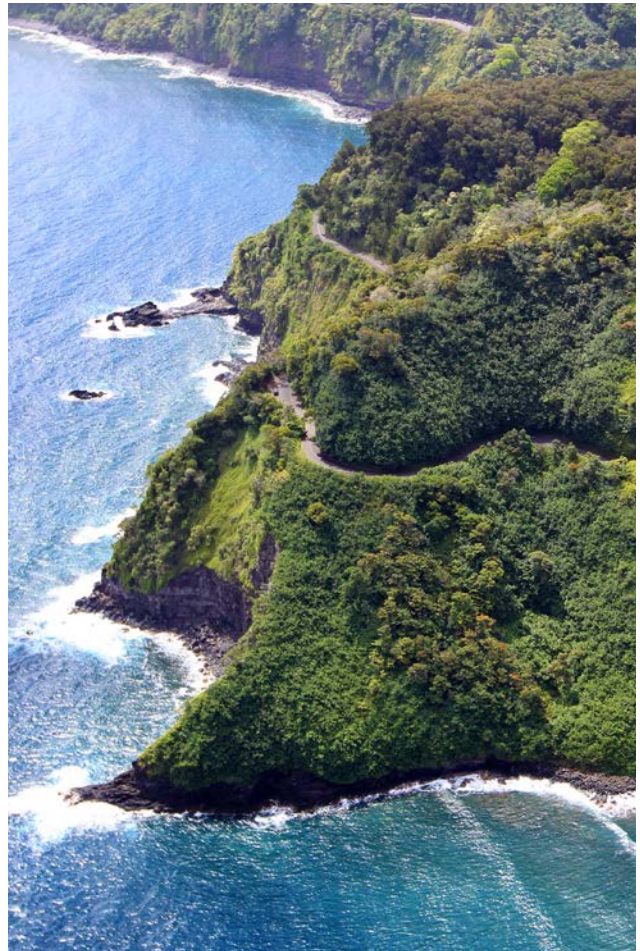
Our Projects are:

- **Ventanas Desalination Plant (560 l/sec)**
Construction of a desalination plant located in Ventanas Complex, in the Commune of Puchuncaví, Region of Valparaiso, Chile. It has currently obtained the RCA and is currently under the commercialization stage intended to potential customers with water demands in the area.
- **Phase 2 Angamos Desalination Plant (160 l/sec)**
Construction of the extension of the Phase 1 Angamos Desalination Plant of 60 l/s which is currently in operation and located in the premises of Angamos Complex, Commune of Mejillones, Region of Antofagasta, Chile. Currently, it has obtained the RCA for 160 L/s in addition to the 60 L/s already in operation, and is currently under the commercialization stage with potential customers with water demands in the area.



Green Hydrogen

Chile is one of the countries with the greatest potential for the production and export of hydrogen. AES Gener has competitive advantages in relation to the location of its existing plants and in March 2021, executed a Memorandum of Understanding (MOU) with an international hydrogen producer to carry out a feasibility study for the first large green hydrogen-based ammonia project in Chile. For more details see Chapter 1, Transformation and Innovation to Improve Lives.



3.6 Financial Management

3.6.1 Results of the Year

[102-10, 103-1, 103-2, 103-3]

As of December 31, 2020, AES recorded an EBITDA of US\$1045 million, US\$206 million higher than the US\$839 million recorded during the same period in 2019. During the fiscal year 2020, we recorded a loss of US\$271 million, US\$387 million less than the earnings of US\$116 recorded during the same period of the previous year.

At the operational level, the cumulative Gross Profit as of December 31, 2020 was US\$926 million, which represents a 39% positive variation or US\$258 million, as compared with the previous year. The main variations in Gross Profit in the different markets where we operate are shown below:

- In Chile: the positive variation of US\$387 million is mainly due to (i) the partial recognition of the agreement entered into in relation to the termination of the energy supply contracts with MEL and Spence with the subsidiary Angamos; and (ii) a higher margin associated with contract sales to regulated and non-regulated customers mainly due to an increase in the sales volumes and lower fuel costs.
- In Colombia: the negative variation of US\$115 million is mainly due to a 41% decrease in generation as compared to the previous year, the product of work carried out in the first quarter of 2020 related to the extension of the useful life of La Esmeralda reservoir, which seeks to extend the useful life by at least 50

more years, which required to empty the reservoir from the end of 2019 to the first quarter of 2020, added to the second driest hydrology of the historical series of flows.

- In Argentina: the negative change in gross profit of US\$13 million is mainly due to (i) lower prices associated with Resolution 31/2020, (ii) lower capacity income associated with scheduled maintenance performed in 2020 and, (iii) lower contract margins resulting from a decrease in demand.

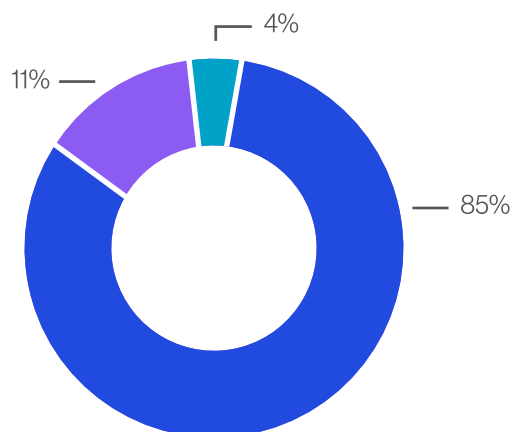
Non-operating income includes the negative change in "Other income (losses)" of US\$787 million mainly associated with an impairment recorded in Property, Plant and Equipment for Ventanas 1, Ventanas 2, Laguna Verde and Angamos plants, as a result of the intention to accelerate the disconnection of said units and the termination of the supply agreements with MEL and Spence. It is worth mentioning here that these accounting impacts will not affect the cash flows of the Company.

On the other hand, there is also a positive variation in the item "Interest in earnings (losses) of investees" of US\$46 million, due to lower impairment losses associated with the subsidiary Guacolda Energía S.A. (hereinafter, Guacolda) during the current fiscal year.

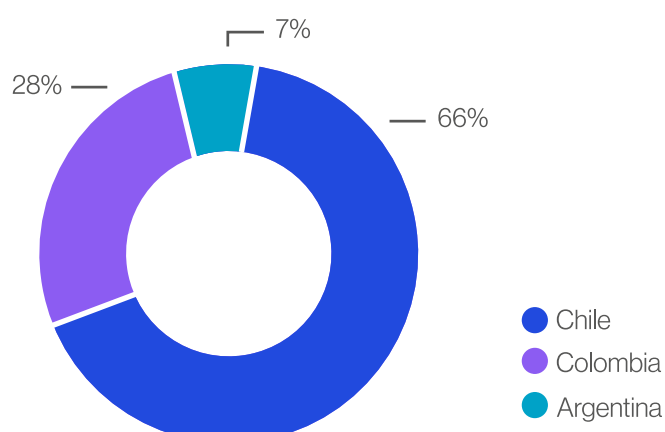
RESULTS (ThUS\$)	2020	2019	VARIATION
Income from ordinary activities			
Sales of energy and power	2,244,117	2,148,928	4%
Transmission income	118,952	95,805	24%
Other revenues	144,415	167,040	-14%
Total income from ordinary activities	2,507,484	2,411,773	4%
Sales costs			
Fuel cost	(357,176)	(477,777)	-25%
Fuel sales cost	(106,613)	(128,368)	-17%
Purchase of energy and capacity	(420,832)	(419,643)	0%
Cost for use of transmission system	(123,043)	(106,718)	15%
Other fuel costs	(94,471)	(100,733)	-6%
Production and other sales costs	(231,008)	(244,629)	-6%
Depreciation of intangible assets	(247,885)	(265,491)	-7%
Total of Sales Cost	(1,581,028)	(1,743,359)	-9%
Gross income	926,456	668,414	39%
Other income, by function	2,274	2,647	-14%
Administrative expenses	(125,484)	(100,606)	25%
Other expenses, by function	(10,840)	(5,824)	86%
Other income (losses)	(847,612)	(60.65)	1309%
Financial income	7,972	10,271	-22%
Financial costs	(122,192)	(140,034)	-13%
Interest in earnings (losses) of investees	(79,658)	(125,889)	-37%
Exchange differences	(31,071)	(11,919)	161%
Profit or loss by readjustment units	(2,141)	-	100%
Income (loss) before taxes	(282,296)	236,895	-219%
Income tax	30,642	(112,454)	-127%
Income (loss)	(251,654)	124,441	-302%
Income (loss) attributable to owners of parent company	(271,444)	115,786	-334%
Income (loss) attributable to non-controlling interest	19,790	8,655	129%
Income (loss)	(251,654)	124,441	-302%

For more details, review the reasoned analysis of AES Gener ([link](#)).

December 31, 2020 - ThUS\$ 1,045,433



December 31, 2019 - ThUS\$ 839,367



3.6.2 Direct economic value generated and distributed

[201-1]

As stated in the GRI Standard, the generated and distributed economic value refers to how the

organization makes a distribution to its stakeholders out of its income.

NOTIONS (thCLP\$)	2020	2019
Operating income	3,151,229	2,678,147
Financial income	831,039	2,294,015
Other Income/other profits	51,596	49,334
Direct economic value generated and distributed (EVG&D)	4,033,864	5,021,496
Payments to suppliers for goods and services	-1,692,225	-1,759,063
Payments to suppliers of financing	-1,347,966	-2,086,391
Payments to shareholders	-372,803	-304,587
Payments to the State (income tax paid)	-114,921	-113,731
Salaries and allowances/employee benefits	-71,551	-73,928
Investments in fixed assets	-569,617	-502,742
Other expenses/other losses	108,335	-146,591
Other operational payments	-32,255	-7,772
Total economic value distributed (EVD)	-4,093,003	-4,994,805
Economic value withheld (EVW)	201,543	359,349

3.6.3 Level of Indebtedness

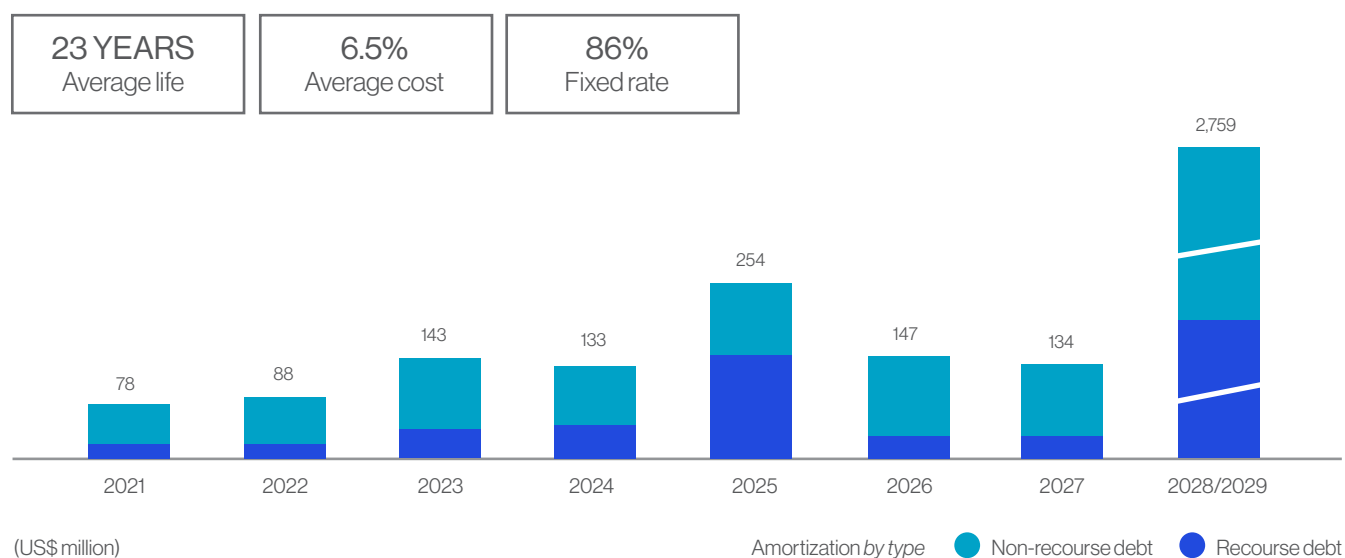
Our main financial commitment is to maintain a balanced capital structure consistent with an investment-grade rating by the major international rating agencies.

With this goal, our Chief Financial Officer permanently takes steps towards optimizing our debt position and implements the most efficient hedging strategy to mitigate the risk of devaluation of the Chilean, Colombian, and Argentine currencies.

As of December 31, 2020, the financial debt was US\$3,736 million, while cash and cash equivalents and other financial

assets reached US\$271 million, thus recording a net financial debt of US\$3,465 million.

Our total consolidated debt has an average life of 23.4 years and a manageable repayment schedule, with no relevant maturities until 2025. Out of the total outstanding debt as of the end of 2020, 63% (US\$2,359 million) accounts for the debt of our subsidiaries with no recourse to the parent AES Gener; and the remaining 37% (US\$1,377 million) is made up of corporate debt at AES Gener level. Moreover, out of the total debt, 86% is at a fixed rate or subject to mechanisms allowing rate fixing (rate swap), and the remaining 14% is at a variable rate.



	DECEMBER 2020	DECEMBER 2019
Current liabilities/Shareholders' equity	3.0x	2.3x
Gross Debt/EBITDA	3.6x	4.8x
Net debt/EBITDA	3.3x	4.4x
Net debt/EBITDA with equity credit	2.8x	3.8x
Financial expenses coverage	(1.3x)	2.7x

3.7 Main Financial Activities

Our main financial commitment is to maintain a balanced capital structure through an investment-grade rating established by the major international rating agencies.

During 2020, we carried out important actions to meet this objective, among which the following are highlighted:

3.7.1 Guacolda Financial Debt Prepayment

On March 3, we made an advance prepayment of ThUS\$40,000 from the outstanding balance of ThUS\$100,000, which is consistent with a bank debt of ThUS\$330,000.

Moreover, on April 30, to give the Company greater flexibility and liquidity vis-a-vis the uncertainty surrounding the pandemic, together with the payment of ThUS\$25,000, Guacolda and the banks agreed to modify the payment schedule by extending the debt to December 2020.

On June 30 and July 30, we advanced ThUS\$15,000 and ThUS\$20,000 to pay the bank debts for October

and December 2020, respectively, as per the payment schedule, being the total amount of the debt fully settled.

Finally, in March, Guacolda used part of the line of credit committed in UF in the amount of ThUS\$37,773, which was prepaid on August 25 in full, including principal and interest. On November 5, the committed credit line agreement was terminated.

3.7.2 Refinancing of Empresa Eléctrica Cochrane SpA

Cochrane started a refinancing process of its Project Finance debt in 2019, with the issuance of a 144A/RegS notes in the American market. At the same time, it entered into a credit agreement for ThUS\$445,000 due in November 2034 with a syndicate of financial institutions led by Banco Consorcio. This credit was fully prepaid on July 14, 2020 with funds from the issuance of notes payable by the line registered with the Registry of Securities under the Commission for the Financial Market on June 16, 2020. The placement was for ThUS\$485,000.



3.7.3 Angamos subsidiary agreement with BHP

On August 7, Angamos entered into an early termination agreement with the subsidiaries of BHP, Minera Escondida and Minera Spence under which it was established that the existing PPAs will be terminated in August 2021. Thanks to these agreements, Angamos received funds in the amount of ThUS\$720,000 that will be recognized in the profit or loss of the Company during the remaining term of the agreement and used in full to strengthen the capital structure of the company through debt prepayment and the acceleration of the ongoing renewable growth plan. Thus, we move forward in line with the objectives of the Greentegra Strategy to reduce the carbon intensity of its portfolio and strengthen its investment grade.

3.7.4 Angamos Debt Prepayment

Thanks to the agreement with BHP, Angamos was able to make the following movements:

On September 21, Angamos conducted a partial international bond repurchase for a total ThUS\$255,457. Subsequently, on October 5, 2020, Angamos made an additional repurchase of the note for a total of ThUS\$53,607. The bonds rescued were settled and as of December 31, 2020, the total notional amount of the debt related to the Angamos note was ThUS\$74,927.

On September 3, Angamos also made a partial prepayment of ThUS\$50,980 of the ThUS\$200,000 loan. On October 7 and 9, Angamos made a total prepayment of the loan for a total of ThUS\$83,808, being the debt fully settled.

As of December 31, 2020, Angamos accounted for a debt in the amount of ThUS\$74,927.

3.7.5 AES Chivor Credit Agreement

On 17 December, AES Chivor & Cis S.C.A. E.S.P. entered into a credit agreement for up to ThCOP\$350,000,000 (US\$101.97 million) with Bancolombia and Scotiabank Colpatría. The credit agreement has a term of 7 years and its purpose is to (i) develop the construction of the San Fernando solar plant, (ii) refinance the financial obligations outstanding as of that date, and (iii) meet their general purpose needs within the ordinary course of business.

On December 21, the first disbursement of this loan was made for ThCOP\$230,000,000 (US\$67 million), which was used for the novation of all the debts outstanding as of that date with Scotiabank Colpatría and Citibank

3.7.6 Renewal of the Letter of Credit Committed by AES Gener

On December 21, 2020, the Company closed a committed credit arrangement with a syndicate of international banks for ThUS\$250,000 for 4 years. On that day, the committed credit arrangement entered into with a syndicate of banks for Th\$250,000 in 2017 and 2018 was settled. As of December 31, 2020, this line has not been drawn down, this being a key component of liquidity that supports AES Gener's investment grade rating.

3.7.7 Stabilization Fund

The Stabilization Fund is a financing solution to achieve financial liquidity, transfer collections and risks associated with the change of law in relation to the Regulated Tariff

Stabilization Mechanism pursuant to Chile's Tariff Stabilization Law No. 21185 passed on October 30, 2019. This mechanism freezes regulated energy and capacity tariffs from July 2019 to December 2020 and is subsequently adjusted by Chile CPI.

The differences between the actual contracts of the regulated customers and these frozen prices are calculated by the National Energy Commission (CNE) and accounted for in the half-yearly decrees of the CNE. The maximum amount to be accrued is US\$1.35 billion in total for all generating companies and the maximum date to accrue the differences is July 2023.

The difference generated by the tariff freeze is reimbursed as the average price of the system contracts decreases while the lowest price contracts begin to be supplied in 2021 and 2024 (auctions 2015-01 and 2017-1). All differences must be paid no later than the end of December 2027 and any amount outstanding between January 2026 and December 2027, will accrue interest at a rate equivalent to 6-month Libor plus the risk premium of Chile.



The differences accounted for by the CNE will be recorded as accounts receivable in favor of the generating companies and accounts payable for the distributing companies and may be transferred to third parties by the generating companies.

On January 20, 2021, AES Gener entered into an agreement with Goldman Sachs & Co. LLC, Goldman Sachs Lending Partners LLC pursuant to which, subject to certain conditions, the Company will sell to Chile Electricity PEC SpA ("Chile PEC"), and Chile PEC will undertake to purchase, accounts receivable against various electricity distribution companies, in accordance with the provisions of Law 21185, which "Creates a Transitional Electricity Price Stabilization Mechanism for Customers Subject to Tariff Regulation", and Exempt Resolution number 72, of the National Energy Commission (collectively the "Stabilization Mechanism"), for an amount committed up to Th\$90,101.

Likewise, on January 27, 2021 AES Gener reached an agreement with Inter-American Investment Corporation ("IDB Invest") for a committed amount of up to MUS\$44,083. This transaction is key to keeping AES Gener's capital and liquidity structure in line with our strategy to maintain the investment grade credit rating and, at the same time, securitizing the credit balances generated by the Tariff Stabilization Law.

3.7.8 The largest capital increase in AES Gener's history

On April 16, 2020, as agreed at the Special Shareholders' Meeting, the capital of the Company was increased by up to ThUS\$500,000 through the issuance of up to 5 million cash shares. This capital increase, the largest in AES Gener's history, was registered by the Commission for the Financial Market.

On December 28, the Board of Directors agreed to set the placement price of 1,980,000,000 shares at CLP\$110 per share, with the purpose of raising approximately thUS\$300,000 through the capital increase. The period to exercise the right of first refusal started on December

29 to subscribe for the aforementioned 1,980,000,000 shares and ended on January 27, 2021. The shareholders subscribed and paid in 1,946 million shares at CLP\$110 each, equivalent to US\$301 million as income.

The second period to exercise the right of first refusal to subscribe for the remainder of the shares not subscribed in the first period on February 1. During this period, which ended February 5, 2021, the shareholders subscribed for and paid in 30 million shares at CLP\$110 each, equivalent to US\$3 million as income.

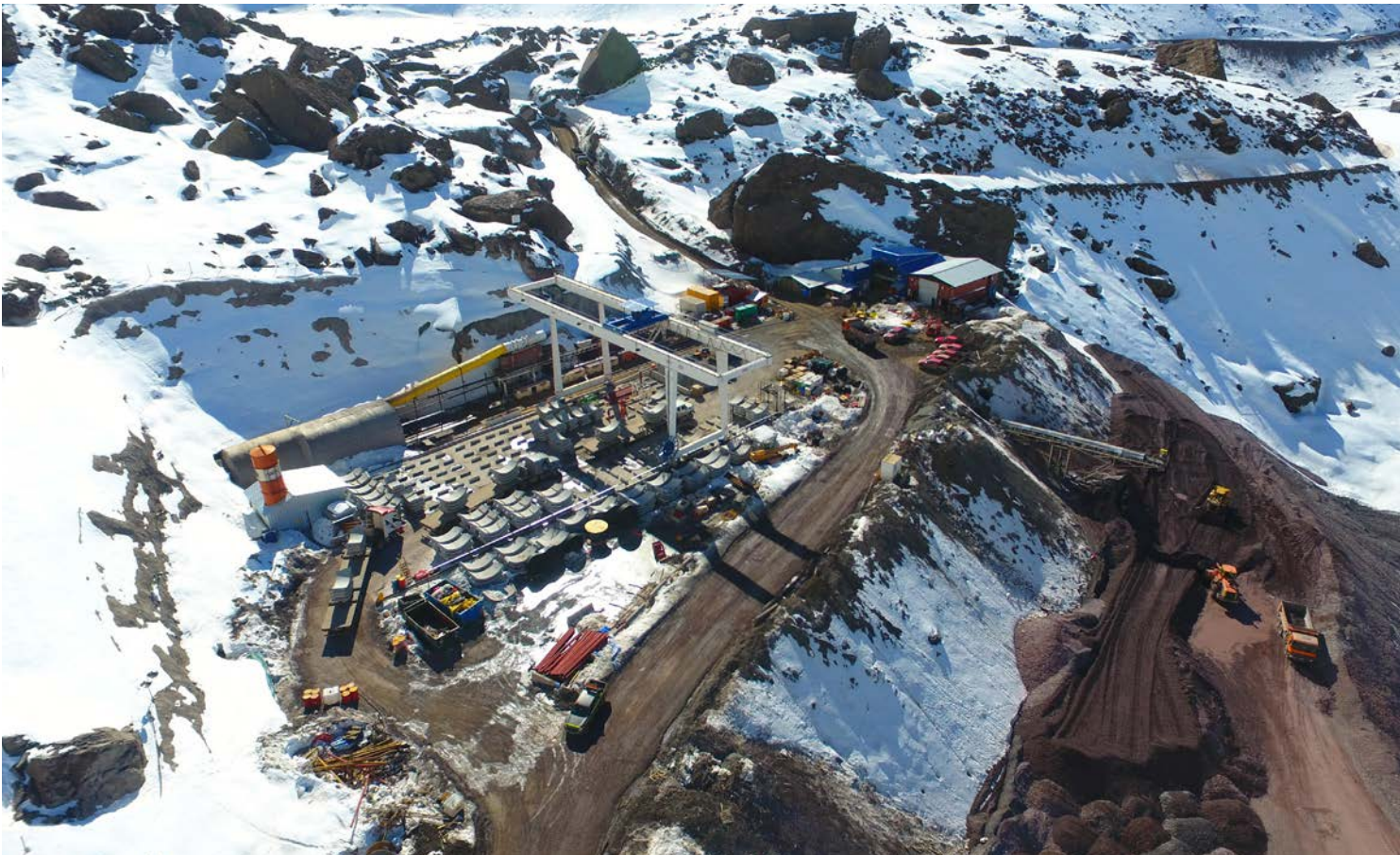
The funds shall be used to finance the construction of solar and wind energy and battery projects to meet the

demand of new supply agreements executed according to our new strategy.

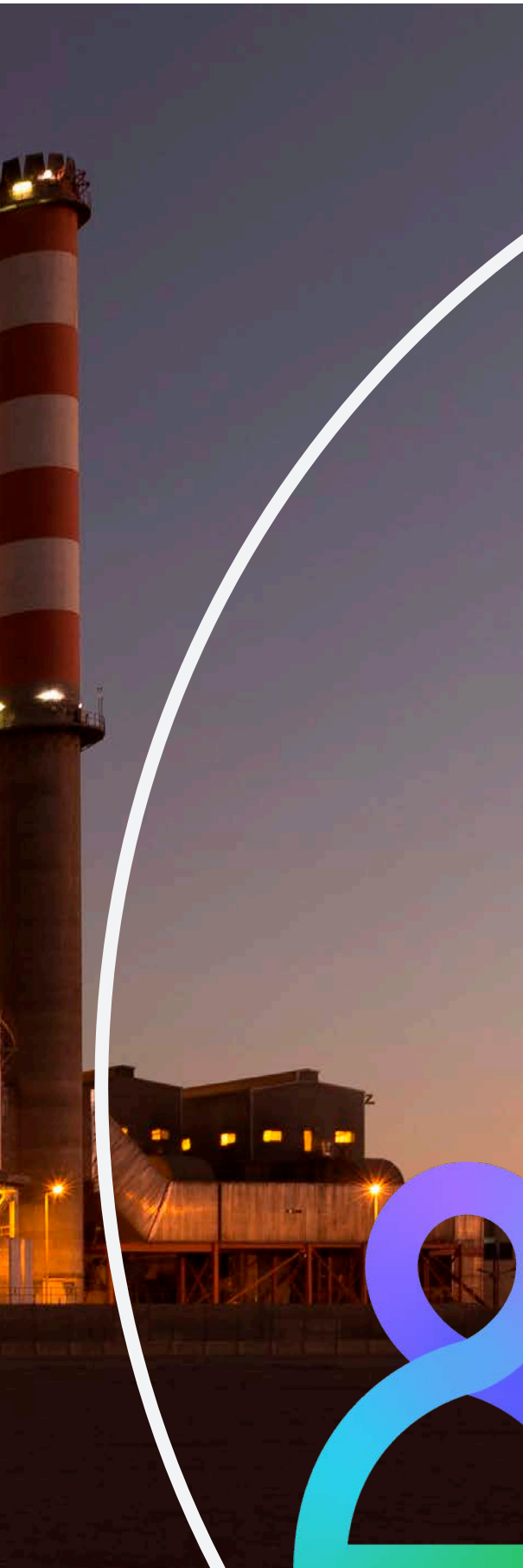
3.7.9 Alto Maipo Hydroelectric Project

As of December 31, 2020, the debt amounted to US\$1,411 million related to this financing. Moreover, we contributed US\$265.5 million of the committed US\$400 million.

As of the same date, the Project recorded a 94.9% progress, with 73.9 km of tunnels out of a total of 74 km.







4. Good Corporate Governance, Ethics and Transparency

Ethical Framework	94
Corporate Governance Structure	99



4.1 Ethical Framework

[102-16,103-2]

At AES Gener we have a Code of Conduct and an Ethics and Compliance Program, which was approved by the Board of Directors, intended to conduct our business according to the highest standards of integrity.

The Code of Conduct, which is available in this [\(link\)](#), regulates the actions of all the persons who work in our Company, including our subsidiaries.

The Ethics and Compliance Program contains legal and regulatory compliance requirements from Chile, Colombia and Argentina, such as those stipulated in Corporate Criminal Liability Law 20,393 (for Chile), the U.S. US Foreign Corrupt Practices Act and other applicable laws.

The Code of Conduct and the Ethics and Compliance Program define our business practices and expectations and are therefore an integral part of our business and culture. To ensure its adherence and compliance, we have established as follows:

- The Code of Conduct is delivered, with proof of receipt, to all our employees, contractors, suppliers, and business partners.

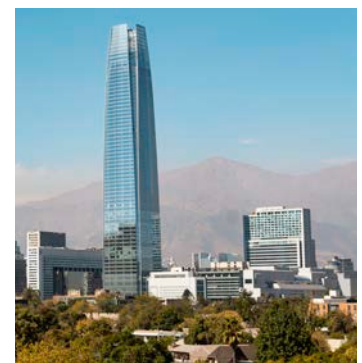
- Our employees expressly accept the Code of Conduct at the time they join our Company, and certify that they have read and properly understood it.

- The Ethics and Compliance Program sets forth that, before entering into any transactions with third parties, our employees must have completed the Contract Compliance Review Process on the proposed business partner.

4.1.1. Ethics and Compliance Department

Our Ethics and Compliance Department (E&C), headed by the Ethics and Compliance Manager, is responsible for ensuring adherence to the Code of Conduct and the Ethics and Compliance Program.

The E&C Department offers training, information and certification programs for our collaborators related to our Code of Conduct and programs to prevent and



detect criminal behaviors, foster an organizational culture that promotes ethical behavior and commitment to compliance with the laws, in addition to monitoring and enforcing our policies on corruption, bribery, money laundering, and partnerships with terrorist groups.

Some of the ethics and compliance training and support programs are:

Ethics Champions Program

Its purpose is to encourage and promote the debate on contingent and challenging issues that we can face. Through an open discussion and communication, we can ensure that our values are always present in our work decisions.



Our Values Guide Training

Promotes the importance of exercising good judgment for business decision-making with an eye on the company as a whole. Provides guidance in the event of practical business events, and also informs who to contact in case of doubts or difficult situations at the time of making business decisions.

To avoid and reduce differences that may lead to personal interpretations, the E&C Department has a series of policies that detail and guide the way in which the organization expects male and female workers to behave in the performance of their duties.

Moreover, to secure compliance with the provisions contained in General Provision No. 270, dated December 31, 2009, issued by the *Comisión para el Mercado Financiero* (Commission for the Financial Market, CMF), we set forth the internal policies and standards governing the handling of information that, without constituting an essential fact or information in nature, is useful for the proper financial analysis of our Company and subsidiaries. Namely, as set forth in the “Handbook on Handling Information of Interest to the Market”, it includes all the legal, economic and financial information

concerning relevant aspects of the development of corporate businesses or that may have a significant impact on them for constituting “information of interest”. More information about the code of conduct is available in this [link](#).

Anti-Corruption Policy

Our Anti-Corruption Policy prohibits the offering or giving of any valuable thing to anyone, including government officials or private business companies, either directly or indirectly, in order to improperly influence any decision. This policy also forbids to request or accept anything of value from any current or future business partner in exchange for doing business or receiving any favorable treatment with AES Gener.

Policy of Prevention under the Scope of Law No. 20,393 on Corporate Criminal Liability.

Law 20,393 establishes sanctions for those companies that commit offenses related to (i) money laundering, (ii) terrorist financing, (iii) bribery of national and/or foreign officials in the interest or to the benefit of the Company, (iv) receiving stolen goods, (v) corruption among private parties, (vi) incompatible negotiations, (vii) fraudulent administration, (viii) misappropriation, (ix) water contamination that causes damages to hydro-biological resources, (x) processing, placement in wells, transformation, transportation, marketing and storage of banned hydro-biological resources, and preparation, marketing and storage of its by-products, (xi) performance of extraction activities in areas of benthic resources management and exploitation without the corresponding rights, and (xii) processing, preparation, storage and marketing of hydro-biological resources or by-products, whose legal origin cannot be proved, and which are collapsed or overexploited.

In June 2019, the Board approved a new Crime Prevention Model pursuant to Law No. 20,393, which provides for new legal notions associated with crimes under the law on the fishing and aquaculture.

Donations Policy

A donation is understood as anything of value delivered to individuals, companies or organizations with charitable or altruistic purposes. No donations are allowed in exchange for financial benefits, recommendations, preferential treatment, or other undue influence. Prior approval from the Ethics and Compliance Department is required before promising any contribution or donation.

Gifts and Entertainment Policy

No gifts shall be received or offered by our employees whenever they compromise or seem to compromise the ability of any of them to act according to the best interests

of the Company. Gifts must be legal and habitual in the jurisdiction where they are given or received. They must also be reasonable and proper to the occasion and not excessive in terms of value.

Conflicts of Interest Policy

A conflict of interest may arise when the action or decision-making of an employee in the performance of his/her professional responsibilities is affected or influenced by a personal situation. People should avoid situations that might create, or even give the appearance of creating, a conflict between personal interests and the interests of the Company.

Other relevant policies:

- Free Competition Policy
- Lobbying Policy
- Discrimination and Harassment Prevention Policy

4.1.2. Human Rights and the Company

We recognize the Universal Declaration of Human Rights and adhere to The AES Corporation's Human Rights Policy

Through our Human Rights Policy developed in 2019 we developed a human rights policy to formalize our long-lasting commitment and, at the same time, to promote greater awareness of these issues in employees, communities and suppliers.

Our policy is consistent with the UN Guiding Principles on Business and Human Rights and formalizes tools that the Company already uses to conduct business, such as promoting performance of risk assessments, ensuring safe and healthy working environments, and working together with the communities, based on eight principles

for the daily management of businesses throughout the value chain.

Our Human Rights Policy is available in this [link](#).

Due diligence

In line with the guidelines of the UN Guiding Principles on Business and Human Rights, during 2019 we conducted a due diligence in these issues on our operations in Chile, Colombia and Argentina (TermoAndes). The evaluation sought:

Assess actual and potential human rights impacts

Integrate the findings in a risk map

Act on those findings to prevent or mitigate potential impacts

As part of the evaluation and analysis of findings, we have found no elements that would represent a risk of high likelihood of occurrence, so it has not been necessary to develop any mitigation plans. Nevertheless, due to the characteristics of the business and its inherent risks, we should monitor issues such as safety (the right to life and integrity of people) on a permanent basis to confirm that safety is our first value.

The location and relationship of operations with the nearest communities makes it necessary to maintain constant control over the company's grievance mechanism, including:



- Helpline: our employees can ask questions or report suspected irregularities to leaders, human resources staff or directly to Ethics & Compliance staff, or send complaints anonymously through the Helpline.

- Procedures for queries and claims: the person concerned requests a personalized, written response regarding the results of the enforcement of this procedure. Its purpose is to mention the stages to be accomplished in order to manage queries and claims coming from natural or legal persons.

- Regular meetings and briefings with communities: engagement mechanisms, including meetings, forums for dialog and participation; working tables; public hearings; publications in national, regional and local mass media; guided tours in our plants; publications on our website; letters, e-mails and phone calls; studies, surveys and measurements.

Given that cultural, geographical and social aspects are diverse, in terms of topics related to the rights of indigenous peoples and communities, the Company will update its Community Engagement Policy to address this aspect in accordance with the scope of ILO Convention 169 on Indigenous and Tribal Peoples.

4.1.3. AES Gener Helpline

[102-17]

The Helpline is a tool made available to the public via phone and web 24/7 so that our collaborators, suppliers, customers, community members or other stakeholders may ask questions, seek advice or report violations against the law, the Ethics and Compliance Program or the Code of Conduct.

Administered by a third-party vendor, who refers the reports to the Ethics and Compliance Department for investigation, the Helpline allows anonymous contact by assigning a subject number and personal identification number (PIN) to the reporter so that they can continue to communicate anonymously with the Department in the course of the relevant investigation.

The Ethics and Compliance Department receives and manages questions by phone, email or face-to-face, and investigates the concerns and provides advice when the management or other departments receive and refer issues of such nature.

Everything that is communicated through any of the channels has due follow-up and response.

The investigation steps, findings and the resulting corrective actions are entered in the confidential database of E&C research. For follow-up purposes, the reports are classified into complaints (including concerns with respect to improper or unlawful activities requiring research) or queries (including requests for advice on substantive issues, such as conflicts of interest and donations). These data are useful for the management to identify trends and to take proactive steps to prevent similar incidents in the future. As part of this analysis, the complaints are further classified into five types:

- a. Financial reports and controls
- b. Behavior and staff policies
- c. Trade interactions.

- d. Ownership and assets of the company
- e. Security, environment and human rights

When an allegation is confirmed, the Compliance area works with the relevant areas to establish the appropriate corrective actions to solve existing and past problems and, where possible, to prevent similar problems in the future.

Compliance staff investigates and answers all the allegations and queries, collaborating with the different managements regarding disciplinary and corrective measures to ensure consistency with local laws and regulations and our values and policies. Each research and query is carefully documented on the Helpline.

As to the helpline, employees are also expected to be sincere and communicative. Failure to report inappropriate behavior, to knowingly bring a false complaint, or to refuse to cooperate with an investigation may result in a disciplinary action.

Moreover, we undertake to make all reasonable efforts to protect the confidentiality of reports and we will not tolerate retaliation against any person raising questions or concerns or making a good faith report of an improper behavior.

More information is available in this [link](#).

During 2020, we received a total of 16 complaints, 10 of which relate to human resources topics, 1 to conflicts of interest, and 0 to health or safety at work. The human resources category recorded the largest number of complaints, with 62,5%.



AESHELPLINE.COM



800 360 312 - 800 505 7319



24 / 7

4.2. Corporate Governance Structure

We have Corporate Governance guidelines available in this [link](#) as a summary of the relevant aspects of corporate governance so that stakeholders and the general public understand our corporate practices.

4.2.1. Corporate Purpose

[102-18]

The current corporate purpose of the Company was approved at the Extraordinary Shareholders' Meeting held on October 3, 2013. Such meeting's minutes were notarized in Santiago at the office of Notary Public Ivan Torrealba Acevedo on November 8, 2013, and an excerpt thereof was published in the Official Gazette on November 25, 2013. The due registration of the Company is in the Commercial Registry of the Real Estate Conservator of Santiago in pages 90,278, No. 58,879 of 2013.

The corporate purpose includes the following activities: to exploit the generation, transmission, purchase, distribution, and sale of electric, and other kind of energy; to purchase, extract, exploit, process, distribute, commercialize, and sell solid, liquid and gaseous fuels; to process, treat, desalinate, and commercialize desalinated water; to sell, and provide project engineering, maintenance, and harbor services; to execute and exploit civil, hydraulic, and any other infrastructure works; to provide management, auditing, financial, commercial, technical, and legal advice, and other services; to provide port and dock services; to exploit docks, freight terminals, warehouses, deposit facilities, and any kind of vessels, either owned by the Company or third parties, in any manner whatsoever; to act as shipbuilder and ship agent in any manner provided for by the Law; to transport cargoes of any nature, either within the country or abroad, through sea or land, on a multimodal or other basis; to obtain, transfer, purchase, lease, levy, and, in general,

exploit in any manner whatsoever the concessions referred to in the General Law of Electric Services, sea concessions, public works concessions, and any kind of water rights; to invest in personal or real properties; and to organize and create companies of any nature, whether they be subsidiaries, affiliates, related, or other kind of companies, whose purposes are related or linked to energy in all its forms, or to the supply of public services, or whose main input is the electric power, or which are otherwise related to any of the activities mentioned above, the Company being able to administrate and supervise them, and to coordinate the management thereof. In the event that any companies are created where the Company is required to contribute assets directly related to electric generation, the Company shall maintain an interest therein not to exceed 51%.

4.2.2. Corporate Governance Bodies

Ordinary Shareholders' Meeting

Our shareholders meet at Ordinary Meetings, and when necessary, at Extraordinary Meetings. Ordinary meetings are held once a year, during the first four months of each year, to decide on matters known to them. At such meetings, the shareholders whose shares are registered in the Registry of Shareholders can participate and exercise their right to express their opinions and vote at the midnight of the fifth business day immediately preceding the date on which the relevant meeting was held. The directors and managers that are not shareholders can also participate with the right to speak.

The Shareholders' Meetings will be held at first call with the absolute majority of the voting shares and, at second call, with any number or Shareholders present in person or by

proxy. The resolutions are adopted by the absolute majority of voting shares present or represented by proxy, except if higher majorities are required by the law or the by-laws of the Company.

In 2020, the Ordinary Shareholders' Meeting was held on April 26. An Extraordinary Meeting was also held on December 17.

During 2020, we received no comments or proposals concerning the development of corporate businesses by shareholders holding or representing 1% or more of the issued voting shares, pursuant to the provisions of Article 74 of Corporations Law No. 18,046 and article 13 of the regulations of that Law.

The minutes of the Ordinary Shareholders' Meetings held on 2020 are available in this [link](#).



Board of Directors

[102-23, 102-24]

The Board of Directors is the body that, according to the Corporations Law and our by-laws, is responsible for the management of the Company. It is made up of seven regular members and their respective alternate members, five of whom (including their respective alternate members) are elected with the votes of the majority shareholder and the remaining two, including their respective alternates, are independent, as set forth in Law 18,045. All the members are elected by the Shareholders' Meeting. The directors hold their positions during three years and can be reelected. The current members were elected at the Ordinary Shareholders' Meeting held on April 26, 2019.

7	Regular Directors (*)
5	Alternate Directors (**)
2	Independent Directors
58	Average Age of Members
58.3%	Foreign Regular Directors
41.6%	Chilean Regular Directors

(*) By means of letter dated January 7, 2020, Andrés Gluski submitted his resignation from his position as Regular Director of the Company and was replaced by his alternate director, Arminio Borjas.

(**) On March 29, 2020, the Alternate Director, Daniel Stadelmann, passed away.

Regular and Alternate Directors elected at the Ordinary Meeting held on April 16, 2020

[102-22]

REGULAR DIRECTORS

Julián Nebreda

Chairman

- Lawyer, Universidad Católica Andrés Bello, Venezuela.
- Master of Laws in Securities and Financial Regulations, Georgetown University, Washington, D.C. USA.
- RUT or Passport: 26908859-1
- Nationality: Venezuelan
- Seniority: 3 years

Bernerda Santos

Regular Director

- Degree in Business Administration, Universidad José María Vargas, Venezuela.
- Master's Degree in Finance and Business Management, Universidad José María Vargas, Venezuela.
- RUT or Passport: 515394720
- Nationality: Venezuelan
- Seniority: 14 years

Gustavo Pimenta

Regular Director

- Universidade Federal de Minas Gerais. Master's degree in Economics and Finance, Fundação Getulio Vargas, Brazil.
- RUT or Passport: YC706721
- Nationality: Brazilian
- Seniority: 2 years

ALTERNATE DIRECTORS

Leonardo Moreno

Alternate Director

- Business Administration, Universidade Federal Universidade Federal de Minas Gerais, Brazil
- Business and Leadership programs at the London Business School, Georgetown University and University of Virginia
- RUT or Passport: YC268844
- Nationality: Brazilian
- Seniority: 3 years

Madelka Mcalla

Alternate Director

- Bachelor's Degree in Political Science and Sociology. McGill University, Canada.
- Master's Degree in Global Governance and International Relations, TU Darmstadt, Germany.
- RUT or Passport: PA0635589
- Nationality: Panamanian
- Seniority: 1 year

Juan Ignacio Rubiolo

Alternate Director

- Bachelor of Business Sciences, Universidad Austral, Argentina.
- MBA University of Virginia, USA.
- Master's Degree in Project Management, University of Quebec, Canada.
- RUT or Passport: AAB479862
- Nationality: Argentine
- Seniority: 2 years

Cont. table above.

REGULAR DIRECTORS

Gonzalo Parot

Regular Director (Independent)

- Industrial Civil Engineer, University of Chile, Chile
- RUT or Passport: 6703799-5
- Nationality: Chilean
- Seniority: 4 years

Daniel Fernández

Regular Director (Independent)

- Civil Engineer, University of Chile, Chile
- RUT or Passport: 7750368-4
- Nationality: Chilean
- Seniority: 1 year

Radovan Razmilic

Regular Director

- Engineer of Roads, Channels and Ports, Universidad Politécnica Superior de Madrid, Spain.
- RUT or Passport: 6283668-7
- Nationality: Chilean
- Seniority: 8 years

Arminio Borjas

Regular Director

- Lawyer, Universidad Católica Andrés Bello, Venezuela.
- Master of International Studies, American University, Washington D.C.
- RUT or Passport: 121593012
- Nationality: Venezuelan
- Seniority: 12 years

ALTERNATE DIRECTORS

Luis Hernán Palacios

Alternate Director

- Commercial Engineer, University of Chile, Chile
- RUT or Passport: 6948688-6
- Nationality: Chilean
- Seniority: 4 years

Antonio Kovacevic

Alternate Director

- Commercial Engineer, Pontificia Universidad Católica de Chile, Chile.
- RUT or Passport: 6053904-9
- Nationality: Chilean
- Seniority: 4 years

Budget for Board Consultants

Our Board of Directors has an annual budget set at the Shareholders' Meeting to hire expert advisors in tax, financial, legal or other matters. The hiring of expert advisors is discussed within the Board of Directors and established according to the required quorums.

The annual budget for expert advisors of the Board of Directors for 2020, US\$25,000, was approved by the Ordinary Shareholders' Meeting held on April 16, 2020 and was used for market analysis, asset valuation and annual transfer pricing study. Two consultancies were carried out by PWC for a total of US\$26,976(*)

Remuneration of the Board of Directors

[102-35]

Pursuant to our by-laws, the Directors receive no compensation for the discharge of their duties. Moreover, during fiscal year 2020, the directors of the Company collected no compensations of any nature for duties other than those inherent in their office or entertainment and traveling expenses, royalties or any other compensation. The above is without prejudice to the compensation collected by the directors who are members of the Committee of Directors detailed below.

Members of the Committee of Directors

Pursuant to article 50 bis of Corporations Law No. 18,046 and, as established therein, we have a Committee of Directors made up of three members.

The members of this committee were appointed at the Ordinary Board Meeting held on April 30, 2019, the following directors were appointed as members of the Committee of Directors and are: the two independent members of the board, Gonzalo Parot Palma (Committee Chairman) and Daniel Fernández, and the Director Radovan Razmilic, including their respective Alternate Directors (Luis Hernán Palacios, Antonio Kovacecich, and Daniel Stadelmann). During the fiscal year 2018 and until April 30, 2019, the Committee was made up of the Independent Directors Gonzalo Parot Palma (Committee Chairman) and Claudia Bobadilla and the Director Radovan Razmilic, including their respective alternates. As from April 30, 2019, the Independent Director, Daniel Fernández, became member of the Committee of Directors.

Budget for Consultants of the Committee of Directors

Like the Board of Directors, the Committee of Directors has an annual budget for expert advice in different matters as required. The amount is set by the Shareholders' Meeting and the any hiring issues are discussed and established within the Committee of Directors, in accordance with the quorums required for the adoption of resolutions.

At the Ordinary Shareholders' Meeting of April 16, 2020, an annual budget of US\$25,000 was approved for 2020, it being agreed that, if this amount is insufficient, the Board of Directors would be empowered to authorize additional necessary funds up to the amount of the annual remuneration of the members of the Committee, in accordance with the provisions of article 50 bis of the Corporations Law. The budget, which was also reviewed and approved by the Board of Directors at the ordinary meeting held on April 25, 2021, was used to hire the following companies:

	VALUE YEAR 2020	US\$ (*)
Indecs Consulting,	GBP 6,971.25	9,544
Claro y Cía.	UF 226.75	9,268
PWC	UF 250	10,218
Total		29,031

(*) reference values with exchange rates as of December 31, 2020

Remuneration of the Committee of Directors (ThUS\$)

	2020	2019	2018
Claudia Bobadilla	-	32	129
Daniel Fernández	127	97	-
Radovan Razmilic	127	130	129
Gonzalo Parot	127	130	129
Total	381	389	387

The table is disclosed in thousands of dollars in line with the financial statements.

In accordance with the Ordinary Shareholders' Meeting of each year, the remuneration of the Committee of Directors was set at 300 UF per month for 2020, 280 UF per month for 2019 and 260 UF per month for 2018, for each member of the Committee.

Performance of the Committee of Directors

Pursuant to article 50 bis of Corporations Law No. 18,046, during 2020, the members of the Committee of Directors of AES Gener S.A. executed this annual performance report, which includes:

A summary of the most relevant activities developed by the Committee (Meeting No. 185 of January to Meeting No. 203 of December 2020)

A list of the activities described in the Report of the Committee of Directors in Schedule 4.

Conflicts of interest

[102-25]

Our corporate governance standards and applicable laws demand that the positions of Board Chairman and Chief Executive Officer be separated and none of the Company's executive officers may act as Director for AES Gener. We believe that this separation provides strong leadership to the Board of Directors and at the same time positions the Chief Executive Officer as the head of the Company before investors, partners,

employees and stakeholders, thereby avoiding potential conflicts of interest between management and the Board of Directors.

We have a Conflict of Interest Policy guided by strict standards regarding related person transactions. If any, they shall be approved by the Board of Directors, upon the favorable prior recommendation of the Committee of Directors even in circumstances where any transactions involved are exempt from complying with the requirements and procedures laid down in Corporations Law No. 18,046, Article 147.

Our Corporate Governance Guidelines document is available in this [link](#).

Role of highest governance body in setting purpose, values, and strategy

[102-26]

The management team promotes our mission and branding efforts. At each meeting, the Board receives presentations on the strategy and, at least annually, reviews the long-term strategy in depth.

Collective knowledge of highest governance body

[102-27]

Although our Board of Directors does not have a formal training schedule, at the ordinary Board meetings, it receives information about the initiatives and progress made in the areas of diversity and inclusion, sustainability, risks, strategy, and safety both at local and international levels.

During 2020, the management provided services to the Board on free competition and anti-trust regulations; and presentations made by third parties regarding market vision; political analysis and contingency for COVID-19; among other issues of interest to our company.

Evaluating the highest governance body's performance

[102-28]

Board members have a formal performance self-assessment system, with a focus on those areas where the Board believes it should make a better contribution to management and which are relevant to its own leadership structure. The results are presented to all Directors who, together, seek to implement improvements in their organization and operation.

Moreover, pursuant to the regulations applicable to open corporations, our Company responds annually to a self-assessment questionnaire of Corporate Governance practices.

Review of economic, environmental, and social topics

[102-31]

Topics that may have an impact on the Company are reviewed and discussed at the Board meetings. During 2020, 19 board meetings were held and the Board Committee met 19 times.

Highest governance body's role in sustainability reporting

[102-32]

Every year we publish our Annual Report in the form of an Integrated Report in accordance with the GRI guidelines, which is reviewed and approved by our Board of Directors.

Communicating critical concerns

[102-33, 102-34]

We have a reporting system, under the Ethics and Compliance Department, to which the Board of Directors does not yet have remote access. Nevertheless, the members of the Board are entitled to contact the Company's Compliance Officer to request for background information or to discuss any such issues they deem relevant.

The Committee of Directors meets every quarter with our Internal Audit Unit to analyze the annual audit program. The Board of Directors meets twice a year with the Compliance Officer to review the implementation and compliance of such program and to analyze the plan for the following fiscal year.

At the quarterly meetings of the Committee of Directors with the Internal Audit Unit, and the semi-annual meetings held by the Board with the Compliance Officer, they discuss, inter alia, the advisable recommendations and improvements to minimize the occurrence of irregularities.

More details on the operation of the complaints system in Chapter 4 "Good Corporate Governance, Ethics and Transparency", "Helpline" section.

4.2.3. Other Governance Topics

Consulting stakeholders on economic, environmental, and social topics

[102-21]

This process for consultation between our Company and its stakeholders is delegated to the functional area that is more related to the topic under consideration.

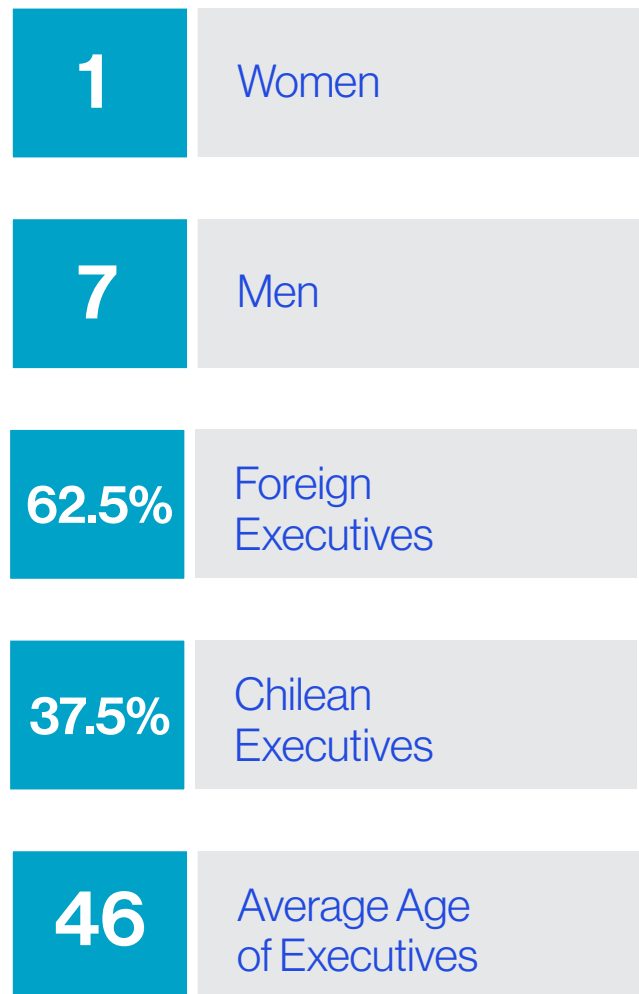
4.2.4. Senior Executives

[102-18, 102-20]

In addition to the vice-presidents that make up our chief executive officers, the Board of Directors entrusted the review of the risk management process to a Risk Committee and Vice President.

The Risk Committee meets every month to analyze any events and operations that would pose a risk to the Company to render an opinion and adopt resolutions. Its powers are limited according to the nature of risks detected; therefore, any transactions or events not included under the umbrella of these powers will be subject to the approval of the Board; the above without detriment of the power of the Board to meet with the Risk Committee as and whenever necessary.

Our Management meets regularly with the Vice-Presidency of Corporate Affairs, department of the Company that deals with matters inherent in corporate social responsibility and sustainable development, which will be subsequently informed to the Board.



SENIOR EXECUTIVES

Ricardo Falú

Chief Executive Officer

- In office since April 2018
- Certified Public Accountant, Universidad Nacional de Salta, Argentina.
- MBA, IAE Business School, Argentina.
- AMP Edinburg Business School.
- Tax Id. (RUT) number: 21535942-5
- Nationality: Argentina

Ricardo Roizen

Chief Financial Officer

- In office since April 2018
- Commercial Engineer, Pontificia Universidad Católica de Chile
- MBA from University of Chile.
- Tax Id. (RUT) number: 13657574-0
- Nationality: Chilean

María Paz Cerda

Chief Legal Affairs Officer

- In office since August 2018
- MBA Pontificia Universidad Católica de Chile, Chile.
- LL.M in Commercial and Corporate Law, London School of Economics and Political Science, United Kingdom.
- Tax Id. (RUT) number: 10532920-2
- Nationality: Chilean

Javier Giorgio

Chief Operations Officer

- In office since April 2018
- Electronic Engineer, Universidad Tecnológica Nacional, Argentina.
- MBA, Universidad del CEMA, Argentina.
- Tax Id. (RUT) number: 23202311-2
- Nationality: Argentina

Emiliano Chaparro

Chief Commercial Officer

- In office since October 1, 2020
- Industrial Engineer, Instituto Tecnológico de Buenos Aires
- Emerging Leaders Program, Darden University, Virginia, United States
- Passport: AAB644464
- Nationality: Argentina

Jorge Lagos

Chief Corporate Affairs Officer

- In office since May 25, 2020
- Biologist with a mention in Environment and Natural Resources, Pontificia Universidad Católica de Chile
- Master in Human Settlements and Environment, Pontificia Universidad Católica de Chile
- Tax Id. (RUT) number: 10.502.232-8
- Nationality: Chilean

Jorge Amiano

Chief Development Officer

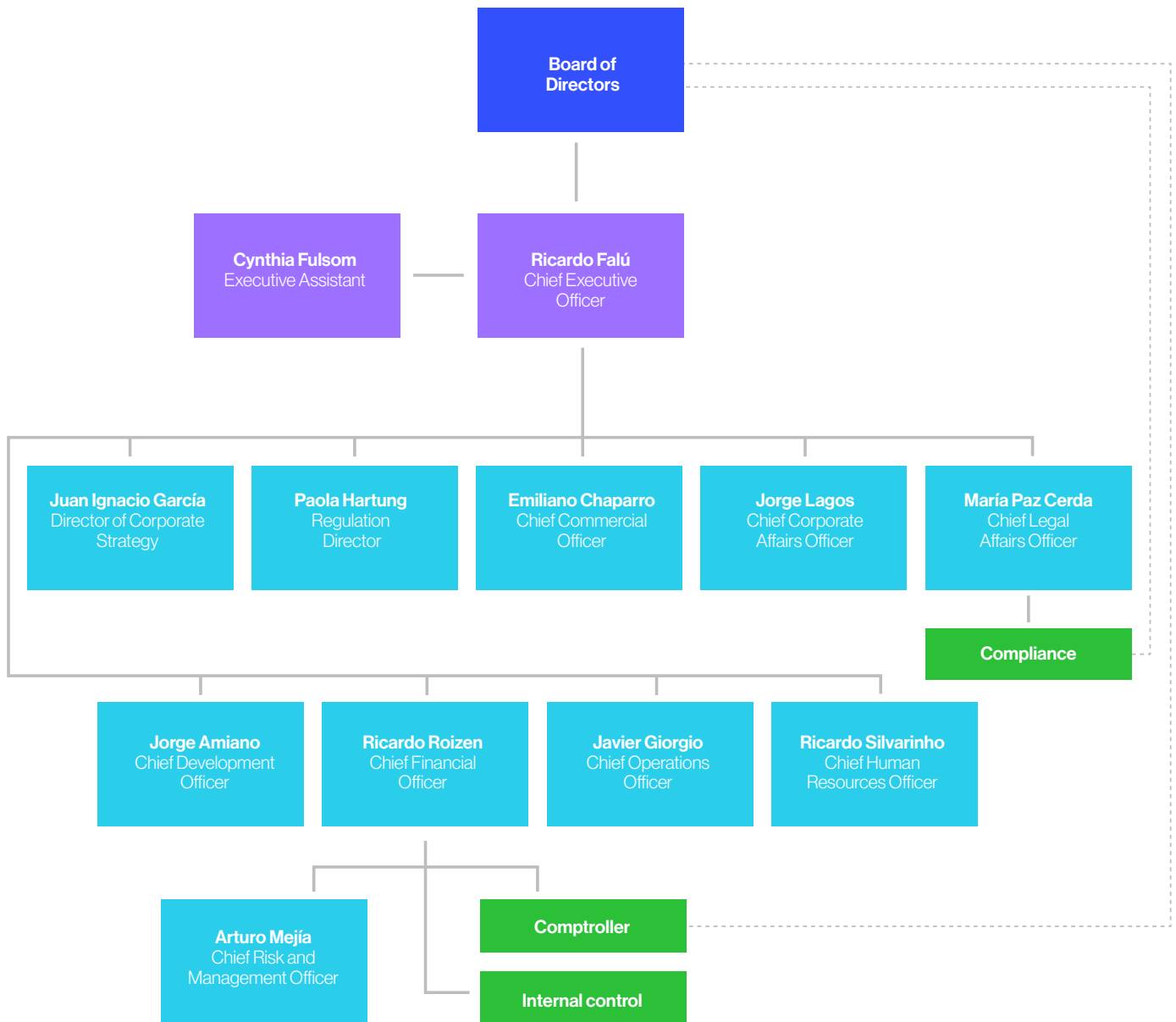
- In office since April 2018
- Industrial Engineer, TECNUN, Universidad de Navarra
- MBA from IES at the University of Navarra.
- Tax Id. (RUT) number: 24309382-1
- Nationality: Spanish

Ricardo Silvarinho

Chief Human Resources Officer

- In office since September 2018
- Lawyer, Universidad Católica de Petropolis, Brazil
- Tax Id. (RUT) number: 48207312-3
- Nationality: Brazilian

ORGANIZATION CHART AND REPORTING STRUCTURE OF THE CHIEF EXECUTIVE OFFICER



On December 31, 2020, Arturo Mejía submitted his resignation and was replaced by Chris Khalil.

Process for determining remuneration of the Chief Executive Officer

[102-35, 102-36]

The Committee of Directors conducts an annual review of the remuneration and compensation policy for the Chief Executive Officer, the senior executives and the employees of the Company. Such policy sets out guidelines to prevent the remuneration and compensation structure from generating incentives that may expose us to a risk of possible crimes.

The remuneration and compensation structure of the Chief Executive Officer and senior executives is available in the Corporate Governance Guidelines document in this [link](#).

Global Remuneration of the Senior Managers who are not Directors

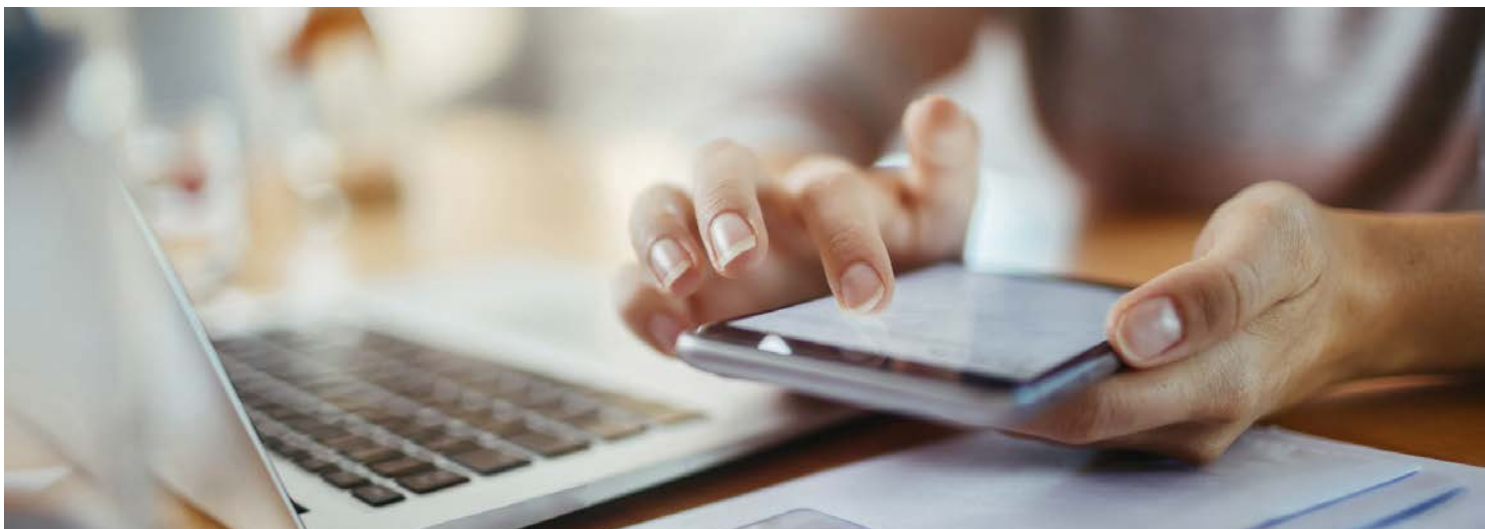
The global remuneration of the Senior Management of the Company includes a fixed monthly remuneration,

variable performance-based bonuses, corporate results over the previous fiscal year, long-term compensation plans and indemnification. The Senior Management of the Company serves in the following positions:

Chief Executive Officer, Chief Commercial Officer, Chief Human Resources Officer, Chief Operations Officer, Chief Corporate Affairs Officer, Chief Legal Matters Officer, Chief Business Development Officer and Chief Corporate Finance Officer.

AES Gener has agreed for its executive officers an annual bonus plan based on attainment of goals and level of individual contribution to the results of the Company. These incentives are structured in a minimum and maximum of gross remuneration and are paid once a year. In addition, there is a stock incentive plan.

The remunerations of the Senior Management of the Company during the years ended December 31, 2020 and 2019 amounted to ThUS\$5,268 and ThUS\$4,096, respectively.







5. Our stakeholders

Development, Growth and Well-being of our Employees	112
Contribution and Commitment to Local Development	128
Customer Relationship: Innovation and Quality	146
Sustainability in the Supply Chain	150
Investor Relations: Transparency and Availability of the Information	157

5.1 Development, Growth and Well-being of our Employees

[103-1, 103-2, 103-3]

AES Gener's energy is the result of the talent of our collaborators, to whom we seek to deliver the conditions and resources necessary to promote a safe environment, high standards and collaborative work.

Talent attraction and staff development are a fundamental part of our strategy to add value to the management and ensure compliance with the expectations of our customers, in a context that requires ever greater innovation and flexibility capacity.

We work intensively on diversity and inclusion, management of corporate values, incorporation of new innovation skills, focus on the customer, renewable energies, and other issues that leverage the development of our people and the Greentegra strategy and our sustainable management.

We strive to stay close to our collaborators during the historical moment caused by the pandemic, with communication as the main topic and a focus on empathy, safety, stability and well-being of all our collaborators; enhancing the launch of our new values in each communication: Safety First, High Standards and All Together.

Since the beginning of the pandemic, all our staff who work in corporate offices or in plants but did not perform essential work, continued working from home, maintaining the greatest ergonomics possible thanks to the delivery of equipment for the development of their activities.

Only the essential staff necessary to maintain the operation of our plants and deliver energy worked in person and under strict safety and care protocols.

In addition, thinking about the physical and emotional well-being of our staff, we offer virtual sports, gym breaks, and nutrition classes, and we also have an agreement with the Gympass virtual platform since November, which gives access to more than 120 sports establishments.

Moreover, to continue to face our challenges in an optimal way, we seek to attract, develop, and power our employees by improving the available resources and visualizing the opportunities for improvement to keep our leading position as one of the best places to work in the region. The participation in organizational climate and culture assessments and the identification of talent within our working teams have been key factors for us to safeguard and enhance our knowledge and capacities as a team.

A Great Place to Work

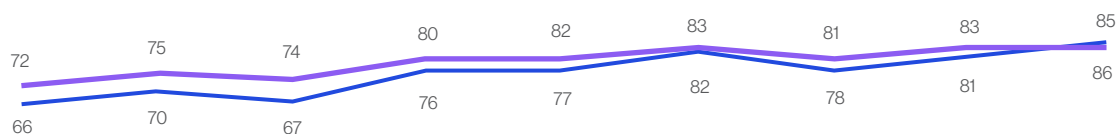
To be a great place to work is part of the strategic goals of AES Corporation at a global level and ourselves, as AES Gener, in particular. For this reason, we have participated since more than nine years ago in the measurement of organizational climate through the Great Place to Work (GPTW) survey.

By means of an anonymous questionnaire addressed to all of our employees, we can evaluate and monitor critical variables in the development of a good working climate such as credibility, respect and trust, in accordance with our corporate values. With these results, each year we carry out an action plan to systematically work on those opportunities for improvement in the working climate of each of the work teams.

During 2020, our people created five climate committees for different areas that, with the support of the Human Resources area and the sponsorship and support of the leaders, implemented information/communication initiatives, training and development, birthday celebrations, and activities to promote diversity and inclusion, among others. Thus, we obtained the best result of “Great Place to Work” since its initial measurement.

In the 2020 work climate measurement, GPTW gave us 10th place in Chile, and the 6th place in Argentina (TermoAndes is measured with AES Argentina) and in Colombia.

**Measurement of working climate in Chile
Global Average: Historical 2012-2020**

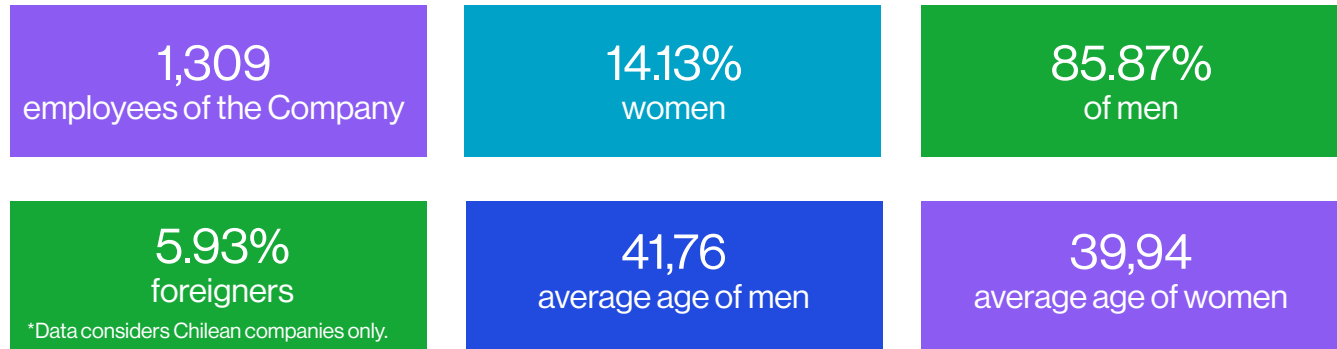


	2012	2013	2014	2015	2016	2017	2018	2019	2020
Average	69	73	71	78	80	83	80	82	86

— Area View — Corporate View

5.1.1 Human Capital

[102-8, 405-1]



**AES Gener staff data as of December 31, 2020.*

For more information and response to GRI indicators on AES Gener employees, go to Annex 5.

Talent Attraction and Retention

[401-1]

To ensure the necessary conditions for attracting and retaining talent, we have a compensation system and a matrix of benefits that seek to cover and accompany each stage of our employees' life cycle.

We also participate in different market studies to position our scale of remunerations and our benefit program at an appropriate competitiveness level in the industry. Data are monitored and compared annually with the support of consultants.

To ensure the successful incorporation of the right people into the available vacancies is critical to achieving the purposes of each of our business units. Regarding new hirings, during 2020 we filled 297 vacancies at a regional level, 77.78% of which were filled through internal changes (231 lateral transfers and promotions).

In addition, six trainees who entered the "Energy4Talent" Program in 2019 completed their rotations by completing

four continuous improvement projects that generate efficiencies for the Commercial, Finance, Operations and Business Development areas. In 2020, two new trainees entered the program who were assigned to the Finance and Commercial areas.

Energy4Talent is AES Corporation's trainee program that is applied locally in each business unit. It is a two-year program with rotations in different areas every six months. During each rotation, they are responsible for leading strategic projects developed with the support of a technical tutor and area leaders.

We also emphasize our On Boarding Program focused on welcoming new talents and immersing them quickly in our culture, disseminating Greentegra information, our new values -Safety, High Standards and All Together-, explaining the strategic pillars and pointing out our benefits.

Energy4Talent is AES Corporation's trainee program that is applied locally in each business unit.



Diversity and Inclusion

[401-3, 408-1, 409-1, EU14]

We value the particularities that distinguish us as unique people and work day by day so that all of us who are part of AES Gener feel valued and foster a corporate environment and culture where we all develop to the fullest potential. To listen and value their views allows us to attract and retain the best talents to develop innovative alternatives for our customers and our organization.

The promotion of diversity and the respect for differences are key rules to ensure that synergy of visions and ideas in our work teams. The incorporation and development of professional women and persons with disabilities, the cultivation of young talents, and the knowledge management for senior professionals characterize and define our staff management.

We seek to contrast and assess our practices with respect to the most relevant companies in the industry, and we further observe the current laws governing labor rights in each country, and commit ourselves to reject forced labor and the

incorporation of child labor in all the work sites. In this context, during 2019 we launched our Human Rights Policy, where we adopted strong standards to review the same standards in ourselves and also in our business partners.

During 2020 we maintained our focus on issues of gender diversity and inclusion of women and people with disabilities. We work on different initiatives and start the process of auditing and diagnosing the "Chilean Standard 3262" (NCh3262) regarding gender diversity and reconciliation of family and professional life.

We reinforce a diversity and inclusion policy and a policy to prevent discrimination, and labor and sexual harassment, created in 2019 to ratify our commitment to ensure working environments and relationships based on respect and kindness.

In 2019, we adhered to the Gender Parity Initiative (IPG, for its acronym in Spanish), a public-private body promoted by the World Economic Forum and the Inter-American Development Bank with the purpose of implementing best practices to help close gender gaps.

During 2020, we continued with our commitment to maintain the presence of women in our workforce, which allowed us to close the year with a 15.5% increase, with respect to December 2019. Based on the AES Corporation's definitions, we have set the goal of doubling the female workforce by 2022 to reach 20% of women in our workforce.

In addition, we foster the development of 50 women thanks to their participation in the Female Leadership Program given for the second year by the company Comunidad Mujer, which aims at three strategic objectives: (i) increase female

labor participation; (ii) visualize and reduce gender pay gaps; and (iii) reduce barriers for female promotion and to increase their presence in senior positions.

During 2020, 29 persons used their parental leaves (6 women and 23 men with permission for birth) and all of them returned to work upon completion of their leave terms.

In the context of the Inclusion Law that entered into force in Chile, we work to support and accompany the internal certification and employment of people with disabilities. Today we achieved the goal of 1% of people with disabilities in our payroll and are proud of the good relationships built around diversity.



Regarding our goal of developing the female talent of our company, we carried out the internal communication campaign “Women with Energy” which encourages and inspires women through real stories about achieving professional goals and being leaders of an organization.



We continue to work on the design of training plans intended for women addressing essential topics to ensure growth with equity.



We also continue to pay the day nursery and kindergarten allowance to all women with that benefit to support them with the care of their children during the pandemic so that they can continue with their professional roles.

Pay gap per gender and position

[405-2, 102-38, 102-39]

As a way of taking care of pay equity within our company, we use the HAY valuation methodology with standardized tools for analyzing all company positions in terms of responsibility, decision-making and market conditions. This allows us to define a common language to contrast the independent positions of the area to which they belong. This way, we secure pay scales and benefits delivered for each position are governed by non-discrimination standards for gender, age, and nationality, among others.

The ratio between the salary of the best-paid person and the median payroll salary is 13.9 times, and the ratio of percentage increase in the total annual compensation of the best-paid person compared to a median percentage increase of the annual compensation of all the employees with respect to the previous period is 0.7 times.

2020 GENDER SALARY GAP ACCORDING TO REPORTING LEVEL AND COUNTRY

	ARGENTINA	CHILE	COLOMBIA
Chief Executive Officer and Senior Officers	NA	-6%	NA
Director of area	NA	-23%	-15%
Manager - Deputy Manager	NA	-17%	-9%
Head or Supervisor	NA	-3%	72%
Administrative professionals Technicians and operators	117%	20%	29%

* The gender pay gap shows the ratio of the basic salary and the remuneration of women as compared to men for each job category, per country.

ND: Inexistent position NA: Not applicable because there are no women in that position.

Compensations and Benefits

[401-2]

To retain and promote talent, we have a complete benefit system to cover and accompany each stage of our employees' life cycle. Since their first day of employment, all our employees have a benefit plan that is implemented through different channels and reinforced through communication campaigns at different times of the year.

The most important benefits available to them include additional health and life insurance, school grants and scholarships (for pre-kinder, kinder, primary, secondary, undergraduate and graduate education), kinder benefits for working mothers, and preventive examinations. There is also a Quality of Life Program with gym breaks, chair massage sessions, and nutritional advice in different work centers.

Another of our benefits is the conventional compensation for years of service in the event of voluntary resignation after a period of five years in the Company by contributing a percentage of their basic monthly salary. This compensation has had a direct impact on our voluntary rotation rates, and is highly recognized for evidencing our constant concern for their welfare.

During 2020, we also held educational workshops for employees on health issues, so that they could learn more about the system, choose the plan that best suits their reality and make good use of it. The different laws existing in the country regarding support to people in special health situations were also addressed. At the same time, we provided individual counseling to those who needed guidance to review their health plan.

We implemented the Employee Assistance Program with free psychology sessions, and financial and legal advice for any person who needs them, and generated the "Our Moment" instance, where the area leader was responsible for downloading relevant business information and, above all, listening to people.

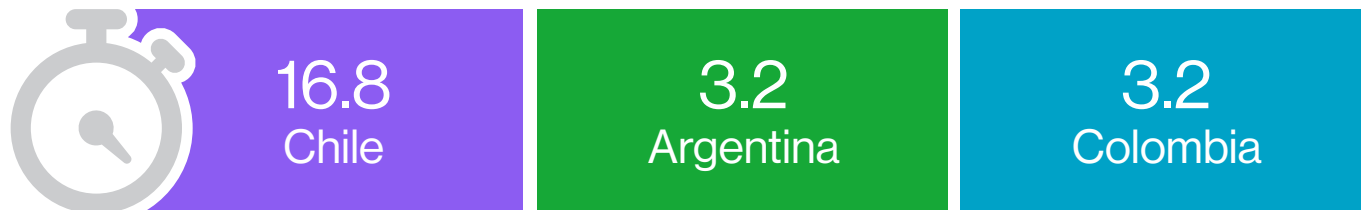
With regard to pensions and savings, we continued to work in personalized counseling.

As for other activities throughout the year, we were present at celebrations such as Mother's Day, Father's Day and Women's Day, among others. We also have a mind to involve our children, celebrating the Children's Day with a detail sent to their homes.

Training and Development

[EU14]

Average of training and development hours by worker



The training and development area seeks to provide our employees with the training they need for the development of the skills required by the organization for the attainment of strategic business goals. In this sense, the allocation of trainings seeks both to reduce the gap existing between the skills shown, such as developing skills and knowledge toward future challenges.

Among our training plans, we can highlight the Language Program where more than 140 employees of

the area are trained in English, Spanish and Portuguese language skills. The program has five modalities of study (individual, group, e-learning, online, and coaching). This helps to achieve significant rates of success and attendance.

We also carry out an e-learning program of Renewable Energies and Decarbonization aimed at all the areas of the company where we train more than 1,000 employees.

E-LEARNING 2020

E-LEARNING 2020	
E-learning Program	960 Decarbonization Process in Chile
	375 Introduction to Renewable Energy
	290 Knowing Solar Photovoltaic Energy
	359 Knowing Wind Power

We also offer the Digital Training Route Program with the participation of more than 500 people, offering middle- and advanced-level courses in Office Tools, such as Excel, Yammer and Teams, and Introductory Power Bi. Finally, we taught a Microsoft Planner course with the attendance of 180 of the total number of employees.

To complement the development and training of our talents, we focus on developing communication,

negotiation, effective presentations, innovation and leadership skills to our collaborators and implement the 2020 Leadership Program with the aim of establishing and developing skills in our leaders in the management of empathy, having complex conversations, encouraging collaborative work, and offering and receiving feedback.

INVESTMENT IN TRAINING

	MEN	WOMEN
Total of CLP invested in training	CLP\$605,750,004	CLP\$123,638,068
Total of US\$ invested in training	US\$816,815	US\$166,718
% of skilled workers, compared to the total number	90%	79%

Lastly, we can also highlight the Graduate Scholarship Program, which provides scholarships to the collaborators to attend graduate programs, such as MBA or PhD degrees. This way, we financed up to 50% of the tuition fees for those who met the eligibility requirements. During 2020, this program helped 19 collaborators in their studies and granted CLP\$31,526,862 in scholarships.

Performance Management

[404-3]

During 2020, we reinforced the performance management process in the Workday Human Resources Management platform. This has had an impact on all the collaborators of Chile, Argentina, and Colombia, with participation rates of more than 99%.

Through this process, the relevant work goals to be pursued during the year and the resources necessary

to meet them in a context of direct communication and assignment of responsibilities consistent with the skills of each person and the needs of their business unit are established jointly between each collaborator and head office.

As a way of recognizing performance, we grant an annual bonus that directly validates the effort and commitment in achieving the strategic goals. In terms of business results, we evaluate the performance of the employee's unit, and we consider key aspects, such as safety, financial results, and operational indicators, among others. To this percentage, we add the outputs obtained by each of the persons in the performance evaluation. This way we establish a clear link between the individual contribution of the person and the results of the Company.

In relation to talent management, we continued with the monthly recognition program for workers in all areas. This way we formalized and enhanced our culture of recognition and feedback towards those who make outstanding contributions through their daily work.

We also implemented a talent development plan in a joint effort with leaders and our training area by means of a “Mentoring Program” involving six internal mentors for seven talents. The program has been successful rated by our leaders, as it has closed gaps and prepared the future leaders of our organization.

Trade Union Engagement

[102-41, 403-4, 407-1]

A 79.45% of our workers are affiliated with one of the eleven unions that exist in the region, with whom we have

worked to build and maintain an open and transparent relationship with solid and permanent communication, which is considered as a unique opportunity to connect with their needs.

Our union conventions address, among other issues, additional health insurance, certificate of competencies, heavy work, employment, and training.

With regard to freedom of association and the right to collective agreements, no practices are observed that may obstruct them.

NUMBER OF EMPLOYEES BELONGING TO TRADE UNIONS BY COUNTRY

<p>79.45%</p> <p>Total of unionized employees in AES Gener</p>	81.95% of unionized workers in Chile
	83.33% of unionized workers in Argentina
	56.49% of unionized workers in Colombia

5.1.2 Safety and Health of our Employees and Contractors

[103-1, 103-2, 103-3, 403-2, 403-9]

Safety is our first value and priority in everything we do and involves taking time to be proactive, preventive and committed to making our workplaces increasingly safe and incident-free. Together we share the goal of ensuring that each of us who are part of AES Gener return to our homes safely.

To meet this goal, our leaders play the fundamental role of communicating the safety guidelines, which are clearly

set in our Integrated Policy for all businesses in Argentina, Colombia and Chile.

To enhance safety as the main axis of all our work, we have a revolutionary approach that relies on technological advances and innovations in systems or devices that provide us with trends and indicators for timely decision-making.

Our goals as a company is to have zero fatal accidents and remain below the top quartile benchmark of the EEI electricity services industry.

OSHA INCIDENT RATES

	STAFF		
	OWN	OPERATIONS CONTRACTOR	CONSTRUCTION CONTRACTOR
No. of Workers	1,468	2,407	5,123
Man-Hours Worked	2,991,173	4,716,706	13,019,128
Fatal accidents	0	0	1
LTIs (Lost Time Incidents)	0	0	4
Recordable Cases	5	7	12
Lost Time Incident Rate	0,00	0,00	0,06
Recordable Incident Rate	0,33	0,30	0,18

*LTI: Lost Time Incident, according to the OSHA.

For our own staff and that of our operation and construction contractors, the results obtained are within the sector industries and under the Edison Electric Institute (EEI) indicators in the three countries where we are present.

Preventive Management

[403-3, 403-4, 403-6]

During 2020, we faced different challenges, mainly related to the COVID-19 pandemic, which involved redoubling efforts in terms of implementation and investment in new technologies to control and ensure the safe conditions required to maintain the operation continuity.

With a preventive and proactive approach, we highlight the following activities:

Monthly Safety Message: Specific safety activity carried out in all operational centers. It is conducted by the leaders of each business unit with participation of all our own workers and collaborators. Its main purpose is to raise awareness and reflect on our incidents and disseminate a monthly theme relevant to our relevant indicators (trends) or contingencies such as COVID-19. During 2020, the activity were carried out through telematic means with a high number of attendees.

Safety Day: A day in which all our facilities pause their activities to celebrate the safety day. This year, taking into account the circumstances, it was held for the first time both in our facilities and in our homes, becoming a family

event around the AES Gener safety culture. We were all together in a different way.

Safety Walks: It is one of the most powerful preventive tools that the company has and is mainly based on interventions by our leaders in the different workplaces. This is an on-site interaction between the leader and workers while they carry out their usual activities or tasks that allows them to identify and eliminate any possible incidents in the site. Visible and close leadership has strengthened our strong Occupational Health and Safety culture.

Personalized Activities Program (observations and inspections): Preventive activities that are carried out every month with a focus on the works in progress, equipment and facilities. For this purpose, the commitment of supervisors in the detection of deviations, the opportunities for improvement, and the strengths in the field are essential.

Authorization to stop the works: The power granted by our top leader to each worker at AES Gener to stop a work upon identifying a risk situation. This tool is considered as the last preventive barrier to prevent incidents.

Preventive Safety Campaigns: Year 2020 was marked by campaigns focused on the prevention and control of COVID-19 while addressing other needs present in the workplace in terms of reversing and raising awareness about an issue or trend. Some campaigns were:

- “Work safe, they are the one who really matter”.
- “All that glitters is not gold” related to the protection from UV rays.
- “Vaccination against influenza”.
- “Teleworking training with a focus on safety at home”.

Trainings [403-5]: As people are our main focus, we are concerned for providing our employees with maximum skills and technical qualifications to encourage their personal and professional growth through a strategic training program in subjects such as:

- “Methane and its Risks”.
- “First Aid and Foreign Body in Eyes”.
- “Use of Self-contained Equipment”.
- “Bee and Wasp Relocation, Snake Capture and Relocation”.
- “Use of PPE and socialization guide for the transfer of patients with suspected or positive COVID-19”.
- “Use and Handling of IDNOW (PCR Testing Equipment) for AES Chivor Medical Staff”.
- “Safe Work at Heights”.
- “Confined Spaces”.
- “LOTO system (Lockout/Tagout)”.
- “Scaffolding Arming and Disarming Procedure.”
- “Emergency Plan (focused on training emergency team members)”.
- “Electrical Risk”.
- “COVID-19 Prevention Socialization Activities and Training”.
- “Drone Pilot Training”.
- “Solar Ultraviolet Radiation Protection Training”.
- “Use of Altair 4XR Gas Meter”.
- “Use of DEA”.
- “Boom Truck Operations Techniques”
- “Basic Principles of Electrical Safety in the Workplace: Application of NFPA 70E”.
- “ISO 45001: 2018 Integrated Management System Lead Auditor”.

- “CPHS Good Practice Workshop, SAC System 54”
- “Preventive Self-control - Risk Analysis and Prevention”.
- “Fire Extinguisher Use”.
- “4X4 Truck Safe Driving”.

Behavior Based Safety Program (PCS, for its acronym in Spanish): It is a tool based on psychology, which is applicable to the area of occupational safety and whose purpose is to study human behavior. The methodology can be used both in areas of operation, transmission and construction projects and focuses on identifying and modifying any behavioral factors that could cause incidents. This program promotes continuous improvement, mainly for the traditional security management system, and can be regarded as a preventive measure that broadens the perspective on behavior (behavior + attitude).

Safety and Security Monitors: Their role in supporting safety management varied during the pandemic, focusing on promoting good mental health practices. Their observations and interventions were aimed at identifying people who, as a result of the health emergency, needed containment or support, providing psychological first aid and carrying out positive approach interventions.

Leadership Training: In the COVID-19 context, we worked with the senior management and their direct reports, training them in communication, group management and conflict resolution, among other effective leadership tools.

Management System, AES Audits (Internal, External, and SMS Scorecard)

[\[403-1, 403-2\]](#)

As AES Gener, we have a structure consistent with the international standards ISO 45001:2018 and ISO 14001:2015. Most of our business units have migrated to ISO 45001:2018, and we pride ourselves on the great work

done for this achievement that confirms that we have met our main goal: safety.

Our Integrated Policy is the basis of our IMS (link to the policy) and reaffirms the Senior Management's commitment to the management system, promoting the participation and consultation of all the people who work and represent it (including contractors) in the development of its activities.

Every year, we establish the objectives to manage improvements in occupational safety and health performance, defining certain goals with their respective periodic action and follow-up plans to ensure compliance and continuous improvement in the different business units.

Our business safety culture is measured and evaluated through the SMS Scorecard tool which, through interviews in the field, investigates to obtain a real perception of workers (our own staff and collaborators) as the first source of feedback on safety issues. The action plans are carried out according to the results obtained.

In addition, we carry out an annual program of internal and external audits as an evaluation and monitoring system on compliance with our safety standards and legal requirements in all our units. This process is carried out by external bodies and personnel with the necessary skills, and its results determine a specific action plan for each business unit according to its gaps.

Occupational Health and Hygiene

Occupational Health and Hygiene is an integral part of our activities. As a result of the pandemic, we modified some actions such as pre-occupational and occupational screenings in which we took into account the maximum capacity, the guidelines of the authorities and, above all, the care of people.

In Chile, we perform a total of 246 health assessment tests on workers or applicants for works that pose an inherent risk to their health and/or safety.

They are always carried out prior to the assignment of the new position/task or periodically during their working life. Sixty of those screenings were pre-occupational screenings carried out in job candidates and the other 186 were occupational screenings, which were carried out on the site together with the managing body in order to reduce the risk of infection and for better time management.

As authorized by the authorities, we reactivated medical monitoring programs and performed a set of tests according to the risk to which the employee is exposed. Some of these tests include an audiometry in soundproof booth and chest x-rays.

Taking into account the qualitative and quantitative evaluations, as well as the guidelines of the current laws, the following ministerial protocols were carried out, among others: Work-related Musculoskeletal Disorders (TMERT, for its acronym in Spanish), Work-related Psychosocial Risk Surveillance Protocol (ISTAS 21, for its acronym in Spanish), Occupational Noise Exposure Protocol (PREXOR, for its acronym in Spanish), and National Silicosis Eradication Plan (PLANESI, for its acronym in Spanish), Manual Load Management (MMC, for its acronym in Spanish), UVS Radiation, and, this year, the application of the teleworking self-assessment guide.

In Colombia, we conducted an Epidemiological Monitoring Program for the Prevention of Noise Induced Neurosensory Hearing Loss at Work. To date, there has been no case study for any alleged occupational disease and we are focusing on strengthening the proper use of personal protective equipment and maintenance of machines and equipment.

In Argentina, for Termoandes, we carry out quantitative and qualitative measurements to comply with the law and the provisions of the safety activities program. As a result of lighting study we carried out on the different sectors of the plant, we observed that the vast majority of the sectors evaluated comply with the provisions of the current laws, with the uniformity and measurement of work noise and thus, with the conditions of hygiene and safety in terms of prevention of occupational accidents or diseases.



COVID-19 Management

As the health crisis led us to focus on stopping and preventing outbreaks of infection, we worked hard on different preventive and corrective tools both at home, on the way, and in the workplace.

As part of the preventive tools, the following were developed:

- Trainings, internalization and awareness raising.
- Informational videos for workers and their families.
- Mailings, posters and guidance bulletins for the correct washing of hands, correct use of masks, and personal protective elements.
- Tips for managing anxiety and fear about COVID-19.
- Positive response to health emergencies.

- Consultations with a virologist (live session through platforms).
- COVID-19 drills with the aim of putting knowledge into practice and working on corrective measures.
- Information and preventive campaigns together with the safety committee and administrative body.
- Mental health workshops.
- Implementation and application of new sanitary and regulatory measures.
 - COVID-19 procedure and protocols.
 - Control of entrance to and exit from business units, verifying traceability.
 - COVID-19 Reportability and Case Tracking Platform.
 - Clarifying instructions for the evaluation of staff for possible suspicious cases.
 - Body temperature cameras and sensors in main accesses.
 - Definition and adaptation of work spaces with physical distancing markings, posters, isolation rooms, and alcohol gel dispensers, among others.
 - Rounds of preventive temperature control inside the plants.
 - Preparation of a room for evaluation and isolation of personnel.
 - Incorporation of health personnel for evaluations and follow-up.
 - Internal audits of contractors on compliance with COVID-19 measures.
 - Installation of acrylic screen or separators in working stations, dining rooms and vehicles.
- Increased frequency and use of sanitization protocol in the workplace.
- Social distancing marking in areas where people use to get into lines.
- Delivery of alcohol gel, gloves and masks for staff use.
- Installation of footbaths for footwear sanitation.
- Implementation of road sanitization by spraying a chlorinated solution.
- Distribution of sprinklers with chlorinated solution to clean vans and storeroom tools.
- Abbott ID Now COVID-19 (point-of-care) Rapid Test Equipment for diagnostics in less than 15 minutes with a sensitivity greater than 95%.
- Performing rapid tests and preventive PCRs.
- Creation of COVID-19 Committees for work feasibility analysis.
- Acquisition and permanent monitoring of Personal Protective Equipment, ensuring necessary minimum stocks.
- Definition of teleworking and on-site staff.
- Ongoing analysis of new technologies to better address, monitor and control COVID-19.

Physical Safety

Physical safety care played a critical role due to the circumstances of 2020. In this context, we developed the following projects:

- Centralized Safety Room for CCTV monitoring at Angamos/Cochrane Plant, Nueva Tocopilla and Sub-Stations.



- Modernization and centralization of the CCTV system for facilities in Cordillera and Ventanas plants.
- Implementation of safety gates to delay malicious access by demonstrators or others.
- Implementation of remotely opening electromechanical gates in facilities with remote access control in order to reduce the number of guards and minimize costs of such nature.
- Improvement of perimeter closures at Alfalfal, Queltehues, Angamos-Cochrane plants, in addition to the incorporation of perimeter lighting.

We also appreciate the great work in and preventive contribution to the implementation of projects, as in Alto Maipo, highlighting the following activities:

- Compliance, control and implementation of the winter plan: Permanent monitoring of weather conditions, road conditions, and alerts issued by the competent authority (ONEMI) to prevent situations of risk due to inclement weather, either predicted or in progress.
- Compliance, Control and Application of the Speed Control Procedure: Physical Safety of the project successfully applied the speed control procedure, using

the allocated resources and on-site control for the safety of people.

- Anticipation and analysis of risky situations for the project: Prevent our own staff and collaborators from suffering any risk that may threaten their physical integrity or alter their normal circulation along the roads.

Support to the Community

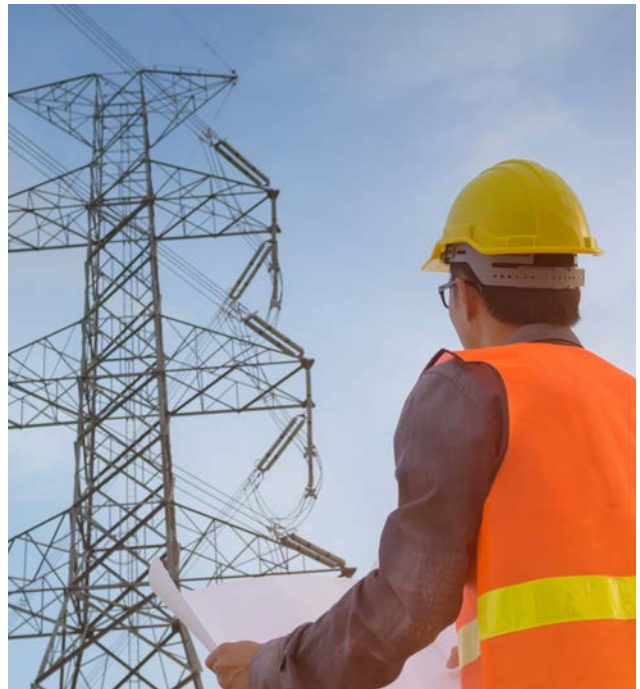
Given the contingency, community management efforts were focused on providing safety implements, personal protective elements and technical support to our surrounding communities to implement and control measures associated with COVID-19. We highlight the following activities:

- Donation of masks and gloves to officials of the Hospital of Huasco.
- Indications of main safety measures in social activity conducted in the town of Huasco.
- Participation in meetings with local authorities and neighboring companies to improve preventive measures for the control of health barriers.

Achievements and Recognitions concerning Occupational Safety and Health

As a result of the commitment of all the people who make up the organization and the specific facts that demonstrate that safety is our first value, we have obtained the following achievements and recognitions:

- Permanent recognition to our own employees and collaborating companies for their commitment and contribution to occupational safety and health.
- Compliance with 96% of the requirements imposed by the Colombian Security Council in the audit of the biological risk (COVID 19) epidemiological monitoring system of AES Colombia.
- Migration of certification in Angamos-Cochrane to the new Occupational Safety and Health Standard ISO 45001:2018.
- SAC-54 Certification (2nd stage) granted by the Institute of Occupational Safety (IST, for its acronym in Spanish) to our Angamos-Cochrane Joint Health and Safety Committee (CPHS, for its acronym in Spanish).
- Successful 1st follow-up audit of the new Occupational Safety and Health Standard ISO 45001:2018 in Nueva Tocopilla Plant.
- Recognition by the National Security Council of Nueva Tocopilla plant in two categories: (i) Maintain the lowest frequency rate and (ii) Management of the Joint Health and Safety Committee.
- “Recognition of Excellence 2020” from the Institute of Occupational Safety (IST) to Guacolda Plant.
- Recognition from the National Security Council to Guacolda, Ventanas and Cordillera power plants and to SIG and SIC Transmission Systems in the category “Maintain the lowest frequency rate”.
- Recognition as “Distinguished Joint Innovation Committee 2020” by the Institute of Occupational Safety (IST) to Laja Plant.
- Recognition to “Contribution and Commitment of the CPHS” from the Institute of Occupational Safety (IST) to Ventanas Plant.
- Award by the Institute of Occupational Safety (IST) to AES Gener in recognition of a Worker at a National Level for “Distinguished Contribution in Prevention” due to the Tree Pruning Drone Project.



5.2 Contribution and Commitment to Local Development

[103-1, 103-2, 103-3, EU19]

Our community engagement strategy has common elements that share operations in Colombia, Chile and in the TermoAndes Plant in Argentina.

The social investment actions of the Company, within the scope of our sustainability corporate strategy, are consistent with the agenda for global development led by the UN (Sustainable Development Goals) and the UN Global Compact, as a general framework that will guide us with respect to social management strategies and on how to contribute to the social, economic and environmental balance in the areas where we operate.

As we are committed to the people of the country where we operate, we consider, as part of our strategy, the needs and concerns of the stakeholders and both national and international agendas in the field of clean energy in accordance with our mission to improve lives by accelerating a safer and more sustainable energy future.

We understand the communities, such as our neighbors, civil organizations, social leaders, local government, among others. With them, we build and maintain a harmonious bond, based on community engagement, whose main purpose is to act on a responsible manner and to ensure that this responsibility is recognized and

generates legitimate, effective, efficient and sustainable ways for a better relationship.

As part of our commitment to continued improvement, and based on internal and external, national and regional experiences and knowledge acquired, we are working on completing, improving and implementing social impact measurement systems to contribute to a local and sustainable development.

5.2.1. Colombia

AES Colombia is recognized as the coexistence and development manager in its areas of influence through legal compliance, responsibility in the operation and creation of effective communication channels to convey trust, respect and solidarity for mutual benefit.

The premises that guide our work with the community are: Constant dialog, confidence building and strategic social management lines. The allocation and implementation of resources for communities is defined on the basis of the three axes of action:



- Infrastructure for mobility: to improve road infrastructure in the area of influence as a competitiveness factor of the productive sector and for the quality of life of people.
- Sustainable use of natural capital: to encourage sustainable productive initiatives and projects based on the supply of natural capital from the area of influence, which generate income and jobs for the territory.
- Climate change mitigation and adaptation: to contribute to global climate change mitigation and adaptation and the protection and conservation of biodiversity and water resources.

5.2.2. Argentina

In order to help low-income children, families and educational institutions, TermoAndes Argentine Plant makes donations of clothing, food and books to schools located in Salta's Puna.

5.2.3. Chile

In Chile, the guiding principles for an efficient contribution and in line with our engagement policy are:

- Social Investment Programs — We seek that social investment programs, which we have developed in the territories of direct influence, have long-term benefits, putting emphasis on long-lasting benefits
- Public-Private Partnerships: Direct-influence communes are administratively based on municipalities and local governments. According to our guiding principles, we work together with these entities to cause all our acts to be lawful and to effectively contribute to local reality
- Permanent Dialog: Through our channels, we constantly inform the stakeholders about our actions. We have permanent dialog by informing the community. In the same way, we held public hearings in all the direct-

influence communes in order to disclose information about our social investment and make it transparent.

- Social Impact Management and Measurement System: we measure the social impacts of programs with quantitative assessments, which allow us to know aspects about the contributions made by the programs. In some cases, as allowed by program design, we apply qualitative evaluations, which make it possible to know aspects that are closer to reality, such as focus groups, participatory workshops. These tools guide us to develop opportunities for improvement.

During 2020, we continued making progress in the implementation of our impact management system that considers the definition of social programs performance and management indicators. For the definition of these indicators, we took into account the sustainable development goals and we established goals that allow us to measure the annual outcomes of each program.

With the advent of the pandemic, some of our traditional activities could not be carried out and others had to be converted to adapt to the new reality. For this reason, in line with the pillars established by AES Corporation and in addition to those of the Foundation, we focus our COVID contributions on three specific areas:

- Health and energy: guided by our first value, these actions were focused on safety and prevention through the provision of personal protective elements and sanitation services, as well as the provision of communication channels for awareness campaigns.
- Livelihood: actions aimed at providing supplies to meet basic needs for vulnerable groups, such as boxes with goods, water, cleaning supplies, etc.
- Entrepreneurship and economic reactivation: actions focused on providing tools so that the communities could have income and sustain themselves economically by supporting local entrepreneurs and contributing to virtual education.

5.2.4. Our Neighbors

In the pursuit of a positive impact on the quality of life of our neighbors, some of our actions performed in the territories where we have presence are:

Quintero Puchuncaví

Our Ventanas Thermoelectric Plant is located in the Commune of Puchuncaví (region of Valparaíso, Chile). Its operation has driven us to conduct a series of actions in the socio-environmental field, including, among others:

- Anticipated withdrawal of Units 1 and 2 of Ventanas Plant under the framework of the decarbonization process of Chile. With this decision, AES Gener not only complies with the voluntary decarbonization agreement entered into in June 2019 with the Government of Chile, but also brought forward the withdrawal of Ventanas 1 by almost two years and the withdrawal of Ventanas 2 by more than three years. Both plants will be transferred to a Strategic Reserve State (ERE) and will be available for support purposes only in the event of an exceptional situation or an energy crisis that may endanger the safety and sufficiency of the system for which they could be

required by the National Electricity Coordinator (CEN). Ventanas 1 and 2 add up to a total capacity of 322 MW and, with their withdrawal, approximately 2,000,000 tons of CO₂ will be reduced. Such volume is equivalent to withdrawing 800 thousand private vehicles from the Chilean roads.

- Twenty-six initiatives led by social organizations in Puchuncaví were financed through the Competitive Funding granted by AES Gener Foundation (seventh consecutive year). • Through these projects, we seek to collaborate in the improvement of sector infrastructure and equipment conditions, and patrimonial rescue, cultural and sporting activities.

- In order to help the young people of Puchuncaví to broaden their professional horizons and to be able to opt for quality jobs in the future, we offered 200 transport grants to the youth of the commune to help them with their daily transfer from the area to the main higher education centers located in Valparaíso and Viña del Mar. In addition, we provide pre-university scholarships to the 40 best socially vulnerable students in the commune of Puchuncaví.



Ventanas IV Thermoelectric Plant

Huasco

Guacolda Thermoelectric Plant is a subsidiary of AES Gener that has five coal-fired units in Huasco. Our related socio-environmental initiatives include:

- In November, the Ministry of Environment was entrusted with the technical supervision of the eleven air quality monitoring stations operating in the communes of Huasco and Freirina. The transfer of the management of the air quality monitoring network to the State is intended to ensure that their management and operation is always appropriate, regardless of whom is the administrator. Since 2000, Guacolda has operated a total of eleven air quality monitoring stations in the commune of Huasco and Freirina, which measure particulate matter PM10 and PM2.5; sulphur dioxide; nitrous oxide in addition to carbon monoxide and ozone, parameters that are reviewed and reported online by the Center for Studies, Measurement and Quality Certification (CESMEC, for its acronym in Spanish). There is also a weather station that measures wind speed and relative humidity in the environment.
- Through AES Gener Foundation we keep the doors open to the community. We seek to cultivate a deep relationship with our neighbors, who are frequently received at our office in Huasco.
- In line with our commitment to the community and the environment, we are an active member of the Council for Environmental and Social Recovery (CRAS, for its acronym in Spanish) of Huasco. Together with other society representatives, government agencies, other industries present and the municipality we participated in teleworking sessions whose purpose was the redesign and modernization of air quality monitoring networks; the online training program for the Huasco community, within the framework of the Program for Environmental and Social Recovery (PRAS, for its acronym in Spanish); the second and final phase of the Aquatic Ecosystem Monitoring network of the Ministry of Environment and the implementation of citizen and indigenous consultation in the Huasco River basin of the Secondary Surface Water Quality Standard.

Mejillones

The Thermal Power Plants of Angamos and Cochrane, subsidiaries of AES Gener, are located in Barrio Industrial Portuario of Mejillones, Chile. During 2020 we carried out various actions in the socio-environmental field, some of which are highlighted below:

- Through our participation in the *Asociación de Industriales de Mejillones*, we contributed to the sustainable development of the town through the promotion of corporate social responsibility, the development of an environmental culture in the region, the enhancement of quality of life and environmental conditions in the area.
- Through our plants, we are members of the “*Fundación para la Sustentabilidad del Gaviotín Chico*”. This is a non-profit organization, which is the first experience in Chile



Cochrane Plant

with the participation of public and private organizations, whose purpose is to contribute to the conservation of an endangered bird, *Gaviotín Chico or Chirrió (Sterna lorata)*, in a manner consistent with the industrial development of Mejillones.

For more information, review Chapter 6 Environmental Performance, Climate Change, and Biodiversity Protection Guidelines for Biodiversity Protection

San José de Maipo

We have run-of-the-river hydroelectric power plants in the area of San Jose de Maipo since 1923. The first plant, Maitenes of 31 MW, supplied energy to Santiago and made it possible to electrify the railway between this city and Valparaíso. Queltehues plant of 49 MW was put into operation in 1928, and Volcán plant of 13 MW was put into operation in 1944. Later, in 1991, Alfalfal I started commercial operation with 178 MW. Currently, through our subsidiary Alto Maipo SpA we have the Alto Maipo hydroelectric project under construction, which is made up of two run-of-the-river plants in hydraulic series in the basin of the Maipo river, in this same area.

During 2020, the Alto Maipo project achieved 93% progress and a very important milestone in its construction by completing 14 km of excavation of Volcán tunnel, which connects the basins of Volcán and Yeso. Less than 1.9 kilometers of excavation remain in Las Lajas discharge tunnel to start commercial operation with the two generation plants for 531 MW in the second half of 2021.

The project has been designed in an eco-friendly and respectful manner, since 90% of its layout and facilities are underground, the waters captured and used for electricity generation are wholly returned in the same original condition with strict respect for the ecological flows identified in the Environmental Qualification Resolution (RCA), and, in addition, an extensive local fauna reforestation and relocation program was launched before the beginning of the works.

The project has a revegetation and reforestation program through the Alto Maipo Plant Nursery to preserve plant

species. With this purpose, in 2009, we built the Alto Maipo Plant Nursery in the town of Los Maitenes, where we work in the reproduction of plants of native species in the area in order to complement the committed management plans: revegetation and restoration.

With the purpose of promoting significant community engagement policies since 2009, we have executed a Social Collaboration Agreement with the neighbors of the community (*Unión Comunal de Juntas de Vecinos*) of



1923, Maitenes Hydroelectric Power Plant started to operate in San José de Maipo

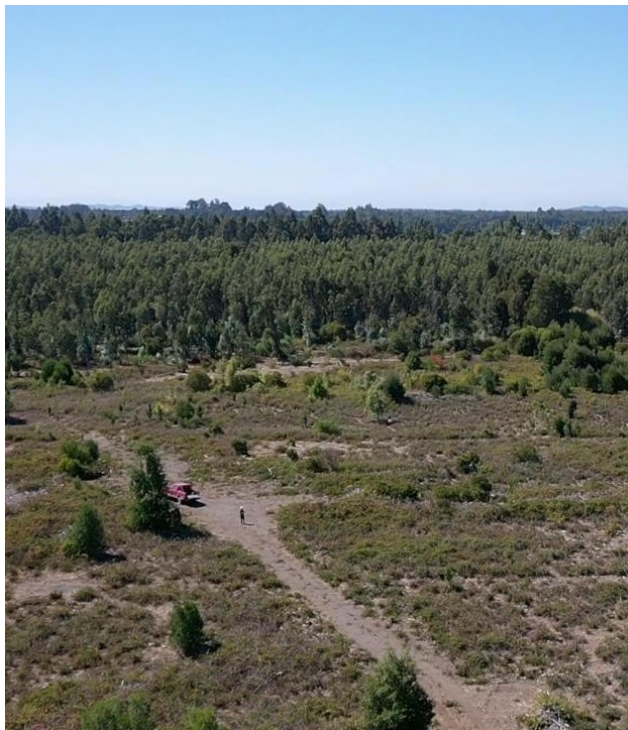


Queltehues Hydroelectric Power Plant in San José de Maipo

San José de Maipo, and the Municipality of San José de Maipo. Through this agreement, we developed the “Local Employment Promotion” program and the Social Program (a competitive fund that will finance certain community projects for 30 years in the fields of education and training, social development and community-use infrastructure, the promotion and development of productive or service activities that generate local employment and, finally, the support of sports).

Biobío

In the commune of Los Angeles, we started the construction of Campo Lindo wind farm with a capacity of 73 MW, which will be part of the wind farm of 480 MW in the region. Los Olmos and Mesamávida wind farms, for a total of 178 MW, made a progress of 38% and 23%, respectively.



Area of Campo Lindo Project

5.2.5. Queries and Claims for Specific Projects

[102-17]

The Alto Maipo project that we are building in the commune of San Jose de Maipo has a procedure that provides answers to internal and external questions and claims.

The requests, queries and claims can be made on a confidential basis through a form that is available at all our project facilities, and also through the web page www.altomaipo.com, and by phone.

Likewise, in the context of the construction of Los Olmos and Mesamávida wind projects, during 2020 we implemented this procedure to facilitate communications between the residents of the communes of Mulchén and Los Angeles and their respective projects.



Mesamávida

5.2.6. Our Social Investment Strategy

[103-1, 103-2, 103-3, 203-3, 413-1, 413-2]

AES Gener's strategy, Greentegra, is applied to our businesses in Chile, Colombia and Argentina. Its success is measured by four pillars. One of them is creation of value for stakeholders, including communities.

Consistent with our corporate mission and based on Greentegra, our social investment considers the needs and concerns of stakeholders and the national and international agendas in the field of clean energy, and sustainable development goals.

The AES Gener Foundation is the institution in charge of implementing our social investment strategy in Chile, and its mission is to articulate and implement programs in the communes of the area of influence of our operations or construction projects based on local development. Currently, it has three offices open to the community, in Puchuncaví, San José de Maipo and in the commune of Huasco.

The areas in which our programs are developed relate to local development and, through them, we contribute to the growth and sustainability of communities in three scopes: education and technical training, development of community-based infrastructure projects and local development and entrepreneurship. In addition, we develop other programs to support sports, health and culture.

Our priorities are consistent with the following three UN sustainable development goals (SDG):

CONTRIBUTE TO LOCAL DEVELOPMENT:



We believe in entrepreneurship as an opportunity for the personal and local development of neighbors living near our operations. We run programs to promote the development of their businesses and products in order to help them to learn marketing strategies, and to obtain the tools they need to improve their sales. We promote spaces and opportunities for small local entrepreneurs and business owners from the communes where we do business. We look for companies with characteristics of mutual interest, and deliver the platforms necessary to move up and progress over time.

RELATIONSHIP WITH SUSTAINABLE DEVELOPMENT GOALS (SDG)

GOALS

Development of productive activities, creation of decent jobs, entrepreneurship, creativity and innovation. Encourage the formalization and growth of micro and small businesses.

EDUCATION AND TRAINING



We strongly believe that investing in people is the best way to improve the living conditions of our society and the communities where we operate. This means that we are developing educational programs for children and young people, and training programs for adults that can enhance their employment opportunities. Under these programs, we address issues associated with the generation of energy consistent with the business strategy of growth in renewable energy, for example, training in the assembly, maintenance, and operation of solar plants.

DEVELOPMENT OF PROJECTS OF COMMUNITY INFRASTRUCTURE



Through these projects, we provide access to safe, resilient, inclusive, and sustainable areas that contribute to improving people's quality of life. For the development of infrastructure projects for the community, we retain local companies for the execution of works. With this, we contribute to local employment.

RELATIONSHIP WITH SUSTAINABLE DEVELOPMENT GOALS (SDG)

GOALS

Ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university. Increase the number of youth and adults who have the required skills, particularly technical and professional skills, for employment, decent work and entrepreneurship.

RELATIONSHIP WITH SUSTAINABLE DEVELOPMENT GOALS (SDG)

GOALS

Develop projects for inclusive and sustainable urbanization. To provide universal access to safe, inclusive and accessible green areas and public spaces, particularly for women and children, the elderly, and persons with disabilities.

For our annual social investment programs visit www.fundacionaesgener.cl.

Greentegra

Greentegra as a strategy is applied to our businesses in Chile, Colombia and Argentina. Its success is measured by **four pillars**. One of them is **creation of value for stakeholders**, including communities.

Social Investment Strategy

Develop, implement, and execute social investment projects for the communities in the area of **influence** of our operations and/or constructions based on Local Development as guiding principle:

Local Development

We work in **three areas of action**



Our areas are guided by the Sustainable Development Goals established in the **United Nations 2030 Agenda for Sustainable Development**



This is how we attain our goals



SOCIAL INVESTMENT 2020

SCOPE	Nr. of BENEFICIARIES	SDG	INVESTMENT
Education and Training	430	4	CLP \$228,602,697
Community-use Infrastructure Projects	67,324	11	CLP \$210,344,566
Local Development	6,064	8	CLP \$498,527,598
COVID19		3	CLP \$401,098,430
Total for Chile	73,818		CLP\$1,338,573,291

Direct and Indirect Beneficiaries

SDG:



Social Investment Programs

[413-1, 413-2]

Education: Pre-University Scholarship and University Selection Test (PSU, for its acronym in Spanish)

The Pre-university Program and PSU is a support alternative for young people in the commune of Puchuncaví, understanding higher education as an opportunity for development. It has been jointly carried out since 2011 by AES Gener Foundation and the Municipality of Puchuncaví. This Program covers the cost of studies to prepare for the University Selection Test (PSU) at Pedro de Valdivia Preuniversity in Viña del Mar to the best students of Sargento Aldea de las Ventanas and General Velásquez de Puchuncaví establishments. Contributions consider educational tools to prepare for the PSU, knowledge leveling, and vocational support.

To complement the benefits, the Company and the municipality agreed to give a recognition to the best three PSU scores in the commune. The municipality also delivers a computer for the students who have obtained the 4th, 5th and 6th place in order to support and motivate them.

During 2020, the program was adapted to virtual modality and benefited forty young people from the commune with an investment of CLP\$15,300,000 that also includes the recognition to the best scores in the commune.

Education: Alto Maipo Scholarship Contribution

During 2020, we launched the seventh version of the Alto Maipo Scholarship Program. Under this program, we provide an annual economic incentive to higher education students from San José de Maipo, who have good academic performance and come from households of lower income or greater socioeconomic vulnerability, according to the Social Register of Households of the Ministry of Social Development.

This benefit was received by 65 students, 40 of which renewed the benefit and the 25 received for the first time, and amounted to CLP\$800,000 to cover expenses associated with studies such as payment of fees, Internet connection, enrollment, materials and implements.

The scholarship program reaffirms our purpose to ensure equal access to higher education with a high percentage of young people in the commune who access it. Since 2017, it included a recognition for outstanding athletes and those who have an artistic-cultural talent in the commune. During 2020, it benefited 13 athletes and 4 artistic talents.

The amount for the 83 scholarships is CLP\$65,600,000.

5.2.7. Training and Employability

Employability in Alto Maipo

YEAR	TOTAL WORKERS	TOTAL LOCAL WORKERS	PERCENTAGE ACCUMULATED EMPLOYABILITY
2015	3,415	682	19.4%
2016	4,411	687	17.8%
2017	3,879	577	16.5%
2018	5,563	714	15.4%
2019	5,072	693	14.9%
2020	4,376	472	14.7%

As part of our Relations and Engagement policy, we promote in each of our operations the recruiting of local labor, either directly related to the Company or through contractor companies.

The Social Agreement executed between AES Gener and the Municipality and the Neighbors' Community Council of San José de Maipo, commune where Alto Maipo hydroelectricity project is being built, establishes that the contractor will hire local labor.

Those who access the sources of work are men and women of working age from the different towns of the commune, who have the skills required according to the construction standards. Until 2020, the number of workers who have been on the project exceeds 1900, and is distributed among unskilled jobs such as teachers, assistants, drivers, helpers, among others, including technicians, professionals, and operators.



As far as local employment is concerned, we work with the *Oficina Municipal de Información Laboral* (Municipal Labor Information Office - OMIL, for its acronym in Spanish), which is responsible for being aware of the employment and training needs of the unemployed in the commune and also for providing their incorporation into the sources of work. In the development of the project, we work together on the coordination of the entry of local workers in Alto Maipo's database, and their participation in training programs for employability purposes.

Training programs

To contribute to the sustainable economic development of our territories of influence, we contribute to creating the conditions necessary for people to access quality jobs through training.

As the characteristics of employability training are associated with the local economic activity, it is expected that, once training is completed, labor insertion will be earlier.

Working together with the *Servicio Nacional de Capacitación y Empleo* (National Training and Employment Service,

SENCE) and the OMIL of each of the municipalities to which we are related, each year we offer programs to improve the labor capacities of our neighbors.

The program is aimed at women and men of working age who belong to 80% of the most vulnerable population of the communes, according to the socio-economic characterization of the Social Register of Households of the Ministry of Social Development.

The following on-line courses were taught during 2020:

ONLINE TRAINING TO THE COMMUNITY 2020

San José de Maipo	1. Customer Guidance and Care
	2. Logistics
Tocopilla and Mejillones	3. Creation of Micro-entrepreneurship Projects
	4. Basic English

5.2.8. Development of Community Infrastructure Projects

[203-1]



Cycles of Outdoor Cinema

Year after year we promote the use of public spaces by the neighbors with seasons of outdoor cinema in the communes of Tocopilla and Huasco. The activity fosters gatherings among the community members, the families and the Company where we can realize how much the community recognizes our efforts.

Reforestation Plan through Participatory Landscape Design

We conducted a participatory landscaping and reforestation program, which included land clearing and leveling, installation of tech irrigation systems, tree planting, and improvements in green areas.

The community was invited to participate in a participatory diagnosis, and about 270 people, belonging to different groups, educational establishments and neighbors in general, from the sectors involved, met to establish and present their interests. The proposal was also presented to the municipality of the commune, with whom we defined the issues of municipal jurisdiction. The identification of critical sectors, after the participatory process in 2019, ended with the implementation of the program until the third quarter of 2020. This was how we worked on the tree planting processes in six localities of the commune of Puchuncaví:

Avenida Horcón-La Chocota, Ventanas Alto and Bajo, La Greda, Campiche, Los Maitenes.

The beneficiary population reaches 2019 inhabitants.

5.2.9. Contributions to Local Development

[413-2]



Program for small-scale farmers of Huasco

In order to improve the productive capacity of a group of small farmers in the Huasco Valley since 2019 we have been developing this program directly focused on small-scale olive and vegetable producers. The program seeks to support pruning, drainage and weed control activities to help them to improve their production, on the understanding that they cannot make investments of this kind due to the low income they receive from the agricultural activity.

As the program strengthens the public-private partnership, the experience was shared with the Local Development Program (PRODESA, for its acronym in Spanish) of the Commune, a government entity that works with this group of 120 farmers, who were the beneficiaries of an investment of CLP\$100,000,000.

Health Access Support Program

For the communities closest to Guacolda Plant, specifically those that are close to Las Losas sector, an agreement was entered into to contribute to neighbors' health access needs in 2019. In this context, in 2020, we implemented actions such

as the purchase of a container to install a pharmacy inside and deliver low-cost and/or free medications to neighbors in the sector. Considering that another of the needs of the community closest to Guacolda was the transfer of people with disabilities or in wheelchairs, we provided them with an inclusive vehicle.

The investment in this program was CLP\$15,000,000

Sustainable Coasting Vessel Program - Fishers of Quintero Bay

In 2019, we entered into agreements with fishers with the aim of contributing to the sustainable development of coasting vessels in Quintero Bay through a series of programs and actions, including the "Sustainable Coasting Vessel" program.

This mutually beneficial agreement was the result of a long process of transparent discussions where we exchanged information about the phenomenon of material strands on the beach of Ventanas, as well as on the operation of Ventanas Plant. As part of our open-door policy, we invite fishers to get to know the plant by showing them our operation in the field in order to lay the foundations of a transparent, mutually beneficial, long-term relationship based on collaboration rather than litigation; a much-needed stance for society.

During 2020, we started to develop the program through which we had various instances of interaction, interviews and workshops for the creation of initiatives and projects that can be executed and benefit the development of Las Caletas.

Business Strengthening Program

Through public-private alliances with *Centro de Negocios de La Florida* and under the scope of the construction of Alto Maipo Project, local producers have access to training programs, workshops and lectures on topics such as business management, administration, marketing, and taxation.

The program has made it possible to improve and strengthen production chains for local businesses in San José de Maipo and has benefited so far 101 small entrepreneurs who received 164 hours of chronological training. In addition, we conduct reinforcement activities.

San José de Maipo Competitive Fund

Alto Maipo, AES Gener, the Municipality of San José de Maipo and the Neighbors' Community Council started

a process of dialog that took shape with the execution of a social agreement that established the basis for two programs: Promotion of Local Employment and Social Program.

The Social Program includes the San José de Maipo Competitive Fund, which has been financing and will fund projects of social organizations and entrepreneurs since 2012 and for 30 years with a social investment of 5807 UF per year.

The development areas are distributed as follows:



In 2020, we awarded the following 46 projects: 25 to social organizations and 21 to entrepreneurs related to the main economic areas characteristic of the commune, including tourism, gastronomy, crafts, and beekeeping, among others.

Moreover, the social organizations have developed projects, including loom sewing and textile workshops and training, reconversion to mining tourism, sports tournaments, summer schools and Olympic games for children, improvements in water distribution matrices, neighborhood security, infrastructure, community headquarters' equipment, among others.

The total investment of the Competitive Fund amounts

to CLP\$700,000,000, with which social projects and undertakings have been financed since 2012.

The agreement established the creation of a local council with the duty and responsibility to ensure the correct implementation of the program. The competitive funding stages are carried out by the AES Gener Foundation, in its capacity as Technical Secretary of the program. As such, it is entitled to supervise the entire process, including training, application and development of projects.

Until 2020, this fund was awarded to 370 projects. More than 50% of them are undertaking projects divided into those who started to put a business idea into practice, and those who worked in already established businesses.

AES Gener Puchuncaví Competitive Fund

The AES Gener Puchuncaví Competitive Fund is the result of the joint work between the municipality of the Commune and the Company. The standards that govern

the program were drafted in 2014 and shall be valid for ten years.

This fund, which amounted to 4711 UF a year, was granted to social and territorial organizations of the commune in the following sectors:

- Community-use infrastructure.
- Social Development and initiatives to promote culture in the commune.
- Promotion or development of productive activities or services that generate local employment and tourism and that enhance the commune of Puchuncaví in the areas for which it has particular strength
- Support of initiatives to promote a healthy life and sports in its various disciplines.

During 2020, we launched the seventh version of the Competitive Fund, which was granted to 26 projects. The investment involves more than CLP\$130,000,000 to benefit approximately 3369 neighbors.

The community initiatives include neighborhood security, improvements in social headquarters, support for the

elderly and rescue of culture and traditions. These were the main subjects of the initiatives presented by neighbors.

The territorial social organizations (neighborhood boards and committees) were awarded 15 projects in the infrastructure field under the AES Gener Puchuncaví Competitive Fund 2020.



Huasco Competitive Funds

Voluntary initiative that makes 3,000 UF available every year to implement projects of social organizations and undertakings to enhance the local economy, social,

cultural, sports development, community infrastructure and quality of life of the inhabitants of Huasco with a focus on:



In the second version of 2019, the Huasco Competitive Fund awarded a total of 46 projects: 20 to social organizations and 26 to entrepreneurs. The economic industries that will be favored by this version are: tourism, services, olive oil production, crafts, among others.

The total amount delivered for the financing and execution of projects was more than CLP\$90,000,000.

In order to achieve these goals, we entered into an alliance with the Municipality of Huasco and the Business Development Center of Vallenar. This allowed us to make progress in the delivery of appropriate tools for the economic and social growth of the inhabitants of the Commune.

AES Gener Foundation coordinates the stages of the process, and Huasco Local Council, which is made up of seven members who are representatives of the civil society, the municipality, the government, and AES Gener executive officers, is responsible for approving the terms and conditions for the award of projects, including other determinations to be made in the terms of application.

The third version of the Huasco Competitive Fund for Low-Income Social Organizations and Entrepreneurs was approved by the Social Donations Council at its ordinary meeting held remotely on November 25, 2020.

Participatory Monitoring Program

Since 2014, Alto Maipo has been developing in the commune the Participatory Monitoring Program, under which the neighbors make up panels in the areas of safety, social commitments, suppliers and employment, and water.

Through these programs, the representatives of each panel monitor the work performed in these areas, through field visits, requests for regular presentations to obtain information, and participation in extended meetings. Since its inception, we have held 155 meetings with a total attendance of 1747 people.

In the communes of Puchuncaví, Huasco and San José de Maipo, due to restrictions related to the COVID 19 pandemic, there were no visits by community members to AES Gener facilities.

5.2.10. AES Gener in the context of COVID 19 pandemic

The pandemic brought about strong health effects and deep consequences for economic growth and social development. Quarantine and social distancing measures established under health protocols had an impact on employment and labor income.

In the midst of this unprecedented crisis, we work for a recovery guided by the Sustainable Development vision, putting people at the center and securing the least risk to our collaborators, their families, suppliers and communities.

Some of our traditional activities could not be carried out and others had to be converted. In line with the pillars of the AES Corporation and in addition to those of our Foundation, we focus our COVID contributions on three specific areas:

- **Health and energy:** guided by our first value, these actions were focused on safety and prevention through the provision of personal protective elements and sanitation services, as well as the provision of communication channels for awareness campaigns.

- **Livelihood:** actions were aimed at providing supplies to meet basic needs for vulnerable groups, such as boxes with goods, water, cleaning supplies, etc.

- **Entrepreneurship and economic reactivation:** actions focused on providing tools so that the communities could have income and sustain themselves economically by supporting local entrepreneurs and contributing to virtual education.

Find some details below:

Educational Program “Ilumina El Cajón”.

The “Ilumina El Cajón” educational program supported students from state educational establishments belonging to the Municipal Education Corporation by providing them with digital tools, such as tablets and Internet connection, so that they did not miss classes during the pandemic and by expanding the coverage and access to digital educational contents as a contribution to the traditional classes of teachers.

This was a contribution from AES Gener and Alto Maipo that could be materialized thanks to the coordination with the Municipal Health and Education Corporation of San José de Maipo and the support of the Focus consulting company, which trains teachers in the new tools.

The contribution made by the Company was 1395 devices. 1307 for students and 88 for teachers.

Virtual Education Program in Tocopilla

In order to help various students in the commune of Tocopilla to have necessary equipment to be able to



The “Illumina El Cajón” educational program provided students from state educational establishments belonging to the Municipal Education Corporation with digital tools.

finish the school year on an online basis, we delivered 149 tablets to schools in the area, such as Carlos Condell de la Haza, through the Municipality of Tocopilla.

5.2.11. Safety in Plants and Neighboring Areas

In line with our first value, safety, we support preventive health measures in the areas and communities close to our plants through:

Health and energy

- Contribution of demineralized water and hypochlorite as well as sanitization machinery (trucks, devices to spray sanitizers) in public spaces and streets, school and polyclinic, vehicle wheels at checkpoints.
- Personal protective supplies to health centers (masks, sprayers, overalls, jumpsuits, gloves, gel alcohol, protective glasses, sanitizing suitcases, etc.), fire ambulance staff, and communities.

- Donation of thermometers, pulse oximeters, and blood pressure monitor devices to polyclinics.
- Temperature checkpoints in San José de Maipo.
- Dissemination material with prevention measures.
- Support to municipalities for the Vaccination Plan (printing of posters and information material, radio notices).

Sustainment

- Provision of cistern trucks and water distribution for consumption in rural and/or isolated sectors
- Trucks for transporting basic inputs
- Food boxes to vulnerable populations
- Fuel for lighting systems
- Delivery of mobile phones for virtual classes (organized by the union and workers)
- Delivery of food through local suppliers for common pots and delivery of family baskets
- AES and PHAM volunteers to deliver food boxes

Economic Undertaking and Reactivation

- Hire local entrepreneurs to make masks that were donated
- Working inputs and tools for fishermen
- Hire local entrepreneurs to place their products in anniversary boxes
- Provision of equipment and connectivity elements to 10 municipal schools to continue virtual education in San José de Maipo under the “Illumina el Cajón” Program (including training and advice to teachers to integrate technology into their teaching methods) and Tocopilla

5.3 Customer Engagement: Innovation and Quality

[103-1, 103-2, 103-3, 102-6, 416-1]

The relationship with our customers is fundamental to the business and the main topic of the 2018-2023 strategic framework, promoting a customer-centric culture that has allowed us to strengthen our relationships based on the commitment to detect and support solutions appropriate to their needs and energy problems. We are doing this with a reliable and flexible supply of electricity, including distributed generation, energy efficiency, energy storage, e-mobility, and other solutions, in the three countries where we are present.

During 2020, we have received no claims from our customers concerning violations to their privacy, information leakage or loss of data.

5.3.1. Chile

In Chile, we provide customers across the SEN with energy solutions from the Arica and Parinacota Regions to Los Lagos Region.

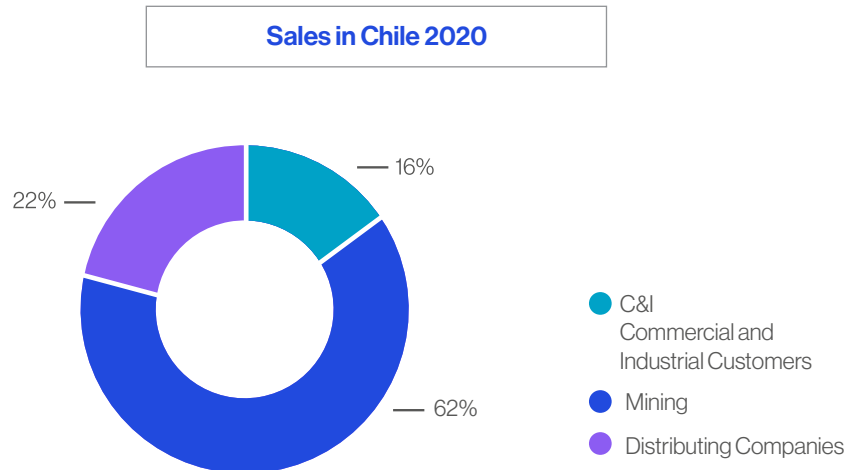
Our customers are differentiated into three segments: mining, electrical distributors for the regulated market and the commercial and industrial (C&I) market. Although the largest supply is provided to the first two, being the

demand of the mining sector focused on the northern area of the country and the demand of electricity distributors on the center, commercial and industrial customers have had a strong growth rate in the last period. For this reason, we have designed and implemented a specific area to adequately and timely meet the increase in demand in the new transformation and innovation initiatives for the development of new energy solutions.

Thanks to the incorporation of this new customer segment, we serve the country's main economic sectors, including, without limitation: water treatment and transportation, food and beverage processing, wine industry, agroindustry, telecommunications, health, education, logistics and transport, office buildings managers, plastic product manufacturing, wood, textile, and metal-mechanic.

In line with our customer-centric proposal, in 2020 we began to implement in all regions the NPS (Net Promoter Score) measurement system, which is the survey that measures the promotion or customer satisfaction index. This will allow us to evaluate, analyze and make the necessary adjustments to improve the experience of our customers and, therefore, ensure that they have a preference for our services. In this same line, we have the digital platform of customer experience that strengthens the channels of interaction and service.





5.3.2. Colombia

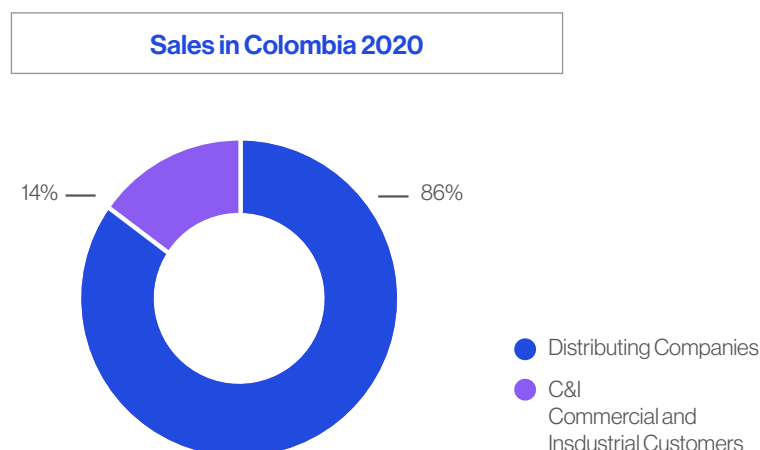
In Colombia we continue to work with customers in the regulated (wholesale) and non-regulated markets through medium- and long-term contracts to develop our customer-centric culture with energy solutions that generate value.

2020 was year full of great challenges. The global pandemic ended up affecting some of our customers' business developments, but thanks to the coordination of the sales and Treasury team and the close monitoring of cases, we managed to maintain past-due portfolio indexes close to 0.

Moreover, we were awarded a tender for the construction of San Fernando Solar Park for Cenit, a subsidiary of Ecopetrol Group, that will supply renewable energy for 15 years. This

will mean for our customer a reduction of 500,000 tons in CO₂ emission and more than 40% savings in grid energy costs. The 59 MW San Fernando Solar Park will become Colombia's largest self-generation park. In addition, we closed a network energy contract for 240 GWh/year, which will complement non-solar hours to secure a 24/7 supply for our customer.

Finally, we managed to close a long-term contract with EMCALI, a wholesale marketer. This is a twelve-year contract in which we will start to supply 150 Gwh/year in 2021 to be expanded to 200 GWh/year since 2024. The agreement contributes to our long-term contract strategy for our assets.



5.3.3. Argentina

Through our subsidiary TermoAndes, we operate the Salta Thermal Power Plant that supplies energy through the two operating systems existing in the Argentine market: Spot Market (regulated) and Energía Plus (non-regulated).

In the spot market, we sell the generation to CAMMESA and in the Energía Plus market we sell the energy to commercial and industrial customers.

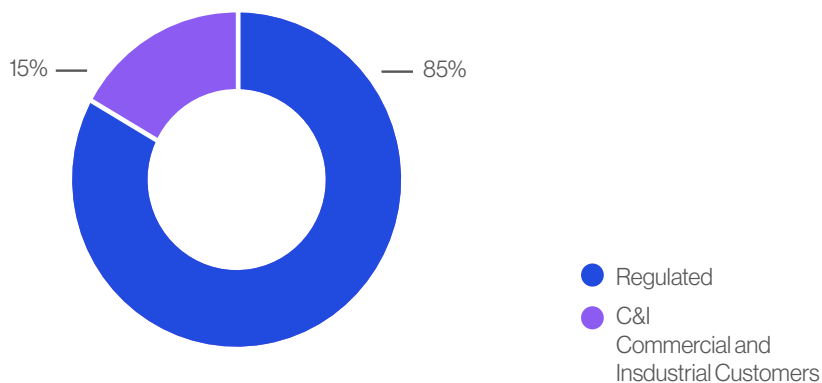
The Energía Plus program requires a supply agreement with a price and term agreed upon between the parties (generator and large user). Our customers cover all industry segments (mainly chemical, plastic, metal, and

agro-industry) and are distributed from north to south of the country and concentrated in the province of Buenos Aires.

As in previous years, in 2020, TermoAndes is recognized as a leader in the Energía Plus market.

- 116 industrial customers under the Energía Plus program
- 627 GWh sold to Energía Plus
- 306 MW in TermoAndes authorized to be contracted under the Energía Plus program

Sales in Argentina 2020



5.3.4. Major Greentegra Strategy Agreements

Based on our strategy to help our customers with the supply of renewable energy, we have entered into long-term contracts to incorporate renewable energy generation into our portfolio.

Thanks to customer confidence, we closed a series of new contracts which, in addition to other long-term contracts agreed in previous years (such as Minera Candelaria in November 2018 and Mantos Cooper in July 2019), would enhance our strategy by positively profiling it with the more than 7.4 TWh/year in Chile and 3.1 TWh/year in Colombia.

Detail of contracts:

Chile

- **Minera Los Pelambres** (January 2020): New power supply agreement for 20 years that extends the commercial relationship with AMSA's subsidiary until 2040 and provides for the delivery of 350 GWh/year of renewable energy.
- **Compañía Sociedad Punta del Cobre S.A.** (January 2020): Renegotiation of agreement with Guacolda for 150 GWh/year of renewable energy supply.
- **Minera Teck Quebrada Blanca S.A.** (February 2020): 20-year power purchase agreement for the second phase of Quebrada Blanca's copper project to allow the transition to renewable energy of approximately half of the energy required for such operation. Minera Teck Quebrada Blanca will obtain 1050 GWh/year for its operations from the growing renewable energy portfolio of AES Gener that includes wind, solar and hydroelectric power, in addition to the 21 megawatts of solar energy already contracted from AES Gener.

- **Compañía Minera Carmen de Andacollo S.A.** (of Teck) (August 2020): 12-year energy purchase agreement for its operations that results in a 100% renewable supply. The agreement is for 550 GWh/year and is extended until the end of 2031.

- **Compañía Minera Doña Inés de Collahuasi SCM** (August 2020): Energy agreement for the supply of up to 158 GWh/year of renewable energy.

- **Minera Sierra Gorda S.A.** (November 2020): New 17-year renewable supply agreement that allows the transition to renewable energy to reach 100% by 2023. The agreement plans to supply 1,240 GWh/year through AES Gener's portfolio of new renewable assets.

In addition to the long-term contracts, at the end of 2020, a total of 380 GWh contracts were executed with the following companies: Indura, Aguas Andina, UC Christus, Viña Felipe Edwards, and others.

Colombia

- **Agreement for the Construction and Operation of a 59MW Solar Power Plant for Ecopetrol Group (August 2020):** AES Colombia entered into an agreement for the construction and commissioning of San Fernando solar plant for the supply of power to the facilities of Cenit, subsidiary of Ecopetrol Group. The agreement provides for the supply of 98 GWh/year for a period of fifteen years, and it is expected to enter into operation by the end of the first half of 2021. The plant will deliver energy to San Fernando station to contribute to the reduction of emissions for 508 thousand tons of CO₂ during the term of the agreement, a figure equivalent to planting 3.9 million trees. This agreement is under the scope of "GenerFlex" line of business solutions.

5.4 Sustainability in the Supply Chain

[102-9, 204-1]

Our suppliers play an important role in helping us to achieve sustainability goals, so we make sure they are consistent with our values and standards in terms of promoting acceptable working conditions, environmentally responsible management, and ethical behavior.

Regarding suppliers that provide specialized services, we always seek to establish long-term relationships based on the very nature of the business. The power plant and transmission line maintenance works require high-level specialization and high safety standards. This is translated into an incentive to training and development of external staff by their employers, under the scope of a stable relationship considering the demand for high-quality at competitive prices.

Our health, safety and security measures and equipment standards are shared by our own and external collaborators for technical work in all the plants with the obligation to undergo pre-occupational medical screenings to mitigate the risk of accidents.

Our risk management standards in the supply chain set out, among other things:

- Contingency plans to identify and respond to incidents and emergencies, and to maintain the continuous operation of critical assets.
- Relationship between inventory and criticality: We assess the criticality of different inventory assets and parts, and we have planning tools to ensure availability and replenishment based on lead times.
- Asset Management: We evaluate supplier performance to identify issues that need to be addressed through corrective action plans, and practices that need to be recognized and duplicated.

Our suppliers play an important role in helping us to achieve sustainability goals, so we make sure they are consistent with our values and standards in terms of promoting acceptable working conditions, environmentally responsible management, and ethical behavior.



3,083 SUPPLIERS

US\$ 577,094,072

EXPENDITURE ON SUPPLIERS

SUPPLIERS OF AES GENER 2020

NO. OF SUPPLIERS		
Chile Central Area	1,243	National: 1129 International: 114
Chile Northern Central Area	465	National: 437 International: 28
Chile Northern Area	773	National: 688 International: 85
Argentina	238	National: 230 International: 8
Colombia	364	National: 326 International: 38

The notion of “critical supplier” is associated with the supply of equipment or services that could jeopardize the integrity of our own staff, contractors or community members, or the operability of the generation plants or transmission lines. Proper mapping of critical vendors is part of the spending analysis and the incorporation of alternative sources. We do this in collaboration with internal users and the engineering and operations areas.

Through the Community Engagement Standards for Contractors, which are framed in the Local Community Engagement and Relations Policy ([in this link](#)), we instill in our contractors the CSR culture. The purpose of these standards is to obtain and maintain the social license for our operations and projects by applying standards of good behavior, carrying out activities that support local development and applying mitigation measures against negative impacts on neighboring communities that may be caused by the activities and processes of

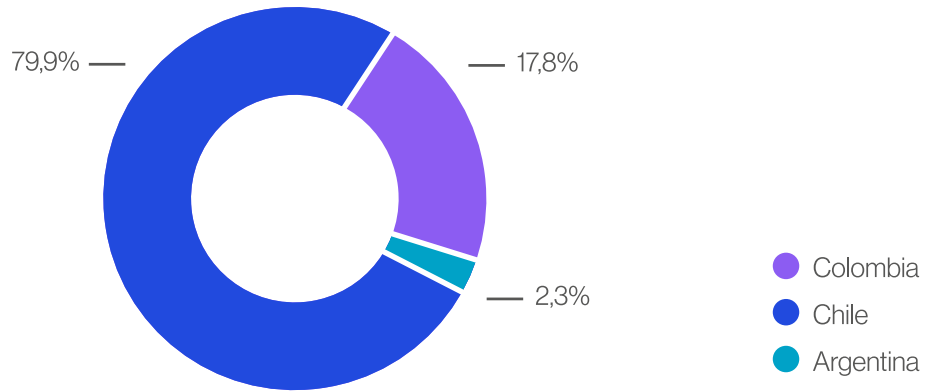
our contractors. According to our policy, we also seek to hire in the first place local suppliers and contractors that meet the safety standards and have the required technical know-how.

To enhance even more the transparency of supply management, we use an Electronic Purchase Portal called ARIBA. Through this channel, the suppliers who were invited to bid submit their bids and tenders and interact with AES Gener Purchasers ensuring total transparency and confidentiality in the process.

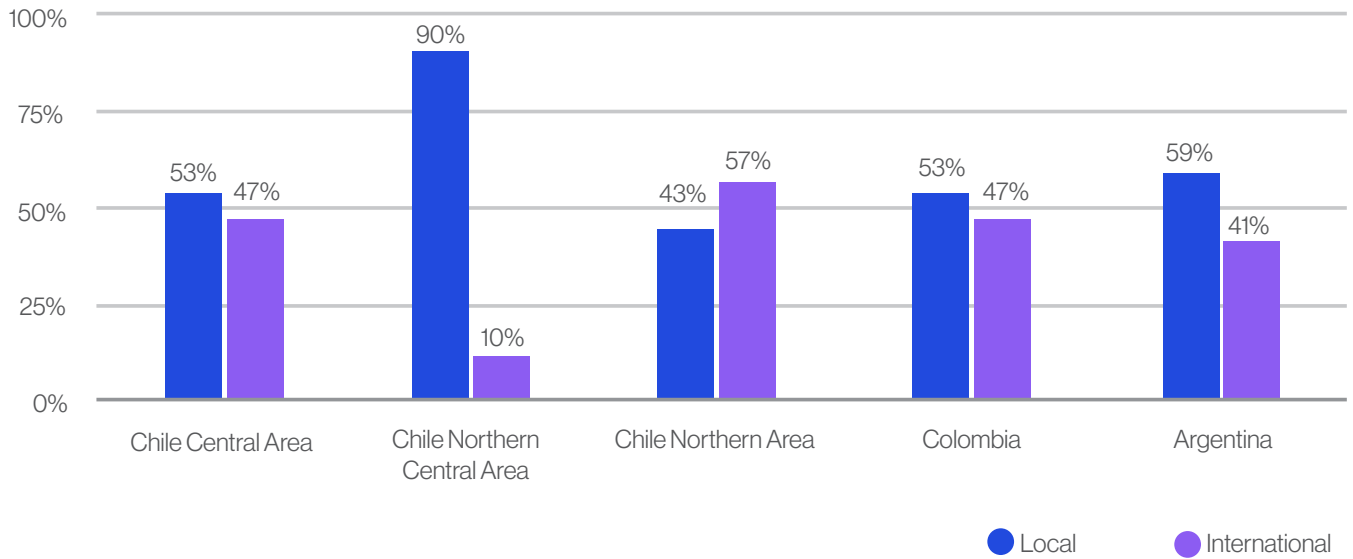
5.4.1. Number of suppliers per country

A national supplier is a vendor with business domicile in each one of the countries where we do business and an international supplier is a vendor with domicile outside the countries where we do business.

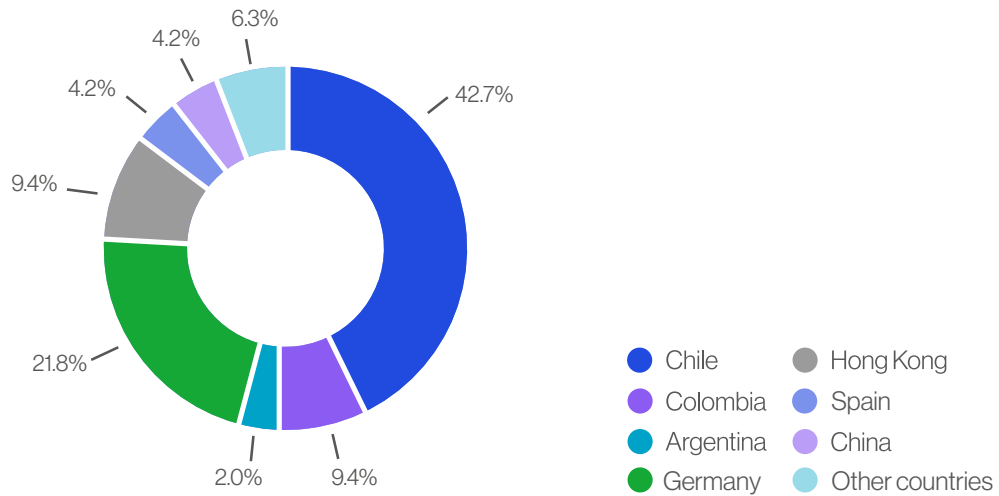
Percentage of Expenses in Suppliers by Country



Origin of Suppliers per % of Spending



Percentage of Purchases to Suppliers by Country



5.4.2. Performance Indicators

As part of performance management, the supply chain has annual goals consistent with our overall business strategy.

focus on demand planning activities. Over the last few years we have been improving our targets in our inventory closing.

Inventory

Inventory optimization ensures the availability of essential assets and reduces the risk of shortages so that we can

TARGET AT INVENTORY CLOSING

2018	+ 0.63%
2019	+ 1.4%
2020	+ 6.66%

Supplier Rating

[308-1,414-1]

To evaluate our suppliers, we have tools such as STACE (Safety & Sustainability, Technique, Alignment, Cost & Execution), a global standard used to evaluate suppliers –new and existing– both qualitatively and quantitatively.

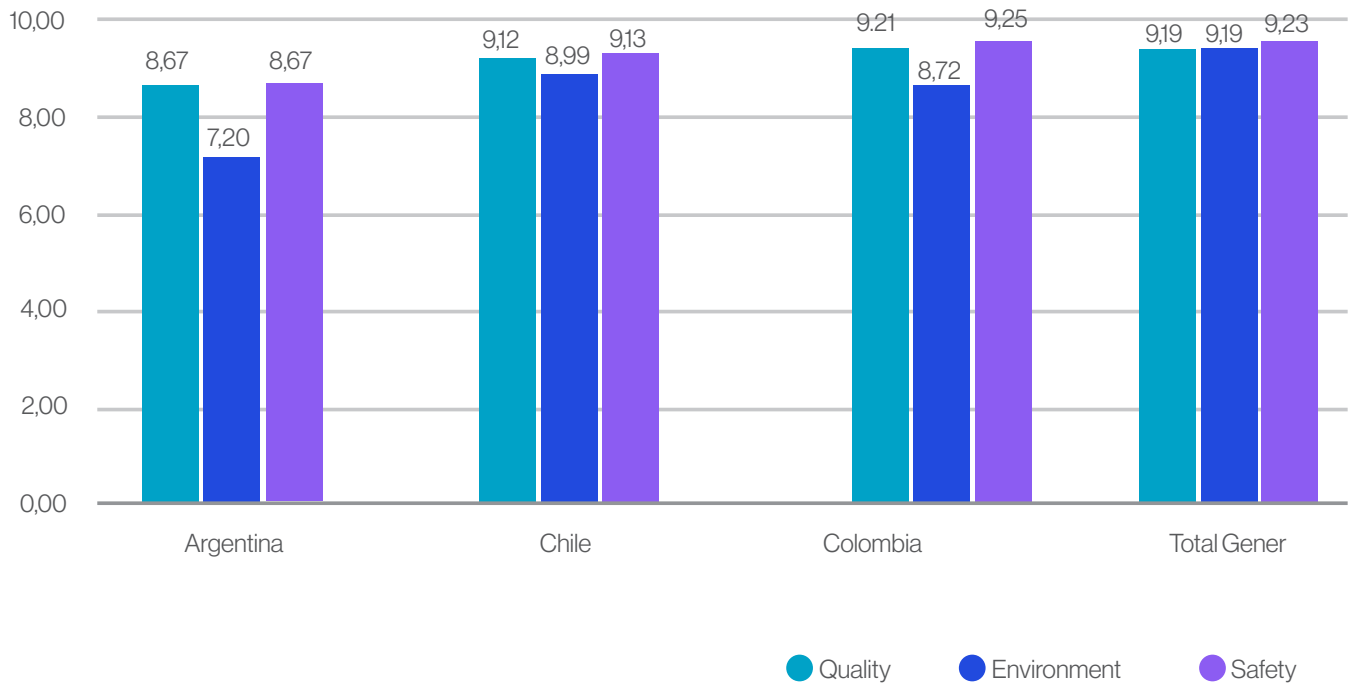
In 2016, we also conducted the sustainability survey of suppliers and obtained information on their environmental, social and economic activities in this regard.

Additionally, through a scoring system (financial, ESG and compliance factors) our employees evaluate the

tenders and performance of our suppliers and rate their performance from a quality, safety and environmental point of view, with 7 being the defined objective or goal. We started using this assessment in 2018 and in 2020 we added the environmental assessment.

During 2020, we assessed the performance of more than 1400 provided services.

Performance Assessments



Savings

Our savings expectations are set in the long term with an official yearly target for the budget review process. The progress made in meeting the savings goals of the supply chain in recent years is as follows:

SAVINGS IN THE SUPPLY CHAIN

2018	+ 46%
2019	- 11%
2020	+ 14.3%

the supply chain savings for 2018 exceeded the target by 46% For 2019, savings were 11% below target while in 2020 they exceeded target by 14.3%

5.4.3. Fuel Supply

[301-1]

Our thermoelectric capacity reaches 3,728 MW gross and is mainly supplied with fossil fuels such as thermal coal, natural gas and diesel.

AES GENER THERMOELECTRIC CAPACITY BY ENERGY SOURCE

ENERGY SOURCE	CAPACITY	%
Coal (*)	3,019 MW	80.8%
Gas/Diesel	643 MW	17.2%
Diesel	63 MW	1.7%
Biomass	13 MW	0.3%
Total	3,738 MW	100.0%

Includes plants in Chile and Termoandes plant in Argentina

() Includes Ventanas Plant 1 that started to be under ERE on December 29, 2020.*

Chile

Most part of our thermoelectric capacity 3,095 MW (gross) is located in Chile and mainly supplied with thermal coal.

FUELS USED IN CHILE 2020

FUEL	WEIGHT OR VOLUME
Coal (thousand tons)	7,280
Diesel (thousand m ³)	0

From Chile, we process the supply of thermal coal and maritime transport for all our thermal generation plants, including the facilities of Guacolda and Cochrane, where AES Gener holds a 50% and 60% interest, respectively. The technology in our plants allows the combustion of different grades of coal. This provides flexibility and diversification in the coal supply sources.

Coal is procured mainly through international bidding processes (Colombia, USA, Australia and Chile, among others) to ensure the supply of thermal coal for our portfolio through contracts by way of spot purchases or agreements for one year or more.

In general, coal is purchased from different suppliers on FOB terms and are selected based on their creditworthiness and history of purchases.

In 2020, our operations in Chile recorded a consumption of approximately 7.3 million tons of thermal coal, 5% less than in 2019. Our annual purchases are expected to be maintained during the next few years, but with a downward bias in the medium term due to the incorporation of renewable energies in the system, and depending on the water contribution and the availability of Argentine gas in the Chilean system. In this context, flexibility in supply

contracts is particularly important and allows the volatility implied by the above-mentioned factors to be managed.

Argentina

Our assets in the SADI are made up of the combined cycle Termoandes plant, with an installed capacity of 643 MW and the capacity to generate energy both with gas oil and natural gas.

Termoandes generation accounted for 5% of the total thermal generation during 2020 and was wholly generated with natural gas with the total volume of natural gas used being 779,778 dam³. Out of the total volume used, due to the current provisions of Argentina, 657,042 dam³ were provided by the system operator (CAMMESA) and 122,736 dam³ were acquired from different producers to support the Energía Plus contracts.

Colombia

In Colombia, only low volumes of fuel are required for ancillary services.

5.5 Investor Relations: Transparency and Availability of Information

The Investor Relations area is led by the Investor Relations Manager and reports to the Chief Financial Officer.

We give special attention to maintaining a permanent flow of information covering our businesses in Chile, Colombia and Argentina.

This stakeholder is made up of our shareholders, note holders, and the financial market, including financial analysts, banks, asset managers, and risk rating agencies.

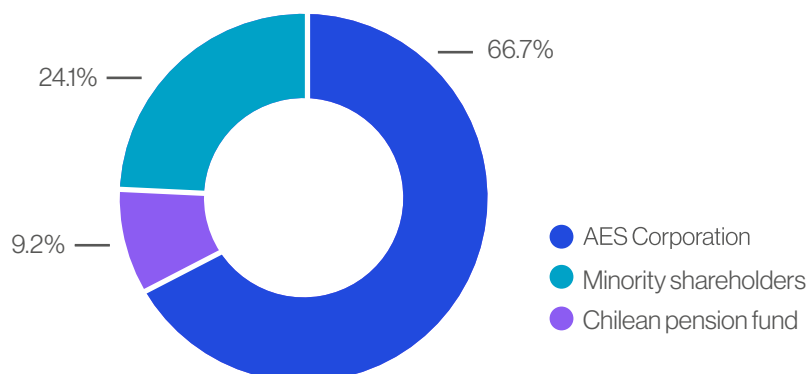
During 2020, AES Gener's shares were hedged by several national and international banks, including:

BCI	SCOTIABANK
BICE INVERSIONES	INVERSIONES SECURITY
BTG PACTUAL	J.P. MORGAN
CITI / BANCHILE	
CREDICORP	

In relation to the bonds issued by the company or its subsidiaries, they were hedged by the following banks:

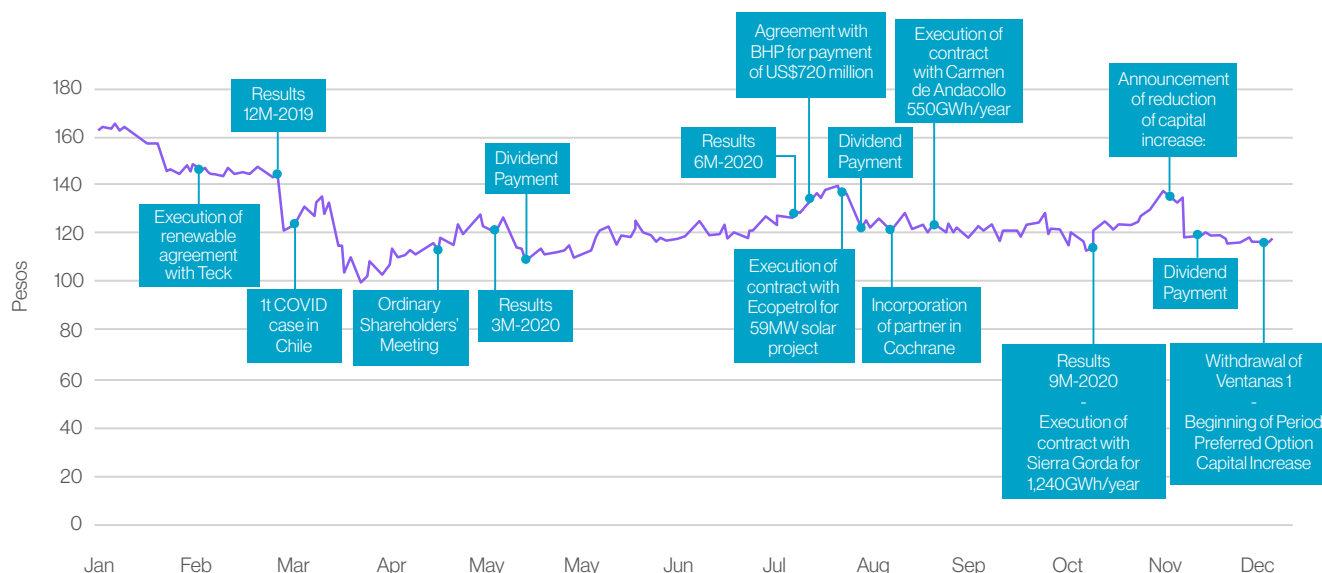
BALANZ
CREDICORP
J.P. MORGAN
BANK OF AMERICA MERRILL LYNCH

AES Gener Ownership Structure as of December 31, 2020



STOCK MARKET INDICATORS 2020	UNIT	VALUE
Number of Outstanding Shares	Number	8,400,318,891
Stock Closing Price as of December 31, 2020	CLP	117,8
Dividend Yield	%	22
Earnings per Share	US\$	(0.032)
Paid dividends	US\$ million	310

Price of AES Gener Stock and Relevant Events for 2020



5.5.1. Stock Exchange Information

Finally, in the Santiago Stock Exchange an annual amount of 978,316,537,639 pesos was divided into 6,416,753,794 shares. In the case of the Electronic Stock Exchange, an annual value of 11,960,543,862 pesos was transacted among 95,266,634 Shares.

During 2020, the Chilean Pension Funds sold a net total of 774,509,984 shares, reducing their position in AES Gener's ownership from 18.47% at the end of 2019 to 9.25% as of December 31, 2020.

The price of our share showed an annual variation of -27.9%, from CLP\$163.4 on January 1, 2020 to CLP\$117.8 on December 31, 2020. The IPSA index, of which we are a part, varied by -13.1% over the same period.

Stock Transactions

With regard to our capital increase of 1,980,000 shares at CLP\$110 pesos per share approved at the Extraordinary Shareholders' Meeting held on April 16, 2020, we entered a vesting period to exercise the right of first refusal from December 29 until January 27, 2020. This first vesting period ended with the subscription of 98.3% of the shares, including the subscription of Inversiones Cachagua SpA. The Board of Directors of AES Gener, in accordance with the provisions of

the procedure approved at the same Extraordinary Meeting, decided to sell the 34 million shares that were not subscribed during the first vesting period in a second vesting period that took place from February 1 to February 6, 2021 and which ended up with 1,976 million subscribed shares equivalent to 99.8% of the total securities accounted for as capital increase and thereby collecting approximately US\$306 million. Inversiones Cachagua SpA recorded an interest of 67.0% in AES Gener.

For more details, see Schedule 5.

Ownership Structure

As of December 31, 2020, our shareholders' equity amounted to US\$2,031 million, divided into 8,400,318,891 shares. At the end of the year, Inversiones Cachagua SpA had a 67% stake in AES Gener, with the American company AES Corporation becoming the indirect parent company of AES Gener, through its indirect 100% stake in Inversiones Cachagua SpA. The Pension Fund Managers, through the various funds, own a 9.25% interest as of the end of this year. The remaining 21.10% is owned by various minority shareholders. There are no government entities or persons associated with AES Gener with more than 5% voting rights.

For more details on the ownership structure of AES Gener, see Schedule 5.

The main changes to the ownership of the Company is due to a decrease in the shares of Banco Itaú on behalf of investors and an increase in the shares of Banchile Corredores de Bolsa S.A., Banco de Chile por Cuenta de Terceros CA and Banco de Chile por Cuenta de State Street.

For more details on these changes, see Schedule 5.

Risk Rating

The local and international risk ratings of AES Gener were ratified by the major credit agencies, maintaining the BBB- and Baa3 rating in the international scale and A+ in the local scale.

Summary of the national and international risk rating of the Company as of December 31, 2020.

INTERNATIONAL RATING		S&P		MOODY'S		FITCH	
Entity	Issuance	Rating	Outlook	Rating	Outlook	Rating	Outlook
AES Gener	ISSUER SR. UNSECURED HYBRID	BBB- BBB- BB	Stable Stable Stable	BAA3 BAA3 BA2	Stable Stable Stable	BBB- BBB- BB	Stable Stable Stable
Angamos	ISSUER SR. SECURED			BAA3 BAA3	Negative Negative	BBB- BBB-	Stable Stable
Guacolda	ISSUER SR. UNSECURED	BB- BB-	Negative Negative			BB- BB-	Negative Negative
Cochrane	ISSUER SR. SECURED			BA1	Stable	BBB-	Stable

LOCAL RATING		FITCH		FELLER RATE	
Entity	Issuance	Rating	Outlook	Rating	Outlook
AES Gener	LOCAL NOTES LINE	A+	Stable	A+(c)	Positive
Cochrane	LOCAL NOTES LINE	A+	Stable	A+(c)	Stable

Main actions performed by the rating agencies

- In July, Standard & Poor's reaffirmed the BBB- rating with stable outlook for AES Gener while it maintained Guacolda in BB- with negative outlook in August.
- In July, Fitch Ratings ratified the BBB- rating for AES Gener, BBB- rating for Eléctrica Angamos and BBB- for Eléctrica Cochrane, both of them with stable outlook, and downgraded Guacolda to BB- rating with negative outlook in April. On the other hand, both the risk ratings for AES Gener's local note lines and those of Eléctrica Cochrane were ratified in A+ with a stable outlook in July.
- Moody's ratified the Baa3 rating for AES Gener with stable outlook in July and ratified the Baa3 rating for Angamos and Ba1 for Eléctrica Cochrane in March, both with a stable outlook Later, following the early termination agreement with BHP, as per Moody's, Eléctrica Angamos showed a negative outlook but maintained Baa3 rating.
- In August, Feller Rate ratified the A+ ratings for AES Gener solvency and note lines, and maintained the positive perspective. Moreover, it assigned an A+ rating to the new Eléctrica Cochrane bond line issued in March 2020.

Main Activities with Investors and Investment Analysts

During 2020, we conducted and participated in various activities to increase permanent, accurate and reliable communication with current and potential shareholders and investors, market analysts, and other stakeholders. Our shareholder base increased from 1,371 at the end of 2019 to 1,721 as of December 31, 2020, which increased to 2,009 shareholders at the end of the capital increase process in February 2021.

We also had the opportunity to participate in a face-to-face conference in January and organized a breakfast in

March with investors and investment analysts where our Chief Executive Officer, Ricardo Falú, delivered updated information about our Greentegra strategy, highlighting achievements and future challenges. Also in March our management participated in a Non-Deal Roadshow in New York, visiting various potential and existing shareholders.

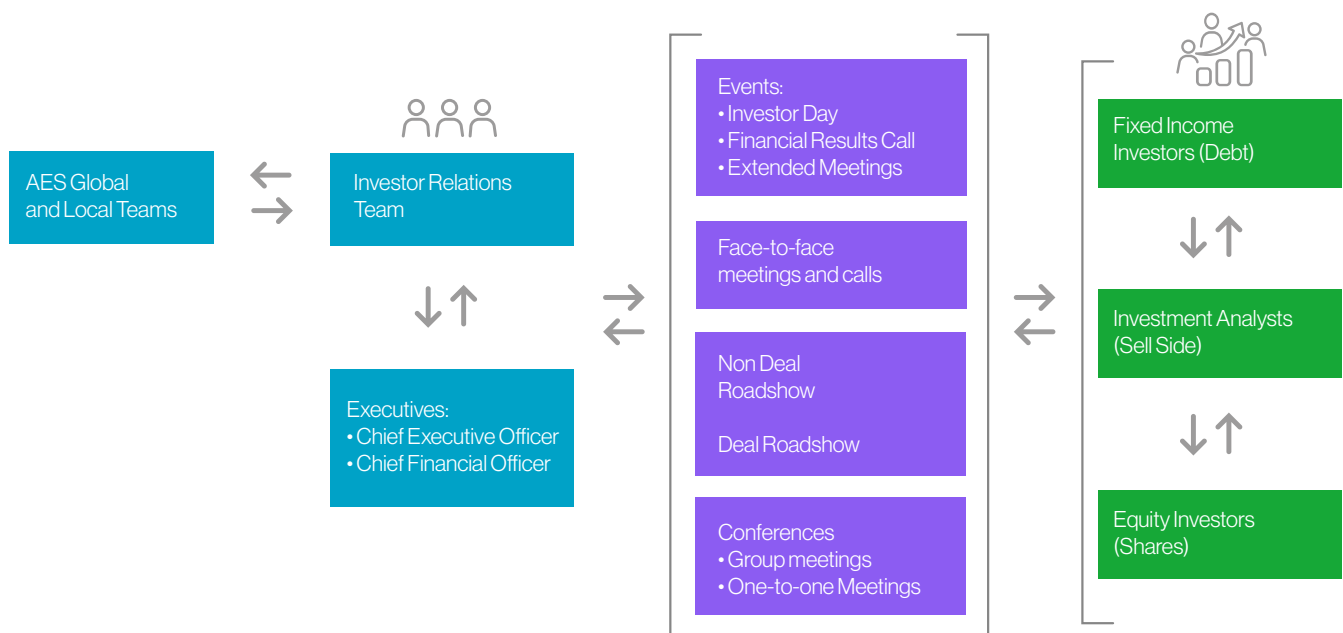
Since mid-March, due to the COVID-19 restrictions, all the activities we organized and the conferences and meetings where we participated were held on a virtual basis. Nevertheless, we carried out a series of activities that had a high level of market participation and interest, among which we highlight the following:

- Ordinary and Extraordinary Shareholders' Meetings in April, October and November 2020, in total 4 meetings, held on a virtual or hybrid basis depending on the restrictions of the moment in the Metropolitan Region, where our offices are located. The attendance of our shareholder base was very high.
- Investor call for termination of the agreement with BHP. Ricardo Falú, Chief Executive Officer and Ricardo Roizen, Chief Financial Officer, explained to our investors the details of the agreement reached in August 2020.
- We attended 7 virtual conferences of international banks where our executives and Investor Relations team participated in face-to-face or small group meetings with a focus on capital issuance, debt issuance, and ESG investors.
- Calls to inform quarterly results to investors and milestones of 2019 and the first, second and third quarters of 2020.
- Fire side chats with international banks in which a host of the organizing institution asks questions to our executives that are of the interest of investors.
- Non-Deal Roadshow in December, prior to capital increase, where our top executives had face-to-face meetings with major national and international investors from Santiago, New York, Los Angeles, Boston and London, among others.

- Deal Roadshow during the capital increase with face-to-face meetings with current shareholders with preemptive rights to clarify doubts regarding the process or strategy.
- Calls with note holders within the framework of the offer to purchase the current notes of Electrica Angamos.

In addition, our Investor Relations area coordinated, together with the Chief Corporate Affairs Officer, events for multiple stakeholders, including investors and financial analysts, such as ceremonies to lay the First Stone of Andes Solar IIb and Campo Lindo projects and the ceremony for the Disconnection of Ventanas 1 plant.

Permanent flow of information with investors and analysts



5.5.2. Dividend Policy

According to Circular No. 687 of the Superintendency of Securities and Insurance (CMF), the Board of Directors, at an ordinary meeting held on March 19, 2020, agreed as follows:

“The Board of Directors of the Company agreed to propose to the Shareholders’ Meeting the following dividend policy: Distribution of dividends among the shareholders of the Company up to 100% of the recurrent earnings obtained during 2020. Compliance with this dividend policy will be subject to the profits actually obtained, as well as to the results of the projections periodically carried out by the Company in relation to its financial performance, the availability of cash, and the efficient maintenance of its operations for the subsequent period. It shall also consider the need to contribute its own funds to finance investment and construction projects, compliance with the obligations and restrictions contained in the by-laws of the Company regarding dividends, and the credit contracts and indentures executed with the creditors, which basically consist in having fully and timely complied with the negative covenants set forth in the relevant credit contracts, the payment of interest, and the cash and investments policy. It is proposed to the Shareholders’ Meeting that the Board be authorized, under the responsibility of the members who agree, to distribute provisional dividends during the 2020 out of the profits earned, provided that there are no accumulated losses. With regard to dividends for the following years, the Board considered it proper to maintain, in the medium term, a policy similar to the one stated above.”

This policy was adopted at the Ordinary Shareholders’ Meeting of held on April 16, 2020.

The dividend policy of the previous year, approved at the Ordinary Shareholders’ Meeting on April 26, 2019, is transcribed below:

“The Board, considering statutory restrictions, agreed to inform this Shareholders’ Meeting its intention to distribute as dividends among its shareholders up to 100% of the profits generated during 2019. Likewise, the Board agreed to place on record that compliance with

the dividend policy aforementioned shall be conditioned on: (i) the earnings actually obtained, (ii) the results of the projections periodically made by the Company, (iii) the need to contribute its own funds to finance investment and construction projects, (iv) compliance with the restrictions contained in the by-laws of the Company regarding dividends, and (v) the credit contracts and indentures executed with the creditors, which basically consist in having fully and timely complied with the negative covenants set forth in the relevant credit contracts, the payment of interest, and the cash and investments policy. Finally, the Board agreed to propose to the Shareholders’ Meeting that the Board be authorized, under the responsibility of the members who agree, to distribute provisional dividends during the 2019 out of the profits earned, provided that there are no accumulated losses. With regard to dividends for the following years, the Board considered it proper to maintain, in the medium term, a policy similar to the one stated above.”

Dividends paid out of earnings of 2019

In the Ordinary Shareholders’ Meeting held on 16 April 2020, we agreed to distribute an amount of US\$115,785,687 for approximately 100% of the earnings for fiscal year 2019, which was paid as follows:

Through a mandatory minimum dividend of US\$34,735,706 equivalent to US\$0.0041350 per share. This mandatory minimum dividend was paid as of May 15, 2020.

Through one or more additional dividends for a total amount of US\$81,049,981 payable during 2020 on the date or dates to be established by the Board. This dividend was paid as from August 28, 2020.

In addition, through the Special Shareholders’ Meeting, it was approved to pay a contingent dividend in the total amount of US\$194,214,038.61, equivalent to US\$0.0231884 per share from the reserve for proposed dividends of the Company, which was paid as of December 10, 2020.

HISTORY OF DIVIDENDS PAID BY AES GENER

Nr. of DIVIDENDS	TYPE DIVIDENDS	DATE PAYMENT	AMOUNT PER SHARE (US\$)	ALLOCATED TO THE FISCAL YEAR	% OF EARNINGS
119	Eventual	12-10-20	0,0231884	Reserve for proposed dividends	n/a
118	Additional Definitive	08-28-20	0,009677052	2019	70.00%
117	Definitive	05-15-20	0,004135	2019	30.00%
116	Additional Definitive	11-29-18	0,0239147	2018	70.00%
115	Definitive	05-24-19	0,0102491	2018	30.00%
114	Additional Definitive	11-29-18	0,0153759	2017	70.00%
113	Definitive	05-25-18	0,0065897	2017	30.00%
112	Additional Definitive	11-28-17	0,0065484	2016	21.10%
111	Additional Definitive	09-27-17	0,0071426	2016	23.00%
110	Definitive	05-08-17	0,0173803	2016	55.90%
109	Additional Definitive	08-29-16	0,005444	2014	16.00%
108	Definitive	05-16-16	0,006071	2013-2014	19.30%
107	Provisional	11-26-15	0,006071	2015	64.70%
106	Definitive	05-28-15	0,07559	2014	34.60%
105	Provisional	12-15-14	0,013012	2014	59.50%

Nr. of DIVIDENDS	TYPE DIVIDENDS	DATE PAYMENT	AMOUNT PER SHARE (US\$)	ALLOCATED TO THE FISCAL YEAR	% OF EARNINGS
104	Definitive	08-27-14	0.007201	2013	30.00%
103	Definitive	05-22-14	0,00748	2013	31.20%
102	Provisional	12-17-13	0,009666	2013	38.70%
101	Additional Definitive	08-27-14	0,008563	2012	34.10%
100	Additional Definitive	05-22-14	0,007786	2012	31.00%
99	Provisional	11-15-12	0,008798	2012	35.00%
98	Additional Definitive	08-08-12	0,011988	2011	46.90%
97	Additional Definitive	08-08-12	0,009316	2011	23.10%
96	Definitive	05-08-12	0,002333	2011	5.80%
95	Provisional	09-14-11	0,00979	2011	24.20%
94	Eventual	05-06-11	0,008922	2010	24.80%
93	Definitive	05-06-11	0,011988	2010	57.00%
92	Provisional	01-05-11	0,00905	2010	43.00%
91	Additional Definitive	10-07-10	0,005558	2009	14.00%
90	Additional Definitive	07-07-10	0,005558	2009	14.00%
89	Definitive	05-11-10	0,008709	2009	21.00%
88	Provisional	12-15-09	0,00496	2009	12.00%







6. Environmental performance, climate change, and biodiversity protection

Corporate Environmental Guidelines	168
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AES Gener and Affiliates Environmental Management Approach	171
Significant Environmental Aspects	176



6.1 Corporate Environmental Guidelines

[103-1, 103-2, 103-3]

AES Corporation has explicitly recognized the value of sustainability in the declaration of its mission: to improve lives by accelerating a safer and more sustainable energy future. Our guidelines as AES Gener respond to those of AES Corporation, and are mainly embodied in EHS

(Environmental, Health and Safety) Standards that are updated from time to time and establish the performance requirements complementary to the local regulations applicable to the management of each business in Chile, Colombia and Argentina.

AES CORPORATION ENVIRONMENTAL GUIDELINES

The AES Corporation reference framework for an environmental management system.	Planning of Environmental Emergency Responses
Corporate Spill Prevention and Containment Standard	Requirements for Dams and Hydroelectric Plants
Corporate Requirements for Hazardous Waste Standard	Financial Reporting Obligations concerning Environmental Issues
Corporate Handling of Chemicals and Raw Materials Standard	Managing of Potential Environmental Incidents of Contractors
Quality Assurance for Data and Reporting on Compliance of the AES Corporation Environmental Standards	General Environmental Requirements and Prohibitions.
Environmental Incidents (Environmental Non-conformance Events (ENE) and Environmental Near Misses) and Management of Environmental Operating Events (EOE)	Biodiversity Assessment and Protection



6.2 Environmental Investment and Innovation

The environmental investment and innovation during 2020 covered practically all the main environmental aspects relevant to the Company, which are stated below:

(a) The initial studies for the development of new projects associated with Green Hydrogen are started. In addition to projects aiming at climate change adaptation focused on water scarcity through the expansion of desalination and water transport infrastructure in areas of water scarcity.

(b) A communication protocol proposal was submitted to the Superintendency of the Environment in order to ensure the quality of the data measured by the continuous emission monitoring equipment (CEMS, for its acronym in Spanish) in the event that the units covered by the operational status called Strategic Reserve State (ERE) are required to operate by the National Electricity Coordinator

(c) We have a permanent willingness to join in actions that make the way our power plants operate in environmental matters transparent. Following the publication of the "Technical Instructions for the Online Connection of Monitoring Systems of the Superintendency of the Environment", which establish in Chile the technical bases for the communication protocol, we worked on the adaptation of the communication and historical data management systems with the obligation to connect to the systems of the Superintendency all the companies regulated that have continuous monitoring equipment (CEMS) in their stacks and air quality monitoring stations. After six months of work and an investment of more than US\$480,000, we managed to connect the 12 CEMS and the more than 25 monitor stations of our National Monitoring Network to the SMA online monitoring system.

(d) In the field of air quality monitoring, in November 2020, we entered into an agreement protocol for the assignment of the technical administration of the air quality monitoring network of the Guacolda complex to the Ministry of Environment (MMA, for its acronym in Spanish). This assignment means that the MMA, through the Undersecretary of the



Environment, will be the technical counterparty of the monitoring network operators and will take control of quality assurance issues and compliance with calibration and maintenance programs; the financing model will continue to be the responsibility of AES Gener, as in the case of Ventanas complex in 2018. This measure seeks to have air quality information published directly by the authority on the websites intended for prevention and decontamination plans.

(e) Regarding Environmental Education Initiatives, since almost 7 years ago we have helped educational establishments of Tocopilla and Mejillones in the Environmental Certification for the implementation of the "Integrated Environmental Strategy for Sustainability in the Region of Antofagasta," as executed by the Environment Seremi. At the beginning of 2020, we were supporting a total of nine establishments, eight of which were already certified. In 2020, environmental recertifications were postponed and their validity was extended until 2021.

(f) We are supporting a Blue Carbon (carbon sequestration in the ocean) research project intended to assess the potential of brown macroalgae as carbon (CO₂) sinks with a view to the conservation of marine forests associated with fishing coasting vessels with areas of management and exploitation of benthic resources. This work is carried out under an agreement between AES Gener and the Center of Applied Ecology & Sustainability (CAPES) of the *Pontificia Universidad Católica de Chile*. During 2020, at the first phase

of the project that included a review of existing literature and interviews with specialists they arrived at the conclusion that there is high potential to promote research programs and include brown macroalgae in Blue Carbon strategies. During 2021, we will work on a scientific publication to systematize the information collected and we will organize a second round of interviews with key actors to get an overview and provide background information for the discussion of public policies associated with climate change.

(g) During 2020 we continued to work to enhance the services of SISQUIM (Integral Service of Chemical Substance Management) modules for the management of chemical substances and CERO FALTAS to optimize the management of compliance with all the requirements applicable to our businesses and projects. We also continued working on the final implementation phase of the Water Resources Management module and a module directed to the management of data and reportability in air matter (air quality and emissions). It is projected that by the

end of the first half of 2021 it will be 100% operational. Also in 2020 we implemented an application for consultation on the Intranet called Biotic Inventory, which delivers information and characteristics of protected flora and fauna in our facilities and their environment.

(h) With regard to greenhouse gas (GHG) emissions, at the end of 2020 a pilot platform was implemented for online monitoring, reporting and verification (MRV) of CO₂ reductions obtained by the generation plants based on non-conventional renewable energies (NCRE) such as wind and solar energy, as well as other clean technologies that will be implemented in the future. This will strengthen and facilitate the follow-up and MRV process to make tangible and capitalize on these environmental assets or carbon credit. One of the main innovations of this platform is that the reduction records will be stored in databases distributed and secured in blockchain with a high standard of traceability to make their use in carbon market transactions feasible in the near future.



Execute of agreement protocol for the assignment of the technical administration of the air quality monitoring network of the Guacolda complex to the Ministry of Environment (MMA, for its acronym in Spanish).

6.3 AES Gener and Affiliates Environmental Management Approach

We are aware of the impacts of our activities on the environment and we pay particular attention to environmental protection and the efficient use of natural resources to meet the energy demand. We recognize our impacts since the moment we devised our new business strategy with a focus on increasing our renewable generation portfolio and the ensuing reduced intensity of CO₂ and other emissions (NO_x, SO₂ and PM), together with an efficient management of our inputs and processes.

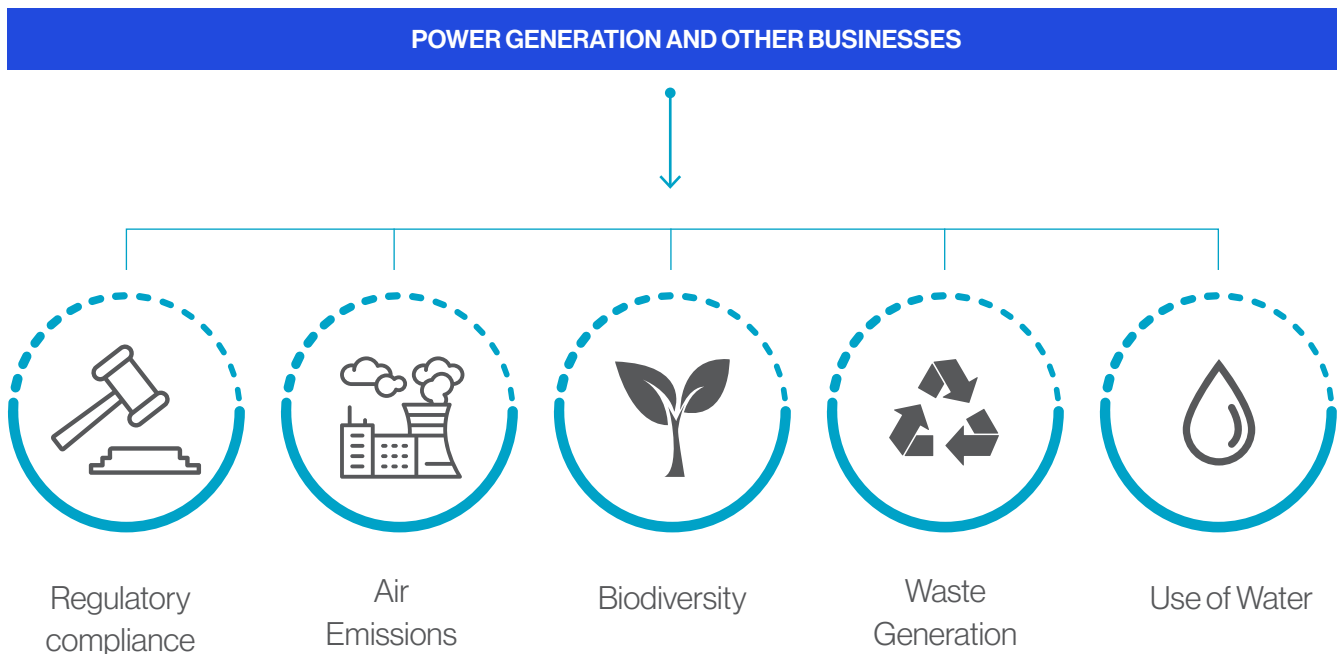
Our Environmental Department in Chile has responsibility over the area (Chile, Argentina, and Colombia) and provides specialized support to the heads of each

business through field-based professional teams, and a senior staff based in Santiago. The support is provided for the entire life cycle of a project (development, construction, operation, and closing).

As part of the management of each business, we set environmental goals and indicators with respect to the main environmental aspects of the electric generation processes, as shown below.

See section “Key Indicators of Environmental Performance” for more details on the definition and scope of each key performance indicator.

MAIN ENVIRONMENTAL ASPECTS MANAGED BY AES GENER



See section “Key Indicators of Environmental Performance” for more details on the definition and scope of each key performance indicator.

This way, based on our environmental management, we answer to our material topics and work to contribute to the satisfaction of the Sustainable Development Goals (SDG).



6.3.1 Environmental Performance Follow-up and Reviews

The environmental information that gives rise to the key environmental performance indicators is reported from time to time by each business through our own system provided by our parent, AES Corporation, called AES Online. The information reported to the system is verified each year by an independent audit firm.

In addition, the Environmental Department carries out an annual program of internal environment and safety audits and the AES Corporation develops an external audit program.

External audits are conducted every three years for businesses in operation and every year for projects under construction.

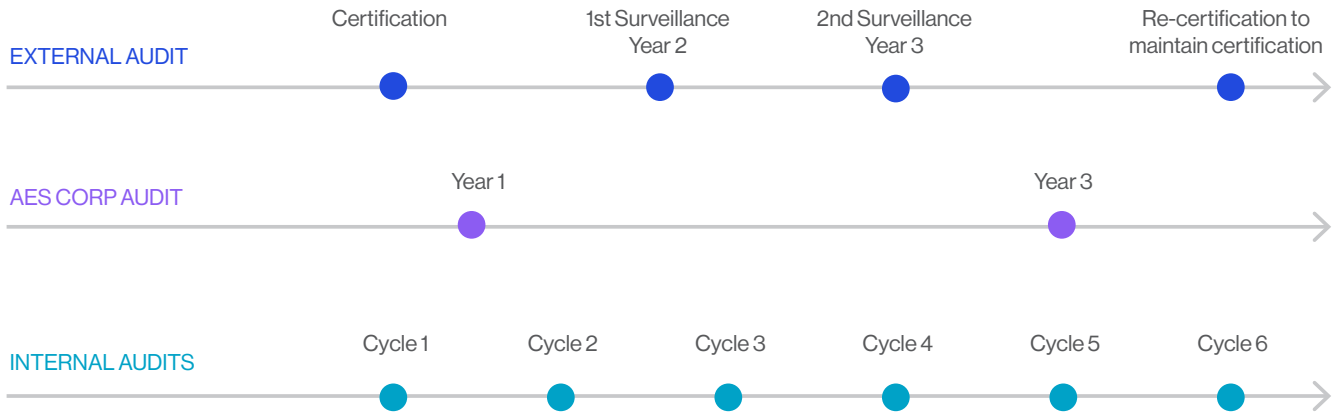
To establish the extension and depth of the audits, the environmental risk of the business and its previous performance are considered. Environmental audits (both internal and external) are devised to evaluate businesses in three dimensions: (1) site specific environmental compliance and mitigation of environmental risks, (2) compliance with AES environmental standards, and (3)



compliance with the Environmental Management System (EMS) expectations.

The conducted environmental audits are:

- (a) External audits carried out by an external certifier.
- (b) External audits carried out by the AES Corporation.
- (c) Internal audits carried out by each business.



The certification maintenance activities of our management systems are carried out by an external body (certifier) that evaluates whether the system complies with the requirements of the ISO 14.001 reference standard in a

process that is carried out in 3-year cycles being system compliance validated every year. AES Corporation provides “Protocols” that are used as guidance for audit processes, which a focus on:

ENVIRONMENTAL PROTOCOLS	SCOPE
Environmental compliance and environmental risk mitigation	Operation
Compliance with Environmental Guidelines.	Operation
Compliance with the expectations of the Environmental Management System	Operation
Environmental compliance, risk mitigation, compliance with EMS expectations, and disclosure requirements	Construction
Environmental culture assessment	Operation and construction

6.3.2 ISO 14001 Certified Management System

To develop our integrated management systems and manage environmental, safety and occupational health issues in all our operations, we collect the requirements of the AES Corporation standards, local regulations and international standards (ISO 14001 and ISO 45001). During 2020, we maintained the certification processes for the Environmental Management System (ISO 14001) in Chile, Colombia and Argentina. The new Los Cururos and Andes Solar plants will have their environmental management systems certified during 2021.

6.3.3 Basis for Environmental Management

Our commitment towards environmental management is focused on the risk analysis of socio-environmental impacts and, therefore, on the materiality of the business. These commitments are the axes of our Environmental Policy that is applicable to all AES Gener locations and subsidiaries in Chile, Argentina and Colombia.

All our business units are responsible for implementing such policy during their daily operations in the selection or evaluation of suppliers; the development of new services or projects; logistics planning; biodiversity, water, effluent, emissions and waste management; engineering or maintenance operations; and the due diligence for mergers and acquisitions.

ENVIRONMENTAL MANAGEMENT COMMITMENTS

Incorporate variables of Safety, Occupational Health, Environment, Quality and Asset Management since the moment each task is planned.

Prevent, reduce and manage the environmental impacts of our operations, and promote efficient use of natural resources, awareness for the care of the environment, and relations with the communities where we develop our activities.

Ensure compliance with the regulatory framework applicable to the business, benchmark regulations for The AES Corporation systems, programs, policies, standards, principles, and beliefs, and the commitments voluntarily taken on toward our customers and other stakeholders.

Promote the conservation of high biodiversity value areas and ecosystems located within our operations by protecting and promoting the knowledge of species that should be preserved in those areas.

Strengthen and promote the environmental, safety and asset management culture in all our businesses.

Add climate change mitigation and adaptation in the analysis and development of businesses, in line with the regulations and commitments adopted by the country in this regard.



Cont. previous table.

ENVIRONMENTAL MANAGEMENT COMMITMENTS

Identify hazards and assess their risks, define and implement measures in accordance with the control hierarchy to eliminate hazards and minimize risks, providing safe and healthy conditions to prevent injuries, occupational diseases, and damages to the property related to our activities.

Ensure the correct performance of our assets by using methodologies, tools and technologies to maintain a systemic and sustainable view, to optimize their performance throughout their life cycle, in addition to managing risks and associated opportunities.

Ensure the critical functions of our business in crisis situations that could jeopardize the continuity of our service.

Promote continued improvement in the Management Systems.

Provide the necessary resources to ensure compliance with the commitments of this policy

Environmental Policy

The Environmental, Safety, Occupational Health, and Management System Quality Policy, (hereinafter the “Policy”, or “Integrated Policy”) is reviewed periodically; its latest version was issued in April 2020. This Policy is applicable to AES Gener and all its affiliates, who, during the performance of their operations, recognize the protection of the environment as an essential part of their business performance, and consider the following commitments: to insert environmental variables as from the planning of each task; to ensure compliance with the regulations (local, corporate and voluntary); to promote the continuous improvement of environmental performance; to strengthen the environmental and safety culture; to prevent, reduce, and manage our environmental impacts; to promote the efficient use of natural resources; to promote the conservation of areas of high value for biodiversity; and to incorporate climatic change mitigation and adaptation in the analysis and development of the business. It is further sought to improve integrated performance planning in a manner more consistent with the strategy of The AES Corporation; for that purpose, its scope of application is extended to all the business units.

More information in the Integrated Safety, Hygiene and Environment Management Policy in the following [link](#).

6.4 Significant Environmental Aspects

The planning of our management system is carried out through a clear and comprehensive methodology, which is regarded as a key to understanding the external and internal issues capable of affecting the results of environmental management, stakeholders and their expectations in addition to the environmental aspects and their impact assessment, in order to comprehensively manage the risks to operations. Through them, we identify the context and its risks, the requirements of the stakeholders, the significant environmental aspects, the laws that regulate our interaction with the environment, to establish high standards in the control of operations and eventual emergencies resulting from their processes.

Once the environmental issues and their source activities are identified, we assess their impacts based on three main criteria: (i) the existence of control measures in the processes, (ii) physical impact on the environment, and (iii) impact on the business.

The outcome of the analysis of Environmental Aspects and Impacts (EAI) helps us to establish which are the significant issues in its interaction with the environment to establish action plans and investment required to mitigate, repair, or

offset the impact according to its risks and opportunities. These plans are the fundamental basis of environmental performance in the businesses.

6.4.1 Environmental Key Performance Indicators

In accordance with the EAI analysis and following the commitments of the Environmental Policy, we set annual goals for all the businesses that are monitored and evaluated through performance indicators. The key environmental indicators established by AES Gener are:

1. Air emissions
2. Use of water
3. Waste generation
4. Biodiversity
5. Compliance

Their scopes and requirements are detailed in the following table.



AES GENER KEY ENVIRONMENTAL INDICATORS

INDICATOR	DETAIL
AIR EMISSIONS	
<p>Particulate Matter: absolute value (t) and unit value (kg/MWh).</p> <p>SO₂: absolute value (t) and unit value (t/MWh).</p> <p>NOx: absolute value (t) and unit value (t/MWh).</p>	<p>The indicator is developed with the data obtained from the Continuous Emission Monitoring (CEM) System and/or isokinetic measurements, which must be standardized, completed and verified according to the local provisions (Supreme Decree No. 13/2011 and annexes, and related Circular Letters - ENRE Resolution No. 13 in Argentina).</p>
<p>Greenhouse Gases: absolute value (tCO₂e) and unit value (tCO₂e/MWh).</p>	<p>Scope 1: direct emissions related to combustion of the thermoelectric units, SF6 emissions, motor vehicle fleet emissions; equipment and machinery of all the businesses.</p> <p>Scope 2: emissions associated to the generation of energy purchased from third parties for our own consumption, and to losses in the transmission of energy not generated by AES Gener and transported through our grids.</p> <p>Scope 3: emissions related to the transportation of coal, and flights of the staff of AES Gener and subsidiaries in Chile.</p>
<p>Heavy metals: yearly estimation of mercury emissions (kg)</p>	<p>The estimation is made considering the percentage of mercury contained in each type of coal, the amount of that coal used, and the particulate matter and SO₂ abatement systems available in the generating unit.</p>
WATER USE	
<p>Conveyance/Collecting: absolute value (m³) and unit value (m³/MWh)</p> <p>Discharge: absolute value (m³) and unit value (m³/MWh)</p> <p>Consumption: absolute value (m³) and unit value (m³/MWh)</p>	<p>Consumption is considered as the difference between conveyance/extraction (seawater or continental water) and the discharge to the origin of the resource, making a distinction between Maritime and Continental Water. Under Continental Water, a distinction is made between Surface, Ground or Drinking Water (drinking water distributor, water company, municipal water utility, or other similar company). During extractions, the water diverted for hydroelectric generation will not be considered as consumption, since all the water is restored to the surface bodies from which it was captured.</p>

Cont. table above.

INDICATOR	DETAIL
WASTE GENERATION	
Hazardous waste: absolute value (t) and unit value (t/GWh).	It considers all waste generated in businesses with hazardous characteristics according to the local regulations of each country (Supreme Decree No. 148/04 in Chile, National Law 24,051 in Argentina and Decree 1076/2015 in Colombia)
Coal combustion products: absolute (t) and unit (t/GWh).	Fly ash captured in particulate matter and SO ₂ emission abatement systems, and bottom ash are mainly considered. For some units, fly ash includes gypsum.
Reuse of Coal Combustion Products (%)	Percentage of coal combustion products incorporated to third party processes as inputs or raw materials (e.g.: ash for cement industry)
REGULATORY COMPLIANCE	
Environmental Sanctions	The initiation of sanction processes and the fines paid according to year of payment are reported. The sanction processes are monitored through AES Online, pursuant to Environmental Standard Nr. 7.
BIODIVERSITY	
Execution of biodiversity management plans	It considers the monitoring of compliance with the biodiversity management plans of the businesses.

[102-56]

The information used for the creation of the indicators for the businesses in operation was locally checked for AES Gener and its affiliates by the audit firm Deloitte—Chile. This work included the comparison of the data entered in AES Online with source records and related evidence, by applying standardized information analysis and auditing methodologies, in order to obtain representative samples of the Company's reality. In addition, the AES Corporation audits the data reported in AES Online with the auditing company Lloyd's Register LRQA, Inc.

The indicators are calculated for all our businesses and subsidiaries in operation and over which we have operational control. When the operation of a new business is started, data are consolidated as from the start date of commercial operation; for acquired operations, data are consolidated as from the year following their incorporation. The data and environmental indicators of the businesses operationally controlled by AES Gener are consolidated at 100% without taking into account the participating interest owned by AES Gener in the business (which is used for the preparation of the financial statements).

6.4.1.1 Generation and consumption of energy

[302-1]

The gross electric power generation (Mwh), which is the total of energy generated by each unit, is the parameter used to express emission intensity in most of our environmental indicators.

Energy consumption is a relevant aspect for our operations and our main consumption activities are our own generation and the electricity grid for offices and ancillary facilities. During 2020, at the corporate level, we used a total of 1,830,747 Mwh. For more information see Schedule 6: Environmental Performance Tables.

6.4.1.2 Climate Change and Greenhouse Gases (GHG)

[103-1, 103-2, 103-3]

The AES Corporation has analyzed the climate change risk scenario as a particular contribution to the devise of our current strategy for the diversification of our renewable energy portfolio.

For more information, see Schedule 6. Environmental Performance Tables.

Greentegra strategy: committed to the development of a more sustainable country

During 2019, AES Gener entered into an agreement to disconnect and cease operations in two of its oldest thermoelectric units and on December 29, 2020 it announced that the closure of Ventanas Unit I would be brought forward and that the plant would remain under the new operating status called ERE (Strategic Reserve Status) that will allow it to remain available as a backup. With regard to Unit 2, the closure deadline was brought forward to 2021, depending on the pronouncement of the National Electricity Coordinator. Both units will remain in ERE until December 2025 to proceed then to their definitive closure.

As AES Gener, we will continue to work with the authorities to establish the future steps in the decarbonization schedule, with a view to meeting the goals of the Energy Route to discontinue operations in the coal-fired units by 2040. In order to meet this goal, it shall be required to introduce some regulatory changes, to make timely investments in the transmission networks, and to incorporate new technologies to ensure the safety and adequacy of the system.



Generation Projects based on Non-Conventional Renewable Energies

During the period and in accordance with the Greentegra strategy, we continue to incorporate projects based on Wind Energy and Solar Energy into our portfolio.

During 2020, a total of 7 renewable energy projects were introduced in the Environmental Assessment System (EAS), for a total of 1,719 MW.

PROJECTS SUBJECT TO ENVIRONMENTAL ASSESSMENT 2020

PROJECTS	EVALUATION	APPROVED
Wind projects	5	
Solar projects		1
Solar + wind project	1	



“Parque Terra Renewable Energy Project”, a hybrid power generation plant consisting of a wind farm and a photovoltaic park that together will have an installed power of 863 MW in the Antofagasta Region, was subject to environmental assessment.

“Modification of Ventanas Desalination Plant Project” with modifications to the original project was subject to environmental assessment. Due to the pandemic, the citizen engagement processes that have an impact on the processing have taken longer than expected.



Start of construction of Mesamávida, Los Olmos and Campo Lindo wind projects. In the Biobío region with an installed power of 68, 110 and 73 MW respectively.

Start of operation of the new phase of Andes Solar located in the Antofagasta region with an expansion of 80 MW in the current facilities (22 MW) and the Virtual Reservoir at the facilities of Alfalfa I run-of-the-river hydroelectric power plants in Cajón del Maipo.



Completion of the environmental assessment of the Andes Solar Plant Expansion Project, which considers two new phases of the Park (phase 3 and 4), expanding the installed capacity to 775 MWp. Includes the use of energy storage batteries.



2021

During 2021, we expect to start the construction of more wind and solar projects in Campo Lindo and Andes Solar hubs.

Carbon Credits

We include the Carbon Trade Exchange in our renewable generation projects to contribute to the reduction of greenhouse gas emissions. We currently record a total of 17,375,000 tons of CO₂ estimated annually and report through the criterion of early consideration 242,600 additional tons of CO₂ annually. A detail is submitted in the table of registered Carbon Credits.

Andes Solar Plant is our first photovoltaic electric generation plant located in the Dessert of Atacama, Region of Antofagasta, near to Salar de Atacama, and is connected to our Andes Substation. It has an environmental permit approved for 775 MW, and its first phase with 22 MW started to operate in August 2016.

During 2020, the second construction phase began for 80 MW. The Carbon Credits of Andes Solar Plant were accepted and registered by the United Nations

Framework Convention on Climate Change (UNFCCC) as a Clean Development Mechanism (CDM) for 141 MW, estimating an annual reduction of 297,247 tCO₂.

Our project under construction, Alto Maipo, is a run-of-the-river hydraulic project located in the commune of San José de Maipo, which is made up of two run-of-the-river hydraulic power plants: Alfafal II (264 MW) and Las Lajas (267 MW). The estimated annual production is equivalent to 1,688,164 tCO₂e. Alto Maipo Project will help to balance the generation portfolio of AES Gener and the Carbon Credits of this project were certified by Carbon Check and registered under the VCS (Verified Carbon Standard).

Meanwhile, Los Cururos Wind Farm has an installed capacity of 109.6 MW and an estimated reduction of 197,424 tons of CO₂ per year.

REGISTERED CARBON CREDITS

PROJECTS REGISTERED IN UNFCCC1* AND VCS2**	PHASE	ESTIMATED REDUCTION	STANDARD
Los Cururos Wind Plant	Operation	197,424 tCO ₂ year	Gold standard
Andes Solar Photovoltaic Plant	Operation	297,247 tCO ₂ year	CDM
Alto Maipo	Construction	16,881,164 tCO ₂ year	VCS / VERRA

REPORTED CARBON CREDITS

PROJECT	PHASE	ESTIMATED REDUCTION	STANDARD
Los Olmos Wind Plant	Construction	147,219 tCO ₂ year	CDM
Mesamávida Wind Plant	Construction	95,381 tCO ₂ year	CDM

*https://cdm.unfccc.int/Projects/DB/CarbonCheck_Cert1425989791.25/view

**http://www.vcsprojectdatabase.org/#/project_details/1321

Greenhouse Gases (GHGs)

[305-1, 305-2, 305-3, 305-4]

In line with our commitments to reduce greenhouse gas emissions in the countries where we operate, we commit ourselves to the development of renewable energies, such as projects aimed at the gradual increase in the efficiency of thermal generation, reduction of internal energy consumption, increased energy efficiency of our processes and more and more flexibility in our thermal units.

Every quarter, we monitor 100% of the CO₂ emissions coming from our direct emissions (Scope 1) related to the combustion of fossil fuels for electric power generation, sulfur hexafluoride (SF6) releases, emissions from the motor vehicle fleet, either owned or leased, used by our staff, and emissions from the machinery used in our facilities.

This information is registered as an environmental indicator in absolute (tCO₂e) and unit (tCO₂e/MWh) amounts. We made the estimation and calculation of emissions according to the methods and emission

factors of “The Greenhouse Gas Protocol” (or “GHG Protocol”) mutually agreed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

We monitor indirect GHG emissions related to energy bought from third parties for our own consumption, and to losses in the transmission of energy transported through our grids (both classified as Scope 2 under the classification of the “GHG Protocol”).

Regarding Scope 3 indirect emissions, as from January 2016, we started to keep record of the emissions associated with extraction, post-extraction, and transport of the main input of the Company -coal-, and emissions associated with national and international flights of the staff of AES Gener and its affiliates in Chile. Scope 3 GHG emissions were estimated using the emission factors for passenger and coal transport in “Other Region”, as proposed by the GHG Protocol corresponding to the World Resources Institute (WRI) list of March 2017, and emission factors for coal extraction and post-extraction, as proposed in the 2006 IPCC Guidelines for the GHG national inventories.

GREENHOUSE GAS GENERATION (SCOPE 1 and 2)

SCOPES 1 AND 2	2020	GOAL 2020
Gross Generation (MWh)	26,348,216	
Annual Scope 1 and Scope 2 Emission (tCO ₂ e)	17,318,524	17,985,708
Annual Scope 1 Emission (tCO ₂ e)	17,291,878	17,725,911
Annual Scope 2 Emission (tCO ₂ e)	26,646	259,797
Scope 1 and 2 Intensity (tCO ₂ e/MWh)	0,66	

Source: Developed in-house, data measured, reported and registered at AES Online. Data verified by Deloitte.

SCOPES 1	2020	GOAL 2020
SF6 Emission (ton)	0,0008	0.001

Source: Developed in-house, data measured, reported and registered at AES Online. Data verified by Deloitte.

GREENHOUSE GAS GENERATION (SCOPE 3)

SCOPE 3	2020
EMISSION POINT	
Trips of staff in airplane (tCO ₂ e)	276
Coal transport (tCO ₂ e)	1,716,480
Total Scope 3 Emissions (tCO ₂ e)	1,716,756
Intensity (tCO ₂ e/MWh)	0,065

Developed in-house. Data verified by Deloitte.

With the transfer to the operational state called Strategic Reserve State (ERE) of Units 1 and 2 of Ventanas Plant, we expect a reduction of over 1,000,000 tCO₂.

Air, Management of Air Emissions

[305-7]

Air emissions are the most relevant environmental variables for the thermoelectric generation businesses of AES Gener in Chile and Argentina, since they are directly linked to combustion processes.

Additionally, air emissions are relevant part in environmental surveys and permits, considering that many of our businesses are located in areas subject to Environmental Prevention and/or Decontamination Plans that in turn impose additional requirements.

In Chile, the regulatory framework for air emissions management in general includes:

(a) national regulations, particularly Supreme Decree No. 13/2011 issued by the Ministry for Environment that regulates concentration limits in the stack for the emission of certain pollutants from thermal power plants;

(b) obligations stipulated in the Environmental Qualification Resolutions of each business and those stipulated in the Environmental Decontamination

Prevention Plans, as appropriate, which broadly define total emission limits (daily or annual); and,

(c) national regulations governing air quality in the receptor sites.

This set of regulations is mainly intended to regulate the emissions of Particulate Matter (PM), Sulphur Dioxide (SO₂), Nitrous Oxides (NOx), and Mercury (Hg). One of the main requirements of Supreme Decree 13/2011 is to have a Continuous Emission Monitoring System (CEMS) in each stack. This system is implemented under a procedure that ensures the quality of its gas, PM and flow measurements, which is reviewed and certified every year by the Superintendency of the Environment (SMA, for its acronym in Spanish). During 2020, we materialized the online connection of the CEMS from all coal units to the Superintendency of the Environment to be able to visualize in real time the concentrations and flow in the stack.

In Argentina, the regulatory framework for air emissions management in Argentina is issued under Resolution No. 13-2012 of the National Electricity Regulatory Body (ENRE), which establishes:

(a) procedures for the air emission measurement and records,

(b) assessment of compliance with the emission standards; and

(c) minimum frequency of monitoring, among other subjects.

AIR EMISSIONS 2020

ANNUAL EMISSIONS	PERIOD 2020	GOAL 2020
PM (t)	932	945
NO _x (t)	17,993	18,757
SO ₂ (t)	15,562	16,338
CO ₂ (t)	16,155,465	16,621,721
HG (kg)	62	63

INTENSITY		
PM (kg/MWh)	0,035	
NO _x (kg/MWh)	0,8	
SO ₂ (kg/MWh)	0,59	
CO ₂ (t/MWh)	0,61	

Source: Developed in-house, data measured, reported and registered at AES Online.
 *Measured in stacks of thermoelectric power plants (Chile and Argentina)

The businesses using solid fuels report the estimated mercury emissions in AES Online, considering the amount

of fuel used, and the percentage content of mercury in the abatement equipment of their generating units.



6.4.1.3 Water sources and uses

Water consumption

[303-1, 303-2, 303-3, 303-4, 303-5]

In AES Gener and affiliates, as part of the AES Corporation, since 2016 we participated in the evaluations of the “Carbon Disclosure Project” (CDP) (www.cdproject.net), which poses huge challenges concerning monitoring, control, risk management, and awareness with respect of the water resource.

We monitor 100% of the extraction, adduction or consumption water of our premises, using the guidelines of the Global Reporting Initiative (GRI). The information is entered on a quarterly basis into the AES Online

system, and the data are verified externally, both by the AES Corporation and locally.

The water that we use in the electric generation processes can be divided by original source. Among them, we can find: sea water, continental water (surface and underground) and water purchased from third parties such as drinking water.

The following table lists the volumes of water used by type of source. In the data of extracted water, the flow used in our hydraulic power plants is not considered, since 100% of the water used for generation is returned to its original source, without altering its quality and quantity.

WATER CONSUMPTION BY TYPE OF SOURCE

	2020	GOAL 2020
Gross Generation (MWh)	26,322,138	
SEAWATER (m³)		
Conveyance	1,765,902,013	
Discharge	1,751,768,367	
Consumption	14,133,646	
CONTINENTAL WATERS (m³)		
Surface Water	230,006	
Groundwater	5,072,737	
Sanitary Drinking Water	243,498	
Discharge	1,033,751	
Consumption	4,512,491	6,177,432

Data verified by Deloitte Chile.

Cont. previous table.

	2020	GOAL 2020
TOTAL (m³)		
Conveyance	1,771,448,254	
Discharge	1,752,802,117	
Consumption	18,646,137	
INDICATOR m³/MWh		
Conveyance	67,3	
Discharge	66,6	
Consumption	0,71	

ALLOCATION OF ADDUCTION WATER: CONSUMPTION AND DISCHARGE, 2020

DESTINATION OF ADDUCTION WATER	ANNUAL VOLUME (THOUSANDS OF m ³)	ANNUAL VOLUME (%)
Discharge	1,752,802	99%
Consumption	18,646	1%
Total Conveyance	1,771,448	100%

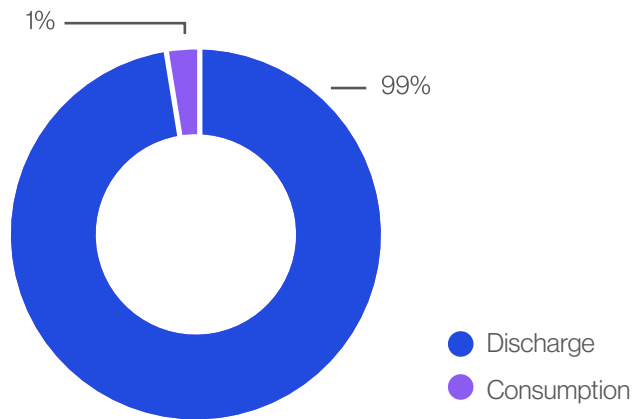
Source: Developed in-house, data measured, reported and registered at AES Online. Data verified by Deloitte. For Chile, Argentina and Colombia





In the following graph, we can observe that 99% of the total adduction water is returned to the original source, while the consumption of the resource reaches only 1% of the adduction volume

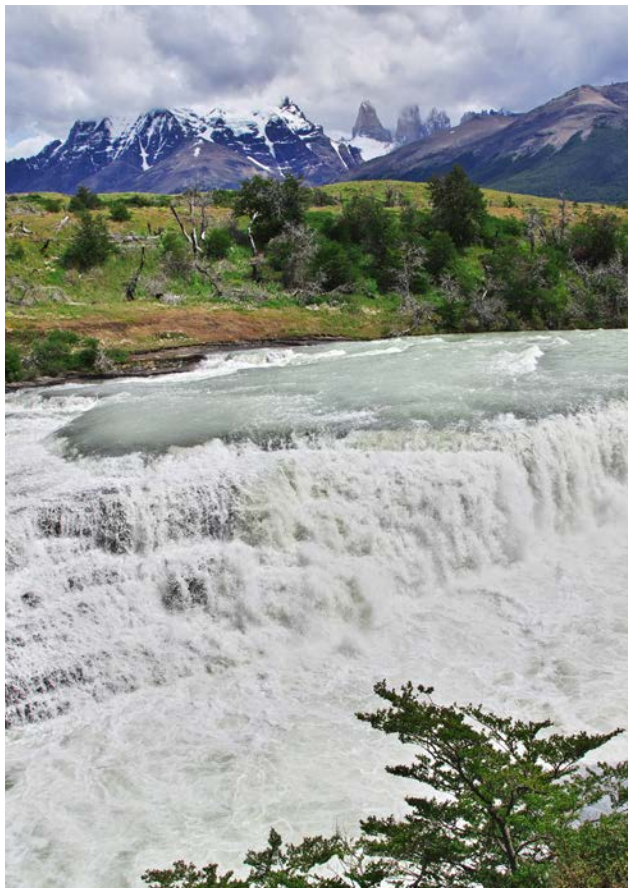
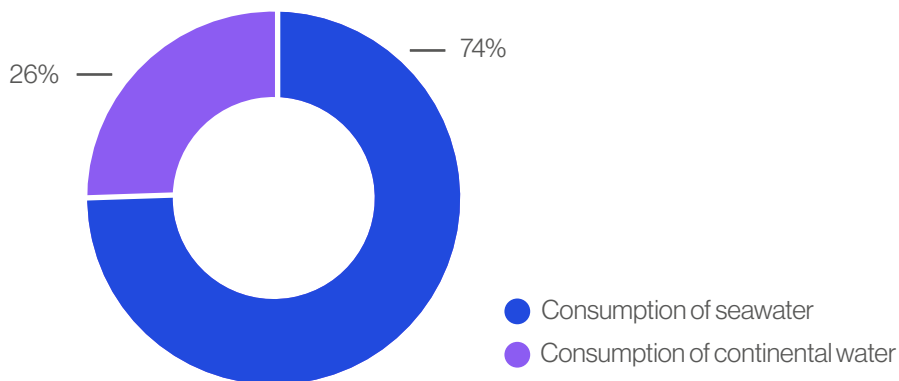
Allocation of adduction water



WATER CONSUMPTION BY SOURCE

WATER CONSUMPTION ACCORDING TO SOURCE	ANNUAL VOLUME (THOUSANDS OF m ³)	ANNUAL VOLUME (%)
Seawater	14,134	76%
Continental Waters	4,512	24%
Total Conveyance	18,646	100%

Water Distribution by Source



Water Stress Analysis

We use as a reference the “WRI’s Aqueduct Global Water Tool” to identify plants in areas of water scarcity or stress according to the definition of areas of the United Nations, which states:

- Water Stress: availability of water below 1,700 m³/ (person per year);
- Water Scarcity: availability of water below 1,000 m³/ (person per year);
- Absolute Water Scarcity: availability of water below 500 m³/ (person per year);

During 2020, we observed that 13 of our 15 business units are located in water stress areas and were responsible for the production of 90% of the generated energy. Now, if we consider only the business units which, in addition to being located in water stress areas, extract continental fresh water, these are reduced to only 5 business units (i.e., 33% of our businesses), and have contributed 36% of the energy generated during 2020.

PLANTS IN WATER STRESS AREAS WITH CONTINENTAL WATER CONSUMPTION

		USE OF WATER		USE OF WATER	
		USE OF WATER (m ³)	(m ³ /MWh)	USE OF WATER (m ³)	(m ³ /MWh)
PLANT	LOCATION	2019		2020	
Termoandes	Province of Salta, Argentina	3,713,485	0,86	3,833,670	0,92
Ventanas	Coastal Area. Ventanas, Puchuncaví, Region of Valparaíso, Chile	666	0,15	473,156	0,12
Cordillera	Cordillera Area, San José de Maipo, Metropolitan Region; Chile	50,810	0,05	36,811	0,04
Laja	Commune of Cabrero, Region of BioBio, Chile	200,868	6,49	106,422	8,54
Los Cururos	Commune of Ovalle, Region of Coquimbo, Chile	9,6	0,0001	28,8	0,0001

Source: Developed in-house, data measured, reported and registered at AES Online. Data verified by Deloitte.

"Use of Water" in water stress areas is the water actually used by the plant. It should be noted here that water extraction refers to the extraction of surface and ground water (continental water), and discharged water is returned in similar condition and quality as the extracted water to the same watercourse.

Water Consumption = Water Extraction + Drinking Water - Discharged Water

AES Gener owns Nueva Tocopilla (formerly Norgener), Cochrane, Angamos, and Guacolda plants, which are located in water stress areas. However, these plants use (appropriately treated) seawater for their cooling processes, boiler feed, and consumption; therefore, they are not considered in the previous table, although anyway we make permanent efforts to reduce seawater consumption.

Water quality is essential in the processes and in the operation of boiler and steam turbines. To avoid early wear and tear of the internal components of the boiler

and turbine, the seawater collected is treated with desalination and demineralization systems to produce high quality water.

As the quality of discharged water is equally important, since its parameters can affect the receiving body, we conduct monitoring procedures according to the local regulations of each country. Therefore, the discharge parameters are monitored on a periodical and permanent basis pursuant to specific environmental authorizations and general regulations frequently supervised by the environmental authorities. Particularly,

EMP are periodical studies both of physical and chemical variables of seawater (water quality) and biotic variables of the marine environment (hydro-biological resources). The main environmental variables that need follow-up include, without limitation: seawater quality, thermal and saline dispersion plume (temperature, pH,

salinity, sulphate, nickel, vanadium, copper, dissolved oxygen), subtidal macrofauna, marine sediments, plankton communities, marine sediments, and intertidal communities.

Today, the businesses with current EMPs are:

SUMMARY OF MARINE EMPs FOR AES GENER OPERATIONS

PLANT	OPERATING UNIT	NAME OF EMP	FREQUENCY	OPERATION
Nueva Tocopilla	Units 1 and 2	Norgener Thermoelectric Plant	Bi-annually	Since 1999
Cochrane	Units 1 and 2	Anagamos Thermoelectric Plant	Bi-annually and Quarterly	Since 2016
Angamos	Units 1 and 2	Anagamos Thermoelectric Plant	Bi-annually and Quarterly	Since 2011
Guacolda	Units 1 and 2	Guacolda Thermoelectric Plant. Units 1 and 2	Bi-annually and Quarterly	Since 1996
	Unit 3	Guacolda Thermoelectric Plant. Unit 3.	Bi-annually	Since 2006
	Unit 4	Guacolda Thermoelectric Plant. Unit 4.	Bi-annually	Since 2006
	Unit 5	Guacolda Thermoelectric Plant. Unit 5.	Bi-annually	Since 2016
Ventanas	Units 1 and 2 (Ventanas)	Ventanas Unit 1-2 (Ventanas Plant)	Bi-annually	Since 1994
	Unit 3 (Nueva Ventanas)	Unit 3 (Nueva Ventanas)	Bi-annually and Quarterly	Since 2010
		Monitoring of waters of Campiche estuary Ventanas Unit 3 (Nueva Ventanas)	Annually	Since 2008
	Unit 4 (Campiche)	Unit 4 (Campiche Plant)	Quarterly	Since 2009
Laguna Verde	Units 1 and 2	Laguna Verde Plant	Bi-annually	Since 1995

Moreover, regarding hydroelectric power plants, the area of San José de Maipo is monitored at fourteen sampling points to test quality of superficial course water. In the case

of Alto Maipo Hydroelectric Project, water is monitored at sixteen points, which are distributed in eight water courses located at various points in the basin of Maipo River.

Recirculation and reuse of water

In AES Colombia, to promote efficiency in the use of water resources, Tunjita hydroelectric plant operates in hydraulic series and reuses the same water from Chivor hydroelectric plant. Then, 100% of the flows used by Tunjita for its operations are used in more than one generation plant to allow greater energy efficiency.



VOLUME AND PERCENTAGE OF TURBINATED WATER IN COLOMBIA

	UNIT	2019	2020
Turbinated water	Thousands of m ³	2,480,440	1,349,414
Volume of serial "re"-turbinated water	Thousands of m ³	144,294	147,463
Reused water	%	5,82	10,93

Source: Developed in-house, data measured, reported and registered at AES Online. Data verified by Deloitte.

Liquid Industrial Waste

[303-2, 303-4, 306-1]

100% of our ILW is processed prior to unloading. We plan and perform sampling and analysis in each of the businesses, and prepare the reports that allow compliance with the regulatory requirements.

In each AES Gener business we consider the full compliance with the Monitoring Program Resolutions, as well as water sampling and analysis, chain of custody, and lab tests to obtain reliable and traceable results, which will eventually be reported to the local environmental authority.

Specifically in Chile, ILW discharge from Laja plant should be governed by Supreme Decree No. 46/2003, since we are dealing with discharges incorporated to the media through infiltration towards groundwater

resources. This will be changed after the environmental assessment of the project to replace the discharge system towards a nearby channel, which was started in February 2020, without prejudice to the above. This plant has a Monitoring Program Resolution (RPM, for its acronym in Spanish).

Monitoring in all units is carried out by third parties which are Technical Environmental Monitoring Entities (ETFA, for its acronym in Spanish) and are authorized by the Superintendency of the Environment.

In Argentina, the regulation governing dumping into a watercourse in the province of Salta, where Termoandes Plant is located, is Resolution No. 011/01. In Colombia, we monitor compliance with Resolution 0631/2015, which regulates article 28 of Decree 3930 of 2010 and controls pollutants reaching the water bodies.

From the operational perspective, the compliance of our

Monitoring Programs includes a permanent monitoring effort in each of the plants and for each of the discharges

of each electric generation unit, in accordance with the following table.

ANNUAL SAMPLING EFFORT FOR ILW (ASSOCIATED WITH ELECTRICITY GENERATION)

PLANT	NUMBER OF DISCHARGES	NUMBER OF SAMPLING PARAMETERS	WEEKLY/MONTHLY SAMPLING FREQUENCY
Nueva Tocopilla	2	30	52
Angamos (1)	2	12	52
Cochrane	2	22	52
Guacolda	5	44 (2)	52
Ventanas	4	37 (3)	52
Laguna Verde	2	4	Stand by (4)
Laja	1	10	12

- (1) There is an annual monitoring with 4 chemical parameters that are added to those mentioned in this table
- (2) The parameters are divided among the different units of Guacolda
- (3) The parameters are divided among the different units of Ventanas
- (4) Laguna Verde Plant is available without dispatching



Significant spills

[306-3]

During 2020, there were no significant spills in our facilities in Chile, Argentina and Colombia. In the event of spills, they are reported in the AES Online system where it is established whether the spill is significant or not, including characteristics and action plans.

6.4.1.4 Industrial waste generation

[306-2]

Coal Combustion Products (CCPs)

Given that Coal Combustion Products (CCPs), mainly fly ash and bottom ash, represent almost all the non-hazardous waste that we generate, we channel our efforts into tracking the quantity produced, increasing alternatives for recovery, and ensuring a proper final disposal.

Likewise, we monitor Coal Combustion Products to be recovered that are mainly delivered to other companies to be used as input or raw materials in their processes. During 2020, 2.3% of the Coal Combustion Products were reused, an amount greater than the previous year due to the fact that, together with the ash recycled by Ventanas Unit II (the only ash reused in previous years), during the year we started to recover ashes from Angamos Plant which resulted in an income of about US\$65,000 between the two units.

REUSE OF COAL COMBUSTION PRODUCTS (DATA VERIFIED BY DELOITTE CHILE)

TYPE OF WASTE	2020	GOAL 2020
Coal Combustion Products (t)	1,434,380	
Reuse of Coal Combustion Products (CCPs) (t)	33,284	
Reuse of CCPs with respect to total CCPs (%)	2.3%	2.1%

Source: Developed in-house, data measured, reported and registered at AES Online. Data verified by Deloitte.

In the rest of the thermal generation businesses related to Norte and Huasco complexes, we have obtained the declassification as hazardous waste before the Health Authority, which is the first step before they are ready for recovery. We have also made progress in the proceedings before the Environmental Assessment Service (SEA, for its acronym in Spanish) to modify the destination of ashes, considering the reuse alternatives as input for other authorized industrial processes and promoting recovery under a circular economy approach.

During the last years, we undertook a number of initiatives to promote the use of fly ash as an input in other industries. We entered into a Collaboration Agreement with the Department of Engineering and Construction Management of the Pontificia Universidad Católica de

Chile, which is already developing a project to use fly ash for concrete called "Minimizing the Effect of Sulphate from Fly Ash in Hybrid Alkaline Concrete".

In November 2020, we formalized our interest in participating in the project "Recovery of Fly Ash from Thermoelectric Plants as Artificial Aggregates for Construction: Validation of a Pellet Manufacturing Process with Minimum Energy Consumption as a Raw Material for the Concrete Industry", awarded to the Pontificia Universidad Católica de Chile under the 17th Research and Development Competition to Innovate, convened by Fundación COPEC UC.

With respect to practical cases, together with cement companies, we conducted ash application tests in order to verify the feasibility of replacing pozzolana with fly ash in the

manufacturing of concrete. In this context, we agreed with a local cement company to deliver 2,000 tons of ash per month from Angamos plant.

As to the regulatory field, we participated in two proposals for technical standards at the National Standards Institute (INN, for its acronym in Spanish) and two Chilean standards were published: NCH 3521/2020 “Lightweight and porous aggregates for concrete”; and NCH 3520/2020; “Fly Ash for Concrete”, in accordance

with Law No. 20.920 which “Establishes a Framework for Waste Management, Extended Producer Responsibility and Recycling Promotion”.

Hazardous and Non-Hazardous Waste

We also track Hazardous and Non-Hazardous Waste in accordance with the current regulations of Chile, Argentina and Colombia.

HAZARDOUS AND NON-HAZARDOUS WASTE GENERATION

TYPE OF WASTE	2020	GOAL 2020
Gross Generation (MWh)	26,348,216	
WASTE GENERATION		
Fly ash and gypsum (t)	1,223,703	
Bottom ash (t)	210,678	
Coal Combustion Products (t)	1,434,380	1,447,981
Coal Combustion Products (t/GWh)	54	
Hazardous Waste (including used oil) (t)	454	724
Hazardous Waste (including used oil) (t/GWh)	0.017	
Non-Hazardous Waste (t)	4,055*	2,987
Non-Hazardous Waste (t/GWh)	0.154	

Source: Developed in-house, data measured, reported and registered at AES Online. Data verified by Deloitte.

(*) During the year there was an increase in the volume of non-hazardous waste generated mainly by the works carried out for the improvement of facilities and the construction of the charging station for electric buses in Ventanas Plant.



In Chile, the information is reported to the authorities through the authorized platforms (Pollutant Release and Transfer Register, "PRTR", and Hazardous Waste Declaration and Monitoring System (SIDREP, for its acronym in Spanish)). The Law establishes the "Framework for Waste Management, Extended Producer Responsibility and Recycling Promotion" to reduce waste generation and encourage reuse, recycling, and other kind of recovery, through the implementation of the Extended Producer Responsibility (REP, for its acronym in Spanish) and other waste management instruments.

In Argentina, solid waste generation is reported semi-annually to the National Electricity Regulatory Body (ENRE, for its acronym in Spanish). Additionally, in the case of hazardous waste, it is reported to the Secretary of Environment of the Province of Salta during the renewal of the registration in the list of generators that is carried out every two years. In Colombia, hazardous waste is reported annually through the Annual Hazardous Waste Generator Register of the IDEAM (National Environmental System Support Institution).

ANNUAL GENERATION OF WASTE CLASSIFIED BY TYPE

TYPE OF WASTE	2019	2020
Recycled Hazardous Waste (t)	107	33
Recycled Hazardous Waste (%)	20%	7%
Recycled Non-Hazardous Waste (t)	385	229
Recycled Non-Hazardous Waste (%)	13%	6%

Source: Developed in-house, data measured, reported and registered at AES Online. Data verified by Deloitte.

6.4.1.5 Guidelines for Biodiversity Protection

[103-1, 103-2, 103-3]

We are aware that preserving biodiversity is a key aspect of meeting our sustainability goal and that our operations and projects under construction could adversely affect biodiversity if no appropriate safeguards are in place. . For this reason, it is vital to be informed of the interactions between the different production processes and the environment to assess the impacts on biodiversity and establish the measures that will mitigate, repair, or offset any possible adverse effects. The measures that we

implement for this purpose are permanently monitored for the satisfaction of goals.

Biodiversity is considered as one of the relevant aspects in our Environmental Management System and we include the analysis of potential impacts in the annual review of the Environmental Aspects and Impacts matrices.

Our Environmental Standard, called "Biodiversity Evaluation and Protection" also includes the requirement to provide, each year before April 15, information about biodiversity, including interventions made during the previous year near sensitive or protected areas, identification of protected species and their habitats, and biodiversity protection indicators.

Biodiversity Assessment and Protection

One of the purposes of the AES Corporation Biodiversity Evaluation and Protection Standard is to ensure that all the businesses identify, assess, document, and take appropriate mitigation measures with respect to biodiversity before performing any kind activity or intervention.

- Every year, AES Gener businesses must prepare and submit the Annual Sustainability Questionnaire, where information about biodiversity is required, to the AES Global EHS and Safety team.
- AES Gener's businesses should avoid adopting new actions that may cause negative impacts on areas recognized for having high biodiversity value. All new actions that have a positive or negative impact on biodiversity should be reported to the AES Global EHS & Security team.

Each AES Gener business will avoid new actions that contribute or lead to the extinction of IUCN list endangered species (<https://www.iucn.org/resources/conservation-tools/iucn-red-list-threatened-species>). All anticipated impacts must be communicated when occurred to the AES Global EHS & Security team with a quantitative description of the anticipated impact and a description of any mitigation actions planned and/or considered for the project. Consistent with the current regulations and our own standards, we conduct the relevant biodiversity and baseline studies, and we have assessed the biodiversity-related risks in all the businesses of AES Gener and its affiliates, including sites in operation and under construction.

The responsibility for the monitoring of Biodiversity Management Plans, as far as businesses in operation are concerned, falls on the Manager of the Complex, who receives the advice of the Environmental Management Head of the Complex. As regards Alto Maipo Project, the responsibility falls on the Project Manager, who receives the advice of the Environment Manager.

AES Gener businesses shall avoid undertaking new actions involving exploration/mining/drilling in or

otherwise directly impacting on World Heritage areas (<http://whc.unesco.org/en/list/>) and IUCN Category I-IV protected areas (<https://www.iucn.org/theme/protected-areas/about/protected-areacategories>). All anticipated impacts must be communicated to AES Global EHS & Security with a quantitative description of the anticipated impact and a description of any planned and/or considered mitigation actions.

We have found biodiversity risks in five of our thirteen existing businesses; therefore, it has been established that the relevant biodiversity management plans will be developed by each of them. These businesses are: Angamos, Cochrane, Ventanas, AES Chivor and Alto Maipo (currently under construction), whose Biodiversity Management Plans are fully implemented and in place.

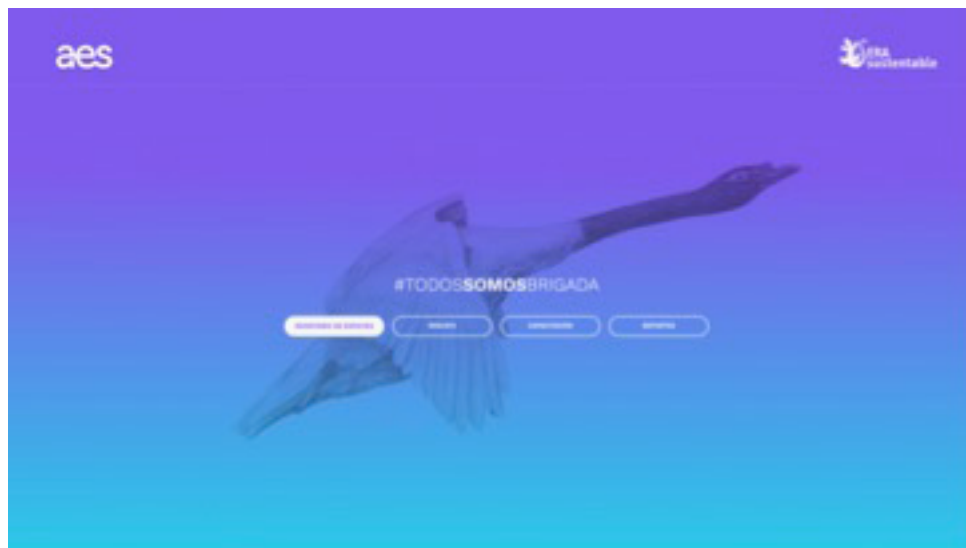
For more information about biodiversity management plans, see Schedule 6.



Moreover, in 2020 we implemented an Intranet application called Biotic Inventory that provides information and characteristics of protected flora and fauna (according to the MMA lists and IUCN Red List) that can be found in our facilities or in the environment to be able to take actions in accordance with the communication guidelines for the protection of species. This information will be relevant in the educational

process for awareness raising and key actions for the rescue of species against potential interactions in a training approach that we have called “*TODOS SOMOS BRIGADA*” in the hope that all people have the necessary information to identify, communicate and coordinate with authorized entities the rescue, release and/or relocation of captured species.

Biotic Inventory Application



The review by Environmental Authorities (Environmental Evaluation Service and State Agencies with environmental authorities) of the Biodiversity Studies contained in the environmental impact studies of the projects (including any subsequent changes), as well as the fact that the process is open to the public in general, including stakeholders, allows us to affirm that Biodiversity Management (including risk assessment, impact assessment, and management and monitoring plans) undergoes a due quality assurance process. In

the document “Environmental Assessment System”, at the following [link](#), you can find links to the public records of more than forty projects.

Compensation measures due to impacts on biodiversity include, without limitation, environmental education campaigns for external and internal workers and the community, enrichment through recovery of biodiversity, reforestation plants, raising of native species in nurseries, and support to the protection of certain species.

Conservation of the *Gaviotín Chico*



Activities of the *Fundación para la Sustentabilidad del Gaviotín Chico* with the Community in Mejillones.

The “*Foundation for the Sustainability of the Gaviotín Chico*”,

of which Empresa Eléctrica Angamos and Eléctrica Cochrane are members, is a public-private initiative whose purpose is to contribute to the protection of this endangered species, which is mostly present in the industrial area of Mejillones. The Foundation works for the preservation of the *gaviotín* through the development of research capacities, generation of new knowledge with respect to the species, and the implementation of technical measures intended to protect them.

Currently, the Foundation has two protected areas for the Conservation of the *Gaviotín Chico* called Pampa 1 and Pampa 2 in the commune of Mussels, with a total area of 2,027 ha. During 2020, the Foundation started with the creation of a Nature Sanctuary in the sector

of Punta Itata and Punta Gualaguala with an area of approximately 2,800 ha.

As from 2019, the Foundation has a “Research, Education and Dissemination Center for the Conservation of the *Gaviotín Chico*” (located in the Playa Grande sector of Mejillones) with a training room and an educational path that generates spaces for education and dissemination of information about the species. Moreover, the Foundation entered into agreements with international organizations such as the NGO Peruvian Bird Group, whose purpose is to promote interinstitutional cooperation collaboration and cooperation in the activities related to the conservation of *Gaviotín Chico*. Major activities include collaboration in international censuses of the species, promoting environmental education and developing common scientific projects.

Areas of high biodiversity value and protected and/or restored habitats

[304-1, 304-3]

Chile

In order to fulfill our commitment to “promote the conservation of areas and ecosystems of high biodiversity value in the environment of our operations,” during 2020 we conducted the following activities related to “El Pangué Ecological Corridor”:

- Care and control of reforestation and fauna in Pangué.
- Preparation of scientific paper “Identification of Carnivore Species in El Fundo El Pangué”, based on photographs taken with the photo-trapping technique. The paper in preparation is in addition to the paper issued in 2019 and published in the *Revista Anales del Museo de Historia Natural de Valparaíso* ([link](#)).

Colombia

In order to raise awareness of the biodiversity close to our operations, since 2016, AES Colombia has been participating in a partnership with the National University of Colombia in the development of open field guides for the community and specialist public. AES Colombia also has a protected reserve of about 2000 hectares that is part of a strategic ecosystem.

2016

Publication of the book “[Aves de Santa María](#)”.

2017

Publication of [Guías de Campo Especies Forestales de Santa María](#), [Guías de mariposas y angiospermas](#) and [Guía de mariposas de Santa María](#).

2018

Publication of [Guía de árboles maderables de Santa María](#).

2019

Publication of “[Guía de Herramientas del Paisaje en las áreas de restauración del Distrito Regional de Manejo Integrado del Páramo de Cristales, Castillejo o Guachaneque](#)”.

Additionally, in 2019, we published “[Usos Tradicionales No Maderables de las Plantas de Santa María – Boyaca](#)”, which has been available in digital format since 2020 ([link](#)).

This is part of the investments in the protection of the contributor basin of La Esmeralda reservoir, with the aim of having a tool to help with the planning of conservation actions in one of the strategic conservation areas of the basin, and to maintain the quality and sustainability of ecosystem services, such as water resource regulation and biodiversity conservation, the enrichment of forests and the advance of training activities with the communities.

We have also acquired 123 hectares for conservation in Manejo de Cristales District, reaching a total of 638 hectares in 5 years, as part of the protection and preservation actions in the Basin of La Esmeralda Reservoir.

As a result of these investigations, the Municipality of Santa María has become a destination for other universities and scientific research centers, with the ensuing generation of demand for goods and services offered by the local people.

In addition, we entered into an agreement with *Fundación Humedales* to implement the Landscape Management Tools, through activities such as the design of a propagation strategy.

6.4.1.6 Compliance

In the context of the GENERA management system, we periodically monitor compliance with the applicable environmental regulations, as a mandatory requirement of the international standard ISO 14.001:2015 under which all our businesses are certified and require annual audits to be conducted by international Certification Agencies.

This evaluation of compliance with the applicable regulations is carried out from time to time by external legal advisors and internal auditors who report to the managers of each complex so that they develop plans of action. The evaluation is also informed to the Chief Executive Officer and Chief Operations Officer for AES Gener so that they act on the prioritization of the resources necessary to close the gaps according to risk level and complexity. In Chile and Argentina, we implemented the “Cero Falta” system with the identification of legal requirements and the burden of compliance evidence.

Moreover, pursuant to the guidelines of our Environmental Standard “Environmental Incidents and Environmental Operating Events”, all the “Environmental Non-Conformance Events” and “Environmental Operating Events”, which include legal sanctions, are monitored in our system AESOnline. Under this Standard, an “Environmental Non-Conformance Event” (ENE) is an event that does not conform to legally required or expected environmental performance. This standard also establishes and includes the “Environmental Near Miss” as an event, action or condition which could have but did not result in harmful environmental impact or non-conformity.

Moreover, under this Standard, an “Environmental Operating Event” (EOE) is an environmental proceeding (new or ongoing), a need for environmental remediation, a non-compliance with an environmental permit or a lack of environmental permit, or an environmental restoration obligation associated with the end of the useful life of an asset that may potentially affect the financial position of any AES Gener business.

MAIN RULES APPLICABLE TO OUR OPERATIONS

CHILE	
Air Emissions	Decree 13/2011
Air emissions of particulate matter, nitrogen oxides, sulphur dioxide and carbon dioxide	Law No. 20.780/2014 and its Regulations, Decree 18/2016, as restated with Law No. 21.210/2020
Noise	Decree 38/2012
Discharges to water bodies	Decree 90/2001
Light pollution	Decree 43/2013
Storage of hazardous substances	Decree 43/2016
Hazardous and non-hazardous waste management	Decree 594/2000 and Decree 148/2004
Encouraging recycling with extended responsibility to producer	Law 20920/2016
Prevention and Air Decontamination Plans of Tocopilla, Huasco and Concón-Quintero-Puchuncaví area	Supreme Decree 70/2010 (Tocopilla) Supreme Decree 38/2017 (Huasco) Supreme Decree 105/2018 (Puchuncaví)

Cont. previous table.

ARGENTINA	
Gas Emissions	Resolution ENRE No. 13/2012
Air Quality Standard	National Law No. 20,284 (Annex II)
Waste Management	National Law No. 24.051 Law 7070, Province of Salta
Water Resources	Resolution No. 11/01
COLOMBIA	
Compendium of environmental regulations (environmental licenses, air quality, emissions, water resources, waste management, etc.)	Environment Sector Single Regulatory Decree No. 1076/15

Main Administrative and Court Procedures:

Sanction Procedures brought by the SMA (307-1)

During 2020, no new SMA sanction processes were started. It is worth mentioning here that out of the 6 sanction processes registered to date, none of them ended up with significant fines since we have opted for the "Compliance Program" incentive mechanism. Currently, there are 2 power plants implementing the Compliance Program and one is awaiting a resolution for the environmental authority. The previous three sanction processes, against Ventanas Plant, Angamos Plant and Nueva Tocopilla Plant, were closed, audited by the SMA, and approved during 2015, in January 2018 and in August 2018, respectively, through SMA resolutions that declared the successful implementation of each Program and the end of the relevant sanction processes.

For more information about sanction processes, visit Schedule 6.

Administrative Procedure before the Health Authority

The Health Seremi of Valparaíso, through Resolution No. 19051825 dated August 09, 2019, sanctioned Ventanas Thermoelectric Plant and fined AES Gener 200 UTM mainly for spills in the sector of the API liquid waste treatment system. On August 19, 2019, an appeal for reconsideration was filed, which is still being evaluated by the authority. Likewise, by means of Resolution No. 20051280 dated July 30, 2020, a fine of 100 Monthly Tax Units (UTM, for its acronym in Spanish) was imposed on Ventanas Thermoelectric Power Plant mainly due to the collection of waste in the coal field. As a consequence, we submitted a motion for review ("*Recurso de Reposición*") that is being analyzed by the health authority.

Summary Administrative Investigations by *Gobernación Marítima de Valparaíso* (Valparaíso Maritime Authority)

Fiscalía Marítima de Valparaíso (*Valparaíso Maritime Public Prosecutor*) is conducting two investigations. The first of them (File No. 12,050/10/19) was resolved by means of Public Prosecutor Opinion dated October 24, 2017, which proposed, among other measures, the payment of a fine of 52,000 gold pesos (Th\$250,000 [ThUS\$304]), as a result of unauthorized discharges of burned and unburned coal particles between November 8, 2012 and November 8, 2013. Subsequently, the file was referred to the Maritime Governor for the purposes of rendering a resolution on its implementation. This way, by means of resolution dated February 5, 2019, the reopening of the investigation period during which the field evidence was produced. The Maritime Authority will now have to close the administrative investigation period for the production of evidence and proceed to render its decision on the case. Subsequently, due to the change of prosecutor in the case, the Maritime Prosecutor's Office requested the Maritime Authority to extend the investigation period as a result of a new report requested by the prosecutor's office to Andrés Bello University concerning the origin and stranding of coal particles on Ventanas beach. Once the report is received, the Public Prosecutor should proceed to render an opinion, which is still pending.

The second investigation (File No. 12.050/10/21) was resolved on January 23, 2019, and as of the date hereof, there have been several requests for information in relation to the operation of the Ventanas Thermoelectric Complex, including the conduct of a field visit by the maritime public prosecutor. In addition, experts and academic entities have been requested to issue reports to prove the origin of coal particle strands in Ventanas Beach. This second investigation is still at a preliminary stage, therefore there is no proposed sanction issued by the maritime authority. The preparation of the report of the Andrés Bello University will probably also have an impact on the results of this research.

Complaint for Environmental Damages before the Second Environmental Court of Santiago

On November 12, 2016, the Company was notified of a lawsuit filed in the Second Environmental Court of Santiago against the Ministry of Environment and eleven companies in the Quintero Bay area, including AES Gener, brought by two fishers', divers', and other trade unions related to the extraction of sea products, along with eighteen individuals from the villages of Horcón and Ventanas. The complaint seeks to repair the environmental damage of Quintero and Ventanas bays, which is allegedly derived from the industrial activity developed by the respondents, and it proposes for such purpose to create a fund with contributions to be made by the latter and intended to finance the studies that will allow to assess the current condition of the environment components, and the redress measures that need to be adopted.

In December 2019, at the request of the Environmental Court, plaintiffs and defendants start negotiations with the aim of reaching a possible conciliation. On December 27, 2019, the plaintiffs' attorney proposed to the court the basis for a possible settlement. From that date onwards, certain regular hearings were held at the initiative of the Second Environmental Court in order to monitor the status of negotiations between the parties, the latter of which took place in May 2020. The Environmental Court scheduled a hearing for April 6, 2021 in order to find a possible solution to the case. As the hearing for the production of evidence was suspended due to the "COVID-19 State of Emergency", there is still the possibility of reaching an agreement between the parties before the proceeding is resumed.

Complaints submitted under the provisions of Navigation Law

During 2018, various groups of fishers from different vessels in the commune of Quintero filed five complaints against AES Gener S.A., under the provisions of Navigation Law contained in Decree Law No. 2,222 of 1978. The five complaints claim damages for CLP \$61,740 million (US\$90 million approximately) and are based on alleged coal discharges in the Quintero bay and in the beach of Ventanas, which would have affected the fishing

activities of the sector. The five acitons mentioned above were settled by means of a joint work agreement intended to implement a series of initiatives beneficial to the parties and the Quintero community for the sustainability and care of the marine environment in Quintero Bay, which in turn was the basis for the settlement agreements executed between the parties.

Subsequently, in 2020, two new lawsuits were filed against AES Gener S.A. by groups of fishers from Caleta El Manzano, also under the scope of the Navigation Law, which are based, as in the previous ones, on alleged coal discharges in Quintero Bay and Ventanas beach that would have affected the fishing activities of the area. Both claims demand the payment of a total compensation for CLP\$2,537 million (about USD\$3.4 million) and are currently undergoing the first stage of the proceedings (*"período de discusión"*).

Constitutional Action

Protection Appeal filed against Guacolda by citizens of the Huasco district against the emissions of Guacolda based on alleged historical damage to health by the emissions of the plant. On December 12, 2019, the Court

of Appeals of Copiapó dismissed the constitutional action on the grounds that no illegal actions were performed by Guacolda. On December 19, 2020, the plaintiff appealed the Court's decision, which is still pending resolution by the Supreme Court.

During 2020, none of the plants of our companies paid significant fines or penalties, i.e., equal to or greater than US\$10,000, related to the environment.







7. About this Integrated Annual Report

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7.1 Scope

[102-10, 102-45, 102-48, 102-49, 102-50, 102-51, 102-52, 102-54]

This Annual Report has been prepared based on the recommendations of the International Integrated Reporting Council, the requirements set forth in the standard version of the Global Reporting Initiative (GRI), and the Sector Supplement for the energy industry, showing an “essential” conformity level. In addition, our Annual Report meets the criteria considered by the Dow Jones Sustainability Index, of which we have been part since six years ago, as a Company with high performance in the economic, social and environmental spheres.

This document gives an account of our performance from January 1 to December 31, 2020, including our operations in Chile (Nueva Tocopilla, Cochrane, Angamos, Guacolda, Ventanas, Laja, Andes Solar, Alto Maipo and other hydroelectric power and back-up plants), Argentina (TermoAndes) and Colombia (Chivor and Tunjita). It also includes certain references, where necessary, to events occurred in previous years or after the end of the reporting year for a better understanding of our strategy and management principles.

The financial information is consistent with the total perimeter of consolidation of the Company. To find a list of entities that are included in the 2020 Consolidated Financial Statements see Note 3.1. Non-financial information includes the subsidiaries and investees where AES Gener is a controlling shareholder and has management control.

Throughout our Annual Report, we seek to provide information to our shareholders and other stakeholders about the transformation of the Company, the development of our activities, our business model, our new business strategy, our corporate governance structure, and the relevant results in the countries where we do business. In addition, being the third Integrated Annual Report informing about our sustainability management, we submit the progress made and the commitments assumed in this regard in relation to our business activities and our relationship with stakeholders.

No restatements of previous years information were made in this annual report.



Angamos

7.2 Definition of Materiality

[102-46]

To identify any material aspects of the period, we based our analysis on the exercise of materiality in the previous period and on updated information about topics that are relevant to our stakeholders through surveys and interviews with our Senior Management and the analysis of corporate documentation from our operations in Chile, Argentina and Colombia. In addition, we retrieved information about sectoral topics of relevance to the industry, including a business benchmark, and a press analysis. The process included a qualitative and quantitative analysis of the information that established the definition of contents.

We followed a matrix of relevant topics and assessed the degree of importance of the different aspects we have identified. During the first phase we obtained a list of materiality issues that was then analyzed for the determination of priorities based on interests, concerns and expectations of the various stakeholders and the interest of the business.

The materiality assessment also includes the approval from the Management of the Company, and review from the stakeholders.

MATERIALITY PROCESS

Consulted sources		Identification of relevant topics	Prioritization	Validation	Review*
External Context	Sector companies	Benchmark	Assessment of relevance according to stakeholder	Approval of materiality by the Management of the Company	Incorporation of improvements for the subsequent process
	Press	Analysis of secondary information (documentation)			
	Industrial trends				
Internal Context	Senior Management	Analysis of interviews made			
	Corporate Documentation	Analysis of the new business strategy			

* Phase four (revision) starts on the date of publication and will continue along with the process for the preparation of the following reporting period.



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INDEPENDENT VERIFICATION LETTER OF SUSTAINABILITY INDICATORS INTEGRATED REPORT 2020 AES GENER

Mr.
Ricardo Falú
Chief Executive Officer
AES GENER S.A.

Of our consideration:

We have reviewed the following aspects of the Integrated Report 2020 of AES GENER S.A.:

Scope

Review of limited security of the contents and indicators of the Integrated Report 2020, with the provisions of the GRI Standards. It should be noted that this verification process included 2020 information for the national and international subsidiaries.

Standards and verification processes

We have done our work in accordance with the International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000), issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accounts (IFAC).

Our verification work consisted in reviewing the evidence provided by the business units of AES GENER, which have been involved in the process of making this Report, which supports the information written in the Integrated Report, as well as analytical procedures and Review tests described below:

- Meetings with key managers in the areas of Occupational Health and Safety, Human Resources, Corporate Affairs and the Environment of AES GENER S.A.
- Requirements and review of evidence with the areas participating in the preparation of the 2020 Report.
- Analysis of the adaptation of the contents of the Integrated Report 2020 to those recommended by the GRI Standards, and verification that the verified indicators included in this Report correspond to the protocols established by said standard.
- Verification through qualitative and quantitative information review tests, corresponding to the indicators of the GRI Standards, included in the Integrated Report 2020, and its adequate compilation from the data provided by the information sources of AES GENER.

Conclusions

- The verification process was carried out based on the GRI indicators included in version 2020 of the Integrated Report. The indicators reported and verified are indicated in the following table:

102-7	102-8	102-12	102-13	102-38	102-39	102-41
203-1	203-2	301-1	302-1	302-3	303-1	303-2
303-3	303-4	303-5	304-1	304-2	304-3	304-4
305-1	305-2	305-3	305-4	305-7	306-2	306-3
307-1	401-1	401-2	401-3	403-1	403-2	403-3
403-4	403-5	403-6	403-9	404-1	404-3	405-1
405-2	413-1	413-2	EU14	EU19		

Likewise, the following indicators of the company were verified:

- Participants in social programs.
- Amounts invested in social programs.
- Pedagogical hours in educational programs.
- Recycled and reused water
- Management System Certifications

Regarding the verified indicators, we can affirm that no aspect has been revealed that makes us believe that the Integrated Report 2020 of AES GENER has not been prepared according to the GRI Standards, in the aspects indicated in the scope.

Improvement report

Additionally, the company was presented with a report on improvement opportunities aimed at reinforcing management aspects and the capacity to report on its sustainability performance.

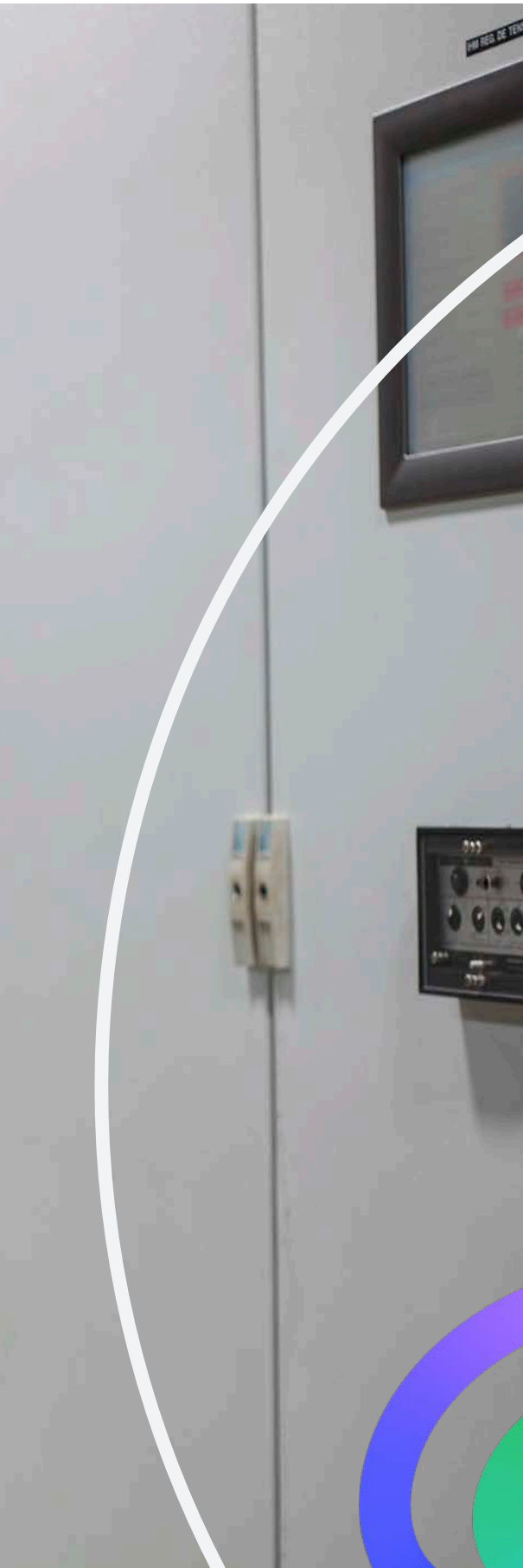
Responsibilities of the management of AES GENER and Deloitte

- The preparation of the Integrated Report 2020, as well as its content, is the responsibility of AES GENER, which is also responsible for defining, adapting and maintaining the internal management and control systems from which the information was obtained.
- Our responsibility is to issue an independent report, based on the procedures applied in our review.
- We have done our work in accordance with the independence standards required by the IFAC Code of Ethics.
- The verification conclusions made by Deloitte are valid for the latest version of the Integrated Report in our possession, received on 09/04/2021.
- The scope of a limited security review is substantially lower than that of a reasonable security audit or review, so we do not provide audit opinion on the Integrated Report 2020 of AES GENER.



Fernando Gaziano
Partner
April 09st, 2021





8. GRI Index

General Contents

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8. GRI Index

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	102-3	Location of headquarters	Back cover, Company Profile	7	
	102-4	Location of operations	AES Gener at a glance-Areas of business-Our generation assets	12-58 71	
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	102-7	Scale of the organization	AES Gener at a glance	12	✓
			Market Context and Energy Industry - Main Assets	69-71	✓
	102-8	Information on employees and other workers	Our Stakeholders	114	✓
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GRI 301: Materials 2016	301-1	Materials used by weight or volume	Our Stakeholders	155	✓
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GRI 303: Water 2018	303-1	Interactions with water as a shared resource	Environmental Performance	185	✓
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GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environmental Performance	199	✓
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GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using environmental criteria	Our Stakeholders	154	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Our Stakeholders	146	
MATERIAL TOPIC: CORPORATE GOVERNANCE, REPUTATION, ETHICS AND TRANSPARENCY					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Good Corporate Governance, Ethics and Transparency	94	
	103-2	The management approach and its components	Good Corporate Governance Ethics and Transparency	94-99	
	103-3	Evaluation of the management approach	Good Corporate Governance,	94-99 133	
GRI 102: General Disclosures 2016	102-17	Mechanisms for advice and concerns about ethics	Good Corporate Governance, Ethics and Transparency-Help Line	98-133	
	102-20	Executive-level responsibility for economic, environmental, and social topics	Good Corporate Governance, Ethics and Transparency	106	
	102-21	Consulting stakeholders on economic, environmental, and social impacts	Good Corporate Governance Ethics and Transparency	106	
	102-23	Chair of the highest governance body	Good Corporate Governance Ethics and Transparency	101	
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	102-35	Remuneration policies	Good Corporate Governance, Ethics and Transparency	103	
			Good Corporate Governance, Ethics and transparency	109	✓
	102-38	Annual total compensation ratio	Our Stakeholders	116	✓
102-39	Percentage increase in annual total compensation ratio	Our Stakeholders	116	✓	

	CONTENT	CONTENT NAME	SECTION	PAGE	INDICATOR VERIFIER
MATERIAL TOPIC: MANAGEMENT OF PEOPLE, DIVERSITY AND EQUAL OPPORTUNITIES					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Stakeholders	112-120	
	103-2	The management approach and its components	Our Stakeholders	112-120	
	103-3	Evaluation of the management approach	Our Stakeholders	Our Stakeholders	
GRI 102: General Disclosures 2016	102-38	Annual total compensation ratio	Our Stakeholders	116	
	102-39	Percentage increase in annual total compensation ratio	Our Stakeholders	116	
	102-41	Collective bargaining agreements	Our Stakeholders	120	✓
GRI 401: Employment 2016	401-1	New employee hires and and employee turnover	Our Stakeholders	114	✓
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our Stakeholders	117	✓
	401-3	Parental leave	Our Stakeholders	115	✓
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Our Stakeholders	123	✓
	403-2	Hazard identification, risk assessment, and incident investigation	Our Stakeholders	120-123	✓
	403-3	Occupational health services	Our Stakeholders	121	✓
	403-4	Worker participation, consultation, and communication on occupational health and safety	Our Stakeholders	120-121	✓
	403-5	Worker training on occupational health and safety	Our Stakeholders	121	✓
	403-6	Promotion of worker health	Our Stakeholders	121	✓
	403-9	Work-related injuries	Our Stakeholders	120	✓
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Our Stakeholders	118	✓
	404-3	Percentage of employees receiving regular performance and career development reviews	Our Stakeholders	118	✓

	CONTENT	CONTENT NAME	SECTION	PAGE	INDICATOR VERIFIER
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Our Stakeholders	114	✓
	405-2	Ratio of basic salary and remuneration of women to men	Our Stakeholders	116	✓
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Our Stakeholders	120	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Our Stakeholders	115	
GRI G4 Sector Disclosures Electric Utilities 2013	EU-14	Programs and processes to ensure the availability of a skilled workforce	Our Stakeholders	118	✓
MATERIAL TOPIC: DEVELOPMENT AND INVOLVEMENT WITH COMMUNITIES					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Our Stakeholders	128	
	103-2	The management approach and its components	Our Stakeholders	128-134 136	
	103-3	Evaluation of the management approach	Our Stakeholders	128	
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Our Stakeholders	139	✓
	203-2	Significant indirect economic impacts	Our Stakeholders	139	✓
GRI 413: Local Communities 2016	413-1	Operations with significant actual and potential negative impacts on local communities	Our Stakeholders	134-136 137	✓
GRI 413: Local Communities 2016	413-2	Stakeholder participation in decision making processes related to energy planning and infrastructure development	Our Stakeholders	134-137 140	✓
GRI G4 Sector Disclosures Electric Utilities 2013	EU-19	Stakeholder participation in decision making processes related to energy planning and infrastructure development	Our Stakeholders	42-128	✓





9. Schedules

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Schedule 1: Strategic and Emerging Risks

Strategic Risks

404-1

TECHNOLOGICAL CHANGE RISK	CLIMATE CHANGE RISK	REGULATORY RISK
<p>The development of new technologies involves the risk of reducing the sales prices or cause material changes to the generation business. To mitigate the above, we have executed long term Power Purchase Agreements or PPAs that ensure an income flow to cover financial obligations and generate value to our stakeholders. In Chile, we have an average contract remaining life of 10 years.</p> <p>We are venturing into the development of renewable energy projects to diversify our portfolio and reduce costs in the generation of electricity.</p>	<p>Part of the behavior of the demand of our generating park is influenced by a higher or lesser hydroelectric availability, and therefore by the effects of climate change, thus altering the economic performance of the Company.</p> <p>According to our renewable energy growth strategy, we have a Climate Risk Committee that measures and manages the risk of renewable energy sources (solar radiation, wind speed, hydrology, etc.), reporting it to AES Gener's senior management.</p> <p>Moreover, other costs associated with taxes on emissions and the agenda for decarbonization of the electricity generation matrix in the countries where we operate would affect the implementation of the strategy in the short- and medium-term.</p>	<p>The industry in which we operate is subject to multiple regulations that may change or be interpreted differently in the future and that might affect the company.</p> <p>One of them is decarbonization, an area in which we have an agreement with the Government of Chile through the Ministry of Energy in which we committed ourselves to cause our Ventanas 1 and Ventanas 2 coal-fired plants, to cease operations to get into a Strategic Reserve Operational State (ERE, for its acronym in Spanish) in 2022 and 2024, respectively. During 2020, we brought forward this goal; Ventanas 1 got into ERE on December 29, 2020 and Ventanas 2 will get into ERE in August 2021, subject to the prior commissioning of the second 220/110 kV – 300 MVA transformer of Agua Santa S/S, which guarantees the operational safety of the fifth region. This commitment is consistent with The AES Corporation's goal to reduce CO₂ intensity in its portfolio by 70% in 2030.</p>

RISK OF NATURAL DISASTERS

The natural disasters can damage our power generation assets and the SEN, thus decreasing our power generation capacity and/or increasing production costs. If these events occur, we could be in the need to purchase energy from other generators and this could have a negative impact on our financial results.

To mitigate this risk we purchase insurance policies for all our assets and operations, with a coverage consistent with the industry standard, against earthquakes and other natural disasters, and also against physical damages and coverage in the event of operational interruptions and mitigation of lost profits, among others. On the other hand, we measure, control, and make strategic decisions for the comprehensive management of our generation portfolio, projects under construction and contracts to prevent any unexpected impact on the SEN.

FOREIGN EXCHANGE RISK

The main sources of exposure to the exchange rate risk are: (i) exposure to the Chilean Peso in the period between the dates of pricing, billing and collection of sales from certain customers in Chile; (ii) constant exposure to the Chilean Peso for fixed and variable costs in their operations; (iii) exposure related to VAT refunds in connection with the construction of projects denominated in Chilean Pesos; (iv) exposure to the Colombian Peso in dividend distributions from the Colombian business to the parent company in Chile; and (v) bank loans and obligations in bonds denominated in a currency other than the US Dollar.

On a consolidated basis, the investments in new plants and maintenance equipment are mainly fixed in US Dollars like the short-term investments related to cash management.

In order to mitigate these risks, we have an exchange rate variation strategy involving the execution of derivative contracts with financial institutions that make it possible to set the exchange rate of flows and/or transactions in currencies other than the functional currency.

INTEREST RATE RISK

The interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. Our exposure to this risk relates primarily to our long term debt obligations with variable interest rates.

We manage this risk by keeping an important percentage of our debt at a fixed rate or with interest rate swaps. For long-term obligations, we have entered into hedging transactions by way of interest rate swaps.

LIQUIDITY RISK	SUSTAINABILITY RISKS	EMERGING RISKS
<p>Liquidity risk is related to the need for funds to meet payment obligations. Our 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.</p>	<p>We define sustainability risk as a risk that affects our business concerning ESG on a cross-sectional basis. We adhere to the guidelines of AES Corporation in terms of sustainability applied to every business. To such effect, we define broad strategic initiatives based on financial excellence, operational excellence, environmental performance, and commitment to stakeholders and our people.</p> <p>Our values and standards also apply to our suppliers and contractors so that they have the same high ethical standards that we have in the company with a focus on our sustainability goals.</p>	<p>The new business model poses a scenario of permanent change in the market, where we have identified emerging risks. These are risks that we have observed, but for which there is still neither more information on their impact nor a regulatory framework and in which the limits of corporate responsibility are being discussed by the company.</p> <p>The emerging risks are reviewed and followed up by our risk management department in order to integrate the challenges in the international and national agenda of the markets where we operate.</p> <p>For more details of Emerging Risks, see page 226 of this Annual Report.</p>

COMMODITIES PRICE RISK	CREDIT RISK
<p>We are affected by the volatility of prices of certain fuels that, in the case of our company, are mainly coal and liquefied natural gas (LNG), which are "commodities" with international prices fixed by market factors beyond our control.</p> <p>As to the Argentina, the subsidiary TermoAndes purchases natural gas under fixed price short-term agreements that are reflected at the time of setting the sales price of energy under the contract.</p> <p>Given that we are a Company with a mixture of mainly thermal generation, the fuel cost represents an important portion of the sales costs, and a key factor for the dispatch of plants and spot prices both in Chile and Colombia.</p> <p>A significant portion of our power purchase agreements include indexation mechanisms that adjust the price on</p>	<p>It is related to the credit quality of our commercial counterparties and is mainly reflected in debtors for the sale of energy and financial assets.</p> <p>Our customers in Chile are mainly distributing companies and industrial customers of high solvency, with an important percentage of them or their parent companies having either local or international investment grade credit ratings. Our sales in the spot market have to be made with other generation companies. In Colombia, AES Colombia has a variety of clients including distributing companies and industrial customers. On the other hand, in Argentina, the main partners of TermoAndes are CAMMESA (Compañía Administradora del Mercado Mayorista Eléctrico S.A.) and non-regulated customers called "Large Users of the Wholesale Electricity Market", whose contracts operate under the Energía Plus standards.</p> <p>For any cases where counterparty risk assessments are</p>

Cont. previous table.

the basis of increases or decreases in the price of coal, according to the specific adjustment indexes and schedules of each contract, thus making it possible to mitigate much of the variations in the price of this fuel. For the portion of contracts without coal-price indexing mechanisms, we have implemented a hedging strategy based on international coal financial instruments for up to three years.

made based on a quantitative and qualitative credit assessment, which in some cases includes the request of collaterals for the delivery of energy and other products. This credit assessment is reviewed periodically.

Our credit risk policy prohibits doing business without security and level approval from senior management, if there are counterparties with a rating below the required standard.

Other Risks

- Litigation with court decisions that could adversely affect the company.
- International financial, political or other phenomena on the economy of the countries where we operate, and that could affect our economic performance and financial liquidity.
- Economic cycles and interventions carried out by the authorities in the countries where we operate that have an impact on our economic results, financial condition, and stock market performance
- Acts of terrorism and accidents that could affect the operation of our assets and therefore our economic and financial performance.
- Financing risk associated with financial market conditions in terms of financing future projects, capital expenditures, obligations by maturity and debt refinancing.
- The environmental regulatory framework and its governmental institutions could generate delays, increases in cost, or cancellation of the development of new projects
- Opposition from groups could bring about reputational damage and possible delays in the development of projects or may even render their development impossible.
- Failing to enter into collective agreements and negotiations with the workers of the Company and its affiliates would have an impact on our business
- Safety gaps in our information and communications systems and technologies that could give rise to interruptions or failures due to cyberattacks that would cause a disturbance in our operations
- Our operations require the service of power transmission systems that are not owned or controlled by the Company. In case of failures or poor performance, the dispatch of energy from our plants to our customers would become negatively affected

Emerging Risks

EMERGING RISKS	DEFINITION	IMPACT	MITIGATION
<p>Climatic change.</p>	<p>Permanent extreme climate conditions in areas where we operate (natural disasters).</p> <p>Part of the behavior of the demand of our generating park is influenced by a higher or lesser hydroelectric availability, and therefore by the effects of climate change, thus altering the economic performance of the Company. Taxes on emissions and commitment agenda with regard to decarbonization of the electric generation matrix of the countries where we operate</p>	<p>Operational continuity interruptions</p> <p>Loss of assets</p> <p>Availability of energy generated to meet contractual commitments</p> <p>Modification of our economic and financial results.</p>	<p>Impact resilience plan.</p> <p>Emerging risk follow-up plan.</p> <p>Study of climate change scenarios.</p> <p>Overall management of assets and contracts portfolio. Implementation of our business strategy to strengthen renewable energy portfolio and decarbonization goals.</p>
<p>National and international economic, political and regulatory changes</p>	<p>We are exposed to the impact that various international financial, economic, political or other phenomena may have on the economy of the countries where we operate.</p>	<p>It affects our economic performance and financial liquidity.</p>	<p>Emerging risk follow-up plan.</p>
<p>Renewable sources energy capacity</p>	<p>Nature is not programmable. Production of energy from renewable sources may be unstable.</p>	<p>Non-compliance with contractual generation commitments.</p> <p>It affects our economic performance, financial liquidity, reputation and image.</p>	<p>Management and implementation of our strategic plan. Systematic measurement for the understanding of renewable generation sources. Development of support and balance systems with conventional sources of generation.</p>

Cont. table above.

EMERGING RISKS	DEFINITION	IMPACT	MITIGATION
<p>Technological Change Risk</p>	<p>Strong and growing competition mainly due to:</p> <p>Low energy prices due to disruptive technologies (e.g. demand response, distributed energy resources, incorporation of batteries) and low market prices for long-term contracts.</p>	<p>Ability to obtain new long-term contracts for the sale of renewable energy for existing assets given that competition is high.</p> <p>Ability to build or acquire new generation assets, and development of new technologies to compete.</p>	<p>Mitigation through the incoming of long-term contracts to have cash flows sufficient to cover financial obligations.</p> <p>We continuously monitor new technologies and their prices to assess their impact on our business. Reestablish our business mix: steps taken include to reduce intensity of coal (by increasing the focus on renewable energy) and exposure to the spot market.</p>
<p>Regulatory Risk</p>	<p>Change in laws, regulating agencies, politicians, non-governmental organizations, other private parties have expressed their concern about greenhouse gases, CO₂ emissions, and potential risks associated with climate change, and are acting accordingly.</p>	<p>The business where we operate is subject to multiple regulations that govern the operation. There is a chance that regulations may change in the near future or otherwise have a different interpretation. This can affect our consolidated results, financial conditions and cash flows. In addition, our Company is subject to multiple environmental regulations associated with current operations and development of new projects.</p>	<p>Solid regulatory team that monitors changes in regulations, reviews impacts on our Company, and promotes changes to regulations.</p> <p>Development of new tools (models) to assess and establish impacts in different regulatory changes. 80% of the long-term contracts with mining companies in Chile include change in law clauses that mitigate the impact of possible changes in regulations. Another way of mitigating these changes is to create a diversified portfolio including renewable energy.</p> <p>Distributed energy and storage batteries.</p>

Information security / Cybersecurity Risks

To manage cybersecurity in our company, we have a multidisciplinary team led by our CIO (Chief Information Officer), who is responsible for coordinating and sharing with the CEO and CIO the information that can have a negative or positive impact on us. The information comes from the ongoing monitoring services we have implemented 7 days a week 24 hours a day from the AES Corporation and the local team led by our Cybersecurity Project Manager, which allow us to detect any attack attempts we may receive and to analyze, track and close every possible cybersecurity incident.

Considering that we are increasingly connected and exposed to the Internet and sharing information digitally, we have a BCM (Business Continuity Plan) that provides for the action plans that we must carry out in the event of a cyber-attack at a cross-sectional level. This plan is reviewed and updated frequently to adapt it to new needs as a result of the improvements achieved by the cyber attackers, and we also test at least once a year all possible scenarios so that we are well prepared in the event of a possible cyber-attack.

Cyber-attack guides.

AES Gener's cybersecurity measures, which are fully compliant with the AES Corporation standards, are contained in our cybersecurity guides. They specify the minimum security standards for the operation of the company's computer systems and group together the standards from international organizations such as the NIST - CI (standard generated by the National Institute of Standards and Technology for Critical Infrastructure) and the NERC CIP (North American Electric Reliability Corporation - Critical Infrastructure Protection), as defined for the protection of US electricity generation assets and much in line with what is requested by the National Electricity Coordinator.

Our cybersecurity guidelines establish the management and control requirements of the physical and logical design so that our communication networks are secure and the company's information in its different locations is

protected. For each new location that joins our company, there is a standardization that includes everything from the computers that must be purchased to connect to networks to the minimum configurations that allow the protection and detection of cyber-attacks. This way, we can control the exchange of information between the critical systems for the operation of the company and the rest of the organization.

Bearing in mind that many of the cyber-attacks occurred in the world could have been avoided with an efficient updating process of the technological equipment, we have included a monthly updating process of the technological platform that includes the vulnerability testing, impact analysis and application of patches or improvements that manufacturers make to the software and hardware that we have in place. We can do this by keeping the inventory of technology equipment up to date to quickly find any risk in our operations.

The cybersecurity guidelines also establish the frequency at which we must perform external and internal penetration tests, as well as the type of tests we must perform (ethical hackers and vulnerability tests, among others) to validate the effectiveness of the protection measures being implemented. We have external analyses performed through tenders from specialist companies in the national and international sector and validated by the ISO 55,000, ISO 14,000 and ISO 9,000 certification processes available at the different areas and power generation plants. In such regard, there is a chapter about how we address the cybersecurity risk and we have our policies and procedures for dealing with incidents evaluated by external auditors in order to verify our effectiveness in detecting incidents.

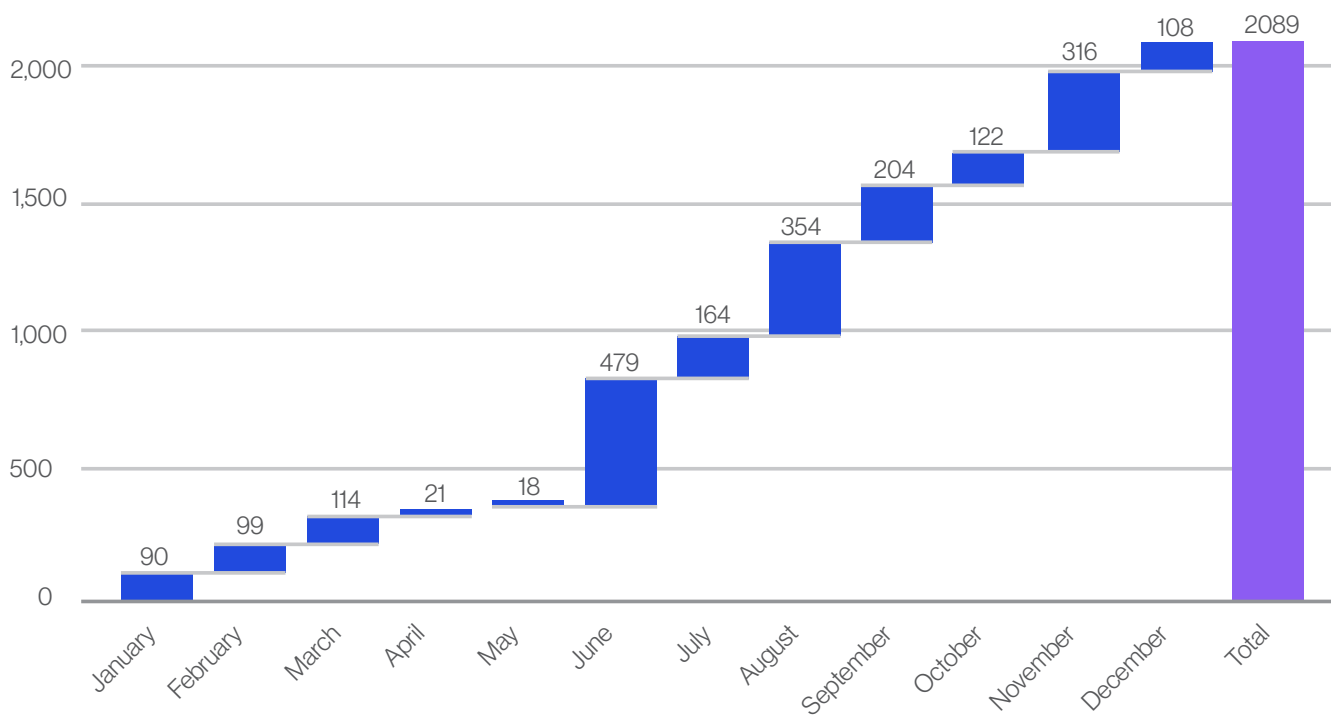
The compliance and effectiveness of the controls proposed in our guides are verified several times during the year by our internal audit teams. In addition, we have security tests performed twice a year and, at least annually, they are subject to the control of external auditors.

Information for all

One of our primary guidelines in relation to cybersecurity is to keep all our staff informed. This is why we offer e-learning and talks, such as the one held in October of each year on the world cybersecurity day, to raise

awareness of the risks that we may encounter in the cyberspace, including identity theft, viruses and information theft, among others.

Staff participating in trainings during 2020



Equipment Protection

As the information is generated in the equipment of each of our employees, contractors or collaborators, we have established the importance of having all our equipment protected. This way, we pay special attention to portable devices since they allow us greater mobility, but also pose an increased risk of loss or mislaying. As a result, we have established that all such devices must undergo a total encryption process so that the stored information can only be seen by the person who uses it through their corporate credentials. In this way, we were able to continue working in our homes without jeopardizing the company's information.

Cybersecurity Incidents

The electricity sector is considered a critical sector for the countries where we do business and we have already been subject to cyber-attacks attempts. Therefore, it is vital for us to always be vigilant to avoid and control them. During 2020 we had a cyber incident that was effectively handled according to our protocols without affecting our operations or the continuity of the electrical service to our customers.

CYBERSECURITY INCIDENTS

CATEGORY	2017	2018	2019	2020
Total number of cyber incidents or security gap.	0	0	0	1
Total number of cyber incidents, including loss or jeopardy of company information	0	0	0	0
Total number of customers affected by the cyber incident or security gap.	0	0	0	0
Amount in US\$ paid for penalties with respect to cyber incidents or security gap.	0	0	0	0

Schedule 2: Regulatory Framework

Energy regulatory framework in Chile

Since 1982, the electricity sector in Chile has been structured based on private initiative and property, in a framework of market competition for the generation and transmission expansions.

The regulation is based on an efficient distribution and transmission company and the state-owned entities, including those related to the electricity sector, are those that play a regulatory and supervisory role in accordance with the Constitution and current legislation.

These entities are grouped in the Ministry of Energy and in the Ministry of Environment and have agencies for the various areas of the energy sector: National Energy Commission (CNE), Independent Coordinator of the SEN, Superintendency of Electricity and Fuels (SEC), Environment Impact Assessment Service, Superintendency for the Environment, Environmental Courts and General Water Board (DGA).

The construction and commissioning of the power plants need to obtain the environmental and electric permits provided for by the Chilean laws.

Notwithstanding the jurisdiction of the ordinary courts, the Chilean electricity legal background considers the creation of a panel of experts as an independent technical body that informs and resolves in an expeditious manner most disputes between the electricity sector companies and/or between them and the energy authorities.

The different activities of the electricity sector are regulated by the *Ley General de Servicios Eléctricos* (General Law of Electric Services), and Decree with Force of Law (DFL, for its acronym in Spanish) No. 1/1982 issued by the Ministry of mining. Some subsequent amendments to the Law include:

Law No. 19940 of 2004, known as “Ley Corta I”, Law No. 20018/2005, or “Ley Corta II”, which maintains unchanged the core aspects of the Chilean electric model.

Law No. 20936 of 2016, known as the Transmission Law, which sets forth, among other issues, a new Electric Transmission System and creates an Independent Coordinator for the SEN

As a consequence of these amendments, the wording of the General Law of Electric Services was changed as set forth in Decree with Force of Law (DFL, for its acronym in Spanish) No. 4/20018 of 2006, issued by the Ministry of Economy, Development and Reconstruction. The activities of the electricity sector are also governed by the corresponding regulations and technical standards.

The generation market is mainly based on long term contracts between generators and customers, which specify the volume, price, or conditions for the sale of energy and power. The law establishes two types of customers:

Non-regulated Customers

Consumers whose connected load is greater than 5 MW (generally of industrial or mining nature), and additionally those who, having a connected load between 500 kW and 5 MW, have chosen to be subject to a free market price system during at least four years. These customers are not subject to price regulation and, therefore, can freely negotiate the price and conditions of the electric supply with the generating companies

Regulated Customers

Consumers whose connected load is less than or equal to 500 kW, and additionally, those customers with connected load between 500 kW and 5 MW which have also chosen to be subject to a regulated tariff system for four years. These customers are served by distribution companies, which are required to conduct public tenders to assign the electric power supply agreements that will enable them to meet their consumption.

A similar situation occurs with power transactions, which are established on an annual basis by the CEN and generate transfers from generating companies that record firm power surplus with respect to their peak power commitments with their own customers and those who have a deficit generation.

Physical and monetary power transfers are established by the CEN, and are valued on an hourly basis at the marginal cost resulting from system operation. In the case of power, its price is the marginal cost of power that currently corresponds to the short-term node price of peak power.

The law allows the generating companies and regulated customers to agree on voluntary and temporary reductions of electrical energy consumption through incentives to boost savings and efficient use of electric energy in scarcity conditions.

Add-on Services

In March 2019, a first version of the Add-on Services (SSCC) Standards, as referred to in Article 72-7 of the General Law of Electric Services, was published by means of Supreme Decree No. 113. These regulations establish a

system of tenders and/or auctions to award the provision of those services, effective on January 1, 2020. Before that date, SSCC will continue to be provided under the current framework, which establishes that they are directly ordered by the National Electricity Coordinator and solely remunerated based on the logic of recovering the costs incurred during their provision.

In December 2019, by means of Exempt Resolution No. 786, the technical regulations associated with the new SSCC regulation were also approved and in November 2020, the National Energy Commission issued the Add-on Services Definition Report referred to in the second paragraph of Article 72-7 of the General Law of Electric Services through Exempt Resolution No. 442.

The main aspects of the SSCC standards, effective as of January 1, 2020, are:

- The National Electricity Coordinator shall be responsible for defining the SSCC required by the system -which will be eventually resolved by the CNE through an exempted resolution- and will have the authority to order the mandatory implementation of new resources or infrastructures for SSCC, as necessary. The parties under its coordination will, in turn, have the obligation to put the equipment and resources available for that purpose at the disposal of the CEN.
- In June of each year, the CEN will prepare a SSCC report according to the CNE resolution, where it will establish the mechanism to be followed for their implementation.
- Three possible mechanisms for the implementation and remuneration of the provision of SSCC identified by the National Electricity Coordinator shall be established:
 - (1) Tenders with the possibility of defining the ceiling price and reserve option.
 - (2) Auctions for very short term requirements with the definition of a ceiling price.
 - (3) Services by direct allocation of responsibility to a coordinated company when the invitations to tender or auctions are declared void, or when there are no sufficient competitive market terms to perform any of them.

- In the event that it were impossible to launch an invitation to tender or an auction, a study of costs shall be performed according to basis approved by the CNE, whose outcomes can be appealed before the panel of experts. In the event of invitations to tender or auctions that have been declared void, the cost shall be the cap price.

- In the case of direct allocation under a cost-efficient study, the remuneration of the investments shall be paid by end-users through a charge that will be added to the one-time transmission charge for a period equal to the useful life of such investments.

The remuneration for the provision of technical resources required in the system operation will be paid according to the provisions set forth by the Law.

Finally, it should be noted that the different categories of add-on services have been defined by the National Energy Commission on November 23, 2020 through Exempt Resolution No. 442, with which the Add-on Services Definition Report referred to in the second paragraph of Article 72-7 of the General Law of Electric Services was issued.

Coordination of the Operation of the Electrical System

The Coordination and Operation Standards of the National

Electrical System were published in December 2019 under Supreme Decree No. 125.

The main aspects are:

- Operational conditions of the system
- Treatment of energy storage systems
- Scheduling of the short-, medium-, and long-term operation
- Economic transfers and marginal costs
- Monitoring of the payment chain
- Audits and system performance.

This regulation repeals Supreme Decree No. 291 of 2007, which “approves the regulations establishing the structure, operation and financing of the Load Economic Dispatch Centers”.

In December 2020, Exempt Resolution No. 491 approved the Supply Unavailability and Compensation Technical Standard that regulates the matters mentioned in Article 72-20 of the General Law of Electric Services.

Renewable Energy

In 2008, Law No. 20,257 was passed, which promotes NCRE, including geothermal, wind, solar, biomass, tidal, mini-hydro, cogeneration, and other sources. This law required that a percentage of the supply agreements of



generators executed after August 31, 2007 be supplied with renewable sources. The percentage of energy required began with 5% for the period 2010-2015 and was gradually increased to reach a maximum of 10% in 2024. In October 2013, the Congress passed the Law to Boost NCRE (Law 20,698, also known as Law 20/25), which doubled the NCRE requirements, and set forth that, towards 2025, 20% of the marketed power from contracts entered into after July 1, 2013 should come from NCRE.

Electrical Concessions Law was enacted in October 2013 to boost investment and competitiveness in the electrical market, and to expedite the processing and deadlines associated with the electrical concession. This law simplifies the provisional concession process and strengthens the procedure for obtaining the final concession by adapting the processing times and reducing deadlines from 700 to 150 days. Moreover, it also clarifies possible observations and objections, modifies the notification process, modernizes the property appraisal procedure, and resolves disputes between different types of concessions. In this way, the incorporation of ERNC and the consequent diversification of the energy matrix is made easier, and gives greater certainty to the actors involved.

Among the environmental regulations it is worth mentioning Supreme Decree No. 13 of the Ministry of Environment which has been in force since 2011 and establishes the emission standard for thermoelectric plants by regulating the limits for emissions into the air of particulate matter (MP), sulfur dioxide (SO₂), nitrogen oxides (NO_x) and mercury (Hg). In addition, it compares the limits according to the type of facilities (new and existing plants) and type of fuel (solid, liquid and gas).

Regarding existing facilities, as to Particulate Matter, the deadline for compliance is 36 months as from the date the standards were passed, i.e. December 2013. Regarding NO_x and SO₂, the deadline is four years for plants located in areas declared as latent or saturated areas, and 5 years in the rest of the country.

Law 20780, which creates a new tax on emissions or "green tax", was passed in 2014. This tax is levied on air emissions of particulate matter, SO₂, NO_x and CO₂

produced by turbines or boilers with a capacity equal to or higher than 50 MW and that, in case of CO₂ emissions, was fixed in five dollars per ton of CO₂ emitted. "Green taxes" have been in force since 2017 and their regulations were amended in February 2020 by Law No. 21,210, which modernizes tax legislation. This amendment expands the tax base to all organizations that individually or collectively produce 100 tons or more of particulate matter or 25,000 tons or more of CO₂ annually. In addition, it sets forth the implementation of emission compensation programs from 2023 to reduce the calculation of emissions on the payment of the tax. Finally, it specifies the mechanisms for the notification of the tax assessment, the means of challenge available to the taxpayer, and the effects that the modifications ordered by the environmental authority will have on the issuance of a new tax assessment by the internal tax service.

Invitations to tender for regulated supply

Law No. 20,805 came into force in January 2015. This law sets forth an electricity supply tendering system for customers subject to price regulations, and establishes that the CNE is responsible for preparing the tender terms and conditions and that the distribution companies will comply with the administrative aspects of the process.

In addition, in order to promote competition, it incorporates a general system of tenders made five years in advance and establishes a more flexible scheme for setting the supply blocks. It also includes certain clauses that will allow the new projects to postpone or cancel their sales of energy in case of delays for processes beyond the responsibility of their developers.

Under this new law of invitations to tender, we have developed three processes:

- 2015/01 Invitation to tender for supply purposes (May 2015 to July 2016) under which 84 companies were awarded five energy blocks for a total of 12.4 TWh/year (100%) at a weighted average price of US\$47.6/MWh.

- 2015/02 Invitation to tender for supply purposes (June 2015 to October 2020) under which three blocks for 1.2 TWh/year (100%) at an average bid price of US \$79.3/MWh were awarded.
- 2017/01 Invitation to tender for supply purposes (January to November 2017) under which 5 companies were awarded a total of 2,200 GWh/year (100%) at a weighted average price of US\$32.5/MWh.

The 2021-01 Invitation to tender for the award of 2.3 TWh/year to be supplied from 2026 through 2040 is currently ongoing, and the submission of tenders is expected to occur in May 2021. Nevertheless, as a result of the consultation process, the terms and conditions could be changed to the maximum deadline of March 29, 2021.

System Flexibility

During November 2019, the Ministry of Energy submitted a strategy to devise a regulatory working plan for the short and medium term concerning operational flexibility that considers three axes:

- Improvement of the market design for the development of a flexible system.
- Review of the regulatory framework for storage systems.
- Measures associated with the flexible operation of the system.

The agenda for implementing this strategy was paused



due to the contingencies caused by COVID and restarted during September 2020 with the discussion of the main topic of the strategy to improve the market design for the development of a flexible system.

The work considers the modernization of the capacity market with a view to the future system flexibility needs. Moreover, the regulatory work should include a period of 6 months (approximately until April 2021) to reach the stage of public consultation of the new regulations governing payment per power.

Decarbonization Agreements

In June 2019, AES Gener, Enel, Engie, Colbún and the Chilean Ministry of Energy entered into an agreement for the disconnection and discontinuation of operations in their coal-fired units, establishing the rules for the gradual withdrawal of coal assets with the mitigation of possible adverse impacts on the system. The AES Gener units included are Ventanas 1 and 2, which were built in 1964 and 1977, respectively.

These agreements were entered into after the publication of Supreme Decree No. 42 of 2020 (December 26, 2020), which amended Supreme Decree No. 62 of 2006 and created a new “Strategic Reserve Operational State” (ERE). Under this state, the power plants are withdrawn from the usual dispatch of energy and remain essentially available in the event of systemic disrupting conditions with a prior notice of 60 calendar days. On December 29, 2020, Ventanas 1 power plant was authorized by the National Electricity Coordinator to get into this new operational state. The transition to ERE of Ventanas 2 unit is under analysis by the National Electricity Coordinator.

Energy Transfer

With regard to the business of high voltage electric power transmission, the law ensures the owners of transmission networks the right to recover all its capital, operation, maintenance and administration costs.

The law divides the transmission network into three subsystems:

- National, made up of the transmission lines essential for the integral supply of the electrical system.
- Zonal, mainly made up of power lines that make it possible to supply consumption in the concession areas of distribution companies.
- Dedicated, made up of lines mainly intended for the supply of electricity to non-regulated customers or to evacuate the energy of generating plants.

The annual value of the national and zone transmission facilities and the payment for use of dedicated transmission facilities by users subject to price regulation shall be determined by the CNE every four years based on the valuation studies conducted by independent consultants.

The market interaction ultimately establishes which works are to be developed for the national system, considering the opinion of the Independent Coordinator Research Center of the National Electrical System (CISEN) and the CNE and, in case of disputes, according to the resolution of the panel of experts. The works are allocated according to lower fees (annual collection) in open tenders conducted by each CISEN.

Law 20936 (also known as Transmission Law) was published in July 2016. This law sets forth, among other issues, that the transmission systems will be paid by end users through one-time charges, which shall be calculated semiannually by the CNE in the respective technical report, on the occasion of short-term nude pricing. The transmission payment shall be gradually passed on to end users, from 2019 to 2034.

Additionally, the Transmission Law created the Independent Coordinator of the SEN, in replacement of the Load Economic Dispatch Centers (CDEC), and changed its internal structure, gave new obligations and powers to the coordinator, and made it independent from generation and transmission companies.



The new law also establishes development poles, such as those areas with high potential for renewable energy generation whose use is a matter of public interest. The annual value of the development poles is set by the CNE at the same time as for other transmission segments. Every five years, the Ministry of Energy will develop a long-term energy planning process for different generation and consumption energy scenarios within a term of at least 30 years. The result of this process will be used as input for the annual planning of the transmission carried out by the CNE for at least a 20 years.

Relevant regulatory framework in Chile

Since 1994, the Colombian electricity sector allows private participation in different chain businesses, within a framework of market competition for the generation and commercialization of electric power and a regulated environment for transmission and distribution.

The different activities of the electricity sector are regulated by the Public Services Law No. 142 of 1994, and the Electricity Law No. 143 of 1994, and also by technical standards and regulations issued by the Commission for Energy and Gas Regulation (CREG, for its acronym in Spanish).

Generation

Since July 1995, upon commencement of wholesale energy market transactions, generators can market their energy in the energy exchange or through contracts. Regarding the energy exchange, generators are required to offer a single spot price for the sale of energy on a daily basis and to declare the hourly availability for each of their generation units. With this information, the operator of the National Dispatch Center (CND, for its acronym in Spanish) shall select, by order of merit (from the lowest to the highest offer price), the plants that will cover the demand for the next day.

Considering that there is no value defined by the regulator as to the minimum energy to be contracted by the demand, the generating agent establishes the quantities it allocates to the spot market and to contracts, according to internal risk analyses. The foregoing is associated with the need to cover the climatic phenomena “El Niño” and “La Niña” that have a heavy impact on hydrology and modify the market price signals in the short term.

Taking into account that the generation and transmission activities may not be vertically integrated, and with the purpose of securing free competition and the exercise of market power, the operator performs two dispatches: (i) the ideal dispatch considering only price offers and availability declaration of the plants to set the spot price, and (ii) actual dispatch, which includes the restrictions of the national interconnected system and establishes the actual generation allocation of the system plants. It is expected that in 2021 the regulator will develop intraday market and binding dispatch schemes, which will help to eliminate the interaction barriers existing in variable generation.

There is also a market for the Automatic Generation Control (AGC) that seeks to secure stability in the system operation. For the allocation of this resource, the CND uses the same price offers and availability declarations submitted by the agents for the ideal dispatch and assigns the AGC to plants with the lowest price offer and technically ready for such purpose. Among the regulatory prospects, the development of an add-on services (including the AGC) market that will enable the use of batteries for competing schemes is expected to begin in 2021.

The generation sector of the country also has the reliability charge mechanism which is paid to the plants that have generation in times of water scarcity. Generators compete for the allocation of firm energy obligations (OEF, for its acronym in Spanish) to secure



the collection of a reliability charge payable by all users of the country under the tariff. In exchange, the generator should be able to generate energy during water scarcity conditions, and to sell such energy at a ceiling price, which is known as “scarcity price”. In 2021, the regulator plans to carry out revisions to the Reliability Charge, in terms of auction process regulation, adjustment to firm energy calculation methods and participation of smaller plants.

Colombia has also established a second expansion plan: the auction of long-term contracts. This plan is focused on the promotion of NCRE, and its main characteristics are: contracts for fifteen years, under a bidding system with a delay to start supply for up to two years. The first auction was held in October 2019, where nine projects were awarded for a total of 1.298 MW, 255 MW of which were awarded to AES Colombia. It is expected that a second auction will be held in 2021 addressed to the non-regulated market so that non-conventional renewable energy sources continue to be competitively incorporated into the Colombian energy matrix.

Transmission

The Government is planning the expansion of the National Transmission System (STN, for its acronym in Spanish) through the Mining and Energy Planning Unit (UPME, for its acronym in Spanish), which annually defines a ten-year expansion plan and conducts public invitations to tender for the construction, operation and maintenance of the new transmission infrastructure required in the country.

During 2019, a mechanism to incorporate battery energy storage systems into the national interconnected system was approved by Resolution CREG 098, with the aim of reducing or nullifying local transmission congestion. The mechanism qualifies those systems as part of the country’s transmission assets, their manner of expansion and remuneration. The remuneration of transmitters and agents with storage assets is paid by all the country users under a regulated tariff, according to the method established by the CREG. The public invitation to tender

related to the Regional Transmission System for battery energy storage will be awarded in April 2021.

Distribution

The distribution market is organized as regional monopolies, where the grid operator plans the expansion, operation, and maintenance of the electrical infrastructure. Normally, the network operator of an area is also the largest energy marketer in the area that serves both regulated and non-regulated end users.

The grid operator has a regulated income and is required to meet the service quality criteria (duration, frequency of interruptions, and quality of power), as established by the CREG. The distributors act as marketers.

Marketing

Marketing can be performed by distributors-marketers or by pure marketers, which are only engaged in energy brokerage. The main requirement for the latter is to be registered in the market and to have sufficient Market Operations Backup Capacity (CROM, for its acronym in Spanish) so that they can perform transactions without exposing the other market agents to the risk of default.

There are two kind of customers in the market: non-regulated and regulated customers. The conditions to be considered a non-regulated customer are: to have a minimum installed capacity of 100 kW or a minimum consumption of 55,000 kWh/month. Otherwise, they are considered regulated customers. Non-regulated customers are allowed to negotiate with the generators, distributors or marketers, and the prices are freely agreed.

The consumption of regulated customers must be supplied by marketers or distributors and their energy shall be purchased by means of public tenders. Public tenders are open to all agents with a specification of participation requirements, and they are always awarded to the minimum cost. The successful agents establish bilateral contracts (usually one to five years) that must be registered with the market administrator

for follow-up purposes. Currently, the regulator and interested parties are analyzing other marketing mechanisms that allow the marketer to have other alternatives to meet their demand.

Relevant regulatory framework in Argentina

The Regulatory Framework was established in Law No. 15,336 of 1960 and Law No. 24,065 of 1992, both of which, taken together, make up the Argentine Electricity Law. The activities of the electricity sectors are mainly divided into generation, transmission, and distribution.

Under the Argentine Electricity Law, the federal government created the Wholesale Electricity Market (MEM, for its acronym in Spanish) with four types of participants: generators, transmitters, distributors, and large customers; having the latter the right to buy and sell electricity.

CAMMESA is the body that is responsible for the dispatch coordination, the administration of MEM transactions and the calculation of spot prices; and its main purpose is to ensure that electricity demand is supplied at a minimum cost. The market participants are shareholders of CAMMESA with 80% of the capital stock and the national government participates in the remaining 20%. The office of regular Director on behalf of the shares of the national Government and the chair of the Board of Directors is vested on the head of the Secretary of Energy. Due to recent changes in the regulations, fuels are supplied to generators through CAMMESA and units are dispatched considering the calorific consumption, price and availability of fuel for each generator.

The National Electricity Regulatory Authority (ENRE, for its acronym in Spanish) is responsible for regulating the public service and enforcing jurisdictional decisions. The Ministry of Productive Development, through the Secretary of Energy, is responsible for the enforcement of the Argentine Electricity Law. As such, it regulates the

dispatch and activities of the system in the MEM and grants concessions or authorizations for each activity in the electricity sector. Moreover, it establishes policies for the natural gas and oil industry that directly affect the thermoelectric generators and the electricity sector in general.

All the electric power activities are developed through the SADI, the main electrical energy transmission system with national coverage.

The generation sector is organized on a competitive basis, where independent generators sell energy in the spot market. The supply of energy is highly dependent on fossil fuels, mainly natural gas.

Due to a reduced production of natural gas in the country, since 2004 the availability of fuel has become a relevant matter in the SADI and the Argentine government has increased imports of LNG, gas oil and fuel oil especially between May and August, the winter season.

Regulated and industrial customers in the SADI are defined as Large Users and categorized according to their consumption levels: Major Large Users (GUMA, for its acronym in Spanish) with more than 1 MW capacity and energy consumption greater than 4,380 MWh/year, Minor Large Users (GUME, for its acronym in Spanish) with a capacity between 30 KW and 2 MW and Private Large Users (GUPA, for its acronym in Spanish) with a capacity between 30 KW and 100 KW.

The prices of the contracts with industrial customers are negotiated in direct bilateral agreements, include payments for energy and power, and are denominated in United States dollars.

Since the end of 2006, pursuant to Resolution SE 1281/06, the program "Energía Plus" is created as a new supply service that can be provided by generators, cogenerators or through companies generating their own energy, which were non-MEM members or whose capacity or generation units were not connected to the publication date of the resolution. This way, the increase in the demand of large customers was supported with a consumption equal to or higher than 300 kW.

The implementation of the Energía Plus program requires the execution of a supply contract between the parties and the negotiation of a price that considers both the costs involved and a gain margin, all of which must be approved by the Ministry of Federal Planning, Public Investment and Services. The profit margin must be established by the Secretary of Energy. As the contracts under this program are short-term contracts, usually no longer than eighteen months, and as they cover the excess demand of industrial customers, the utilization factor of the installed capacity is typically low. In addition, these contracts are supplied with backup contracts entered into with other generators to sell the energy contracted and unused, thus bringing about a higher load factor.

The regulation establishes that, in the event of deficits in the generation level related to the consumption of customers, the generators participating in the Energía Plus Market must buy energy at a marginal cost, which is much higher than the contract price. This risk is mitigated by the backup contracts with sales prices lower than the marginal cost, but higher than spot prices.

In March 2013, the Secretary of Energy issued Resolution 95/2013 concerning the remuneration of generators that sell their energy in the spot market. This resolution turned the Argentine electricity market into an “average cost” compensation scheme, increasing the sales of generators. TermoAndes is not considered in this resolution.

In May 2014, the Secretary of Energy issued Resolution 529/2014 with an updated list of prices as per the previous Resolution No. 95/2013. This is based on increased costs and adjustments with respect to, for instance, a new charge for major maintenance and a differential charge for the use of biodiesel as fuel.

On July 2015, the Secretary of Energy issued Resolution 482/2015 (“Resolution 482”) that retroactively updates the prices of Resolution 529/2014 as from February 1, 2015.

This resolution includes the energy of TermoAndes that was not committed under the Energía Plus contracts. The energy and power sold at the spot market are remunerated according to the energy generated with charges set by technology and installed MW, as follows:

- O&M Variable Costs.
- Generating Margin.
- Trust Margin, which is withheld by CAMMESA to be repaid to the generator once the infrastructure project to be built with these funds is submitted.
- Non-recurrent Maintenance, also withheld by CAMMESA and repaid to the generator to meet major maintenance costs upon approval by the Secretary of Electricity.
- “Resources for FONINVEMEM Investments from 2015 to 2018”: created to invest in new generation plants.
- Fixed Costs: paid on the basis of power made available and not committed under contracts. The price of this charge will be affected if generator fails to comply with the target availability set by CAMMESA.

On March 30, 2016, the Secretary of Electricity (SEE) issued Resolution 22/2016 that retroactively updates, as of February 2016, the price published in Resolution 482, without introducing any changes in the payment methodology or in the power plants under its scope.

Resolution 19/2017, issued by the Secretary of Electricity, was published on February 2017 to replace Resolution 22/2016 and to establish the new guidelines for the remuneration to existing generation plants. Minimum remuneration is defined as the power by technology and scale; and regarding thermal units, the chance to offer availability commitments with an equal differential remuneration for all the technologies is established. The thermal generator shall declare, in each summer season, the firm power value to be committed by each unit during a three-year term, being able to make a differentiation between summer and winter (adjustments may be made in the same period). There is also a ceiling price, which will be defined based on the offers made by the generators. The awards will be made by CAMMESA, according to the needs to be defined in critical situations.

This resolution also introduces the notion of operated energy, which is understood as the energization of the rotating power. For instance, for a Plant operating

at a certain time below its power at the request of the dispatch entity, the operated energy will be equivalent to the power of the machine, rather than the power actually dispatched.

The Resolution also sets forth that the remunerations are stated in US\$ and that they will be converted into Argentine pesos at the exchange rate published by the Central Bank of the Republic of Argentina on the last business day of each month. The due dates of economic transactions continue to be those established by CAMMESA.

With regard to the payment of the economic transaction, in July 2017, the Secretary of Energy established that the amounts of the commercial document issued through credit or debit notes, as applicable, should be adjusted at the exchange rate reported by the Central Bank of the Republic of Argentina one day before the due date. These criteria shall be applied as from the commercial transaction of November 2017.

On February 28, 2019, the Secretary of Renewable Resources and Electric Market issued Resolution SRRYME No. 1/2019, which modified the prices published in Resolution SE No. 19/2017, as from March 1, 2019, without making any changes in the payment methodology or in the plants under its scope. This amendment was defined as a transitional measure.

Renewable Energy

The Renewable Energy Law (Law No. 27,191), which was passed in October 2015, amends Law No. 26,190 of 2006 and establishes a gradual increase in renewable energy with an 8% target by the end of 2017 and a 20% target by 2025, without any particular breakdown by energy type.

The renewable energy sources defined in the law are wind, solar thermal, solar photovoltaic, geothermal, tidal, wave, ocean current, and hydraulic (up to 50 MW) energy, biomass, landfill gas, gases from sewage treatment, biogas and biofuels.

The new law introduced import tax exemptions for capital assets and equipment intended for renewable energy

projects until December 31, 2017. The projects developed between 2018 and 2025 shall enjoy different tax benefits, including the advance refund of the Value Added Tax (VAT).

The law further creates a Fund for the Development of Renewable Energy (FODER, for its acronym in Spanish) whose purpose is to grant loans or financial instruments to implement and fund eligible renewable projects. FODER resources come mainly from the National Treasury and cannot be less than 50% of the effective annual savings from fossil fuel derived from the use of renewable generation and obtained during the previous year.

In the first phase, the development of new renewable generation to meet the obligations of the law is achieved through regulated invitations to tender organized by the regulating authority with CAMMESA on behalf of the demand. We are dealing with the Renovar tenders and the following has been successfully performed:

- Renovar 1.0 (2016): CAMMESA received 6,366 MW by way of tenders: 55% in wind energy and 44% in solar energy, which resulted in an awarded average price of US\$62.7/MWh.
- RenovAr 1.5 (October 2016) awarded 1,281 MW at an average price of US\$54/MWh.
- RenovAr 2.0 (2017) awarded 1,409 MW at an average price of US\$53/MWh.
- RenovAr 2.5 (2017) awarded 634 MW at an average price of US\$47.5/MWh.

In 2019, the third Renovar round, called "MiniRen", was held in order to add capital from non-traditional actors to the development of renewable projects and to use the capacities available in medium-voltage networks and promote regional development. The maximum permitted capacity per project was 10 MW and the minimum permitted capacity was 0.5 MW, while there were maximum quotas of 20 MW per province (except for Buenos Aires, where the quota was 60 MW). 259

MW were awarded and distributed among the following technologies: 7.4MW in small hydroelectric installations, 26.3MW in biomass projects, 96.8MW in solar projects and 128.7MW in wind projects.

Transmission Activity

The transmission business is a public service provided by several companies to which the federal government has granted concessions. Today, a concessionaire operates and maintains high voltage facilities and eight concessionaires maintain and operate high and medium voltage facilities, to which generating units, distribution systems, and large customers are connected.

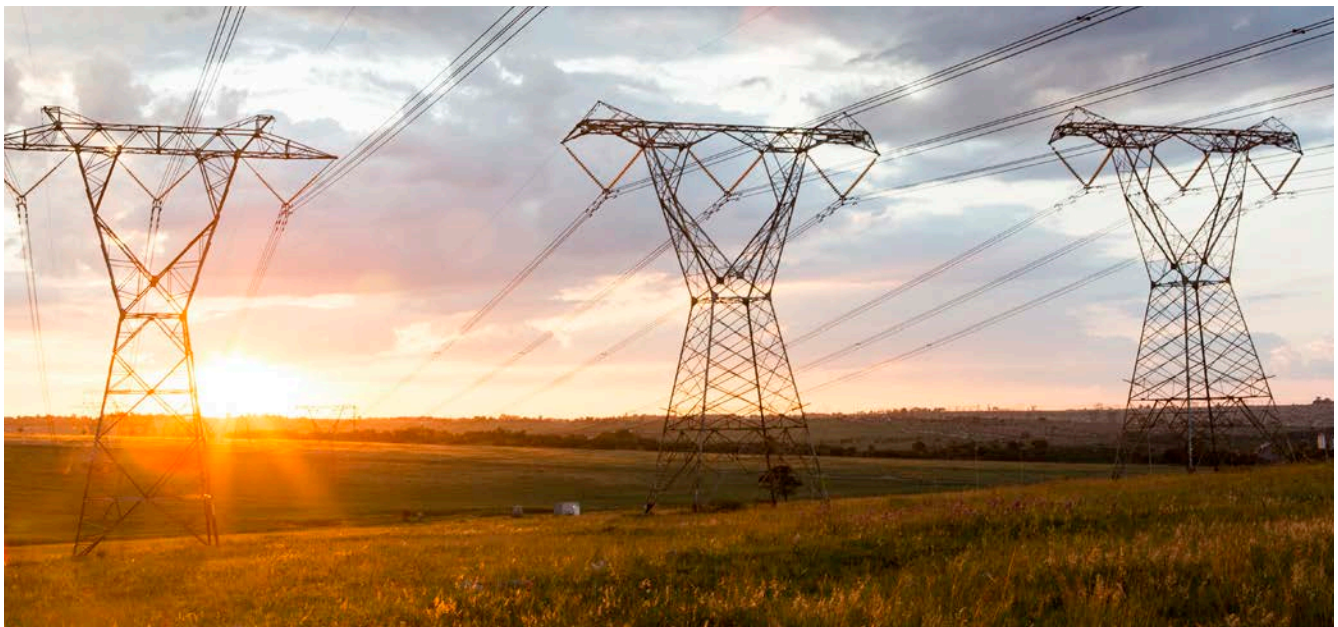
The international interconnection transmission systems also require concessions granted by the Secretary of Energy.

The transmission companies are authorized to collect tolls for their services.

Distribution

The distribution is a public utility granted through concessions to different companies which are required to make electricity available to end users within a concession area, regardless of the place where the customer has an agreement with the distributor or directly with a generator. As a consequence, these companies have regulated tariffs and are subject to service quality specifications.

The distributors obtain the electricity from the MEM through the spot market and at seasonal prices to be set by the Secretary of Energy, are equivalent to the maximum cost of the electricity purchased by distributors that are transferred to regulated customers.



Schedule 3: Overall Asset Performance

CHILE

AES GENER THERMOELECTRIC PLANTS

LAGUNA	VENTANAS 1	VENTANAS 2	VENTANAS 3	VENTANAS 4	VERDE PLANT	LAJA	TOCOPILLA	ANGAMOS	COCHRANE
Location	Ventanas 5th Region	Ventanas 5th Region	Ventanas 5th Region	Ventanas 5th Region	Laguna Verde, Valparaíso, 5th Region	Cabrero 8th Region	Tocopilla, 2nd Region	Mejillones, 2nd Region	Mejillones, 2nd Region
Beginning of Operations	1,964	1,977	2,012	2,013	1939-1949	1,995	1995-1997	2,011	2,016
Turbine Type	Coal/ Steam	Coal/ Steam	Coal/ Steam	Coal/ Steam	Diesel, Steam	Biomass Cogeneration	Coal/ Steam	Coal/ Steam	Coal/ Steam
Units	1	1	1	1	2	1	2	2	2
Power (MW)	115	208	267	272	40	13	282	558	550
Specific consumption (BTU/MWh)	10,962	10,501	9,596	9,380	19,031 ⁽¹⁾	17,966	10,231	9,664	9,753
Availability 2019 (%)	57.59%	75.94%	84.26%	90.64%	100.00%	96.07%	92.11%	96.89%	93.82%
Availability 2020 (%)	94.59%	89.15%	86.69%	94.67%	100.00%	95.98%	89.87%	92.65%	96.75%
Forced Outage Rate 2020 (%)	3.67%	1.63%	1.68%	2.44%	0.00%	1.41%	3.74%	2.93%	1.95%
Scheduled Outage Rate 2020 (%)	0.37%	9.08%	9.13%	1.87%	0.00%	2.61%	6.38%	4.42%	1.30%
Net Capacity Factor 2020(%)	11.56%	53.40%	65.11%	61.24%	0.00%	8.47%	71.11%	80.86%	74.47%

(1) During this period there were no significant generation, it is a design value

AES GENER HYDROELECTRIC POWER PLANTS

PLANT	MAITENES	QUELTEHUE	VOLCÁN	ALFALFAL
Location	Los Maitenes, Cajón Río Colorado, MR Region	Los Queltrihues, Cajón Río Maipo, MR Region	Cajón Río Maipo, MR Region	Cajón Río Colorado, MR Region
Beginning of Operations	1923-1989	1,948	1,949	1,991
Turbine Type	Francis	Pelton	Pelton	Pelton
Units	5	3	1	2
Power (MW)	27	49	13	178
Availability 2019 (%)	95.78%	97.06%	98.90%	94.44%
Availability 2020 (%)	94.53%	94.55%	97.88%	94.18%
Forced Output Rates 2020 (%)	2.72%	0.36%	0.00%	0.71%
Scheduled Output Rates 2020 (%)	2.75%	5.08%	2.12%	5.11%
Net Capacity Factor 2020 (%)	29.80%	57.82%	62.79%	41.11%

GUACOLDA ENERGÍA SPA

PLANT	GUACOLDA
Location	Huasco, 3rd Region
Beginning of Operations	1995, 1996, 2009, 2012, 2015
Turbine Type	Coal/Steam
Units	5
Power (MW)	764
Specific Consumption (BTU/MWh)	9,864
Availability 2019 (%)	92.10%
Availability 2020 (%)	91.23%
Forced Output Rates 2020 (%)	2.53%
Scheduled Output Rates 2020 (%)	5.59%
Net Capacity Factor 2020 (%)	69.36%

LOS CURUROS WIND PLANT

PLANT	LOS CURUROS
Location	Oval, Coquimbo 4th Region
Beginning of Operations	2014
Turbine Type	V100-1.8/2.0 MW 50 Hz VCS
Units	57 wind turbine
Power (MW)	110
Net Capacity Factor 2020 (%)	24.11%

ANDES-SOLAR PLANT

PLANT	ANDES SOLAR
Location	Andean Mountains, Antofagasta 2nd Region
Beginning of Operations	2016
Power (MW)	21
Net Capacity Factor 2020 (%)	33.37%

COLOMBIA

AES COLOMBIA

PLANT	AES COLOMBIA
Location	Santa María, Boyacá, Colombia
Beginning of Operations	Chivor: 1977-1982 Tunjita: 2016
Turbine Type	Hydroelectric
Units	Chivor: 8 Tunjita: 2
Power (MW)	Chivor: 1,000 Tunjita: 20
Availability 2020 (%)	62.26%
Forced Output Rates 2020 (%)	0.06%
Scheduled Output Rates 2020 (%)	37.68%
Net Capacity Factor 2020 (%)	29.65%
Commercial Availability 2020 (%)	98.89%

CENTRAL CASTILLA

PLANT	CASTILLA
Location	Castilla La Nueva, Colombia
Beginning of Operations	2019
Turbine Type	Solar Plant
Power (MW)	21,0
Net Capacity Factor 2020 (%)	15.13%

ARGENTINA

TERMOANDES

PLANT	TERMOANDES
Location	Salta, Argentina
Beginning of Operations	1,999
Turbine Type	Combined cycle
Units	2 gas turbines; 1 steam turbine
Power (MW)	643
Specific Consumption (BTU/MWh)	1,791
Availability 2019 (%)	97.78%
Availability 2020 (%)	92.00%
Forced Output Rates 2020 (%)	0.51%
Scheduled Output Rates 2020 (%)	7.49%
Net Capacity Factor 2020 (%)	74.00%
Commercial Availability 2020 (%)	92.92%

Schedule 4: Committee of Directors

AES GENER S.A. COMMITTEE OF DIRECTORS ANNUAL MANAGEMENT GOALS 2020

Pursuant to the provisions of article 50 bis of Corporations Law No. 18,046, the undersigned in their capacity as members of the Committee of Directors (the “Committee”) of AES GENER S.A. (hereinafter also referred to as “AES Gener” or the “Company”) have executed this annual report for the year 2020; which includes:

- A summary of the most relevant activities developed by the Committee during 2020;
- Expenses of the Committee for 2020; y
- Recommendations to the Shareholders of the Company.

I. MEMBERS OF THE COMMITTEE

During fiscal year 2020, the Committee of Directors was made up of two independent directors of the Company, Gonzalo Parot Palma and Daniel Fernández Koprach, and the director Radovan Razmilic Tomicic.

The Committee was chaired by the independent director Gonzalo Parot Palma.

II. ACTIVITIES

During fiscal year 2020, the Committee held regular meetings in 19 opportunities, where they exercised its powers and fulfilled its legal duties, as established in article 50 bis of the Corporations Law, and informed about the resolutions and recommendations to the Board regarding:

(1) Financial Statements: *Analyze the financial statements submitted by the managers of the Company, the reports of the External Auditors, and the balance sheet, and render an opinion before their presentation to the shareholders;*

(2) External Auditors and Credit Rating Agencies: *Propose to the Board the appointment of external auditors and credit rating agencies;*

(3) Related-Party Transactions: *Examine the background information concerning transactions between related parties in accordance with Title XVI of the Corporations Law, and give a recommendation;*

(4) Remuneration and compensation: *Examine the remuneration systems and the compensation policy for managers, senior executives and employees of the Company; and,*

(5) Other matters: *Review the other matters entrusted and/or submitted to it for being relevant to the Company.*

It should be noted that during 2020 there were no matters that have been brought to the attention of this Committee in respect of which they made a negative recommendation.

Pursuant to its powers, below there is a list of the activities carried out by the Committee of Directors during 2020 in the same order as the above-mentioned topics:

(1) FINANCIAL STATEMENTS AND RELATED MATTERS. With regard to this matter, the activities performed included:

1.1 Approval of: Quarterly and/or annual financial statements; Reports of the External Auditors; and Approval of the IFRS Financial Statements and Balance, including a detail of market information (investors) that refers to the Company's financial results (Meetings No. 203 of February 27; No. 208 of May 6; No. 212 of August 5; and No. 216 of November 5).

1.2 Approve the Internal Audit plans, and their annual budget, as well as be informed about updates, findings and controls applied (meetings No. 205 of March 19; No. 210 of June 25; and No. 219 of December 17).

1.3 Take note of the Company's Budget for the year 2020-2021, and for the year 2021-2022 (Meetings No. 202 of January 23; No. 213 of August 27; No. 215 of October 29; and No. 220 of December 28).

1.4 To review the valuation of the investment in the subsidiary Guacolda Energía S.A. and the causes and circumstances on which it was analyzed to make an adjustment under IFRS due to impairment in the value of that investment (Meeting 202 of January 23).

(2) AUDITORS AND RISK RATING AGENCIES.

With regard to these matters, the activities performed included:

2.1 Propose to the Board the appointment of private risk rating agencies, Standard & Poor's, Fitch Ratings and Moody's, for 2020 (Meeting 205 of March 19).

2.2 Review of report issued by the Independent External Auditor of the Company, Ernst & Young, the Annual Audit Plan and brief with External Auditors (Meetings No. 203 of February 27; No. 211 of July 30; and No. 212 of August 5).

2.3 Election process and proposal for the election of external auditors for 2021. (Meetings No. 214 of September 24; and No. 219 of December 17).

(3) RELATED-PARTY TRANSACTIONS. With regard to these matters, it is hereby stated that, without prejudice to the fact that a significant part of the operations with related parties (RPTs) is subject to the exceptions referred to in Article 147(a) to (c) of the Corporations Law, the Company use to submit them for the approval of the Committee of Directors.

Likewise, in this regard, it is noted that during 2020 the regularity criteria were reviewed and brought about the drafting of a new Regularity Policy, which was approved by the Committee at Meeting No. 219 of December 17, 2020 and subsequently by the Board of Directors of the Company at its ordinary meeting No. 680 of the same date.

All the RPTs summarized below were known and favorably recommended by the unanimous vote of the Committee members, including the unanimous vote of the independent directors of the Company, all of which were intended to contribute to the corporate interest and were adjusted at the prices, terms and conditions prevailing in the market at the time of performance.

3.1 Execution of a power purchase agreement between the Company and Guacolda Energía S.A. (Meeting No. 202 of January 23).

3.2 Provision of guarantees for the National Electricity Coordinator to secure the obligations related to the payment chain of the Company and subsidiaries operated by the Company (Meeting No. 202 of January 23).

3.3 Provision of guarantees by subsidiary Norgener Renovables SpA to secure the obligations of subsidiary Energía Eólica San Matías SpA with the developer of San Matías project under the asset purchase agreement entered into between those companies (Meeting No. 202 of January 23).

3.4 Acquisition of Rinconada wind project and provision of a guarantee by Norgener Renovables SpA to Inversiones Bosquemar to secure payment of the purchase price of Rinconada project by the subsidiary acquiring the project (Meeting 205 of March 19).

3.5 Extension for an additional 90 days of the intercompany loan between the Company and Termoandes S.A. (Meeting 205 of March 19).

3.6 Analysis and subsequent execution of contracts between the Company and AES Big Sky and Uplight (Meetings No. 206 of April 9 and No. 207 of April 30).

3.7 Provision by Norgener Renovables SpA of a guarantee to secure payment obligations of the subsidiary Los Olmos SpA in favor of Acciona Energía (Meeting No. 207 of April 30).

3.8 Plan to purchase the coal required for its own operations and those of its related companies Guacolda Energía S.A., Empresa Eléctrica Angamos SpA and Eléctrica Cochrane SpA to carry out sales operations to those subsidiaries to cover the requirements for coal during the years 2020 and 2021 (Meetings No. 209 of May 28 and No. 219 of December 17).

3.9 Provision of an intercompany loan between the Company and AES Chivor (Meeting 209 of March 28).

3.10 Provision of bank guarantee bonds to Vestas to secure compliance with agreed conditions in relation to contracts related to the construction of projects to be developed by the subsidiaries Parque Eólico Campo Lindo SpA, Energía Eólica San Matías SpA and Energía Eólica Rinconada SpA, as well as the provision of corporate guarantees to secure obligations of those subsidiaries towards Vestas under turbine supply and installation contracts (Meetings No. 209 of May 28 and No. 214 of September 24).

3.11 Provision of joint and several and obligation of assistance to secure the obligations assumed by the subsidiary AES Chivor Cia. & S.C.A. ESP with Cenit Transporte y Logística de Hidrocarburos S.A.S, in case it is awarded the San Fernando Project (Meeting No. 210 of June 25).

3.12 Conditions of a potential binding offer for the incorporation of a new shareholder in the indirect ownership of the Company in Empresa Eléctrica Cochrane SpA. (Meeting No. 210 of June 25).

3.13 Provision of guarantee bonds by the Company, or the subsidiary Norgener Renovables SpA, to secure the obligations of subsidiaries Energía Eólica Los Olmos SpA and Energía Eólica Mesamávida SpA, in favor of Inversiones Bosquemar, Acciona Energía and the Ministry of Public Works. (Meeting No. 210 of June 25).

3.14 Transfer of concessions for value to the subsidiary Andes Solar SpA (Meeting No. 211 of July 30).

3.15 Approval of the extension for an additional year of the intercompany loan between the Company and Termoandes S.A. (Meeting 211 of July 30).

3.16 Report of payments to be made between the Company and its subsidiaries and related companies and billing of their accounts receivable, as well as conversion of the accounts receivables from the subsidiary of Alto Maipo Spa to a subordinated debt. Execution of services agreement with related companies, Vientos Neuquinos, Energen, Energética, GASA, Compañía Transmisora Angamos and Compañía Transmisora del Norte Grande (Meeting No. 213 of August 27).

3.17 Loan Agreement between the Company as debtor and the subsidiary Empresa Eléctrica Angamos SpA as creditor (Meeting No. 213 of August 27).

3.18 Contract for the supply of equipment and provision of services between the subsidiary Andes Solar SpA and the related company to the AES Corporation, Fluence Energy LLC (Meetings No. 213 of August 27 and No. 214 of September 24).

3.19 Sale of a transformer to subsidiary Energía Eólica Los Olmos SpA by the subsidiary Parque Eólico Los Cururos SpA (Meeting No. 214 of September 24).

3.20 Creation of the Company's subsidiaries for the development of Don Alvaro, Pampas and Desaladora Ventanas projects (Meeting No. 218 of November 18).

3.21 Purchase of insurance program for 2020, which includes the participation of the related company AES Global Insurance Company (Meeting No. 220 of December 28).

(4) REMUNERATION AND COMPENSATION SYSTEMS. In relation to these matters, the activities included the review of the remuneration of the Chief Executive Officer and the review of the remuneration and compensation policy of the senior executives and other workers of the Company (Meeting No. 203 of February 27).

(5) OTHER MATTERS OF RELEVANCE TO THE COMPANY. In relation to other relevant matters, the Committee of Directors were informed of, and unanimously recommended, as appropriate, the following:

5.1 Implementation of the Company's buy-back program including the stock repurchase plan (Meetings No. 202 of January 23 and No. 203 of February 27).

5.2 Priorities of the Year 2020 (Meeting No. 202 of January 23).

5.3 Invitation to an extraordinary shareholders' meetings to be held on March 19, 2020 to submit to the shareholders the approval of a capital increase of the Company for up to US\$500,000,000 and issue of shares (Meetings No. 203 of February 27 and No. 207 of April 30).

5.4 Questionnaire on corporate governance in accordance with General Rule No. 385 (Meeting 205 of March 19).

5.5 Proposed dividend policy for 2020 (Meeting No. 205 of March 19).

5.6 Proposed distribution of dividends for 2019 (Meetings 205 of March 19 and 211 of July 30).

5.7 Integrated Annual Report for 2019 (Meeting 205 of March 19).

5.8 Updated information on the management of the main risks of the Company (Meeting 205 of March 19).

5.9 Analysis of the cash flows of the Company for 2020 (Meeting No. 206 of April 9).

5.10 Approval of the implementation of simple electronic signature through the Docusign platform (Meeting No. 207 of April 30).

5.11 Updated information on AES Gener Next (Meeting No. 207 of April 30).

5.12 Capitalization of interest in Alto Maipo SpA (Meeting No. 207 of April 30 and No. 209 of May 28).

5.13 Updated information on proposed agreement of subsidiary Angamos with Minera Escondida and Minera Spence, BHP subsidiaries (Meeting No. 211 of July 30).

5.14 Analysis of potential optimization of the structure of the Company's subsidiaries (Meeting 211 of July 30).

5.15 Updated information on development projects (Meeting No. 212 of August 5).

5.16 Invitation to an extraordinary shareholders' meeting to be held on October 1, 2020 to submit to the shareholders' approval the extension for 180 additional days of the power of the Board of Directors to set the placement price of the shares issued as a result of the capital increase of the Company. Modification of the protocol for remote participation in shareholders' meetings to be applied to any shareholders' meeting to be held by the Company. (Meeting No. 213 of August 27).

5.17 Proposed transaction with Goldman Sachs and IDB for the monetization of accounts receivable from distribution companies to be generated in favor of the Company in accordance with the tariff stabilization mechanism for customers subject to price regulation in accordance with Law No. 21.185 and supplementary provisions (Meetings No. 214 of September 24 and No. 215 of October 29).

5.18 Updated information about the submission of a complaint by the Superintendency of Electricity and Fuels to Guacolda Energía S.A. (Meeting No. 214 of September 24).

5.19 Information about the potential sale of the shares of El Aguila Energy, shareholder of Guacolda Energía SA (Meeting No. 214 of September 24).

5.20 Subscription of a revolving credit line for up to US\$250,000,000 (Meeting No. 215 of October 29).

5.21 Preliminary analysis and invitation to an extraordinary shareholders' meeting to be held on November 19, 2020 in order to submit to the shareholders the approval of the distribution of a contingent dividend (Meetings No. 215 of October 29 and No. 216 of November 5).

5.22 Possible submission by AES Colombia of electricity supply offers through the development of 3 solar self-generation complexes (Meetings No. 215 of October 29 and No. 216 of November 5).

5.23 Analysis of the bill on the prohibition of operation and closure of coal-fired plants by 2025 (Meeting No. 217 of November 16).

5.24 Participation of the subsidiary Andes Solar SpA in a tender process of the Ministry of National Assets for the award of concessions for value (Meeting No. 218 of November 18).

5.25 Review the updated information of the insurance program for 2021 (Meeting No. 219 of December 17).

5.26 Approval of the modification of the general Regularity Policy of the Company (Meeting No. 219 of December 17).

5.27 Approval of the schedule of meetings of the Committee of Directors for year 2021 (Meeting No. 219 of December 17).

III. OPERATION OF THE COMMITTEE OF DIRECTORS

(i) Approval of the Annual Report of the Committee of Directors for fiscal year 2019 (Meeting No. 204 of March 10).

(ii) Report on expenses incurred out of budget funds by the Committee of Directors during fiscal year 2019 (Meeting No. 204 of March 10).

IV. COMMITTEE EXPENSES.

In relation to the budget for 2020 of US\$25,000 approved by the Ordinary Shareholders' Meeting for the Committee of Directors, it is informed that the expenses incurred out of that budget in the period covered by this report, were as follows:

- Indecs Consulting
Analysis of the insurance market
GBP 6,971.25

- Claro y Cía.
Legal advice and opinion on the regularity policy
UF 226.75

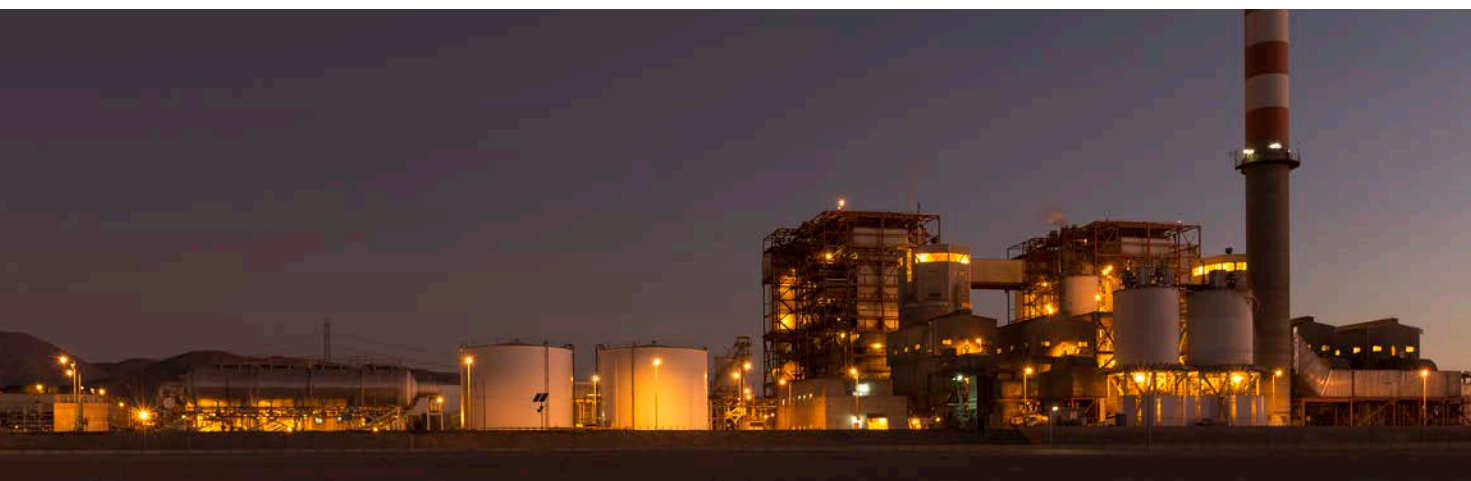
- PWC
Consulting services in transfer prices
UF 250

In accordance with the approval granted at the ordinary shareholders' meeting held on April 16, 2020, the Board of Directors of the Company at the meeting dated March 25, 2021 approved the aforementioned expenses out of the budget of the Committee of Directors.

V. RECOMMENDATIONS TO THE SHAREHOLDERS.

No new recommendations to shareholders have been considered for this year.

Santiago, March 25, 2021.



Schedule 5: Performance with our Stakeholders

GRI Indicator Tables

Labor Performance Tables

GRI TABLE 102-8: NUMBER OF PERSONS BY GENDER, BY COUNTRY WHERE THEY WORK

CATEGORY	ARGENTINA			CHILE			COLOMBIA			GRAND TOTAL		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Chief Executive Officer and Senior Officers	-	-	0	1	7	8	-	-	0	1	7	8
Director of Area	-	1	1	5	23	28	3	5	8	8	29	37
Manager - Deputy Manager	-	1	1	14	79	93	3	13	16	17	93	110
Head or Supervisor	-	16	16	20	166	186	1	10	11	21	192	213
Professional, Administrative, Technical Staff and Operators	3	27	30	108	707	815	27	69	96	138	803	941
Grand Total	3	45	48	148	982	1,130	34	97	131	185	1,124	1,309

GRI TABLE 102-8: NUMBER OF PERSONS BY AGE RANGE

CATEGORY	UNDER 30			BETWEEN 30 AND 50			OVER 50			GRAND TOTAL		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Chief Executive Officer and Senior Officers	-	-	0	-	5	5	1	2	3	1	7	8
Director of Area	-	-	0	8	17	25	-	12	12	8	29	37
Manager - Deputy Manager	-	-	0	13	70	83	4	23	27	17	93	110
Head or Supervisor	1	1	2	17	131	148	3	60	63	21	192	213
Professional, Administrative, Technical Staff and Operators	26	123	149	102	532	634	10	148	158	138	803	941
Grand Total	27	124	151	140	755	895	18	245	263	185	1,124	1,309

GRI TABLE 102-8: NUMBER OF PERSONS BY SENIORITY

CATEGORY	LESS THAN 3 YEARS			BETWEEN 3 AND 6 YEARS			BETWEEN 7 AND 9 YEARS			BETWEEN 10 AND 12 YEARS			BETWEEN 13 AND 20 YEARS			MORE THAN 20 YEARS		
	F	M	TOTAL	F	M	TOTAL	F	M	TOTAL	F	M	TOTAL	F	M	TOTAL	F	M	TOTAL
Chief Executive Officer and Senior Officers	1	3	4	-	2	2	-	-	0	-	2	2	-	-	0	-	-	0
Director of Area	6	7	13	1	10	11	-	4	4	-	1	1	1	2	3	-	5	5
Manager - Deputy Manager	4	16	20	6	25	31	1	17	18	3	7	10	2	17	19	1	11	12
Head or Supervisor	6	13	19	7	40	47	5	33	38	-	38	38	2	28	30	1	40	41
Professional, Administrative, Technical Staff and Operators	63	110	173	33	274	307	16	90	106	11	180	191	11	95	106	4	54	58
Grand Total	80	149	229	47	351	398	22	144	166	14	228	242	16	142	158	6	110	116

GRI TABLE 401-1: HIRING RATE (%) PER COUNTRY

CATEGORY	ARGENTINA			CHILE			COLOMBIA			GRAND TOTAL		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Chief Executive Officer	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Vice-President	0.00%	0.00%	0.00%	0.00%	16.67%	14.29%	0.00%	0.00%	0.00%	0.00%	16.67%	14.29%
Director	0.00%	0.00%	0.00%	20.00%	0.00%	3.57%	33.33%	0.00%	12.50%	25.00%	0.00%	5.41%
Manager	0.00%	0.00%	0.00%	7.69%	1.67%	2.74%	0.00%	0.00%	0.00%	6.67%	1.35%	2.25%
Assistant manager	0.00%	0.00%	0.00%	0.00%	5.26%	5.00%	0.00%	0.00%	0.00%	0.00%	5.26%	4.76%
Chiefs	0.00%	0.00%	0.00%	10.53%	3.60%	4.62%	0.00%	0.00%	0.00%	10.00%	3.20%	4.14%
Supervisors	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Professionals	0.00%	0.00%	0.00%	23.94%	9.43%	13.91%	17.65%	9.09%	12.82%	21.98%	9.24%	13.45%
Administrative staff	0.00%	0.00%	0.00%	15.00%	0.00%	7.69%	0.00%	25.00%	8.33%	10.71%	4.35%	7.84%
Technician	0.00%	0.00%	0.00%	0.00%	3.95%	3.70%	0.00%	0.00%	0.00%	0.00%	3.19%	3.03%
Operator	0.00%	0.00%	0.00%	28.57%	1.33%	1.82%	0.00%	0.00%	0.00%	22.22%	1.23%	1.68%
Grand Total	0.00%	0.00%	0.00%	17.57%	3.36%	5.22%	11.76%	3.09%	5.34%	16.22%	3.20%	5.04%

GRI TABLE 401-1 HIRING RATE (%) BY AGE

CATEGORY	<30			30 AND 50			>50			TOTAL GENERAL
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	TOTAL
Chief Executive Officer	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Vice-President	0.00%	0.00%	0.00%	0.00%	25.00%	25.00%	0.00%	0.00%	0.00%	14.29%
Director	0.00%	0.00%	0.00%	25.00%	0.00%	8.00%	0.00%	0.00%	0.00%	5.41%
Manager	0.00%	0.00%	0.00%	8.33%	161%	2.70%	0.00%	0.00%	0.00%	2.25%
Assistant manager	0.00%	0.00%	0.00%	0.00%	12.50%	11.11%	0.00%	0.00%	0.00%	4.76%
Chiefs	0.00%	0.00%	0.00%	11.76%	4.82%	6.00%	0.00%	0.00%	0.00%	4.14%
Supervisors	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Professionals	44.44%	40.91%	42.50%	17.91%	5.97%	9.95%	0.00%	0.00%	0.00%	13.45%
Administrative staff	100.00%	25.00%	40.00%	8.70%	0.00%	5.71%	0.00%	0.00%	0.00%	7.84%
Technician	0.00%	13.04%	12.00%	0.00%	2.70%	2.52%	0.00%	0.00%	0.00%	3.03%
Operator	40.00%	1.35%	3.80%	0.00%	1.45%	1.43%	0.00%	0.00%	0.00%	1.68%
Grand Total	40.74%	11.29%	16.56%	13.57%	2.91%	4.58%	0.00%	0.00%	0.00%	5.04%

GRI TABLE 401-1: TURNOVER RATE (% VOLUNTARY RESIGNATIONS) ON TOTAL

CATEGORY	ARGENTINA			CHILE			COLOMBIA			GRAND TOTAL		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Chief Executive Officer	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Vice-President	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Director	0.00%	0.00%	0.00%	20.00%	4.35%	7.14%	0.00%	0.00%	0.00%	12.50%	3.45%	5.41%
Manager	0.00%	0.00%	0.00%	7.69%	3.33%	4.11%	0.00%	0.00%	0.00%	6.67%	2.70%	3.37%
Assistant manager	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Chiefs	0.00%	0.00%	0.00%	0.00%	0.90%	0.77%	0.00%	0.00%	0.00%	0.00%	0.80%	0.69%
Supervisors	0.00%	0.00%	0.00%	0.00%	1.82%	1.79%	0.00%	0.00%	0.00%	0.00%	1.49%	1.47%
Professionals	0.00%	0.00%	0.00%	2.82%	2.52%	2.61%	11.76%	4.55%	7.69%	4.40%	2.72%	3.27%
Administrative staff	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Technician	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.69%	7.69%	0.00%	1.06%	1.01%
Operator	0.00%	0.00%	0.00%	0.00%	0.27%	0.26%	0.00%	0.00%	0.00%	0.00%	0.25%	0.24%
Grand Total	0.00%	0.00%	0.00%	2.70%	1.02%	1.24%	5.88%	3.09%	3.82%	3.24%	1.16%	1.45%

GRI TABLE 404-1: TRAINING HOURS BY ROLE AND GENDER

CATEGORY	WOMEN			MEN		
	Nr. of WORKERS	TOTAL TRAINING HOURS	AVERAGE OF TRAINING HOURS	Nr. of WORKERS	TOTAL TRAINING HOURS	AVERAGE OF TRAINING HOURS
Director of area	8	38	4,8	29	550	19
Manager - Deputy Manager	17	169	9,9	93	1134,5	12,2
Heads or Supervisors	21	366	17,4	192	3701	19,3
Chairman, Chief Executive Officer and Vice-presidents	1	11,5	11,5	7	69	9,9
Professional, Administrative, Technical Staff and Operators	138	1483,5	10,8	803	1285,5	15,1
Total	185	2068	11,2	1124	17540	15,6

CMF Questionnaire · Social Responsibility and Sustainable Development

TABLE: GRI 102-8: NUMBER OF PERSONS BY GENDER

CATEGORY	FEMALE	MALE	TOTAL
Members of the Board of Directors	1	11	12
Chief Executive Officer and Vice-presidents	1	7	8
Other Employees	184	1,117	1,301

TABLE: GRI 405-1: NUMBER OF PERSONS BY NATIONALITY

CATEGORY	CHILEAN	FOREIGNERS	TOTAL
Members of the Board of Directors	5	7	12
Chief Executive Officer and Vice-presidents	3	5	8
Other Employees	1,061	240	1,301

**Including workers from Chile, Colombia and Argentina*

TABLE: NUMBER OF PERSONS BY AGE RANGE

RANGES							
CATEGORY	<30 YEARS	30 AND 40 YEARS	41 AND 50 YEARS	51 AND 60 YEARS	61 AND 70 YEARS	>70 YEARS	TOTAL GENERAL
Members of the Board of Directors	0	0	4	3	4	1	12
Chief Executive Officer and Vice-presidents	-	1	4	3	-	-	8
Other Employees	151	517	373	223	37	0	1,301

TABLE: NUMBER OF PERSONS BY SENIORITY

RANGES							
	<3	3-6 YEARS	7-9 YEARS	10-12 YEARS	13-20 YEARS	>20 YEARS	TOTAL GENERAL
Members of the Board of Directors	4	5	1	1	1	0	12
Chief Executive Officer and Vice-presidents	4	2	-	2	-	-	8
Other Employees	225	396	166	240	158	116	1301

TABLE: GRI 405-2: PAY GAP PER GENDER

POSITION	PROPORTION (FEMALE/MALE)
Executives	81.7%
Professionals	84.0%
Technical and Administrative Staff	78.0%

Shareholder and Investor Relations

TABLE: MAJOR SHAREHOLDERS AS OF DECEMBER 31, 2020

CATEGORY	NO. OF SHARES AS OF DECEMBER 31, 2020	INTEREST
Inversiones Cachagua SPA	5,603,012,701	66.65%
Banco de Chile on behalf of Third Parties Ca	290,263,480	3.45%
Fondo de Pensiones Habitat	273,924,795	3.26%
Banco de Chile por Cuenta de State Street	261,295,070	3.11%
Banchile Corredores de Bolsa S.A.	218,436,752	2.60%
Fondo de Pensiones Provida	184,800,198	2.20%
Fondo de Pensiones Capital	182,350,924	2.17%
Banco Santander - JP Morgan	153,301,455	1.82%
Larraín Vial S.A. Corredora de Bolsa	143,160,055	1.70%
BTG Pactual Chile S.A. Corredores de Bolsa	99,699,756	1.19%
Cia. de Seg Vida Cons Nac de Seguros S.A.	90,548,314	1.08%
Consortio Corredores de Bolsa S.A.	73,877,077	0.88%
Total	7,574,670,577	90.11%
Other Shareholders	831,620,346	9.89%
Total Shareholders	8,406,290,923	100.00%

TABLE: SHAREHOLDERS PER TYPE AS OF DECEMBER 31, 2020

AS AT December 31, 2020			
TYPE OF SHAREHOLDER	NUMBER OF SHARES	NUMBER OF SHAREHOLDERS	INTEREST
Pension Fund	777,175,187	35	9.2%
Institutional Foreign	18,010,679	5	0.2%
Institutional National	7,571,036,269	181	90.1%
National Natural Person	40,063,528	1,498	0.5%
Foreign Natural Person	5,260	2	0.0%
Total	8,406,290,923	1,721	100.0%

TABLE: TRANSACTIONS IN SANTIAGO STOCK EXCHANGE

MONTH-YEAR	UNITS	AMOUNT (\$)	HIGHER	LOWER	MEDIUM	CLOSING
Jan-18	47,479,056	9,504,819,602	209,00	183,50	200,24	194,76
Feb-18	80,795,205	15,090,034,610	196,00	175,10	186,78	181,71
Mar-18	71,393,456	12,793,746,471	188,70	167,19	179,25	171,13
Apr-18	80,650,352	13,871,389,189	180,00	161,10	171,95	171,41
May-18	596,680,608	99,273,680,865	180,26	160,21	166,36	164,83
Jun-18	338,284,503	56,519,523,152	174,50	159,14	167,08	159,93
Jul-18	67,902,237	11,369,616,454	171,89	160,00	167,45	169,57
Aug-18	104,325,726	17,870,503,737	175,18	167,73	171,31	171,64
Sep-18	161,047,541	29,764,630,599	194,01	170,70	184,84	189,97
Oct-18	106,896,318	20,539,623,814	197,30	183,52	192,15	194,95
Nov-18	95,244,799	18,275,670,789	199,00	179,99	192,00	182,75
Dec-18	165,396,622	30,798,922,848	194,20	180,00	186,23	192,90
Jan-19	213,864,210	42,895,197,024	210,60	191,26	200,56	199,01
Feb-19	90,459,632	17,983,717,258	207,50	192,10	198,78	196,10
Mar-19	157,540,454	30,059,943,415	200,00	176,60	190,81	182,90
Apr-19	82,514,533	15,404,201,487	194,40	180,10	186,67	183,99
May-19	76,454,451	13,753,279,318	187,98	168,11	179,97	174,00
Jun-19	55,996,082	10,219,984,634	190,75	173,02	182,41	186,26
Jul-19	57,790,349	10,344,476,185	187,29	172,60	178,92	176,49
Aug-19	130,772,971	21,099,111,782	178,48	148,51	161,38	154,41
Sep-19	100,733,429	15,953,272,352	163,88	154,00	158,35	158,50
Oct-19	256,638,783	41,919,302,450	174,50	155,30	163,39	159,00
Nov-19	255,836,756	40,589,830,578	176,00	141,60	158,71	153,00
Dec-19	152,326,486	24,623,813,174	173,97	151,00	161,68	163,00
Jan-20	212,127,123	32,230,217,848	166,89	143,99	151,78	148,90
Feb-20	140,349,094	19,918,641,894	149,90	120,44	141,77	120,44
Mar-20	341,067,812	40,203,102,531	137,80	99,60	118,06	104,00
Apr-20	228,549,923	26,642,184,985	130,00	102,07	116,53	123,02
May-20	197,751,473	22,534,672,989	128,99	103,10	113,91	109,98
Jun-20	250,909,394	29,917,334,496	127,78	106,50	119,24	118,00

Cont. previous table.

MONTH-YEAR	UNITS	AMOUNT (\$)	HIGHER	LOWER	MEDIUM	CLOSING
Jul-20	314,681,621	38,470,547,143	129,80	115,10	122,25	129,80
Aug-20	248,803,832	32,289,910,023	142,00	121,60	129,72	126,49
Sep-20	197,376,007	24,217,828,549	130,00	117,00	122,72	121,00
Oct-20	169,456,585	20,502,023,817	129,10	113,10	120,92	120,00
Nov-20	340,242,526	42,788,718,753	138,10	112,00	125,83	135,00
Dec-20	228,413,845	28,083,062,824	136,50	115,83	122,98	117,80

TABLE: TRANSACTIONS IN SANTIAGO ELECTRONIC STOCK EXCHANGE

MONTH-YEAR	QUARTER	UNITS	AMOUNT (\$)	HIGHER	LOWER	MEDIUM	CLOSING
2018	1 st Quarter	6,152,108	1,164,209,902	207,90	175,20	189,24	178,00
2018	2 nd Quarter	44,897,604	7,452,211,824	178,20	160,27	166,94	164,76
2018	3 rd Quarter	9,467,087	1,630,847,610	191,02	164,80	172,26	191,00
2018	4 th Quarter	13,498,391	2,573,320,609	196,00	180,54	190,64	185,36
2019	1 st Quarter	9,862,382	1,965,372,881	209,28	178,49	199,28	178,49
2019	2 nd Quarter	6,932,386	1,274,212,472	193,99	170,86	183,81	186,76
2019	3 rd Quarter	9,964,621	1,654,096,735	187,80	150,31	166,00	157,96
2019	4 th Quarter	6,491,000	1,024,865,828	175,52	142,20	157,89	160,00
2020	1 st Quarter	10,930,435	1,499,630,787	163,80	101,37	137,20	104,00
2020	2 nd Quarter	16,502,544	1,964,618,794	128,49	104,99	119,05	116,57
2020	3 rd Quarter	29,844,630	3,737,360,833	139,80	116,00	125,23	120,18
2020	4 th Quarter	37,989,025	4,758,933,448	137,98	112,50	125,27	117,99

TABLE: MAJOR CHANGES TO THE OWNERSHIP OF THE COMPANY

TYPE OF SHAREHOLDER	NUMBER OF SHARES DECEMBER 2020	NUMBER OF SHARES DECEMBER 2019	VARIATION NUMBER OF SHARES
Fondo de Pensiones Capital	182,350,924	445,720,381	-263,369,457
Banco de Chile por cuenta de State Street	261,295,070	-	261,295,070
Banco Itaú por cuenta de Inversionistas	35,211,326	290,359,297	-255,147,971
Banco de Chile on behalf of Third Parties Ca	290,263,480	59,535,763	230,727,717
Fondo de Pensiones Hábitat	273,924,795	456,912,137	-182,987,342
Fondo de Pensiones Provida	184,800,198	351,742,129	-166,941,931
Banchile Corredores de Bolsa S.A.	218,436,752	110,642,834	107,793,918
Larraín Vial S.A. Corredora de Bolsa	143,160,055	47,323,243	95,836,812
Cia. de Seg. Vida Cons Nac. de Seguros S.A.	90,548,314	-	90,548,314
Fondo de Pensiones Cuprum	38,629,585	123,486,092	-84,856,507
Fondo de Pensiones Modelo	61,415,471	112,487,551	-51,072,080
BTG Pactual Chile S.A. Corredores de Bolsa	99,699,756	55,152,466	44,547,290
BCI Corredor de Bolsa S.A.	58,290,895	13,873,451	44,417,444
Consorcio Corredores de Bolsa S.A.	73,877,077	33,050,934	40,826,143
Bolsa de Comercio Stgo Bolsa de Valores	60,279,805	23,897,358	36,382,447

Schedule 6: Environmental Performance Tables

GRI Environmental Tables

Energy Consumption

GRI TABLE 302-1: GROSS ENERGY GENERATION AND ENERGY CONSUMPTION (MWh)

GROSS GENERATION	2017	2018	2019	2020
Argentina	4,392,407	4,254,336	4,297,915	4,172,021
Chile	21,069,961	20,566,744	20,375,296	19,487,593
Colombia	3,863,746	5,219,822	4,480,632	2,690,622
Total	29,326,114	30,040,902	29,153,843	26,322,138

ENERGY CONSUMPTION	2017	2018	2019	2020
Argentina	16,595	72,324	139,913	57,389
Chile	1,739,987	1,769,549	1,863,529	1,763,097
Colombia	1,795	1,993	8,976	10,261
Total	1,758,377	1,843,866	2,012,418	1,830,747

INTENSITY OF ENERGY CONSUMPTION (MWH CONSUMED/MWH GENERATED)	2017	2018	2019	2020
Total	0.0600	0,0614	0,0690	0,0695

Source: Developed in-house, data measured, reported and registered at AES Online. From 2017 to 2020, the information is verified by Deloitte Chile.

Greenhouse Gas (GHGs) Generation

GRI TABLE 305-1, 305-2, 305-3, 305-4 : GREENHOUSE GAS GENERATION

INDICATOR (SCOPE 1 Y 2)	2017	2018	2019	2020
Gross Generation (MWh)	29,326,113	30,040,902	29,153,843	26,348,216
Annual Scope 1 and Scope 2 Emission (tCO ₂ e)	18,589,987	17,736,886	17,630,250	17,318,524
Annual Scope 1 Emission (tCO ₂ e)	17,813,512	17,735,866	17,628,354	17,291,878
Annual Scope 2 Emission (tCO ₂ e)	776,475	1,020	1,896	26,646
Scope 1 and 2 Indicator (tCO ₂ e/MWh)	0,63	0,59	0,60	0,66
INDICATOR (SCOPE 3)	2017	2018	2019	2020
Trips of staff in airplane (tCO ₂ e)	680	370	512	276
Coal transport (tCO ₂ e)	2,759,952	1,465,048	1,317,943	1,716,480
Total Scope 3 Emissions (tCO ₂ e)	2,759,952	1,465,048	1,318,455	1,716,756
Intensity (tCO ₂ e/MWh)	0,094	0,048	0,045	0,065

Other gas emissions

GRI TABLE 305-7: PROGRESS OF AIR EMISSIONS (2017 - 2020)

	2017	2018	2019	2020
Gross Generation (MWh)	29,326,113	30,040,902	29,153,843	26,322,138
ANNUAL EMISSIONS	2017	2018	2019	2020
PM (t)	975	1,043	818	932
NO _x (t)	17,310	19,664	19,296	17,993
SO ₂ (t)	14,862	16,817	17,336	15,562
CO ₂ (t)	16,351,025	16,812,539	16,701,598	16,155,465
HG (kg)	68,38	67,07	53,15	62
INDICATORS	2017	2018	2019	2020
PM (kg/MWh)	0,033	0,035	0,028	0,035
NO _x (kg/MWh)	0,59	0,65	0,66	0,68
SO ₂ (kg/MWh)	0,51	0,56	0,59	0,59
CO ₂ (t/MWh)	0,557	0,559	0,57	0,61

Source: Developed in-house, data measured, reported and registered at AES Online. Measured in stack.

Water consumption

GRI TABLE 303-3, 303-4, 303-5: CONSUMING WATER CONSUMPTION BY TYPE OF SOURCE

	2017	2018	2019	2020
Gross Generation (MWh)	29,326,113	30,040,902	29,153,843	26,322,138
USE OF WATER (m³)				
SEAWATER				
Conveyance	1,649,470,398	1,754,473,246	1,637,408,892	1,765,902,013
Discharge	1,628,822,680	1,727,703,557	1,624,184,614	1,751,768,367
Consumption	20,647,718	26,769,689	13,224,278	14,133,646
CONTINENTAL WATERS				
Conveyance	-	-	-	-
Surface Water	8,920,152	5,737,510	243,481	230,006
Groundwater		-	5,264,096	5,072,737
Sanitary Drinking Water	639,914	676,903	330,084	243,498
Discharge	1,096,754	995,712	1,141,273	1,033,751
Consumption	8,463,311	5,418,701	4,650,283	4,512,491
TOTAL				
Conveyance	1,659,030,463	1,760,887,659	1,643,200,448	1,771,448,254
Discharge	1,629,919,434	1,728,699,269	1,625,325,887	1,752,802,117
Consumption	29,111,029	32,188,390	17,874,561	18,646,137
Intensity (m³/MWh)				
Conveyance	57	59	56	67
Discharge	56	58	56	67
Consumption	1	1	1	1

Industrial waste generation

GRI TABLE 306-2 GENERATION OF INDUSTRIAL SOLID WASTE

TYPE OF WASTE	2017	2018	2019	2020
Coal Combustion Products	1,322,074	1,517,725	1,504,144	1,434,380
Reuse of Coal Combustion Products (CCP) (t)	29,941	32,963	28,984	33,284
Reuse of CCPs with respect to total CCPs (%)	2.3%	2.2%	1.9%	2.3%

ANNUAL GENERATION OF WASTE CLASSIFIED ACCORDING TO TYPE

TYPE OF WASTE	2017	2018	2019	2020
Gross Generation (MWh)	29,326,113	30,040,902	29,153,843	26,348,216
WASTE GENERATION				
Fly ash and gypsum (t)	1,164,721	1,300,571	1,279,107	1,223,703
Bottom ash (t)	157,353	217,154	225,038	210,678
Coal Combustion Products	1,322,074	1,517,725	1,504,144	1,434,380
Coal Combustion Products (t/GWh)	45	51	52	54
Hazardous waste (including used oil) (t)	961	692	520	454
Hazardous waste (including used oil) (t/GWh)	0,033	0.023	0.018	0.017
Non-Hazardous Waste (t)			2,987	4,055*
Non-Hazardous Waste (t/GWh)			0.100	0.154

*During the year there was an increase in the volume of non-hazardous waste generated mainly by the works carried out for the improvement of facilities and the construction of the charging station for electric buses in Ventanas Plant.

Biodiversity Management

GRI TABLE 304-2: BIODIVERSITY MANAGEMENT PLANS

OPERATIONAL UNIT	RELATED IMPACTS	DESCRIPTION OF ACTION PLAN
Angamos and Cochrane (Chile)	Impact on the species in conservation category <i>Sterna Lorata</i> , also known as <i>Gaviotín Chico</i> or <i>Chirrio</i> .	Protection of the species through <i>Fundación del Gaviotín Chico</i> , a public-private association, to reconcile industrial development with the conservation and protection of the <i>Gaviotín</i> , which is considered as a cultural heritage of Mejillones.
Ventanas (Chile)	The main impact of El Pangué ash dump, located in the Commune of Puchuncaví, is the modification of the habitat and damage to the flora and fauna species.	Rescue and relocation of low mobility fauna, staff training, enrichment of native forest, through the creation of recovery vegetation areas (ARV, for its acronym in Spanish).
AES Colombia (Colombia)	Damage to the habitat associated with the construction of the plant.	Protection of this natural reserve zone through three rangers who make daily walks with the purpose of safeguarding the fauna and flora of the area. Additionally, we perform biodiversity inventories in collaboration with <i>Instituto de Ciencias Naturales from Universidad Nacional de Colombia</i> . During 2019, we worked on the publication of the guide " <i>Usos tradicionales No Maderables de las plantas de Santa María – Boyaca</i> ", which as of 2020 is available in digital format (link).
Alto Maipo (Chile)	Damage to the habitat associated with the construction of the plant	Plant Nursery to rescue the genetic material and reproduce native species of the area, revegetation plans, vegetation restoration, reforestation, and relocation, rescue or relocation of low-mobility fauna, and hunting ban.
Los Olmos	Damage to the habitat associated with the construction of the plant.	Plans to transfer low mobility fauna (controlled disturbance), hunting ban, prohibition of removal of nests/offspring, and reforestation plans.

GRI TABLE 304-1, 304-3: AREAS OF HIGH BIODIVERSITY VALUE

BUSINESS WITH BIODIVERSITY MANAGEMENT PLAN	ATTRIBUTES OF THE CONSERVATION AREA	TOTAL SURFACE	SURFACE MANAGED BY AES GENER	DESCRIPTION AES GENER INITIATIVE
<p>Angamos Cochrane</p>	<p>The bay of Mejillones and its plateau is one of the most important nesting places of the <i>sterna lorata</i> species, also known as <i>Gaviotín Chico</i> and <i>Chirrió</i>.</p>	<p>Allocation of 6 sites for the protection of the <i>Gaviotín Chico</i>. The Foundation has managed a total of 4,827 hectares.</p>	<p>The Ministry of National Assets awarded two protected areas to the Foundation as a "Gratuitous Concession for Preservation Purposes" called "Pampa Gaviotín 1 and 2" with a total of 2,027 hectares. On 2020, we started the process to build of a Nature Sanctuary in the Hornitos – Hualala sector, with an area of 2,800 ha for the protection of colonies of <i>Gaviotín chico</i> and other species that inhabit the place.</p>	<p>We are members of the Foundation for the Sustainability of the <i>Gaviotín Chico</i>, which is the first experience in Chile with the participation of public and private organizations, whose purpose is to contribute to the conservation of an endangered bird, <i>Sterna Lorata</i>, in a manner consistent with the industrial development of Mejillones.</p>
<p>AES Colombia</p>	<p>The Cuchillas Negras and Guanaque Integrated Management Regional District (DRMI, for its acronym in Spanish) is a protected area registered in the Registry of Areas Protected by the regional environmental authority, <i>Corporación Autónoma Regional de Chivor</i>.</p>	<p>32.000 hectares</p>	<p>AES Colombia has a natural reserve of 1750 hectares.</p>	<p>This reserve is located in the area called "Very Humid Tropical Forest", which has been kept in natural regeneration by Chivor Hydroelectric Power Plant for more than 45 years.</p>

GRI TABLE 304-4: MAIN SPECIES IN CONSERVATION CATEGORY WHOSE HABITATS ARE LOCATED IN AREAS AFFECTED BY OPERATIONS

AFFECTED FLORA OR FAUNA SPECIES	CATEGORY OF CONSERVATION ACCORDING TO REGULATIONS FOR CLASSIFICATION OF WILD SPECIES	CONSERVATION MEASURE	STATE WHETHER IT IS A COMMITMENT/ ENVIRONMENTAL QUALIFICATION RESOLUTION/ REGULATIONS
Gaviotín Chico (<i>Sterna lorata</i>)	Endangered	Preservation of nest-building sites, monitoring and follow-up	Yes
Lagartija Lemniscata (<i>Liolaemus lemniscatus</i>)	Vulnerable	Rescue and relocation, monitoring and follow-up.	Yes
Chilean mouse opossum (<i>Thylamys elegans</i>)	Rare	Rescue and relocation, monitoring and follow-up.	Yes
Chagual (<i>Puya chilensis</i>)	Least Concern	Vegetation Recovery Areas (ARV).	Yes

Study of climate change scenarios for AESGener

(a) Physical Hazards

Beyond the discussion about the causes of climate change, there are countless surveys and proofs that suggest that the existence of this phenomenon is undeniable. Climate change is mainly characterized by a progressive increase of yearly average temperatures in the atmosphere and oceans, the occurrence of extreme phenomena, which are increasingly frequent and intense, including, without limitation swells, rains in unusual places or out of season, increase in the surface temperature of the sea, forest fires, boulders and landslides, and floods.

During 2018 we worked on the identification of physical risks for our operations associated with climate change, During 2019 and 2020, we made progress on the climate change adaptation strategy, in a first stage by reviewing and updating emergency plans for our facilities.

The main risks identified include hot spells, unusual rainfall, droughts, snowfalls, alluvions and runoffs, increased sediment, groundswell, and increase in ocean temperature.

(b) Regulatory risks

The most important AES Gener executives who are responsible for the Operations, Finance, Trade, and Development Departments are involved in the design of strategies to minimize the impacts of climate change on our business. Monthly meetings are held to analyze and monitor the mitigation and adaptation initiatives that are being developed in the countries where we operate, the major trends in this field around the world, and their impact on our business.

Climate change brings about financial risks that we have tried to identify and mitigate. Those risks include taxes on CO₂ emissions, possible costs of CO₂ capture

equipment, and cost overruns due to renewable energy goals.

Law 21,210, issued on February 2020, updated the so-called "Tax Reform" (Law 20,780) and did not modify the price costs of CO₂ emissions (5 US\$/tCO₂), but included the option to offset the amount of taxes through reduction projects that prove to be measurable, verifiable and permanent as of January 1, 2023. As a result, our future projects will be evaluated considering a possible reduction in the tax burden.

During 2020, the company continued to participate in the climate change adaptation table promoted by the Ministry of Energy, which aims to share experiences implemented in Chile from the public and private spheres to jointly define actions and promotion instruments in order to implement lines supporting the climate change adaptation process in the sector.

(c) Risks related to water resource availability

In Chile, climate change brings about new challenges. In large areas of the country this change is evidenced as a reduction in rains and in the availability of water at underground aquifers, in addition to the retreat of glaciers, which sometimes can generate an increase in the availability of water in glacial rivers.

Alto Maipo project has monitored the evolution of glaciers in the basin where it is inserted, including all the glaciers present within El Morado Natural Monument and those belonging to El Morado Priority Site that share the basin delimitation with the Natural Monument. The investigations proved that there was an overall retreat of glaciers in the area of study and arrived at the conclusion that this behavior is part of a progressive process observed since several decades ago at the beginning of Alto Maipo Hydroelectric Project. In addition, the results show a decrease in average glacier albedo,

especially since 2008, a period that overlaps the water scarcity in the sector. In June 2020, the General Water Board expressed agreement with the conclusions of this study and, being aware of this, we managed the use of this resource through the implementation of specific projects aimed at optimizing consumption of water of continental origin, and by searching other industrial uses for our water discharges, such as its recirculation or use for irrigation purposes.

While seawater might seem to be an inexhaustible resource, energy is required for the desalination process; therefore, we have made important efforts to reduce them. This was the framework for the implementation of the Reverse Osmosis ("RO") Desalination Plant at Angamos Plant in a more efficient manner. This new plant replaced the previous Thermal Vapor Compression ("TVC") Desalination Plant. Moreover, in Angamos, we considered a system of cooling towers (closed system) that allows us to use 90% less water, as compared with an open system.

In relation to our new line of business related to the commercialization of water coming from the desalination process of the existing plants (such as adjacent projects), during 2020 the project "Optimization and Operational Independence of Ventanas Desalination Plant", which has not been built yet, underwent the environmental assessment and was approved under RCA 24/2019. Optimization will be achieved through adjustments to the pre-treatment system and the incorporation of a remineralization system as post-treatment. This will bring, among other improvements, greater reliability and availability of the desalination plant and the production of industrial desalinated water suitable for purification purposes.

In addition, we started environmental studies for the development of a desalinated water pipeline project or an equivalent type from the commune of Puchuncaví, in the Region of Valparaiso, to the commune of Tiltil in the Metropolitan Region, with a maximum capacity of 1000 l/s for distribution and sale to third parties.



Risks related to Water

[303-2]

As the availability of water in quantity and quality is essential for our businesses, we use large quantities of water from different sources for the refrigeration processes of the electric generation plants, among other uses.

Although most of the water we use comes from the sea, and there is no significant competition with other users of continental fresh water, unless some appropriate precautions are taken, our demand of drinking and continental water can even compete with the use of water for other purposes (human and animal consumption, irrigation, tourism, and ecology) with the ensuing negative

impact on our businesses. Considering population growth, their economic development, and climate change, the future trend is an increased demand of water by other users.

Consistent with how relevant it is for us to have water available, and in accordance with our Environmental Policy that promotes the efficient use of natural resources, we carefully monitor water consumption and organize campaigns and projects intended to reduce water consumption.



Sanction Procedures brought by the SMA

The detail of the sanction procedures started by the SMA that are still pending is as follows:

On October 01, 2019, the SMA gave notice to AES Gener S.A., Ventanas Plant, of the initiation of a sanction procedure for failure to comply with certain requirements contained in RCA 1632/2006 and RCA 275/2010, mainly associated with an excess in the gross generation limits established for Nueva Ventanas and Campiche Plants, failure to comply with the provisions of the Operational Action Plan for Nueva Ventanas Plant concerning the critical episodes of SO₂, excess in the maximum emission limits established in the Supreme Decree No. 90/2000, associated with discharges of liquid waste to surface marine and continental surface water in certain parameters and specific periods and excess of the maximum sound pressure levels established in Supreme Decree No. 38/2011, as from a recategorization of the receiver area. In accordance with the regulations in force, on October 28, 2019, the Company submitted a "Compliance Program" to the SMA. After correcting some observations of the SMA, we submitted a Consolidated Compliance Program on December 7, 2020. The program is being reviewed by the authority, with no further comments so far. The program initially submitted considers an investment of US\$11,051,386 in improvements that allows us to seal all the gaps identified in the procedure.

Subsequently, on October 14, 2019, the SMA notified Guacolda Energía S.A. of the initiation of a sanction procedure for failure to comply with certain requirements contained in RCA 191/2010, RCA 236/2007, RCA 44/2014 and RCA 56/2006, RCA 249/2008, mainly associated with unsatisfactory compliance with some measures established to mitigate air emissions, unsatisfactory compliance with some mitigation measures established

to prevent discharge of solid fuels to the sea and diffuse emissions, failure to adequately monitor water inlet and discharge for Unit 3 in a temperature parameter and exceeding the maximum discharge flow rate of ILW authorized in Unit 2, on a specific date. In accordance with the regulations in force, on November 13, 2019, the Company submitted a "Compliance Program" to the SMA. After some observations by the authority, on July 6, 2020 Guacolda submitted a consolidated Compliance Program approved by the SMA on August 28, 2020. The program is being implemented and executed by Guacolda at this time. The program initially presented considers an investment of US\$2,336,882 in improvements that allows us to seal all the gaps identified in the procedure.

On January 26, 2017, the SMA informed Alto Maipo SpA about the initiation of a sanction procedure for breach of certain requirements contained in the environmental permit (RCA 256/2009), which has granted favorable qualification to Alto Maipo Hydroelectric Project. Those breaches are mainly associated with flora and vegetation management, vehicle transit, sewage disposal, and control of the upwelling waters during the construction of the tunnels of the project. According to the current regulations, on February 16, 2017 we submitted a "Compliance Program" to the SMA, which after a series of observations made by the authority that were duly corrected, was finally adopted on April 6, 2018 and subsequently amended by means of a Resolution issued on March 26, 2019. The Program considered an investment of US\$43,307,398 in improvements that will allow us to seal all the gaps identified in the procedure. This Program has been implemented since its approval, and we have presented the relevant progress reports in order to prove compliance with all the new commitments assumed in the program.

Relevant new environmental standard



On July 23, 2020, Resolution No. 13 of the Ministry of Environment, which approved the Operational Plan of AES GENER S.A. Ventanas Thermoelectric Complex, was approved under the scope of the implementation of a Prevention and Decontamination Plan of the Communes of Concón, Quinteros and Puchuncaví (Supreme Decree N°105/2018).

During the year, several SMA instructions were published to instruct in the fulfillment of the new obligations of the companies, in relation to their RCA or with the compliance of PPDA, PDA or emission standards in general, within which we should mention three new instructions. Resolution Ex. 252 of the SMA, dated February 10, 2020, which approves the Technical Instructions for the online connection with the SMA

information systems and which is 100% implemented for our units with CEMS in the stack. Moreover, the SMA published Res. Ex. N2452, dated December 10, 2020, which approves the protocol for the connection and reporting of operational variables, which is intended to monitor variables such as fuel flow for those processes that have no CEMS so far. The plants that will now report the operational variables to the SMA on an online basis will be Laguna Verde y Laja, which must be completed by the end of the third quarter of 2021.

During the period, Exempt Resolution No. 1180/2020 of the General Water Board of the Region of Valparaiso, dated July 7, 2020, was approved. Such provision requires the holders of groundwater exploitation rights, whose collection points are located in the municipalities

therein mentioned, including Puchuncaví, to install and maintain Monitoring and Transmission Systems for Effective Extractions (MEE).

Finally, Supreme Decree No. 53/2020 issued by the Ministry of Public Works, and published on October 15, 2020, which “Approves the Regulations for Monitoring of Effective Surface Water Extractions”. This standard establishes the obligation to install and maintain a Measurement and Transmission System that allows to control, calibrate and report the water extracted by Water Users from a natural current. In addition, Water Users of non-consuming surface water rights must install a measurement system at the return point.

Regarding these three new regulations, the online connections referring to the CEMS of the AES Gener Power Plants have been implemented and are working. Moreover, we are working to fully comply with the groundwater and surface water connection systems, in accordance with the deadlines established by the authority.

During 2020, we are reviewing the following environmental standards:

1. Supreme Decree 13, Emission Standard for Thermoelectric Power Plants. In February 2020, we started the review process and created the Operating Committee during the year.
2. Supreme Decree 38, Ambient Noise Standard. In 2019, we started the review process and during 2020 we created the Operating Committee.
3. Supreme Decree 90, ILWs Emission Standard The review process takes several years. Early in 2021 we submitted a preliminary draft for consultation and review.
4. Supreme Decree 43, Light Standard. We started the review process and during 2020 we created the Operating Committee.
5. Green Tax Offset Regulations, at the end of 2020 we started with the process of preparing the Regulations that will allow us to offset the emissions affected by green taxes.

Schedule 7: Background Information about Subsidiaries and Affiliates

Background information about Related Companies as of December 31, 2020

AES Chivor & CIA SCA ESP

Legal nature: Partnership Limited by Shares (Foreign)
 Address: Av. Calle 100 No. 19-54, office 901, Bogotá,
 Colombia Phone: (57 1) 4079555
 Fax: (57 1) 6427311

Corporate Purpose: Generation and commercialization of electric power. For the development of its main purpose, the acquisition, construction, operation, maintenance and commercial operation of existing or new generation plants as well as bringing forward all types of self-generation, cogeneration or distributed generation projects.

Capital and Shares: Paid-in capital: COP\$ 233,736,958,964

Number of Subscribed and Paid Shares: 222,818,836
 Interest: 99.98% indirectly through Norgener Foreign Investment SpA. (222,769,668) and AES Gener S.A. (1 share)

Chief Executive Officer: Federico Echavarría

Staff: Technicians: 58, administrative staff: 10, professionals: 44, executives: 19.

Members of the Board of Directors

Regular Directors: Ricardo Manuel Falú (1), Julián Nebreda (3), Scarlett Maria Alvarez Uzcategui, Letitia Dawn Mendoza and María Paz Cerda (6)

Alternate Directors: Ricardo Roizen Gottlieb (2), Vicente Javier Giorgio (4), Filho Ítalo Tadeu De Carvalho Freitas, Ricardo Silvarinho (7) and Jorge Leonardo Amiano Goyarrola

AES Chivor S.A. (Managing Partner of AES Chivor & CIA SCA E.S.P.)

Legal nature: Corporation (Foreign)
 Address: Av. Calle 100 No. 19-54, office 901, Bogotá,

Colombia
 Phone: (57 1) 4079555
 Fax: (57 1) 6427311

Corporate Purpose: Subscription, acquisition, disposition or investment in securities, shares, convertible bonds and all kinds of fixed income securities; investment in other companies; investment in all kinds of goods required to comply with its purpose; participation as partner of other entities, or capital contributions, acquisition or holding of shares and obligations of other companies. The possibility of guaranteeing and securing obligations of third parties and their own shareholders is excluded.

Capital and Shares: Paid-in capital Col\$120,000,000

Number of Subscribed and Paid Shares: 120,000

Interest: 98.12% directly and indirectly through Norgener Foreign Investment SpA (with an interest of 50.625%) and AES Gener S.A. (with an interest of 47.5%) Shareholders: AES Gener S.A. (57,000 shares) Norgener Foreign Investment (60,750 shares); Empresa Eléctrica Ventanas SpA (750 shares); Jason Dutil (750 shares); Norgener Inversiones SpA (750 shares).

Alto Maipo SpA

Legal nature: Stock Corporation
 Tax Id. (RUT) number: 76170761-2
 Address: Rosario Norte 532, 19th floor, Las Condes, Santiago, Chile
 Phone: (56 2) 26868900
 Fax: (56 2) 26868990

Corporate Purpose: Generation, transmission, purchase, sale and distribution of electric energy and power anywhere in the country or abroad; execution and exploitation of civil, hydraulic or other infrastructure works; investment in all kinds of movable property and real estate; participation in all kinds of public tenders

and bids, whether public or private; provision of integral consultancy services.

Capital and Shares: Paid-in capital: US\$550,243. 737,8
 Number of Subscribed and Paid Shares: 76,502,374 subscribed and paid shares
 Interest: 93,12% indirectly through Norgener Renovables SpA
 Chairman of the Board: Marcelo Tokman Ramos.
 Directors: Marcelo Tokman Ramos, Ricardo Falú (1) and Javier Giorgio (4)
 Alternate Directors: Javier Dib, María Paz Cerda (6) and Ricardo Roizen Gottlieb (2)
 Chief Executive Officer: Luis Urrejola Martelli
 Staff*: Technical and Administrative Staff: 3; Professionals: 54

Andes Solar SpA

Legal nature: Stock Corporation
 Tax Id. (RUT) number: 76579067-0
 Address: Rosario Norte 532, 19th floor, Las Condes, Santiago, Chile
 Phone: (56 2) 26868900.
 Fax: (56 2) 26868990

Corporate Purpose: Electric power generation; supply, transmission, assembly and exploitation of electric power equipment and plants, whether owned or otherwise exploited by the Company; construction, installation and exploitation of electric power generation equipment and plants, whether owned or otherwise exploited by the Company; purchase, sale, import, export, processing, production, marketing and distribution to all kinds of services, goods or inputs related to the energy business, and investments in relation to them; provision of all kinds of energy services; to make and develop all kinds of investments relating to all types of property, movable or immovable, tangible or intangible, including their exploitation, commercialization and administration, related to electric power generation; create and participate in other companies, whether they be subsidiaries or affiliate, of any kind and nature whose purpose is related to electric power generation. In general, to execute all kinds of acts and to enter into all contracts that are necessary for the performance of the purpose of the Company or the development of its business, being able to carry out all the activities related to the purposes mentioned above or that are related to its business.

Capital and Shares: Capital US\$33,248,193.59
 Number of Subscribed and Paid Shares: 112,251 subscribed and paid shares; 65,759 subscribed and pending payment shares
 Interest: 100% indirectly through Norgener Renovables SpA
 Managing Director: Norgener Renovables SpA
 Chief Executive Officer: Ricardo Falú (1)
 Regular Directors: Ricardo Falú (1), Julián Nebreda (3) and Javier Dib.
 Alternate Directors: María Paz Cerda (6), Javier Giorgio (4) and Ricardo Roizen Gottlieb(2).

Compañía Transmisora Angamos SpA

Legal nature: Stock corporation
 Tax Id. (RUT) number: 76680114-5
 Address: Rosario Norte 532, 19th floor, Las Condes, Santiago, Chile
 Phone: (56 2) 26868900

Corporate Purpose: Manage, develop and exploit all kinds of electricity transport or transmission systems, on its own behalf or on behalf of third parties, either owned by the Company or third parties; being able to such effects to get, acquire and enjoy the relevant concessions and permits and to exercise all the rights and granted to electricity companies by the current laws.

Capital and Shares: Capital US\$10,000
 Number of Subscribed and Paid Shares: 10,000
 Interest: 100% indirectly through Empresa Eléctrica Angamos SpA
 Chief Executive Officer: Vicente Javier Giorgio
 Regular Directors: Javier Giorgio, Ricardo Falú, Luis Knaack
 Alternate Directors: Alberto Zavala, Javier Dib, Osvaldo Ledezma

Compañía Transmisora del Norte Chico S.A.

Legal nature: Corporation
 Tax Id. (RUT) number: 99588230-2
 Address: Rosario Norte 532, 19th floor, Las Condes,

Santiago, Chile
Phone: (56 2) 26868900

Corporate Purpose: Manage, develop and exploit all kinds of electricity transport or transmission systems, on its own behalf or on behalf of third parties, either owned by the Company or third parties; being able to such effects to get, acquire and enjoy the relevant concessions and permits and to exercise all the rights and granted to electricity companies by the current laws.

Interest: 50.01% indirectly through Guacolda Energía SpA

Chief Executive Officer: Vicente Javier Giorgio

Regular Directors: Javier Giorgio, Ricardo Falú, Manuel Pérez Duboc, Jonathan Bram, Thomas Frazier, Randal Robertson
Alternate Directors: Alberto Zavala, Marcelo Aicardi, Ricardo Roizen, Patricio Chico, Robert Callahan, William Gutterman.

Compañía Transmisora

La Cebada S.A.

Legal nature: Corporation

Tax Id. (RUT) number: 76729711-4

Address: Rosario Norte 532, 19th floor, Las Condes, Santiago, Chile

Phone: (56 2) 26868900

Corporate Purpose: Exploitation and development of its own or third-party electrical systems intended for the transport, transmission and transformation of electrical energy, whether within the country or abroad, including acquisition thereof. For such purposes, it may obtain, acquire or enjoy the relevant concessions, permits and authorizations, as well as exercise the rights and powers granted to electricity companies by the current laws to market the transport capacity of lines and transformation of associated substations and equipment, in order that the generating plants, both domestic and foreign, can transmit the electricity they produce and reach their consumption centers; develop other commercial and industrial activities related to the exploitation of the infrastructure allocated to transmission of electricity; render all kinds of services and advice in the fields of

engineering and design, construction, maintenance and operation of transmission systems for third parties, and any other activities related to its corporate purpose; create or participate in all kinds of companies, associations, corporations or institutions, being able to act directly or through such companies, both in the country and abroad.

Capital and Shares: Paid-in capital: CLP5.251.131.052

Number of Shares: 5,251,131,052 subscribed and paid shares

Interest: 100% indirectly through Parque Eólico Los Cururos SpA.

Chief Executive Officer: Javier Dib

Directors: Ricardo Falú (1), Julián Nebreda (3) and Javier Dib.

Empresa Eléctrica Angamos SpA

Legal nature: Stock Corporation

Tax Id. (RUT) number: 76,004,976-K

Address: Rosario Norte 532, 19th floor, Las Condes, Santiago, Chile

Phone: (56 2) 26868900

Fax: (56 2) 26868990

Corporate Purpose: Generation, purchase, sale and distribution of electric or any other kind of energy, in any area of the country or abroad; extraction, distribution, commercialization and exploitation, in any form, of solid, liquid and gaseous fuels; sale and provision of maintenance and machinery engineering services; rental, construction or acquisition and any kind of exploitation of docks or ports, and performance productive and commercial activities related or complementary to the businesses mentioned above.

Capital and Shares: Paid-in capital: US\$ 59,343,879.98

Number of Issued and Paid Shares: 22,150,749,834

Interest: 5.18% directly and 94.82% indirectly through Norgener Inversiones SpA.

Chairman of the Board: Ricardo Falú (1)

Regular Directors: Ricardo Falú (1), Julián Nebreda (3) and Javier Dib.

Chief Executive Officer: Ricardo Falú (1)

Staff: Technical and Administrative Staff: 65; Professionals: 42.

Empresa Eléctrica Cochrane SpA

Legal nature: Stock Corporation
 Tax Id. (RUT) number: 76085254-6
 Address: Rosario Norte 532, 19th floor, Las Condes, Santiago, Chile
 Phone: (56 2) 26868900

Corporate Purpose: Generation, purchase, sale and distribution of electric or any other kind of energy, in any area of the country or abroad; extraction, distribution, commercialization and exploitation, in any form, of solid, liquid and gaseous fuels; sale and provision maintenance and machinery engineering services; rental, construction or acquisition and any kind of exploitation of docks or ports, and performance of any other productive and commercial activities related or complementary to the businesses mentioned above.

Capital and Shares: Paid-in capital: US\$145,396,594.16
 Number of Shares: 436,163,745 subscribed and paid shares
 Interest: 60% indirectly through Inversiones Cochrane SpA.
 Chairman of the Board: Ricardo Manuel Falú (1)
 Regular Directors: Ricardo Falú (1), Julián Nebreda (3), Ricardo Roizen Gottlieb (2), Yanggwi Hwang y Bong Hee Lee; Alternate Directors: María Paz Cerda (6), Javier Giorgio (4), Marcelo Aicardi (8), Dai Soo Lee and Geahoon Lee.
 Chief Executive Officer: Javier Dib.

Empresa Eléctrica Ventanas SpA

Tax Id. (RUT) number: 96814370-0
 Address: Rosario Norte 532, 19th floor, Las Condes, Santiago, Chile
 Phone: (56 2) 26868900

Corporate Purpose: Investment in all kinds of personal or real property; provision of professional advice, investment in all kinds of intangible property, in particular purchase and sale of bonds, securities and all kinds of commercial papers, shares and rights in national

or foreign companies, and in urban and country real properties, including their management, exploitation, and the collection of proceeds therefrom; participation in the creation of companies of any kind and incorporation into existing companies; participation in all kinds of bidding procedures, privatizations, tenders and proposals, whether public or private; provision of overall advisory services, including financial, business, technical and legal advisory services; generation, purchase, sale and distribution of electrical or any other kind of energy, in any area of the country or abroad; extraction, distribution, commercialization and exploitation, in any form, of solid, liquid and gaseous fuels; sale and provision maintenance and machinery engineering services; rental, construction or acquisition and any kind of exploitation of docks or ports, and performance of any other productive and commercial activities related or complementary to the businesses mentioned above; and any other act, contract, business and management related to the above as may be agreed by the shareholders.

Capital and Shares: Paid-in capital: US\$38,222,594.4
 Number of Subscribed and Paid Shares: 51.
 Interest: 100% directly and indirectly through Norgener Inversiones SpA
 Chairman of the Board: Ricardo Falú (1)
 Directors: Ricardo Falú (1); Ricardo Roizen Gottlieb (2) and Javier Dib.
 Chief Executive Officer: Ricardo Falú (1)

Energen S.A.

Legal nature: Corporation (Foreign)
 Address: Carlos Pellegrini 1023, 9th floor, C1009ABU, City of Buenos Aires, Republic of Argentina
 Phone: (54 11) 4000-2300

Corporate Purpose: The purpose of the Company is to carry out the following activities on its own behalf, on behalf of or associated with third parties: (i) purchase and wholesale of electric power produced by third parties and to be consumed by third parties; (ii) import, export, consignment, brokerage and marketing of electric power in Argentina and/or abroad; (iii) any type of procedure and/or activity related to the generation, transport and

distribution of electrical power; (iv) marketing of any kind of fuel. For this purpose, the Company may carry out all such complementary and subsidiary activities that are linked to its corporate purpose. For that purpose, it has full legal capacity to acquire rights and to enter into obligations and to exercise and enter into all legal acts, contracts and businesses, whether nominated or otherwise, and recognized in the legislation in force in our country or abroad that are not prohibited by the laws or this By-laws.

Capital and Shares: Paid-in capital: AR\$ 164,450
 Number of Issued and Paid Shares: 114,450
 Interest: 64.42% directly and 34.58% indirectly through Gener Argentina S.A.
 Chairman of the Board: Martín José Genesio
 Regular Directors: Vicente Javier Giorgio(4) and Fabian Carlos Giammaria
 Alternate Directors: Rubén Néstor Zaia, Guillermo Daniel Paponi, Ivan Diego Durontó

Energía Eólica Curauma SpA

Legal nature: Stock Corporation
 Tax Id. (RUT) number: 76967596-5
 Address: Rosario Norte 532, 19th floor, Las Condes, Santiago, Chile
 Phone: (56 2) 26868900

Corporate Purpose: The purpose of the Company will be: to develop in the wholesale electric energy market the production of electrical energy and to inject such production into the National Electrical System; as far as commercialization is concerned, to purchase electrical energy and resell it to electrical power distributors or end users/non-regulated customers; to build, install, operate, exploit, maintain and manage thermal or hydraulic or the so-called Non-conventional Renewable Energy (NCRE) generation assets; to acquire, lease or enter into any other legal act relating to the incorporation of thermal, hydraulic and NCRE generation assets; to acquire, lease or enter into any other legal act relating to third-party power generation projects; to operate, exploit, maintain and administer power generation assets acquired to third parties; to market surplus energy from our own or contract

Non-Conventional Renewable Energy Sources to prove compliance with the obligation referred to in Article 150 bis of Law 20,257; to market electrical energy and its associated power with other generating companies; to acquire, build, implement, operate, maintain and exploit of all kinds of goods and electrical energy generation facilities; to design, develop, manage and/or execute of all types of engineering, energy, architecture and other specialty projects related to electricity generation; to acquire, operate and transfer concessions for electrical, telecommunications, telephone, telegraphy, telex and data transmission and radio communication services; to build, install, exploit and maintain power generation stations of any kind for sale to third parties; to build one or more power generation plants of any kind to sell its production to generators, distributors or end users; to provide advice on the wholesale electricity market; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts, relating to all types of personal or real, tangible or intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to above; to increase or reduce power through the acquisition or disposition of generation assets of any kind; to perform all acts and any other activity related to or not related to the above matters that the partners may decide to carry out.

Capital and Shares: Paid-in capital: US\$1,000
 Number of Subscribed and Paid Shares: 1,000
 Interest: 100% indirectly through Norgener Renovables SpA
 Chief Executive Officer: Ricardo Falú (1)

Energía Eólica Don Álvaro SpA

Legal nature: Stock corporation
 Tax Id. (RUT) number: 77290404-5
 Address: Rosario Norte 532, 19th floor, Las Condes, Santiago, Chile
 Phone: (56 2) 26868900

Corporate Purpose: The purpose of the Company will be: to develop in the wholesale electric energy market the production of electrical energy and to inject such production into the National Electrical System; as far as

commercialization is concerned, to purchase electrical energy and resell it to electrical power distributors or end users/non-regulated customers; to build, install, operate, exploit, maintain and manage thermal or hydraulic or the so-called Non-conventional Renewable Energy (NCRE) generation assets; to acquire, lease or enter into any other legal act relating to the incorporation of thermal, hydraulic and NCRE generation assets; to acquire, lease or enter into any other legal act relating to third-party power generation projects; to operate, exploit, maintain and administer power generation assets acquired to third parties; to market surplus energy from our own or contract Non-Conventional Renewable Energy Sources to prove compliance with the obligation referred to in Article 150 bis of Law 20,257; to market electrical energy and its associated power with other generating companies; to acquire, build, implement, operate, maintain and exploit all kinds of goods and electrical energy generation facilities; to design, develop, manage and/or execute of all types of engineering, energy, architecture and other specialty projects related to electricity generation; to acquire, operate and transfer concessions for electrical, telecommunications, telephone, telegraphy, telex and data transmission and radio communication services; to build, install, exploit and maintain power generation stations of any kind for sale to third parties; to build one or more power generation plants of any kind to sell its production to generators, distributors or end users; to provide advice on the wholesale electricity market; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts, relating to all types of personal or real, tangible or intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to above; to increase or reduce power through the acquisition or disposition of generation assets of any kind; to perform all acts and any other activity related to or not related to the above matters that the partners may decide to carry out.

Capital and Shares: Paid-in capital: US\$1,000

Number of Subscribed and Paid Shares: 1,000

Interest: 100% indirectly through Norgener Renovables SpA

Chief Executive Officer: Ricardo Falú (1)

Energía Eólica Los Olmos SpA.

Legal nature: Stock corporation

Tax Id. (RUT) number: 76868988-1

Address: Rosario Norte 532, 19th floor, Las Condes, Santiago, Chile

Phone: (56 2) 26868900

Corporate Purpose: To develop the production of electrical energy in the wholesale electric energy market and to inject such energy into the National Electrical System; to purchase electrical energy to be sold to electrical power distributors or end users/non-regulated customers; to build, install, operate, exploit, maintain and manage generation, thermal or hydraulic or the so-called Non-conventional Renewable Energy assets; to acquire, lease or enter into any other legal act relating to third-party power generation projects; to operate, exploit, maintain, and manage energy generation assets acquired from third parties; to market surplus energy from our own or contract Non-Conventional Renewable Energy Sources to prove compliance with the obligation referred to in Article 150 bis of Law 20,257; to market electrical energy and its associated power with other generating companies; to acquire, build, implement, operate, maintain and exploit of all kinds of goods and electrical energy generation facilities; to design, develop, manage and/or execute of all types of engineering, energy, architecture and other specialty projects related to electricity generation; to acquire, operate and transfer concessions for electrical, telecommunications, telephone, telegraphy, telex and data transmission and radio communication services; to build, install, exploit and maintain power generation stations of any kind for sale to third parties; to build one or more power generation plants of any kind to sell its production to generators, distributors or end users; to provide advice on the wholesale electricity market; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts, relating to all types of personal or real, tangible or intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to above; to increase or reduce power through the acquisition or disposition of generation assets of any kind; to perform all acts and any other activity related to or not related

to the above matters that the partners may decide to carry out.

Capital and Shares: Paid-in capital: US\$ 700,000
Number of Subscribed and Paid Shares: 710,000
Interest: 100% indirectly through Norgener Renovables SpA
Chief Executive Officer: Ricardo Falú (1)

Energía Eólica Mesamávida SpA

Legal nature: Stock Corporation

Tax Id. (RUT) number: 76868991-1
Address: Rosario Norte 532, 19th floor, Las Condes, Santiago, Chile
Phone: (56 2) 26868900

Corporate Purpose: To develop the production of electrical energy in the wholesale electric energy market and to inject such energy into the National Electrical System; to purchase electrical energy to be sold to electrical power distributors or end users/non-regulated customers; to build, install, operate, exploit, maintain and manage generation, thermal or hydraulic or the so-called Non-conventional Renewable Energy assets; to acquire, lease or enter into any other legal act relating to third-party power generation projects; to operate, exploit, maintain, and manage energy generation assets acquired from third parties; to market surplus energy from our own or contract Non-Conventional Renewable Energy Sources to prove compliance with the obligation referred to in Article 150 bis of Law 20,257; to market electrical energy and its associated power with other generating companies; acquisition, construction, implementation, operation, maintenance and exploitation of all kinds of goods and electrical energy generation facilities; design, development, management and/or execution of all types of engineering, energy, architecture and other specialty projects related to electricity generation; to acquire, operate and transfer concessions for electrical, telecommunications, telephone, telegraphy, telex and data transmission and radio communication services; build, install, exploit and maintain power generation stations of any kind for sale to third parties; construction of one or more power generation of electricity associated plants of any kind to sell the production to generators, distributors or end users; to provide advice on the wholesale electricity market; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts

and contracts, relating to all types of personal or real, tangible or intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to above; to increase or reduce power through the acquisition or disposition of generation assets of any kind; to perform all acts and any other activity related to or not related to the above matters that the partners may decide to carry out.

Capital and Shares: Paid-in capital: US\$410,000
Number of Subscribed and Paid Shares: 410,000
Interest: 100% indirectly through Norgener Renovables SpA
Chief Executive Officer: Ricardo Falú (1)

Energía Eólica Pampas SpA

Legal nature: Stock corporation
Tax Id. (RUT) number: 77294357-1
Address: Rosario Norte 532, 19th floor, Las Condes, Santiago, Chile
Phone: (56 2) 26868900

Corporate Purpose: The purpose of the Company will be: to develop in the wholesale electric energy market the production of electrical energy and to inject such production into the National Electrical System; as far as commercialization is concerned, to purchase electrical energy and resell it to electrical power distributors or end users/non-regulated customers; to build, install, operate, exploit, maintain and manage thermal or hydraulic or the so-called Non-conventional Renewable Energy (NCRE) generation assets; to acquire, lease or enter into any other legal act relating to the incorporation of thermal, hydraulic and NCRE generation assets; to acquire, lease or enter into any other legal act relating to third-party power generation projects; to operate, exploit, maintain and administer power generation assets acquired to third parties; to market surplus energy from our own or contract Non-Conventional Renewable Energy Sources to prove compliance with the obligation referred to in Article 150 bis of Law 20,257; to market electrical energy and its associated power with other generating companies; to acquire, build, implement, operate, maintain and exploit all kinds of goods and electrical energy generation facilities; to design, develop, manage and/or execute of all types of engineering, energy, architecture and other specialty projects related to electricity generation; to acquire, operate and transfer concessions for electrical,

telecommunications, telephone, telegraphy, telex and data transmission and radio communication services; to build, install, exploit and maintain power generation stations of any kind for sale to third parties; to build one or more power generation plants of any kind to sell its production to generators, distributors or end users; to provide advice on the wholesale electricity market; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts, relating to all types of personal or real, tangible or intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to above; to increase or reduce power through the acquisition or disposition of generation assets of any kind; to perform all acts and any other activity related to or not related to the above matters that the partners may decide to carry out.

Capital and Shares: Paid-in capital: US\$1,000
 Number of Subscribed and Paid Shares: 1,000
 Interest: 100% indirectly through Norgener Renovables SpA
 Chief Executive Officer: Ricardo Falú (1)

Energía Eólica Paposo SpA

Legal nature: Stock Corporation
 Tax Id. (RUT) number: 77,005,365-K
 Address: Rosario Norte 532, 19th floor, Las Condes, Santiago, Chile
 Phone: (56 2) 26868900

Corporate Purpose: To develop the production of electrical energy in the wholesale electric energy market and to inject such energy into the National Electrical System; to purchase electrical energy to be sold to electrical power distributors or end users/non-regulated customers; to build, install, operate, exploit, maintain and manage generation, thermal or hydraulic or the so-called Non-conventional Renewable Energy assets; to acquire, lease or enter into any other legal act relating to third-party power generation projects; to operate, exploit, maintain, and manage energy generation assets acquired from third parties; to market surplus energy from our own or contract Non-Conventional Renewable Energy Sources to prove compliance with the obligation referred to in Article 150 bis of Law 20,257; to market electrical energy and its associated power with other generating companies; to acquire, build, implement, operate, maintain and exploit of all kinds of goods and

electrical energy generation facilities; to design, develop, manage and/or execute of all types of engineering, energy, architecture and other specialty projects related to electricity generation; to acquire, operate and transfer concessions for electrical, telecommunications, telephone, telegraphy, telex and data transmission and radio communication services; to build, install, exploit and maintain power generation stations of any kind for sale to third parties; to build one or more power generation plants of any kind to sell its production to generators, distributors or end users; to provide advice on the wholesale electricity market; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts, relating to all types of personal or real, tangible or intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to above; to increase or reduce power through the acquisition or disposition of generation assets of any kind; to perform all acts and any other activity related to or not related to the above matters that the partners may decide to carry out.

Capital and Shares: Paid-in capital: US\$1,000
 Number of Subscribed and Paid Shares: 1,000
 Interest: 100% indirectly through Norgener Renovables SpA
 Chief Executive Officer: Ricardo Falú (1)

Energía Eólica Rinconada SpA

Legal nature: Stock corporation
 Tax Id. (RUT) number: 77116491-9
 Address: Rosario Norte 532, 19th floor, Las Condes, Santiago, Chile
 Phone: (56 2) 26868900

Corporate Purpose: The purpose of the Company will be: to develop in the wholesale electric energy market the production of electrical energy and to inject such production into the National Electrical System; as far as commercialization is concerned, to purchase electrical energy and resell it to electrical power distributors or end users/non-regulated customers; to build, install, operate, exploit, maintain and manage thermal or hydraulic or the so-called Non-conventional Renewable Energy (NCRE) generation assets; to acquire, lease or enter into any other legal act relating to the incorporation of thermal, hydraulic and NCRE generation assets; to acquire, lease or enter into any other legal act relating to third-party

power generation projects; to operate, exploit, maintain and administer power generation assets acquired to third parties; to market surplus energy from our own or contract Non-Conventional Renewable Energy Sources to prove compliance with the obligation referred to in Article 150 bis of Law 20,257; to market electrical energy and its associated power with other generating companies; to acquire, build, implement, operate, maintain and exploit all kinds of goods and electrical energy generation facilities; to design, develop, manage and/or execute of all types of engineering, energy, architecture and other specialty projects related to electricity generation; to acquire, operate and transfer concessions for electrical, telecommunications, telephone, telegraphy, telex and data transmission and radio communication services; to build, install, exploit and maintain power generation stations of any kind for sale to third parties; to build one or more power generation plants of any kind to sell its production to generators, distributors or end users; to provide advice on the wholesale electricity market; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts, relating to all types of personal or real, tangible or intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to above; to increase or reduce power through the acquisition or disposition of generation assets of any kind; to perform all acts and any other activity related to or not related to the above matters that the partners may decide to carry out.

Capital and Shares: Paid-in capital: US\$1,000
 Number of Subscribed and Paid Shares: 1,000
 Interest: 100% indirectly through Norgener Renovables SpA
 Chief Executive Officer: Ricardo Falú (1)

Energía Eólica San Matías SpA

Legal nature: Stock corporation
 Tax Id. (RUT) number: 77116491-9
 Address: Rosario Norte 532, 19th floor, Las Condes, Santiago, Chile
 Phone: (56 2) 26868900

Corporate Purpose: The purpose of the Company will be: to develop in the wholesale electric energy market the production of electrical energy and to inject such production into the National Electrical System; as far as commercialization is concerned, to purchase

electrical energy and resell it to electrical power distributors or end users/non-regulated customers; to build, install, operate, exploit, maintain and manage thermal or hydraulic or the so-called Non-conventional Renewable Energy (NCRE) generation assets; to acquire, lease or enter into any other legal act relating to the incorporation of thermal, hydraulic and NCRE generation assets; to acquire, lease or enter into any other legal act relating to third-party power generation projects; to operate, exploit, maintain and administer power generation assets acquired to third parties; to market surplus energy from our own or contract Non-Conventional Renewable Energy Sources to prove compliance with the obligation referred to in Article 150 bis of Law 20,257; to market electrical energy and its associated power with other generating companies; to acquire, build, implement, operate, maintain and exploit of all kinds of goods and electrical energy generation facilities; to design, develop, manage and/or execute of all types of engineering, energy, architecture and other specialty projects related to electricity generation; to acquire, operate and transfer concessions for electrical, telecommunications, telephone, telegraphy, telex and data transmission and radio communication services; to build, install, exploit and maintain power generation stations of any kind for sale to third parties; to build one or more power generation plants of any kind to sell its production to generators, distributors or end users; to provide advice on the wholesale electricity market; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts, relating to all types of personal or real, tangible or intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to above; to increase or reduce power through the acquisition or disposition of generation assets of any kind; to perform all acts and any other activity related to or not related to the above matters that the partners may decide to carry out.

Capital and Shares: US\$1,000
 Number of Subscribed and Paid Shares: 1,000
 Interest: 100% indirectly through Norgener Renovables SpA
 Chief Executive Officer: Ricardo Falú (1)

Gasoducto Gasandes Argentina S.A.

Legal nature: Corporation (Foreign)
 Address: Bonpland 1745, City of Buenos Aires

Phone: (54 11) 4849 6100

Fax: (54 11) 4849 6130

Corporate Purpose: Natural gas transportation

Capital and Shares: Paid-in capital: AR\$83,467,000 (th of US\$19.393)

Number of Subscribed and Paid Shares: 83,467,000

Interest: 13%

Class A Regular Directors: Eduardo Hugo Antranik Eurkenian, Luis Alberto Santos, Pablo Sobarzo Mierzo, Klaus Richard Lührmann Poblete; Class A Alternate Directors: Emilio Martín Nadra, Fernando Varoujan Ketchian, Luis Arancibia Yametti, Alan Targarona.

Class B Regular Director: Martín Genesisio; Class B Alternate Director: Iván Diego Duronto.

Class C Regular Director: Carmen Figueroa Deisler; Class C Alternate Director: Carmen Paz Talma.

Class D Regular Directors: Emilio José Daneri Conte Grand, Matías María Brea; Class D Alternate Directors: Juan Pablo Freijo, Carlos Daniel Bautista.

Class E Regular Director: Gabriel Enrique María Wilkinson; Class E Alternate Director: Enrique Sandoval.

Gasoducto Gasandes S.A.

Legal nature: Closed Corporation

Tax Id. (RUT) number: 96.721.360-8

Address: Avenida Chena 11650, Parque Industrial Puerta Sur San Bernardo, Santiago de Chile

Phone: (56 2) 23665960

Fax: (56 2) 23665074

Corporate Purpose: The subject-matter of the company is to provide natural gas transportation services and to make investments in everything related to the industry of natural gas services in Chile or foreign, either on its own behalf or associated with or on behalf of third parties, being able to request any relevant concessions and permits as may be required for these purposes. The Company can participate in all sorts of businesses or activities directly or indirectly related to its corporate purpose, including, without limitation, establishment, operation, exploitation, management and use of gas facilities or transportation networks; separation and processing of natural gas liquids; engineering necessary for pipes or pipelines, and technical assistance related to them; provision of tubing and pipeline construction services; and in general all the services or activities related to the transport, marketing, storage, or processing of gas.

Capital and Shares: Issued capital: MUS\$11,914

Number of Subscribed and Paid Shares: 172,800

Interest: 13%

Chairman of the Board: Hugo Antranik Eurkirian

Regular Directors: Hugo Antranik Eurkirian, Luis Alberto Santos, Matías María Brea, Emilio José Daneri Conte Grand, Pablo Sobarzo Mierzo, Carmen Figueroa, Klaus Richard Lührmann Poblete, Luis Sarrás, Gabriel María Wilkinson.

Alternate Directors: Emilio Martín Nadra, Fernando Ketchian, Carlos Daniel Bautista, Juan Pablo Freijo, Luis Arancibia Yametti, Carmen Paz Talma, Enrique Sandoval, Martín Genesisio, Alan Targarona.

Gener Argentina S.A.

Legal nature: Corporation (Foreign)

Address: Carlos Pellegrini 1023, 9° piso, C1009ABU, City of Buenos Aires, República Argentina

Phone: (54 11) 4000-2300

Corporate Purpose: Performance of financial and investment operations on its own behalf or on behalf of third parties, including granting or receiving short-term or long-term loans with or without collateral, capital contributions to an individual or other companies incorporated or to be incorporated to finance operations already performed or to be performed, purchase and sale of all kinds of shares, debentures, bonds, securities and credit papers in any of the systems or modalities created or to be created. Except for any transactions covered by the Financial Institutions Law and any other transactions requiring competitive bidding. b) To participate, either directly or through other controlled or related companies, in the bidding of stock packages of companies whose assets are hydraulic or thermal power plants not yet privatized by the Argentine Government or in the development of other projects of the electricity sector in Argentina.

Capital and Shares: Paid-in capital: AR\$544,443,672 (US\$224,928,640)

Number of Subscribed and Paid Shares: 544,443,672

Interest: 92.05% directly and 7.95% indirectly through Norgener SpA

Chairman of the Board: Martín José Genesisio

Regular Directors: Javier Giorgio(4) and Fabian Carlos Giammaría

Alternate Directors: Rubén Néstor Zaia, Guillermo Daniel Paponi, Ivan Diego Durontó

Chief Executive Officer: Martín Genesisio.

Guacolda Energía SpA

Legal nature: Stock corporation
Tax Id. (RUT) number: 76418918-3
Address: Rosario Norte 532, 19th floor, Las Condes, Santiago, Chile
Phone: (56 2) 26868900 Fax: (56 2) 26868990

Corporate Purpose: To exploit the generation, transmission, purchases, distribution and sale of electric or any other kind of energy; purchase, extraction, exploitation, processing, distribution, marketing and sale of solid, liquid and gaseous fuels; sale and provision of project engineering, maintenance and machinery services; provision of port and pier services; to obtain, transfer, purchase, lease, levy and exploit any kind of concessions, as mentioned in the General Law of Electric Services, maritime concessions and water exploitation rights of any nature; invest in movable and real property, as specifically pointed out in the investment and financing policy approved each year by the Shareholders' Meeting; organize, create and/or acquire shares or interest in companies of any nature, whether they be subsidiaries, affiliates or otherwise, whose purposes are related to energy in any of its forms, the supply of public services, or whose main input is the electric power, or consistent with any of the activities mentioned above; and exploration, exploitation, processing, transport and marketing of metallic and non-metallic chemicals, products and by-products derived therefrom.

Capital and Shares: Paid-in capital: US\$901,340,017 thousand
Number of Issued and Paid Shares: 217,691,230
Interest: 50.01%
Chairman of the Board: Ricardo Falú (1)
Regular Directors: Ricardo Falú (1), Julián Nebreda (3), Marcelo Tokman, Eduardo Escaffi Johnson, Fernando Gardeweg, and Luis Eduardo Alarcón Cares.
Alternate Directors: María Paz Cerda (6), Marcelo Aicardi (8), Ricardo Roizen Gottlieb (2), Gonzalo Peña Atero, Juan Luis Orellana Iturriaga, and Guillermo Arriagada Álvarez.
Chief Executive Officer: Javier Dib

Interandes S.A.

Legal nature: Corporation (Foreign)
Address: Carlos Pellegrini 1023, 9° piso, C1009ABU, City

of Buenos Aires, República Argentina
Phone: (54 11) 4000-2300

Corporate Purpose: The exploitation of the International Interconnection Electrical Power Transportation Concessions of the Transmission System that links Salta Substation, located in the town of Güemes, Province of Salta, and Paso Sico on the border with the Republic of Chile, including its expansions.

Capital and Shares: Paid-in capital: AR\$135,365,996 (US\$55,876,946.)
Number of Subscribed and Paid Shares: 135,365,996
Interest: 13% directly and 87% indirectly through Gener Argentina S.A.
Chairman of the Board: Martín José Genesisio
Regular Directors: Vicente Javier Giorgio(4) and Fabian Carlos Gianmaria
Alternate Directors: Rubén Nestor Zaía, Guillermo Daniel Paponi and Iván Diego Durontó.

Inversiones Cochrane SpA

Legal nature: Stock corporation
Tax Id. (RUT) number: 77201526 -7
Address: Rosario Norte 532, 19th floor, Las Condes, Santiago, Chile
Phone: (56 2) 26868900
Corporate Purpose: To own shares issued by Empresa Eléctrica Cochrane SpA, receive loans for consumption from it, as well as the granting of loans to the shareholders of the company.

Capital and Shares: Paid-in capital: US\$ 78,099,327.51
Number of Subscribed and Paid Shares: 110,142,692, 95% of which are Series A shares and 5% of which are Series B shares.
Interest: 95% indirectly through Norgener Renovables SpA
Chief Executive Officer: Ricardo Falú (1)

Norgener Foreign Investment SpA

Legal nature: Stock Corporation
Tax Id. (RUT) number: 96.678.770-8
Address: Rosario Norte 532, 19th floor, Las Condes, Santiago, Chile
Phone: (56 2) 26868900
Fax: (56 2) 26868990

Corporate Purpose: Investment in companies engaged in the generation, purchase, sale and distribution of electric or any other kind of energy, mainly abroad or in any area of the country; generation, purchase, sale and distribution of electric or any other kind of energy, mainly abroad or in any area of the country; extraction, distribution, commercialization and exploitation, in any form, of liquid and gaseous fuels; sale and provision maintenance and machinery engineering services; rental, construction or acquisition and any kind of exploitation of docks or ports, and performance of any other productive and commercial activities related or complementary to the businesses mentioned above; investments in any kind of personal, tangible or intangible properties, specially bonds, debentures, shares, rights in corporations and, in general, any kind of investments in securities, to administrate those properties and receive the proceeds resulting from them; and any other act, agreement, business and procedure related to the purposes referred to above.

Capital and Shares: Paid capital US\$107.365.085,34
 Number of Subscribed and Paid-in Shares 2.932.095.888
 Interest: 100% directly
 Managing Director: AES Gener S.A.
 Chief Executive Officer: Ricardo Falú (1)

Norgener Inversiones SpA

Legal nature: Stock Corporation
 Tax Id. (RUT) number: 76803700-0
 Address: Rosario Norte 532, 19th floor, Las Condes, Santiago, Chile
 Phone: (56 2) 26868900
 Fax: (56 2) 26868990

Corporate Purpose: Investment in all kinds of personal or real property, including stock in companies engaged in the generation, transmission, purchase, sale and distribution of electrical or any other kind of power in any area of the country; generation, transmission, purchase, sale and distribution of electrical or any other kind of power, mainly abroad or in area of the country; extraction, distribution, commercialization and exploitation, in any form, of solid, liquid and gaseous fuels; sale and provision maintenance and machinery engineering services; rental, construction and acquisition and any kind of exploitation of docks or ports, and performance of any other productive and

commercial activities related or complementary to the businesses mentioned above; Investment in all kinds of personal or real property; investment in all kinds of intangible property, in particular purchase and sale of bonds, securities and all kinds of commercial papers, shares and rights in national or foreign companies, and in urban and country real estate properties, including their management, exploitation, and collection of proceeds therefrom; participation in the creation of companies of any kind and incorporation into existing companies; participation in all kinds of bidding procedures, privatizations, tenders and proposals, whether public or private; provision of overall advisory services, including financial, business, technical and legal advisory services; delivery of funding to third parties by means of credit operations or through other acts or contracts having the same purpose; all other acts, contracts, businesses and procedures related to the previous purposes, as agreed by the shareholders.

Capital and Shares: Subscribed and Issued Capital: US\$170,833,941.49
 Number of Subscribed and Paid-in Shares 49.213.968.914
 Interest: 100% directly
 Managing Director: AES Gener S.A.
 Chief Executive Officer: Ricardo Falú (1)

Norgener Renovables SpA

Legal nature: Stock Corporation
 Tax Id. (RUT) number: 76786355-1
 Address: Rosario Norte 532, 19th floor, Las Condes, Santiago, Chile
 Phone: (56 2) 26868900

Corporate Purpose: Investment in companies engaged in the generation, transmission, purchase, sale, distribution of and consultancy in anything related to renewable sources of energy (whether conventional or not); generation, transmission purchase, sale and distribution of electric or any other kind of energy, in any area of the country; provision of funding to third parties by means of a credit operations or through other acts or contracts having the same purpose; any other act, contract, business or process related to the previous purposes, as agreed by the shareholders.

Capital and Shares: Paid-in capital: US\$115,299,703.63
 Number of Subscribed and Paid Shares: 11,529,970,363

Interest: 100% directly
Managing Director: AES Gener S.A.
Chief Executive Officer: Ricardo Falú (1)

Parque Eólico Campo Lindo SpA

Tax Id. (RUT) number: 76363072-2
Address: Rosario Norte 532, 19th floor, Las Condes, Santiago, Chile
Phone: (56 2) 26868900
Legal nature: Stock Corporation

Corporate Purpose: Management, development, investment, exploitation and operation of the electricity generation project called Campo Lindo, as well as the management, development, investment and operation of all kinds of renewable energy projects in Chile, either on its own behalf or on behalf of third parties, in particular power generation parks with wind resources and the performance of any other activity directly or indirectly related to these purposes.

Capital and Shares: Paid-in capital: CLP 304,728,915
Number of Subscribed and Paid Shares: 304,728,915
Interest: 100% indirectly through Norgener Renovables SpA
Chief Executive Officer: Ricardo Falú (1)

Parque Eólico Litueche SpA

Tax Id. (RUT) number: 76.965.837-8
Address: Rosario Norte 532, 19th floor, Las Condes, Santiago, Chile
Phone: (56 2) 26868900
Legal nature: Stock Corporation

Corporate Purpose: Generation, transmission, transport, purchase, supply and sale of electrical or other kind of energy or the elements necessary to produce it; provision of all kinds of services related to the energy market; to obtain, transfer, purchase, lease, encumber or otherwise exploit the respective concessions and grants referred to in the General Electrical Services Law, and other rules and regulations governing the energy activity; to apply for permits and franchises to maintain, promote or develop these purposes; the purchase, sale, import, export, processing, production, marketing

and distribution of all kinds of real or personal property or inputs related to any kind of energy business; and performance of any other commercial or industrial activities related or complementary to the purposes mentioned above.

Capital and Shares: Paid-in capital: US\$1,000
Number of Subscribed and Paid Shares: 100
Interest: 100% indirectly through Norgener Renovables SpA
Chief Executive Officer: Ricardo Falú (1)

Parque Eólico Los Cururos SpA

Legal nature: Stock Corporation
Tax Id. (RUT) number: 76,178,599-0
Address: Rosario Norte 532, 19th floor, Las Condes, Santiago, Chile
Phone: (56 2) 26868900

Corporate Purpose: The generation of electrical energy through all types of fuels and all kinds of renewable energy in any of its forms such as wind, photovoltaic and biomass; the transmission, purchase and sale of electrical energy to either end customers or any interconnected system; the development, implementation and commissioning of projects related to its business, as well as the creation and commissioning of projects aimed at the development of renewable energies, regeneration or cogeneration, their management and maintenance; to participate in all types of renewable energy developments, including generation and transmission; the execution of alliances, representations, obtaining of franchises, and any other form of development of the corporate business, whether carried out on its own behalf or on behalf of third parties; any other business to be agreed by the partners.

Capital and Shares: Capital CLP79,558,052,742
Number of Shares: 79,558,052,742 subscribed and paid shares
Interest: 100% indirectly through Norgener Renovables SpA
Chief Executive Officer: Javier Dib

Parque Eólico Nolana SpA

Tax Id. (RUT) number: 76975746-5

Address: Rosario Norte 532, 19th floor, Las Condes, Santiago, Chile
 Phone: (56 2) 26868900
 Legal nature: Stock Corporation

Corporate Purpose: To develop the production of electrical energy in the wholesale electric energy market and to inject such energy into the National Electrical System; to purchase electrical energy to be sold to electrical power distributors or end users/non-regulated customers; to build, install, operate, exploit, maintain and manage generation, thermal or hydraulic or the so-called Non-conventional Renewable Energy assets; to acquire, lease or enter into any other legal act relating to third-party power generation projects; to operate, exploit, maintain, and manage energy generation assets acquired from third parties; to market surplus energy from our own or contract Non-Conventional Renewable Energy Sources to prove compliance with the obligation referred to in Article 150 bis of Law 20,257; to market electrical energy and its associated power with other generating companies; to acquire, build, implement, operate, maintain and exploit all kinds of goods and electrical energy generation facilities; to design, develop, manage and/or execute of all types of engineering, energy, architecture and other specialty projects related to electricity generation; to acquire, operate and transfer concessions for electrical, telecommunications, telephone, telegraphy, telex and data transmission and radio communication services; to build, install, exploit and maintain power generation stations of any kind for sale to third parties; to build one or more power generation plants of any kind to sell its production to generators, distributors or end users; to provide advice on the wholesale electricity market; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts, relating to all types of personal or real, tangible or intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to above; to increase or reduce power through the acquisition or disposition of generation assets of any kind; to perform all acts and any other activity related to or not related to the above matters that the partners may decide to carry out.

Capital and Shares: Paid-in capital: US\$10,000
 Number of Subscribed and Paid Shares: 10,000
 Interest: 100% indirectly through Norgener Renovables SpA
 Chief Executive Officer: Ricardo Falú (1)

Parque Eólico Topoloa SpA

Tax Id. (RUT) number: 76975739-2
 Address: Rosario Norte 532, 19th floor, Las Condes, Santiago, Chile
 Phone: (56 2) 26868900
 Legal nature: Stock Corporation

Corporate Purpose: To develop the production of electrical energy in the wholesale electric energy market and to inject such energy into the National Electrical System; to purchase electrical energy to be sold to electrical power distributors or end users/non-regulated customers; to build, install, operate, exploit, maintain and manage generation, thermal or hydraulic or the so-called Non-conventional Renewable Energy assets; to acquire, lease or enter into any other legal act relating to third-party power generation projects; to operate, exploit, maintain, and manage energy generation assets acquired from third parties; to market surplus energy from our own or contract Non-Conventional Renewable Energy Sources to prove compliance with the obligation referred to in Article 150 bis of Law 20,257; to market electrical energy and its associated power with other generating companies; to acquire, build, implement, operate, maintain and exploit of all kinds of goods and electrical energy generation facilities; to design, develop, manage and/or execute of all types of engineering, energy, architecture and other specialty projects related to electricity generation; to acquire, operate and transfer concessions for electrical, telecommunications, telephone, telegraphy, telex and data transmission and radio communication services; to build, install, exploit and maintain power generation stations of any kind for sale to third parties; to build one or more power generation plants of any kind to sell its production to generators, distributors or end users; to provide advice on the wholesale electricity market; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts, relating to all types of personal or real, tangible or intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to above; to increase or reduce power through the acquisition or disposition of generation assets of any kind; to perform all acts and any other activity related to or not related to the above matters that the partners may decide to carry out.

Capital and Shares: Paid-in capital: US\$10,000
 Number of Subscribed and Paid Shares: 10,000
 Interest: 100% indirectly through Norgener Renovables

SpA

Chief Executive Officer: Ricardo Falú (1)

Punta del Sol SpA

Tax Id. (RUT) number: 76917669-1

Address: Rosario Norte 532, 19th floor, Las Condes, Santiago, Chile

Phone: (56 2) 26868900

Fax: (56 2) 26868990

Legal nature: Stock Corporation

Corporate Purpose: To develop the production of electrical energy in the wholesale electric energy market and to inject such energy into the National Electrical System; to purchase electrical energy to be sold to electrical power distributors or end users/non-regulated customers; to build, install, operate, exploit, maintain and manage generation, thermal or hydraulic or the so-called Non-conventional Renewable Energy assets; to acquire, lease or enter into any other legal act relating to third-party power generation projects; to operate, exploit, maintain, and manage energy generation assets acquired from third parties; to market surplus energy from our own or contract Non-Conventional Renewable Energy Sources to prove compliance with the obligation referred to in Article 150 bis of Law 20,257; to market electrical energy and its associated power with other generating companies; to acquire, build, implement, operate, maintain and exploit all kinds of goods and electrical energy generation facilities; to design, develop, manage and/or execute of all types of engineering, energy, architecture and other specialty projects related to electricity generation; to acquire, operate and transfer concessions for electrical, telecommunications, telephone, telegraphy, telex and data transmission and radio communication services; to build, install, exploit and maintain power generation stations of any kind for sale to third parties; to build one or more power generation plants of any kind to sell its production to generators, distributors or end users; to provide advice on the wholesale electricity market; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts, relating to all types of personal or real, tangible or intangible property, intended

for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to above; to increase or reduce power through the acquisition or disposition of generation assets of any kind; to perform all acts and any other activity related to or not related to the above matters that the partners may decide to carry out.

Capital and Shares: Paid-in capital: US\$10,000

Number of Subscribed and Paid Shares: 10,000

Interest: 100% indirectly through Norgener Renovables SpA

Chief Executive Officer: Ricardo Falú (1)

Quebrada Seca SpA

Legal nature: Stock corporation

Tax Id. (RUT) number: 76917677-2

Address: Rosario Norte 532, 19th floor, Las Condes, Santiago, Chile

Phone: (56 2) 26868900

Legal nature: Stock Corporation

Number of Subscribed and Paid Shares: 10,000

Interest: 100% indirectly through Norgener Renovables SpA

Chief Executive Officer: Ricardo Falú (1)

Corporate Purpose: To develop the production of electrical energy in the wholesale electric energy market and to inject such energy into the National Electrical System; to purchase electrical energy to be sold to electrical power distributors or end users/non-regulated customers; to build, install, operate, exploit, maintain and manage generation, thermal or hydraulic or the so-called Non-conventional Renewable Energy assets; to acquire, lease or enter into any other legal act relating to third-party power generation projects; to operate, exploit, maintain, and manage energy generation assets acquired from third parties; to market surplus energy from our own or contract Non-Conventional Renewable Energy Sources to prove compliance with the obligation referred to in Article 150 bis of Law 20,257; to market electrical energy and its associated power with other generating companies; to acquire, build, implement, operate, maintain and exploit of all kinds of goods and

electrical energy generation facilities; to design, develop, manage and/or execute of all types of engineering, energy, architecture and other specialty projects related to electricity generation; to acquire, operate and transfer concessions for electrical, telecommunications, telephone, telegraphy, telex and data transmission and radio communication services; to build, install, exploit and maintain power generation stations of any kind for sale to third parties; to build one or more power generation plants of any kind to sell its production to generators, distributors or end users; to provide advice on the wholesale electricity market; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts, relating to all types of personal or real, tangible or intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to above; to increase or reduce power through the acquisition or disposition of generation assets of any kind; to perform all acts and any other activity related to or not related to the above matters that the partners may decide to carry out.

Capital and Shares: Paid-in capital: US\$10,000

Interest: 100% indirectly through Norgener Renovables SpA

Chief Executive Officer: Ricardo Falú (1)

Termoandes S.A.

Legal nature: Corporation

Address: Carlos Pellegrini 1023, 9th floor, C1009ABU, City of Buenos Aires, Republic of Argentina
Phone: (54 11) 4000-2300.

Corporate Purpose: To perform, on its own behalf or on behalf of third parties, the following activities in Argentina or abroad: Production, marketing, export and import of electrical energy. Construction, operation and/or maintenance of electric power transmission lines and systems in low/high voltage; provision of electric power transmission services in low/high voltage, either within the limits of the Republic of Argentina and/or through its borders by means of transmission lines and/or systems linking its points of consumption, generation and/or other electric energy transmission systems in

the Republic of Argentina with other countries, and vice versa, for electric power import and/or export purposes.

Capital and Shares:

Paid-in capital:

AR\$581,869,516 (US\$299,833,447.)

Number of Subscribed and Paid Shares: 581,869,516

Interest: 8.82% directly and 91.18% indirectly through Gener Argentina S.A.

Chairman of the Board:

Martín José Genesio

Regular Directors: Vicente Javier Giorgio(4) and Fabián Carlos Giammaría

Alternate Directors: Rubén Néstor Zaia, Guillermo Paponi and Iván Diego Durontó

Staff*

Technical and Administrative Staff: 27; Professionals: 29

Transmisora Tal Tal SpA

Legal nature: Stock corporation

Tax Id. (RUT) number: 77.209.147-8

Address: Rosario Norte 532, 19th floor, Las Condes, Santiago, Chile

Phone: (56 2) 26868900

The purpose of the Company will be: to develop in the wholesale electric energy market the production of electrical energy and to inject such production into the National Electrical System; as far as commercialization is concerned, to purchase electrical energy and resell it to electrical power distributors or end users/non-regulated customers; to build, install, operate, exploit, maintain and manage thermal or hydraulic or the so-called Non-conventional Renewable Energy (NCRE) generation assets; to acquire, lease or enter into any other legal act relating to the incorporation of thermal, hydraulic and NCRE generation assets; to acquire, lease or enter into any other legal act relating to third-party power generation projects; to operate, exploit, maintain and administer power generation assets acquired to third parties; to market surplus energy from our own or contract Non-Conventional Renewable Energy Sources to prove compliance with the obligation referred to in Article 150

bis of Law 20,257; to market electrical energy and its associated power with other generating companies; to acquire, build, implement, operate, maintain and exploit all kinds of goods and electrical energy generation facilities; to design, develop, manage and/or execute of all types of engineering, energy, architecture and other specialty projects related to electricity generation; to acquire, operate and transfer concessions for electrical, telecommunications, telephone, telegraphy, telex and data transmission and radio communication services; to build, install, exploit and maintain power generation stations of any kind for sale to third parties; to build one or more power generation plants of any kind to sell its production to generators, distributors or end users; to provide advice on the wholesale electricity market; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts, relating to all types of personal or real, tangible or intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to above; to increase or reduce power through the acquisition or disposition of generation assets of any kind; to perform all acts and any other activity related to or not related to the above matters that the partners may decide to carry out.

Capital and Shares: Paid-in capital: US\$1,000
 Number of Subscribed and Paid Shares: 1,000
 Interest: 100% indirectly through Energía Eólica Paposó SpA
 Chief Executive Officer: Ricardo Falú (1)

AES Chivor & CIA SCA ESP

Legal nature: Partnership Limited by Shares (Foreign)
 Address: Av. Calle 100 No. 19-54, office 901, Bogotá, Colombia Phone: (57 1) 4079555
 Fax: (57 1) 6427311

Corporate Purpose: Generation and commercialization of electric power. For the development of its main purpose, the acquisition, construction, operation, maintenance and commercial operation of existing or new generation plants as well as bringing forward all

types of self-generation, cogeneration or distributed generation projects.

Capital and Shares: Paid-in capital: COP\$ 233,736,958,964
 Number of Subscribed and Paid Shares: 222,818,836
 Interest: 99.98% indirectly through Norgener Foreign Investment SpA. (222,769,668) and AES Gener S.A. (1 share)
 Chief Executive Officer: Federico Echavarría
 Staff: Technicians: 53, administrative staff: 5, professionals: 41, executives: 18
 Members of the Board of Directors
 Regular Directors: Ricardo Manuel Falú (1), Julián Nebreda (3), Scarlett Maria Alvarez Uzcategui, Letitia Dawn Mendoza and María Paz Cerda (6)
 Alternate Directors: Ricardo Roizen Gottlieb (2), Vicente Javier Giorgio (4), Filho Ítalo Tadeu De Carvalho Freitas, Ricardo Silvarinho (7) and Jorge Leonardo Amiano Goyarrola

AES Chivor S.A. (Managing Partner of AES Chivor & CIA SCA E.S.P.)

Legal nature: Corporation (Foreign)
 Address: Av. Calle 100 No. 19-54, office 901, Bogotá, Colombia
 Phone: (57 1) 4079555
 Fax: (57 1) 6427311

Corporate Purpose: Subscription, acquisition, disposition or investment in securities, shares, convertible bonds and all kinds of fixed income securities; investment in other companies; investment in all kinds of goods required to comply with its purpose; participation as partner of other entities, or capital contributions, acquisition or holding of shares and obligations of other companies. The possibility of guaranteeing and securing obligations of third parties and their own shareholders is excluded.

Capital and Shares: Paid-in capital Col\$120,000,000
 Number of Subscribed and Paid Shares: 120,000
 Interest: 98.12% directly and indirectly through Norgener Foreign Investment SpA (with an interest of 50.625%) and AES Gener S.A. (with an interest of 47.5%)

Shareholders: AES Gener S.A. (57,000 shares) Norgener Foreign Investment (60,750 shares); Empresa Eléctrica Ventanas SpA (750 shares); Jason Dutil (750 shares); Norgener Inversiones SpA (750 shares).

Jemeiwaa KA 'I S.A.S E.S.P

Legal nature: Simplified Stock Corporation (Foreign);
Address: Av. Calle 100 No. 19-54, office 901, Bogotá,
Colombia Phone: (57 1) 4079555
Fax: (57 1) 6427311

Corporate Purpose: A) Provision of services and advice on issues related to the use and production of energy from renewable sources. B) Planning, design, construction, assembly, operation and maintenance of power generation plants from renewable sources such as wind energy, solar energy and others. C) Carry out environmental impact assessments, technical, financial and legal feasibility of projects, as well as to provide services and advice in areas of mechanical and environmental engineering D) Import, manufacturing and/or assembly of energy generating equipment from renewable sources and equipment intended for the production of drinking water or desalination of salt water, and related operations E) Provision of consulting and advisory services on renewable energy generation issues, in existing plants or projects, as well as the direct provision or intermediation of equipment, systems and information.

Capital and Shares: Paid in capital Col\$ 16,735,100,000
Number of Subscribed and Paid Shares: 1,673,510
Interest: 99.99% indirectly through AES Chivor & Cía S.C.A. E.S.P. (1,673,506 shares), 0.00005975% through AES Chivor S.A. (1 share), 0.00005975% through AES Gener S.A. (1 share), 0.00005975% through Norgener Foreign Investments S.p.A. (1 share) and 0.00005975% through Norgener Inversiones S.p.A.(1 share)
Chief Executive Officer: Diego Patron Arcila
Staff: total 14: Technicians: 3, administrative staff: 5, professionals: 5, executives: 1
Members of the Board of Directors
Regular Directors: Ricardo Manuel Falú (1), Julián Nebreda (2) and Federico Ricardo Echavarría Restrepo (3)

Alternate Directors: María Paz Cerda (1), Vicente Javier Giorgio (2) and Daniel Marcelo Aicardi (3)

Energen S.A.

Legal nature: Corporation (Foreign)
Address: Carlos Pellegrini 1023, 9th floor, C1009ABU,
City of Buenos Aires, Republic of Argentina
Phone: (54 11) 4000-2300

Corporate Purpose: The purpose of the Company is to carry out the following activities on its own behalf, on behalf of or associated with third parties: (i) purchase and wholesale of electric power produced by third parties and to be consumed by third parties; (ii) import, export, consignment, brokerage and marketing of electric power in Argentina and/or abroad; (iii) any type of procedure and/or activity related to the generation, transport and distribution of electrical power; (iv) marketing of any kind of fuel. For this purpose, the Company may carry out all such complementary and subsidiary activities that are linked to its corporate purpose. For that purpose, it has full legal capacity to acquire rights and to enter into obligations and to exercise and enter into all legal acts, contracts and businesses, whether nominated or otherwise, and recognized in the legislation in force in our country or abroad that are not prohibited by the laws or this By-laws.

Capital and Shares: Paid-in capital: AR\$ 25,364,450
Number of Issued and Paid Shares: 25,364,450
Interest: 29.52% directly and 70.48% indirectly through Gener Argentina S.A.
Chairman of the Board: Martín José Genesisio
Regular Directors: Vicente Javier Giorgio(4) and Fabian Carlos Giammaria
Alternate Directors: Rubén Néstor Zaia, Guillermo Daniel Paponi, Iván Diego Durontó

Gener Argentina S.A.

Legal nature: Corporation (Foreign)

Address: Carlos Pellegrini 1023, 9° piso, C1009ABU, City of Buenos Aires, República Argentina
Phone: (54 11) 4000-2300

Corporate Purpose: The purpose of the Company is to carry out the following activities: (a) Performance of financial and investment operations on its own behalf or on behalf of third parties, including granting or receiving short-term or long-term loans with or without collateral, capital contributions to an individual or other companies incorporated or to be incorporated to finance operations already performed or to be performed, purchase and sale of all kinds of shares, debentures, bonds, securities and credit papers in any of the systems or modalities created or to be created. Except for any transactions covered by the Financial Institutions Law and any other transactions requiring competitive bidding. b) To participate, either directly or through other controlled or related companies, in the bidding of stock packages of companies whose assets are hydraulic or thermal power plants not yet privatized by the Argentine Government or in the development of other projects of the electricity sector in Argentina.

Capital and Shares: Paid-in capital: AR\$544,443,672 (US\$224,928,640)

Number of Subscribed and Paid Shares: 544,443,672
Interest: 92.05% directly and 7.95% indirectly through Norgener Foreign Investment SpA

Chairman of the Board: Martín José Genesio
Regular Directors: Javier Giorgio(4) and Fabián Carlos Giammaría

Alternate Directors: Rubén Néstor Zaia, Guillermo Daniel Paponi, Ivan Diego Durontó

Interandes S.A.

Legal nature: Corporation (Foreign)
Address: Carlos Pellegrini 1023, 9° piso, C1009ABU, City of Buenos Aires, República Argentina
Phone: (54 11) 4000-2300

Corporate Purpose: The exploitation of the International Interconnection Electrical Power Transportation

Concessions of the Transmission System that links Salta Substation, located in the town of Güemes, Province of Salta, and Paso Sico on the border with the Republic of Chile, including its expansions.

Capital and Shares: Paid-in capital: AR\$135,365,996 (US\$55,876,946.)

Number of Subscribed and Paid Shares: 135,365,996
Interest: 13% directly and 87% indirectly through Gener Argentina S.A.

Chairman of the Board: Martín José Genesio
Regular Directors: Vicente Javier Giorgio(4) and Fabián Carlos Gianmaría

Alternate Directors: Rubén Néstor Zaia, Guillermo Daniel Paponi and Iván Diego Durontó.

Termoandes S.A.

Legal nature: Corporation
Address: Carlos Pellegrini 1023, 9th floor, C1009ABU, City of Buenos Aires, Republic of Argentina
Phone: (54 11) 4000-2300.

Corporate Purpose: To perform, on its own behalf or on behalf of third parties, the following activities in Argentina or abroad: Production, marketing, export and import of electrical energy. Construction, operation and/or maintenance of electric power transmission lines and systems in low/high voltage; provision of electric power transmission services in low/high voltage, either within the limits of the Republic of Argentina and/or through its borders by means of transmission lines and/or systems linking its points of consumption, generation and/or other electric energy transmission systems in the Republic of Argentina with other countries, and vice versa, for electric power import and/or export purposes.

Capital and Shares:
Paid-in capital:
AR\$ 581,869,516
Number of Subscribed and Paid Shares: 581,869,516
Interest: 8.82% directly and 91.18% indirectly through Gener Argentina S.A.
Chairman of the Board:

Martin José Genesisio
 Regular Directors: Vicente Javier Giorgio(4) and Fabian Carlos Giammaria
 Alternate Directors: Rubén Néstor Zaia, Guillermo Paponi and Iván Diego Durontó
 Staff*
 Technical and Administrative Staff: 27;
 Professionals: 21

Derivex S.A.

Legal nature: Corporation (Foreign)
 Address: Av. Cr 7 # 71 - 21 To B Of 402, Bogotá,
 Colombia Phone: (57 1) 6074848
 Fax: (57 1) 6427311

Corporate purpose: the administration of a trading system for transactions in derivative financial instruments that have the quality of value under the terms of paragraphs 3 and 4 of article 2 of Law 964 of 2005, whose underlying assets are electricity, fuel gas and/or other energy commodities and registration of transactions in said instruments.

Capital and Shares: Paid in capital Col\$ 751,056,000
 Number of Subscribed and Paid Shares: 751,056
 Interest: 4.76% indirectly through AES Chivor & Cía S.C.A. E.S.P. (35,764 shares), the other interest belongs to third parties.

Chief Executive Officer: Juan Carlos Tellez Urdaneta
 Staff: Total 7: Coordinators: 2, professionals: 4, executives: 1

Members of the Board of Directors

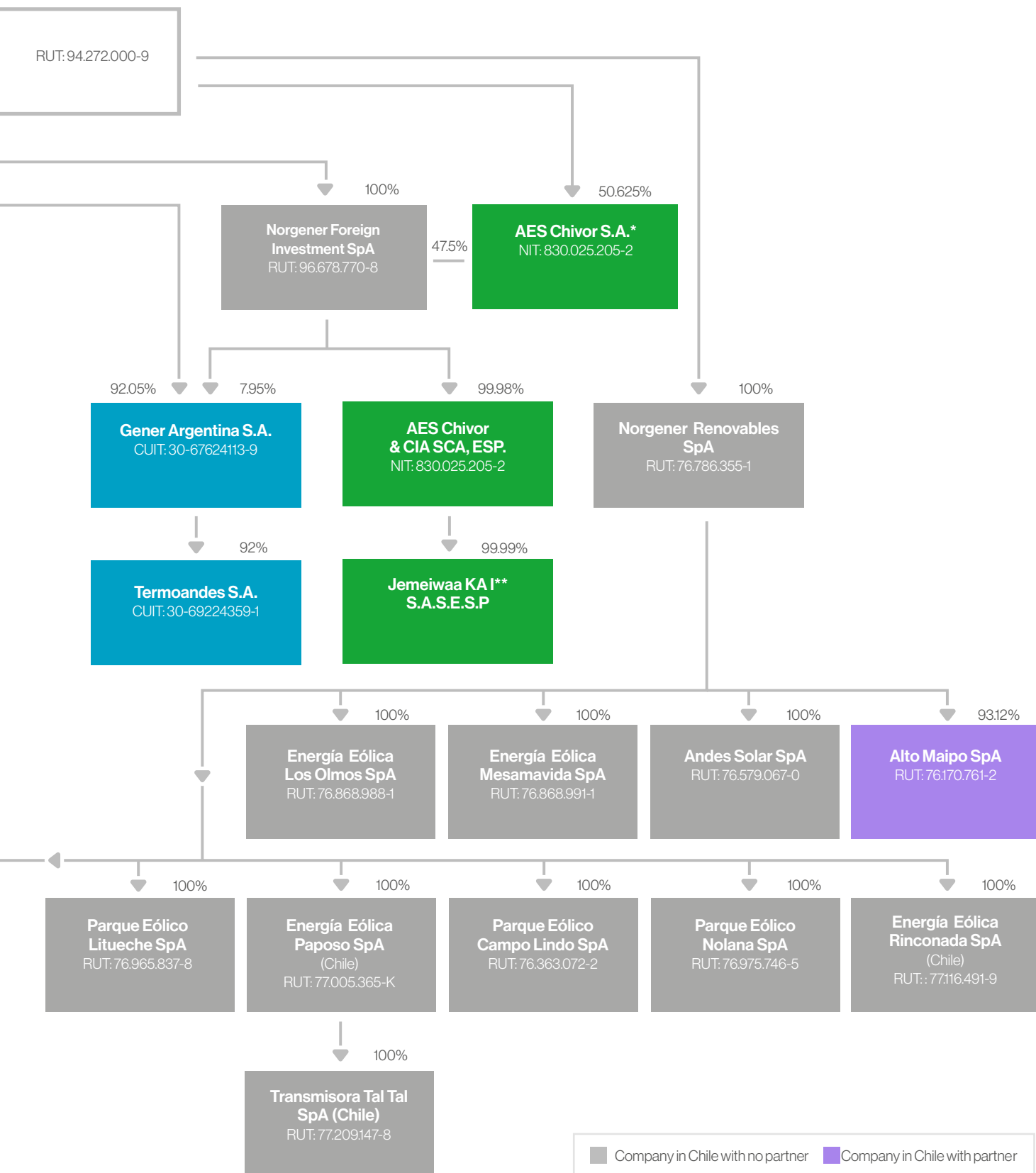
Regular Directors: Jorge Hernan Jaramillo Ossa (1), Cecilia Inés Maya Ochoa (2) Martha María Gil Zapata (3), Marcelo Javier Alvarez Rios (4) and Louis Francois Kleyn Lopez (5)

Alternate Directors: Celso Guevara Cruz (1), Sandra Maria Ríos González (2) Nicolas Eduardo Mayorga Mora (3), Federico Echavarría Restrepo (4) and Gloria Cecilia Velásquez Mejía (5).

The business relationship of AES Gener S.A. with its related companies are regulated by the existing contracts. The executives of AES Gener S.A. do not receive any compensations for their duties as directors of related companies.

With regard to affiliates whose capital is expressed in a foreign currency other than United States dollars, the information provided in this section is in United States, using the exchange rate in effect as of December 31, 2020.

(1) Chief Executive Officer for AES Gener S.A, (2) VP and Chief Financial Officer for AES Gener S.A, (3)Regular Director for AES Gener S.A., (4) VP and Chief Operations Officer for AES Gener S.A., (5) VP and Chief Development Officer for AES Gener S.A., (6)VP and Legal Counsel for AES Gener S.A., (7) VP and Chief Human Resources Officer for South America, AES Gener S.A., (8) VP and Chief Financial Officer for South America, AES Gener S.A. (*) Staff of related companies that consolidate their results with AES Gener and that have their own staff.



Company in Chile with no partner
 Company in Chile with partner

Company in Colombia
 Company in Argentina

(*) 1.875% through other companies
 (**) 0.01% through other companies.
 For more details, see Schedule 7.

Schedule 9: Essential Facts and Communications

JANUARY 08, 2020

Essential Fact

Pursuant to Articles 9 and 10 of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an essential fact to that Commission that on January 7, 2020, the Company's Board of Directors was informed of Andrés Gluski's resignation from his position as Regular Director, who was replaced by his alternate director, Arminio Borjas, pursuant to the provisions of article 32 of Corporations Law No. 18,046.

FEBRUARY 27, 2020

Essential Fact

Pursuant to Articles 9 and 10 of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an essential fact to that Commission that at an Ordinary Board Meeting held on February 27, it was unanimously agreed to convene an Extraordinary Shareholders' Meeting to be held on March 19, 2020 in order to be informed of and decide on a capital increase of the Company of US\$500,000,000 or the amount to be established by the Shareholders' Meeting. The purpose of the proposed increase would be to finance the growth plan of the Company and its subsidiaries.

FEBRUARY 27, 2020

Essential Fact

Pursuant to Articles 9 and 10, subsection two, of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an essential fact to that Commission that at a meeting held on February 27, 2020, and in accordance with what was agreed at the Company's Extraordinary Shareholders' Meeting held on December 17, 2019, the Company's Board of Directors unanimously agreed on a protocol for the implementation of the buy-back program approved at the aforementioned shareholders' meeting and set the minimum purchase price at \$100, and the maximum purchase price at the

equivalent of the book value of the Company's shares, which, as of that date, amounted to \$243 per share, without prejudice to the Board's power to modify the aforementioned prices at any time.

MARCH 17, 2020

Essential Fact

Pursuant to Articles 9 and 10 of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an essential fact to that Commission that by resolution of the Board of Directors of AES Gener S.A. at an Extraordinary Meeting held on March 17, 2020, taking into consideration the general situation of the country as a result of the COVID-19 virus and, in particular, taking into account the measures adopted and the recommendations given by the Ministry of Health and the Government, which are consistent with the first value of the Company to put safety first, it was agreed to postpone the Extraordinary Shareholders' Meeting of the Company scheduled for March 19, 2020 to April 16, 2020 after the Ordinary Shareholders' Meeting convened by the Board of Directors for that date.

MARCH 20, 2020

Essential Fact

Pursuant to the provisions of Articles 9 and 10 of Securities Market Law No. 18,045, Article 63 of the Corporations Law No. 18,046 and Section II of General Rule No. 30 issued by the Commission for the Financial Market, we reported, as an essential fact, that by resolution adopted at the meetings held on March 17 and 19, 2020, it was agreed to invite the shareholders to an Ordinary Shareholders' Meeting to be held on April 16, 2020. The purpose of the Shareholders' Meeting would be to discuss and resolve the following topics, among others: (1) formalities specific to matters relating to the form of adoption of agreements, attendance, summons, powers and other formalities specific to the creation of the Shareholders' Meeting; (2) appointment of the shareholders who, together with the Chairman

and the Secretary, will sign the minutes of the Meeting; (3) approval of the Annual Report, Balance Sheet and Financial Statements for the year ended December 31, 2019, situation of the Company and the External Auditors' report; (4) distribution of dividends and profits for the year 2019; (5) dividend policy for 2020 and authorization of the Board to distribute provisional and/or additional dividends, as applicable; (6) determination of the remuneration of the members of the Committee of Directors, approval of the budget of the Committee and its advisors for 2020 and expenses report and activities developed by that Committee during 2019; (7) approval of the budget of the Board of Directors and its advisors for 2020; (8) appointment of an External Auditing Company for 2020; (9) appointment of Credit Rating Agencies for 2020; (10) information about the resolutions adopted with respect to transactions with related parties referred to in Title XVI of Corporations Law 18,046; (11) designation of the newspaper for the publications to be made by the Company; (12) other matters of social interest that are specific to the Common Shareholders' Meeting; and (13) in general, adoption of all other resolutions which are necessary or advisable for the materialization of the decisions made by the Shareholders' Meeting.

MARCH 20, 2020

Essential Fact

Pursuant to the provisions of Articles 9 and 10 of Securities Market Law No. 18,045, Article 63 of the Corporations Law No. 18,046 and Section II of General Rule No. 30 issued by the Commission for the Financial Market, we reported, as an essential fact, that at an Ordinary Board Meeting of AES Gener held on March 19, 2020, at which it was agreed to invite the Company's shareholders to an Ordinary Shareholders' Meeting to be held on April 16, 2020 (the "Shareholders' Meeting"), it was also agreed, among others, to propose to the Shareholders' Meeting the distribution of a definitive dividend charged to income for the year ended December 31, 2019, for a total amount of US\$115,785,687.-, which would correspond to 100% of the earnings for that year that could be distributed as a dividend, and is equivalent to a dividend of US\$0.0137835.- per share based on the current 8,400,318,891 shares in which the capital of AES Gener

is currently divided and without considering the shares that (i) the Company has acquired under its buy-back program and (ii) could be issued in a future capital increase of the Company. To this end, the Board of Directors agreed to propose to the Board that the final dividend be paid as follows: (1) through a mandatory minimum dividend of US\$34,735,706.- equivalent to US\$0.0041350 per share, paid as from May 15, 2020. Should this dividend be approved on the terms proposed by the Board, the shareholders registered in the Registry of Shareholders of the Company would be entitled to receive it at midnight of the fifth business day preceding the specified payment date, excluding the Company's treasury shares; and (2) through one or more additional dividends, for a total amount equivalent to US\$81,049,981.-, to be paid during 2020 on one or more dates to be set by the Board of Directors, for which it will be proposed to the Shareholders' Meeting to expressly empower the Board for these purposes. Should this proposal be approved under the terms proposed by the Board of Directors, the shareholders registered in the Registry of Shareholders of the Company would be entitled to receive the dividends at midnight on the fifth business day preceding the dates set by the Board for their respective payments. It will be proposed that these dividends be paid in United States dollars or in pesos, legal tender, at the option of the shareholders.

MARCH 31, 2020

Essential Fact

Pursuant to Articles 9 and 10, subsection two, of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an essential fact to that Commission that, unfortunately on March 29, 2020, the Alternate Director of AES Gener, Daniel Stadelmann, passed away. Pursuant to Section 32 of Corporations Law No. 18,046, it was reported that there was no need to appoint a director to replace Mr. Stadelmann.

MARCH 31, 2020

Essential Fact

Pursuant to Articles 9 and 10, subsection two, of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market,

we reported as an essential fact to that Commission that, on March 30, 2020, the Board of Directors of the Company agreed on the technological means that the Company would implement at the Ordinary and Extraordinary Shareholders' Meetings of AES Gener to be held on April 16, 2020 that would allow the remote participation and voting of shareholders, guaranteeing the principles of simultaneity and secrecy, as well as the accreditation of the identity of the participants. It was also stated that the security measures adopted and other aspects that may be appropriate for this purpose would be available and communicated in a timely manner in the Company's website, www.aesgener.cl.

APRIL 17, 2020

Essential Fact

Pursuant to the provisions of article 9 and article 10, both of Stock Market Law No. 18,045 and the General Rule No. 30 and Circular Letter No. 660, of the Commission for the Financial Market, we reported that at the Ordinary of Shareholders' Meeting of AES Gener, we agreed to distribute the amount US\$115,785,687 out of earnings for the fiscal year ended December 31, 2019, which is approximately 100% of the income for such fiscal year distributable as dividends. The distribution mentioned above would be done through a final dividend of US\$0.0137835 per share based on the current 8,400,318,891 shares into which the capital of AES Gener is currently divided. The calculation of the value payable per share is carried out without considering the shares that, as of the dates of determination of the shareholders entitled to receive the dividend, (a) are owned by the Company under its buy-back program; and (b) could be issued in accordance with the capital increase of the Company approved by the Extraordinary Shareholders' Meeting of the Company held on April 16, 2020. The approved dividend would be paid as follows: (i) through a mandatory minimum dividend of US\$34,735,706, equivalent to US\$0.0041350 per share, payable as from May 15, 2020, based on the current 8,400,318,891 shares of the Company, but subject to the adjustment mentioned above, on the date of determination of the shareholders entitled to collect the dividend; and (ii) through one or more additional dividends for a

total amount of US\$81,049,981 payable during 2020 on the date or dates to be established by the Board of the Company, as expressly empowered by the Shareholders' Meeting for such purpose.

APRIL 17, 2020

Essential Fact

Pursuant to Article 9 and paragraph 2 of Article 10 of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an essential fact to that Commission that at the Extraordinary Shareholders' Meeting of AES Gener held on April 16, 2020, the shareholders adopted the following resolutions: (a) to increase the capital stock of the Company in the amount of US\$ 500,000,000, divided into 5,000,000,000 shares, of the same and a single series, and with no nominal value, to be issued, subscribed and paid in within the maximum term expiring on April 16, 2023. Consequently, the capital of AES Gener was increased from the amount of US\$2,052,032,165.44, divided into 8,400,318,891 shares, of the same and a single series, with no nominal value, fully subscribed and paid in, to the amount of US\$2,552,032,165.44, divided into 13,400,318,891 shares, of the same and a single series, with no nominal value; (b) Grant broad powers to the Board of Directors to make the necessary arrangements for the issue and placement of the shares; (c) Grant a power to the Board of Directors to set a placement price for these shares, pursuant to provisions of Article 23, paragraph two, of the Regulations of Corporations; and (d) Adapt the article five and first transitional article of the bylaws, relating to the share capital, based on the resolutions adopted at the Meeting. The purpose of the proposed capital increase shall be to finance the growth plan of AES Gener under the Greentegra strategy.

MAY 09, 2020

Essential Fact

Pursuant to Article 9 and paragraph 2 of Article 10 of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an essential fact to that Commission updated information concerning the minimum mandatory dividend whose distribution was agreed at the Ordinary Shareholders' Meeting of

the Company held on April 16, 2020. Such dividend would be for a total amount of US\$34,735,706.- to be distributed among the shareholders entitled to receive it and amounts to US\$0.0041473.- per share based on 8,375,482,509 shares of the Company. The foregoing would correspond to the current 8,400,318,891 shares into which the capital of AES Gener is currently divided minus 24,836,382 shares that have been acquired to date by the Company under its buy-back program and that, according to the provisions of article 27 of the Corporations Law No. 18,046, would not be entitled to a dividend.

JULY 31, 2020

Essential Fact

Pursuant to Articles 9 and 10, subsection two, of Stock Market Law No. 18,045, and the General Rule No. 30 and Circular No. 660 of the Commission for the Financial Market, we reported as an essential fact to that Commission that, at an Ordinary Board Meeting of AES Gener held on July 30, 2020, it was agreed to pay on August 28, 2020 the entire additional dividend for a total amount of US\$81,049,981 that was agreed by the Shareholders' Meeting of the Company held on April 16, 202 and that is equivalent to US\$0.0096484 per share based on 8,375,482,509 shares of the Company in consideration of the current 8,400,318,891 shares in which its capital is currently divided and without considering the shares that, as of the dates of determination of the shareholders entitled to receive the dividend, (a) are owned by AES Gener under its buy-back program; and (b) could be issued in accordance with the capital increase of the Company approved by the Extraordinary Shareholders' Meeting of AES Gener held on April 16, 2020.

AUGUST 07, 2020

Essential Fact

Pursuant to Article 9 and paragraph 2 of Article 10 of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an essential fact to that Commission that on August 7, 2020, the subsidiary of the Company, Empresa Eléctrica Angamos SpA ("Angamos") and Minera Escondida Limitada ("MEL") and Minera Spence SpA ("Spence") entered into the agreements in connection

with the "Power Purchase Agreements based on the Construction of a New Coal-Fired Thermoelectric Power Plant" entered into on March 17, 2008 between Angamos and MEL (the "MEL PPA") and Spence (the "Spence PPA"): (a) to amend and provide for the early termination both the MEL PPA and the Spence PPA dated August 8, 2021; and (b) settle the disputes currently existing between them in relation to the MEL PPA and Spence PPA. As a result of the Agreements, MEL and Spence undertook to pay Angamos the total amount of US\$840,067,813 as follows: (i) the amount of US\$109,619,991 payable by Spence on August 31, 2020; and (ii) the amount of US\$730,447,822, payable by MEL in up to 9 annual installments as from August 31, 2021. The aforementioned agreements would be subject to certain conditions subsequent that, if any of them were met, by August 31, 2020, would render the aforementioned Agreements null and void. Such conditions would include not verifying: (a) the payment of the amounts referred to in section (i), (b) the execution and delivery of the documents evidencing the obligation to pay the amounts referred to in section (ii); and (c) the acquisition of such documents by a financial institution, through its ownership transfer to that entity, without responsibility for Angamos, under which the latter would receive the net sum of US\$610,380,009. As a result of these Agreements, once the termination conditions have failed, the Company would estimate an increase in its Net Income of US\$189,300,000 in 2020 and US\$336,300,000 in 2021. The termination of contracts is considered as an indicator of impairment of Property, Plant and Equipment. Angamos would assess the recoverability of the carrying value, which as of June 30, 2020 amounted to US\$747,454,000. The funds, which would be received by Angamos during 2020, amounting to US\$720,000,000, would be used in full to strengthen the capital structure of the Company, prepaying debt and accelerating the ongoing renewable growth plan, in line with the goals of the Greentegra strategy to reduce the carbon intensity from its portfolio and strengthen its investment grade.

AUGUST 20, 2020

Essential Fact

Pursuant to Article 9 and paragraph 2 of Article 10 of

Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an essential fact to that Commission updated information concerning the minimum mandatory dividend whose distribution was agreed at the Ordinary Shareholders' Meeting of the Company held on April 16, 2020. Such dividend would be for a total amount of US\$81,049,981.- to be distributed among the shareholders entitled to receive it and amounts to US\$0.0096484.- per share based on 8,375,482,509 shares of the Company. The foregoing would correspond to the current 8,400,318,891 shares into which the capital of AES Gener is currently divided minus 24,836,382 shares that have been acquired to date by the Company under its buy-back program and that, according to the provisions of article 27 of the Corporations Law No. 18,046, would not be entitled to a dividend and without considering those that could be issued in accordance with the capital increase of the Company approved by the Extraordinary Shareholders' Meeting of AES Gener held on April 16, 2020.

AUGUST 27, 2020

Essential Fact

Pursuant to Articles 9 and 10, subsection two, of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an essential fact to that Commission that, at a Board meeting of the Company held on August 27, 2020, it was agreed to invite the shareholders to an Extraordinary Shareholders' Meeting of AES Gener to be held on October 1, 2020 in order to be informed of and decide on the following matters: (i) to extend the term of the delegation to the Board of Directors to set the final price and to start placing all or part of the 5,000,000,000 shares in payment of the capital increase agreed at the Special Shareholders' Meeting held on April 16, 2020, for a further period of up to 180 days, in accordance with subsection two, Article 23 of the Regulations of Corporations; (ii) the list of the agreements associated with the related party transactions mentioned in Title XVI of Corporations Law 18,046; and (iii) In general, to adopt all the other resolutions required or advisable for the enforcement of the decisions made by the Shareholders' Meeting.

SEPTEMBER 04, 2020

Essential Fact

Pursuant to Article 9 and paragraph 2 of Article 10 of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an essential fact to that Commission that on this date the subsidiary of the Company, Norgener Inversiones SpA ("Norgener") and TIF Inversiones SpA, owned by Toesca Infraestructura II Mutual Fund, entered into an agreement (the "SPA") to sell a non-controlling interest of the shares issued by the subsidiary of Norgener, Inversiones Cochrane SpA, which in turn owns 261,698,247 common shares issued by Empresa Eléctrica Cochrane SpA ("Cochrane"), equivalent to 60% of the issued, subscribed and paid-in capital of Cochrane (the "Acquisition") at US\$113.5 million; and that according to the SPA, the closing of the Acquisition will occur 7 banking business days following the date hereof, that is, September 15, 2020. In line with the Greentegra strategy, the funds will be used in full to finance AES Gener's renewable growth that seeks to reduce the carbon intensity of its portfolio.

SEPTEMBER 08, 2020

Essential Fact

This is an addendum to the essential fact reported to the Commission for the Financial Market on September 4, 2020 pursuant to (i) the provisions of Article 9 and Article 10, subsection two, of Stock Market Law No. 18,045, as well as the General Rule No. 30 of the Commission for the Financial Market; and (ii) the official letter 41882 of September 7, 2020 issued by such Commission and stating that, as mentioned in the aforementioned essential fact, Norgener Inversiones SpA ("Norgener", subsidiary of AES Gener) and TIF Inversiones SpA, owned by Toesca Infrastructure II Investment Fund, entered into an agreement (the "SPA") for the sale of a non-controlling percentage of the shares issued by Inversiones Cochrane SpA (subsidiary 100% owned by Norgener), which owns, in turn, 261,698,247 ordinary shares issued by Empresa Eléctrica Cochrane SpA ("Cochrane"), equivalent to 60% of the issued, subscribed and paid in capital of Cochrane (the "Acquisition") for the price of US\$113.5 million. This percentage represents 49.99% of shares of Inversiones Cochrane SpA. Subsequent to the

completion of the Acquisition, the shareholders of Inversiones Cochrane SpA would amend the bylaws of said company by dividing the capital into two series of shares, those of Series A that will have full voting rights and those of Series B that will have limited voting rights, but a preference in the payment of dividends. The first series will belong to Norgener and the second series to TIF. According to the SPA, the closing of the Acquisition will occur 7 banking business days as from the execution date of the SPA, i.e. September 15, 2020. Once the Acquisition has been perfected, and in line with what is mentioned in the Essential Fact, the Acquisition will not have an impact on the results of the Company. This is pursuant to the provisions of IFRS 10, paragraph 23, which states that “Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are equity transactions (i.e. transactions with owners in their capacity as owners).” Paragraph B96 of the same standard elaborates on this accounting treatment and clarifies that “The entity shall recognize directly in equity any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, and attribute it to the owners of the parent.” The change in the equity of the Company will be determined with the issuance of the quarterly financial statements as of September 30, 2020

SEPTEMBER 29, 2020

Essential Fact

Pursuant to Article 9 and paragraph 2 of Article 10 of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an essential fact to that Commission that the Company decided to make certain non-recurring accounting adjustments as a result of the following events: (1) on August 31, 2020, Empresa Eléctrica Angamos SpA received the net payment of US\$720 million from Minera Escondida Limitada y Minera Spence S.A. with the ensuing materialization of the agreements entered into between the parties in order to amend and resolve the early termination of the power supply agreements; and (2) taking into account the Company’s intention, subject to compliance with the conditions precedent of the agreement of

disconnection and discontinuation of operations of the coal-fired units Ventanas 1 and Ventanas 2 to accelerate the withdrawal of such units at the earliest date as the safety and sufficiency of the system may make it possible. In view of these facts and the fact that these units will no longer be considered strategic assets since they will not be related to the supply of energy supply contracts, constituting independent “Cash Generating Units”, AES Gener would record an impairment loss of Property, Plant and Equipment that would affect the net result of 2020 by approximately US\$560 million. This non-recurring accounting adjustment would not have an impact on the cash flows of the Company. Finally, it was reported that the Company has arrived at the conclusion that it would be appropriate to record an impairment loss for the total value of its investment in the associate Guacolda Energía S.A., with a negative impact on net income for the year 2020 of approximately US\$90 million. This non-recurring accounting adjustment would have no impact on the cash flows of the Company.

OCTOBER 01, 2020

Essential Fact

Pursuant to Article 9 and paragraph 2 of Article 10 of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an essential fact to that Commission that at the Extraordinary Shareholders’ Meeting of AES Gener held on October 1, 2020 (the “Meeting”), the shareholders of AES Gener agreed to extend by 180 additional calendar days from October 13, 2020 until April 11, 2021, the term of the delegation to the Board of Directors of the power to set the final price and start placing all or part of the 5,000,000,000 cash shares issued as a result of the capital increase agreed at the Extraordinary Shareholders’ Meeting of April 16, 2020, on the same terms and conditions previously agreed by this last Meeting.

NOVEMBER 05, 2020

Essential Fact

Pursuant to the provisions of article 9 and paragraph 2 of article 10, of Securities Market Law No. 18,045 of the Commission for the Financial Market, we informed as an essential fact that, at the Board Meeting of the Company

held on November 5, 2020, it was agreed to invite the shareholders to an Extraordinary Shareholders' Meeting of the AES Gener to be held on November 19, 2020 to be informed of and decide on the following issues: (i) formalities specific to matters relating to the form of adoption of agreements, attendance, summons, powers and other formalities specific to the creation of the Extraordinary Shareholders' Meeting; (ii) appointment of the shareholders who, together with the Chairman and the Secretary, will sign the minutes of the Meeting; (iii) approval to divide and pay a contingent dividend of US\$194,214,038.61, equivalent a US\$0.0231884.- per share out of the Reserve for Proposed Dividends of the Company, to be paid as from December 10, 2020, in cash, in US Dollars or Chilean Pesos, at the option of the shareholders; (iv) the list of the agreements associated with the related party transactions mentioned in Title XVI of Corporations Law 18,046; and (v) In general, to adopt all the other resolutions required or advisable for the enforcement of the decisions made by the Shareholders' Meeting.

NOVEMBER 19, 2020

Essential Fact

Pursuant to Articles 9 and 10, subsection two, of Stock Market Law No. 18,045, and the General Rule No. 30 and Circular No. 660 of the Commission for the Financial Market, we reported as an essential fact to that Commission that, at the Special Shareholders' Meeting held on November 19, 2020, the shareholders agreed to divide and pay a contingent dividend pay a contingent dividend of US\$194,214,038.61, equivalent to US\$0.0231884 per share out of retained earnings of the Company, which will be paid as from December 10, 2020. The amount of the dividends per share mentioned above was calculated on the basis of the total amount of 8,375,482,509 shares, corresponding to 13,400,318,891 shares of AES Gener in accordance with its current bylaws, less (i) 24,836,382 treasury shares held by the Company, which have been acquired to date under the buy-back program approved at the Extraordinary Shareholders' Meeting of AES Gener dated December 17, 2019, in accordance with the provisions of article 27 number 4) of the Corporations Law, and (ii) 5,000,000,000 shares in payment of the capital increase agreed at the Special Shareholders'

Meeting held on April 16, 2020 which are still pending placement by the Board of Directors.

DECEMBER 17, 2020

Essential Fact

Pursuant to Articles 9 and 10, subsection two, of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an Essential Fact to that Commission that at a Board meeting held on December 17, 2020, a new General Regularity Policy for Related Party Transactions of the Company was approved, which was submitted to the Commission. This policy will be available to the shareholders of AES Gener in the Company's corporate offices and in the Company's website, in accordance with the provisions of Article 147, paragraph (b), of Law 18,046.

DECEMBER 28, 2020

Essential Fact

Pursuant to Articles 9 and 10, subsection two, of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an Essential Fact to that Commission that at the Board meeting held on December 28, 2020, in accordance with the powers conferred on it by the Special Shareholders' Meeting held on April 16, 2020 (the "Shareholders' Meeting"), as extended by the Extraordinary Shareholders' Meeting held on October 1, it was agreed to set the placement price of 1,980,000,000 shares at \$110 per share, which shall consist in the capital increase agreed at the Shareholders' Meeting, whose issue was registered by the Commission for the Financial Market on July 22, 2020 in the Registry of Securities under No. 1,100. As reported by the notice published in the Journal "Pulso" on December 18, 2020, the right first refusal for the subscription of 1,980,000,000 shares mentioned above would begin on December 29, 2020.

DECEMBER 29, 2020

Essential Fact

Pursuant to Articles 9 and 10, subsection two, of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported

as an Essential Fact to that Commission that in accordance with the Agreement for the Disconnection and Discontinuation of Operations of the Ventanas 1 and Ventanas 2 Coal-fired Units entered into between AES Gener and the Ministry of Energy of the Republic of Chile on June 4, 2019, which was informed as an essential fact on the same date, supplemented by essential facts of June 11 and December 16, 2019, and in view of the publication on December 26 of Supreme Decree No. 42 of the Ministry of Energy, AES Gener requested that Ventanas 1 and Ventanas 2 units got into the Strategic Reserve State ("ERE"), as from December 29, 2020 and for a period of 60 effective months, in accordance with the provisions of Supreme Decree No. 62 of 2006, issued by the Ministry of Economy, Development and Reconstruction, as

amended by Supreme Decree No. 42 of 2020, issued by the Ministry of Energy. In accordance with the provisions of the same regulation, AES Gener informed the National Energy Commission of the withdrawal of Ventanas 1 and Ventanas 2 units, as of December 29, 2025, in accordance with Article 72-18 of the General Law of Electric Services, considering that the units will remain in ERE during the aforementioned period. By means of communication dated December 29 and with immediate effects, the National Electricity Coordinator approved the request to change to ERE of Ventanas 1 unit, and informed that the response with respect to Ventanas 2 unit will be sent during the first half of January 2021. The facts reported in this communication will not generate additional effects to those reported in the Essential Fact dated September 29, 2020.





10. Subscription and affidavit of liability

Affidavit

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Affidavit of Liability

The undersigned, duly empowered and in their capacity as Directors and Chief Executive Officer for AES Gener S.A., as applicable, declare under oath that they are responsible for the veracity of all the information contained in this Integrated Annual Report, in accordance with General Rule No. 30, of the Commission for the Financial Market.



Julián Nebreda Márquez

Director

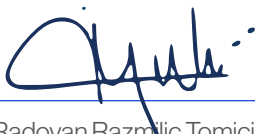
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Arminio Borjas

Director

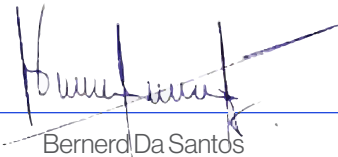
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Radovan Razmilic Tomicic

Director

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Bernerd Da Santos

Director

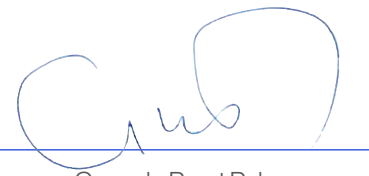
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Gustavo Pimenta

Director

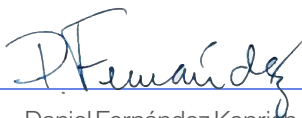
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Gonzalo Parot Palma

Director

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Daniel Fernández Koprich

Director

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Ricardo Manuel Falú

Chief Executive Officer

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11. Financial Statements

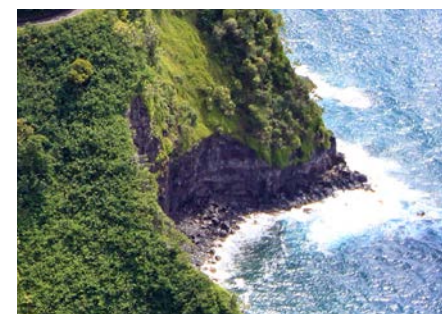


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REFERENCIAS

UNITED STATES DOLLARS	US\$
THOUSANDS OF UNITED STATES DOLLARS	MUS\$
CHILEAN PESOS	\$
THOUSANDS OF CHILEAN PESOS	M\$
COLOMBIAN PESOS	COL\$
THOUSANDS OF COLOMBIAN PESOS	MCOL\$
ARGENTINE PESOS	AR\$
THOUSANDS OF ARGENTINE PESOS	MAR\$
UNIDAD DE FOMENTO	U.F.



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Independent Auditor's Report

(Translation of the report originally issued in Spanish – See note 2)

To Shareholders and Directors
AES Gener S.A. and its Subsidiaries

We have audited the accompanying consolidated financial statements of AES Gener S.A. and its subsidiaries (“the Company”), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of comprehensive income, changes in shareholders’ equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management’s Responsibility for the consolidated financial statements

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

Auditor’s responsibility

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

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



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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of AES Gener S.A. and its subsidiaries as of December 31, 2020 and 2019, and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

Santiago, February 24, 2021

A handwritten signature in blue ink, appearing to read 'Gastón Villarroel O.', written over a horizontal line.

Gastón Villarroel O.
EY Audit SpA

AES Gener S.A. and Subsidiaries

Classified Consolidated Statements of Financial Position

As of December 31, 2020 and December 31, 2019

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

	Note	December 31, 2020	December 31, 2019
CURRENT ASSETS			
Cash and Cash Equivalents	8	271,203	340,861
Other financial assets	9	3,490	10,031
Other non-financial assets	11	3,189	2,263
Trade receivables and other accounts receivable	12	493,284	427,768
Accounts receivable from related entities	13	21,886	29,541
Inventory	14	138,279	144,777
Tax assets	15	22,655	15,166
Total current assets		953,986	970,407
NON-CURRENT ASSETS			
Other financial assets	9	12,846	5,523
Other non-financial assets	11	36,217	35,760
Trade receivables and other accounts receivable	12	37,279	44,375
Investments in associates	16	—	81,714
Intangible assets	17	117,341	87,671
Property, plant and equipment	18	6,674,891	7,034,293
Right-of-use assets	19	53,648	50,182
Deferred tax assets	15	233,798	132,635
Total non-current assets		7,166,020	7,472,153
TOTAL ASSETS		8,120,006	8,442,560

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

AES Gener S.A. and Subsidiaries

Classified Consolidated Statements of Financial Position

As of December 31, 2020 and December 31, 2019

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

	Note	December 31, 2020	December 31, 2019
CURRENT LIABILITIES			
Other financial liabilities	20	186,146	265,481
Current lease liabilities	21	4,691	5,919
Trade payables and other accounts payable	22	366,280	322,648
Accounts payable to related entities	13	38,882	95,522
Other provisions	23	174	578
Tax liabilities	15	225,104	66,934
Provisions for employee benefits	24	5,455	3,893
Other non-financial liabilities	25	427,091	30,349
Total current liabilities		1,253,823	791,324
NON-CURRENT LIABILITIES			
Other financial liabilities	20	3,757,681	3,902,897
Non-current lease liabilities	21	57,412	51,205
Trade payables and other accounts payable	22	—	3,656
Accounts payable to related entities	13	378,611	287,189
Other provisions	23	150,685	175,843
Deferred tax liabilities	15	406,507	619,906
Provisions for employee benefits	24	36,265	31,167
Other non-financial liabilities	25	47,652	31,977
Total non-current liabilities		4,834,813	5,103,840
TOTAL LIABILITIES		6,088,636	5,895,164
SHAREHOLDERS' EQUITY			
Issued Capital		2,049,329	2,052,076
Retained earnings (losses)	26	12,308	364,801
Additional paid-in capital		49,908	49,864
Other interest in the shareholders' equity	26	45,559	239,300
Other reserves	26	(295,979)	(259,515)
Shareholders' equity attributable to parent company owners		1,861,125	2,446,526
Non-controlling interest	3.b	170,245	100,870
Total shareholders' equity		2,031,370	2,547,396
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		8,120,006	8,442,560

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

AES Gener S.A. and Subsidiaries

Consolidated Statements of Comprehensive Income Classified by Cost Function

For the years ended December 31, 2020 and 2019

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

		For the year	
		2020	2019
Revenue from ordinary activities	27	2,507,484	2,411,773
Sales cost	28	(1,581,028)	(1,743,359)
Gross profit		926,456	668,414
Other income, by function		2,274	2,647
Administrative expenses	28	(125,484)	(100,606)
Other expenses, by function		(10,840)	(5,824)
Other income (losses)	29	(847,612)	(60,165)
Financial income	30	7,972	10,271
Financial costs	30	(122,192)	(140,034)
Interest in earnings (losses) of associates	16	(79,658)	(125,889)
Exchange differences	30	(31,071)	(11,919)
Profit or loss by indexation units		(2,141)	—
Income (loss) before taxes		(282,296)	236,895
Income taxes	15	30,642	(112,454)
Net income (loss) for the year		(251,654)	124,441
Income (loss) attributable to			
Parent company owners		(271,444)	115,786
Non-controlling interest	3.b	19,790	8,655
Net income (loss) for the year		(251,654)	124,441
Basic earnings (loss) per basic share			
Continuing operations	31	(0.032)	0.014
Discontinued operations			
Basic earnings (loss) per basic share		(0.032)	0.014
Basic earnings (loss) per diluted share			
Share from continuing operations		(0.032)	0.014
Share from discontinued operations			
Diluted earnings (loss) per share		(0.032)	0.014

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

AES Gener S.A. and Subsidiaries

Consolidated Statements of Comprehensive Income Classified by Cost Function

For the years ended December 31, 2020 and 2019

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

	For the year	
	2020	2019
Net income for the year	(251,654)	124,441
Other comprehensive income that will not be reclassified		
Actuarial gains (losses) for defined benefit plans	(3,953)	(2,146)
Effect of income tax related to defined benefit plans	1,021	571
Other comprehensive income items that will be		
Income (loss) for translation exchange differences	(12,213)	(2,727)
Unrealized gains (losses) on cash flow hedges	(31,174)	(97,759)
Effect of income tax related to cash flow hedges from other comprehensive income	5,756	27,182
Other comprehensive income	(40,563)	(74,879)
Net comprehensive income for the year	(292,217)	49,562
Comprehensive income attributable to		
Parent company owners	(308,904)	53,935
Non-controlling interest	16,687	(4,373)
Net comprehensive income for the year	(292,217)	49,562

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

AES Gener S.A. and Subsidiaries

Consolidated Statements of Changes in Shareholders' Equity

For the years ended December 31, 2020 and 2019

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

	Issued Capital	Additional paid-in capital	Other interest in the shareholders' equity	Other reserves (Note 26.6)	Retained earnings (losses)	Shareholders' equity attributable to parent company owners	Non-controlling interest	Total shareholders' equity
Opening balance as of January 1, 2020	2,052,076	49,864	239,300	(259,515)	364,801	2,446,526	100,870	2,547,396
Changes in equity								
Income (loss)	—	—	—	—	(271,444)	(271,444)	19,790	(251,654)
Other comprehensive income	—	—	—	(37,460)	—	(37,460)	(3,103)	(40,563)
Issuance of shareholders' equity	924	—	—	—	—	924	—	924
Share repurchase	(3,627)	—	—	—	—	(3,627)	—	(3,627)
Dividends	—	—	(194,214)	—	(81,049)	(275,263)	(9,311)	(284,574)
Decreases for transfers and other changes	(44)	44	473	996	—	1,469	61,999	63,468
December 31, 2020	2,049,329	49,908	45,559	(295,979)	12,308	1,861,125	170,245	2,031,370
Opening balance as of January 1, 2019	2,052,076	49,864	238,944	(200,203)	484,640	2,625,321	121,929	2,747,250
Changes in equity								
Income (loss)	—	—	—	—	115,786	115,786	8,655	124,441
Other comprehensive income	—	—	—	(61,851)	—	(61,851)	(13,028)	(74,879)
Dividends	—	—	—	—	(235,625)	(235,625)	(17,600)	(253,225)
Decreases for transfers and other changes	—	—	356	2,539	—	2,895	914	3,809
December 31, 2019	2,052,076	49,864	239,300	(259,515)	364,801	2,446,526	100,870	2,547,396

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

Consolidated Statements of Direct Cash Flows

For the years ended December 31, 2020 and 2019

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

	December 31, 2020	December 31, 2019
Net cash flows from operating activities		
Class of collections for operating activities		
Collections from sale of goods and provision of services	3,140,918	2,676,014
Collections from premiums and benefits, annuities and other benefits from purchased policies	10,299	—
Other collections for operating activities	12	2,133
Classes of payment		
Payments to suppliers for the supply of goods and services	(1,499,758)	(1,557,137)
Payments to and on behalf of employees	(71,551)	(73,928)
Other payments for operating activities	(192,467)	(201,926)
Dividends received	2,573	6,761
Interest received	4,847	8,704
Reimbursed income taxes (paid)	(114,921)	(113,731)
Other cash inflows (outflows)	(32,255)	(7,772)
Net cash flows from operating activities	1,247,697	739,118
Cash flows used in investing activities		
Cash flows used to obtain control of subsidiaries or other businesses	(4,808)	(147,638)
Other collections from the sale of interest in joint ventures	—	1,047
Proceeds from sale of property, plant and equipment	16	—
Purchase of property, plant and equipment	(563,746)	(502,565)
Proceeds from sales of intangible assets	2,000	—
Purchase of intangible assets	(5,871)	—
Amounts of other long-term assets	—	(177)
Other cash inflows (outflows)	49,580	49,334
Net Cash Flows Used in Investing Activities	(522,829)	(599,999)

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

Consolidated Statements of Direct Cash Flows

For the years ended December 31, 2020 and 2019

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

	December 31, 2020	December 31, 2019
Net cash flows from (used in) financing activities		
Amounts from long-term loans	\$ 629,903	\$ 2,199,550
Amounts from short-term loans	\$ 193,716	\$ 79,000
Loan repayments	\$ (1,158,007)	\$ (1,874,447)
Payments of lease liabilities	\$ (5,942)	\$ (5,220)
Payments to non-controlling interest	\$ (59,176)	\$ (17,600)
Dividends paid	\$ (310,001)	\$ (286,987)
Interest expense	\$ (192,396)	\$ (167,901)
Collections for changes in interests in subsidiaries not resulting in a loss of control	\$ 112,219	\$ —
Payments for purchase or redemption of shares of the entity	\$ (3,626)	\$ —
Amounts from issue of shares	\$ 924	\$ —
Other cash inflows (outflows)	\$ 8,379	\$ (38,823)
Net cash flows from (used in) financings activities	\$ (784,007)	\$ (112,428)
Net increase (decrease) in cash and cash equivalents, before the effects of exchange differences	\$ (59,139)	\$ 26,691
Effect of exchange differences on cash and cash equivalents		
Effect of exchange differences on cash and cash equivalents	\$ (10,519)	\$ (8,203)
Increase (decrease) in cash and cash equivalents, net	\$ (69,658)	\$ 18,488
Cash and cash equivalents at the beginning of the period	\$ 340,861	\$ 322,373
Cash and cash equivalents at the end of the period	\$ 271,203	\$ 340,861

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

NOTE 1 - OVERVIEW

AES Gener, (www.aesgener.cl) (hereinafter referred to as the “Company”, “Group”, “AES Gener”, “Gener” or “Parent”) was created by means of a public deed dated June 19, 1981, delivered in Santiago by Notary Public Patricio Zaldívar Mackenna. Its business name was, at that time, Compañía Chilena de Generación Eléctrica S.A. (Chilectra Generation S.A.). The *Comisión para el Mercado Financiero* (Commission for the Financial Market - CMF) approved its bylaws by means of Resolution No. 410-S dated July 17, 1981, published in Official Gazette No. 31,023 dated July 23, 1981. The Company is registered with the Commercial Registry of the Real Estate Conservator of Santiago in pages 13,107, No. 7,274 of 1981.

Gener is an open corporation primarily engaged in the generation of electricity. Its mission is to improve lives by accelerating a safer and more sustainable energy future in all the markets it serves, by complying with the commitments assumed with customers, shareholders, workers, communities, suppliers, and other persons and groups to which it is related.

The Company serves the National Electric System (SEN) through the four run-of-the-river hydroelectric power plants, two coal-fired plants, a diesel oil-fired gas turbine plant, and a cogeneration plant, all of them owned by AES Gener. In addition, it serves the SEN through three coal-fired plants owned by the subsidiaries Empresa Eléctrica Ventanas S.A., Empresa Eléctrica Angamos S.A. and Empresa Eléctrica Cochrane SpA, in addition to a photovoltaic solar plant owned by the subsidiary Andes Solar, and a wind plant owned by the subsidiary Los Cururos. Moreover, as of December 31, 2020, the Company held a 50% interest in a coal-fired plant owned by Guacolda Energía SpA (“Guacolda”).

Considering the opportunities offered by the Chilean market, the Company is currently building a 531-MW run-of-the-river hydroelectric power plant, Alto Maipo SpA. Recently, the Company started with the expansion of its 180-MW photovoltaic solar plant Andes Solar in the Antofagasta region (Andes Solar II.B), and the construction of Mesamávida, Los Olmos and Campo Lindo 68-MW, 110-MW and 73-MW wind plants, respectively in the Bío Bío region.

The Company leads the construction and operation of storage systems in the Chilean market. It currently has 62 MW of batteries in operation at the Cochrane and Angamos plants, at the Andes substation, and near Alfalfa I Power Plant where the 10-MW “Virtual Reservoir” energy storage system is located. Moreover, a 112-MW storage system for 5 hours is under construction at the Solar Andes complex.

In addition to its share in the Chilean electricity sector, the Company produces electricity in Argentina and Colombia through its subsidiaries Termoandes S.A. and AES Colombia, respectively.

The registered address of Gener is Rosario Norte 532, floors 18, 19 and 20, Commune of Las Condes, Santiago.

The Company is controlled by The AES Corporation through its subsidiary Inversiones Cachagua SpA. with an interest of 66.70% as of December 31, 2020.

These consolidated financial statements were approved by the Company’s Board of Directors on February 24, 2021.

NOTE 2 - BASIS OF PREPARATION

2.1 Basis of Preparation of the Consolidated Financial Statements

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

These consolidated financial statements of AES Gener S.A. and subsidiaries include the classified consolidated statements of financial position as of December 31, 2020 and December 31, 2019, the consolidated statements of comprehensive income classified by cost function for the fiscal years ended December 31, 2020 and 2019, the statements of changes in shareholders' equity and cash flows presented using the direct method for the years ended December 31, 2020 and 2019, and their accompanying notes.

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

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

An asset or liability is considered to be current when it is expected to be realized, sold or used 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 the Management of AES Gener S.A. In the preparation of the consolidated financial statements, the policies deriving from AES Gener S.A. were used for all the subsidiaries included in the consolidation.

For the convenience of the reader, the financial statements and their accompanying notes have been translated from Spanish to English.

2.2. New Accounting Pronouncements

a) Impact of the Application of New Standards and Amendments in 2020

The standards and interpretations, as well as the improvements and amendments to IFRS, issued and effective as of the date of these financial statements, are detailed below:

Standards, Interpretations and Amendments		Mandatory Application Date
Standards and Implementations		
Conceptual Framework	Conceptual Framework (revised)	January 01, 2020
Amendments to regulations		
IFRS 3	Definition of a business	January 01, 2020
IAS 1 and IAS 8	Definition of material	January 01, 2020
IFRS 9, IAS 39 and IFRS	Interest rate benchmark reform	January 01, 2020
IFRS 16	COVID-19-Related Rent Concessions	January 01, 2020 (*)

* Early application is permitted, including in financial statements not yet authorized for issue as of May 28, 2020

The application of these pronouncements has not had significant impacts on the Company, which are detailed in Note 2.2 (c) below. The other accounting criteria applied during the period 2020 have not changed with respect to those used in the previous fiscal year.

b) Impact of the Application of New Standards and Amendments in 2020

The Company applied certain standards, interpretations and amendments for the first time, which are effective for periods beginning on or after January 1, 2020. The current standards, interpretations and amendments to IFRS that came into effect as of the date of the financial statements, their nature and impacts are shown below:

Conceptual Framework (revised)

IASB issued the Conceptual Framework (revised) in March 2018. This introduces some new concepts, provides updated definitions and criteria for recognition of assets and liabilities and clarifies some important concepts.

Changes to the Conceptual Framework can affect the application of IFRS when no standard applies to a particular transaction or event. The revised Conceptual Framework is effective for the periods beginning on or after January 1, 2020.

The Company has evaluated the impact of this standard and has established that its implementation has not had significant effects on its financial statements.

Amendments to the regulations effective January 1, 2020

IFRS 3 Business Combinations - Definition of a Business

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to assist entities to determine whether an acquired set of activities and assets is a business or not. The IASB clarifies the minimum requirements for a business; removes the assessment of whether market participants are capable of replacing any missing elements; adds guidance to help entities assess whether an acquired process is substantive; narrows the definitions of a business and outputs; and introduces an optional fair value concentration test.

The amendments must be applied to business combinations or asset acquisitions occurring on or after the beginning of the first annual reporting period that begins on or after January 1, 2020. As a consequence, entities are not

required to review those transactions that occurred in previous periods. Early adoption is permitted and must be disclosed.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first adoption, most entities will likely not be affected by these amendments on transition. However, entities considering the acquisition of a set of activities and assets after first adopting the amendments should firstly update their accounting policies on a timely basis.

The amendments could be relevant in other areas of IFRS (for example, they may be relevant where a parent loses control of a subsidiary and has early adopted the sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28)).

IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of “material” across the standards and to clarify certain aspects of the definition. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The amendments must be applied prospectively. Early adoption is permitted and must be disclosed. Although the amendments to the definition of material will not have a significant impact on an entity’s financial statements, the introduction of the term “obscuring information” in the definition could potentially impact how materiality judgments are made in practice, by elevating the importance of how the information is disclosed and organized in the financial statements.

IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform

In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7, which completes the first phase of the project to answer to the effects of the reform of interbank offer rates (IBOR) in financial reporting. The amendments provide temporary exceptions that allow hedge accounting to continue during the period of uncertainty, prior to the replacement of the existing interest rate benchmark by alternative near risk-free interest rates.

The amendments must be applied retrospectively. However, any hedge relationship that has been previously discontinued cannot be resumed with the application of these amendments, nor can a hedge relationship be designated using the retrospective reasoning benefit. Early adoption is permitted and must be disclosed.

IFRS 16 COVID-19-Related Rent Concessions

In May 2020, the IASB issued an amendment to IFRS 16 Leases to provide relief to lessees in the application of IFRS 16 related to lease modifications due to reductions in lease payment as a direct consequence of the Covid-19 pandemic. The amendment is not applicable to lessors.

As a practical expedient, a lessee may elect not to assess whether a Covid-19-related rent concession granted by a lessor is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from Covid-19-related rent concession the same way that it would account for the change applying IFRS 16 if the change were not a lease modification.

A lessee is required to apply this practical expedient retrospectively, recognizing the cumulative effect of the initial application of the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment.

A lessee shall apply the amendment for annual reporting periods beginning on or after June 1, 2020. Early application is permitted, including in financial statements not yet authorized for issue as of May 28, 2020.

The Company has evaluated the impact of these amendments and has established that its implementation has not had significant effects on its financial statements.

c) Accounting Pronouncements effective for periods beginning on or after January 1, 2021

The standards and interpretations, as well as the amendments to IFRS, issued, but not yet effective as of the date of these financial statements, are detailed below. The Company has not implemented/has implemented these standards at an earlier date:

Standards and Interpretations		Mandatory Application Date
New Standards		
IFRS 17	Insurance Contracts	January 01, 2023
IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16	Interest Rate Benchmark Reform - Phase 2	January 01, 2021
IAS 1	Classification of Liabilities as Current or Non-Current	January 01, 2022
IFRS 3	Reference to the Conceptual Framework	January 01, 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use	January 01, 2022
IAS 37	Onerous Contracts - Cost of Fulfilling a Contract	January 01, 2022
IFRS 10 and IAS 28	Consolidated Financial Statements - Sales or Contributions of Assets between an Investor and its Associate/Joint Venture	To be established

IFRS 17 Insurance Contracts

In May 2017, IASB issued IFRS 17 Insurance Contracts, a new specific accounting standard for insurance contracts covering recognition, measurement, presentation, and disclosure. Once it comes into effect, it will replace IFRS 4 Insurance Contracts, as issued in 2005. The new standard is applicable to all types of insurance contracts, regardless of the type of entity issuing them, as well as to certain guarantees and financial instruments with certain discretionary participation features. Some exceptions within the scope may apply.

IFRS 17 shall be effective for periods beginning on or after January 1, 2023, with comparative figures required. Early adoption is permitted, provided the entity applies IFRS 9 Financial Instruments, on or before the date on which IFRS 17 is first applied.

The Company believes that this new standard shall not affect the financial statements.

IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 Interest Rate Benchmark Reform - Phase 2

In August 2020, the IASB published the second phase of the Interest Rate Benchmark Reform which includes amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. With this publication, the IASB completes its work to answer to the effects of the IBOR reform in financial reporting.

The amendments provide temporary exceptions that address the effects on financial reporting when an interest rate benchmark (IBOR) is replaced by an alternative near risk-free interest rate.

Amendments are required and early application is permitted. A hedging relationship should be reinstated if the hedging relationship was discontinued solely due to changes required by the interest rate benchmark reform and if the second phase of the amendments had been applied at that time it would not have been required to discontinue that hedging relationship.

Although it should be applied retrospectively, an entity is not required to restate prior periods.

The Company will assess the impact of the amendment once it comes into effect.

IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current

In June 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for the classification of liabilities as current or non-current.

The amendments are effective for periods beginning on or after January 1, 2022. Entities should carefully consider whether there is any aspect of the amendments suggesting that the terms of their existing loan agreements should be renegotiated. In this context, it is important to stress that the amendments should be applied retrospectively.

The Company will assess the impact of the amendment once it comes into effect.

IFRS 3 Reference to the Conceptual Framework

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework. These amendments are intended to replace a reference to an earlier version of the IASB Conceptual Framework (1989 Framework) with a reference to the current version issued in March 2018, without significantly changing its requirements.

The amendments shall be effective for periods beginning on or after January 1, 2022 and shall be applied retrospectively. Early application is permitted if, at the same time or earlier, an entity also applies all other amendments contained in the amendments to the IFRS References to the Conceptual Framework issued in March 2018.

The amendments will provide consistency in financial reporting and avoid possible confusion for having more than one version of the Conceptual Framework in use.

The Company will assess the impact of the amendment once it comes into effect.

IAS 16 Property, Plant and Equipment: Proceeds before Intended Use

The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing the asset to the location and conditions necessary for it to be capable of operating in the manner intended by management. Instead, an entity shall recognize the proceeds from selling such items, and the cost of producing those items, in profit or loss for the period, according to applicable standards.

The amendment shall be effective for periods beginning on or after January 1, 2022. The amendment should be applied retrospectively only to items of property, plant and equipment available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendment.

The Company will assess the impact of the amendment once it comes into effect.

IAS 37 Onerous Contracts – Cost of Fulfilling a Contract

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify the costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendment shall be effective for periods beginning on or after January 1, 2022. The amendment should be applied retrospectively to contracts existing at the beginning of the annual reporting period in which the entity first applies the amendment (date of initial application). Early adoption is permitted and must be disclosed.

The amendments are intended to provide clarity and help ensure consistent application of the standard. Entities that previously applied the incremental cost approach will observe an increase in provisions to reflect the addition of costs directly related to contract activities, while entities that have previously recognized provisions for contract losses using the guidance of the previous standard, IAS 11 Construction Contracts, should exclude the allocation of indirect costs from their provisions.

The Company will assess the impact of the amendment once it comes into effect.

IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to IFRS 10 Consolidated Financial Statements, and IAS 28 Investments in Associates and Joint Ventures (2011) address a recognized inconsistency between the requirements of IFRS 10 and IAS 28 (2011) in the treatment of the sale or the contribution of assets between an investor and its associate or joint venture. The amendments, issued in September 2014, require a full gain or loss to be recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The mandatory application date of these amendments is to be determined since IASB is waiting for the outcomes of a research project on the equity method of accounting. Entities are required to apply these amendments retrospectively. Early application is permitted and must be disclosed.

The Company will assess the impact of the amendment once it comes into effect.

NOTE 3 - BASIS OF CONSOLIDATION

The Consolidated Financial Statements include the financial statements of AES Gener S.A. and subsidiaries as of December 31, 2020 and 2019, the consolidated statements of comprehensive income by function and the statements of changes in shareholders' equity and cash flows presented using the direct method for the years ended December 31, 2020 and 2019.

The financial statements of the subsidiaries 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 AES Gener. 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. has 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 subsidiaries is derived from the ownership of a majority of voting rights granted by capital instruments of the subsidiaries.

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

- the number of voting rights held by the investor relative to the number and dispersion held by the other vote holders;
- potential voting rights held by the investor, other vote holders and other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances suggesting the investor has, or fails to have, the current ability to direct the relevant activities when decisions need to be made, including voting patterns at previous shareholders' meetings.

The Company shall reassess whether it controls an investee if facts and circumstances indicate that there have been changes to one or more of the three control elements mentioned 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 account for the acquisition of subsidiaries. The acquisition cost is the fair value of the assets delivered, the equity instruments issued, and the liabilities incurred or assumed on the date of exchange. Identifiable assets and liabilities acquired and identifiable contingencies assumed in a business combination are initially recognized at fair value on the acquisition date, irrespective of the extent of non-controlling interest. The excess of the acquisition cost over the fair value of the interest of AES Gener S.A. in the net identifiable assets acquired is recognized as goodwill. If the acquisition cost is less than the fair value of the net assets of the acquired subsidiary, the difference is directly recognized in the income statement.

Below is a detail of the subsidiaries included in the consolidation:

Taxpayer Id. (RUT)	Ref.	Name of the Company	Country of origin	Functional Currency	Interest Percentage			
					December 31, 2020			December 31, 2019
					DIRECT	INDIRECT	TOTAL	TOTAL
96.678.770-8	NFI	Norgener Foreign Investment	CHILE	US\$	100.00 %	— %	100.00 %	100.00 %
96.814.370-0	Ventanas	Empresa Eléctrica Ventanas S.A.	CHILE	US\$	0.01 %	99.99 %	100.00 %	100.00 %
	Foreign	AES Colombia	COLOMBIA	Col\$	— %	99.99 %	99.99 %	99.99 %
	Foreign	JK	Jameiwaa KA'I S.A.S. E.S.P.	COLOMBIA	Col\$	— %	100.00 %	100.00 %
76.803.700-0	NI	Norgener Inversiones S.p.A	CHILE	US\$	100.00 %	— %	100.00 %	100.00 %
	Foreign	GASA	Gener Argentina S.A.	ARGENTINA	AR\$	92.04 %	7.96 %	100.00 %
	Foreign	Termoandes	Termoandes S.A.	ARGENTINA	AR\$	8.82 %	91.18 %	100.00 %
	Foreign	Interandes	Interandes S.A.	ARGENTINA	AR\$	13.00 %	87.00 %	100.00 %
76.004.976-K	Angamos	Empresa Eléctrica Angamos S.A.	CHILE	US\$	5.18 %	94.82 %	100.00 %	100.00 %
	Foreign	Energen	Energen S.A.	ARGENTINA	AR\$	29.52 %	70.48 %	100.00 %
	Foreign	-	AES Chivor S.A.	COLOMBIA	Col\$	47.50 %	51.88 %	99.38 %
76.085.254-6	Cochrane	Empresa Eléctrica Cochrane S.p.A	CHILE	US\$	— %	60.00 %	60.00 %	60.00 %
76.170.761-2	Alto Maipo	Alto Maipo S.p.A.	CHILE	US\$	— %	93.11 %	93.11 %	93.11 %
76.680.114-5	-	Cia. Transmisora Angamos S.p.A	CHILE	US\$	— %	100.00 %	100.00 %	100.00 %
76.786.355-1	NR	Norgener Renovables S.p.A	CHILE	US\$	100.00 %	— %	100.00 %	100.00 %
76.579.067-0	Andes Solar	Andes Solar S.p.A	CHILE	US\$	— %	100.00 %	100.00 %	100.00 %
76.868.988-1	Los Olmos	Energía Eólica Los Olmos S.p.A	CHILE	US\$	— %	100.00 %	100.00 %	100.00 %
76.868.991-1	Mesamavida	Energía Eólica Mesamavida S.p.A	CHILE	US\$	— %	100.00 %	100.00 %	100.00 %
76.917.669-1	Punta del Sol	Punta del Sol S.p.A.	CHILE	US\$	— %	100.00 %	100.00 %	100.00 %
76.917.677-2	Quebrada Seca	Quebrada Seca S.p.A.	CHILE	US\$	— %	100.00 %	100.00 %	100.00 %
76.513.461-7	Victoria	Parque Eólico Victoria S.p.A.	CHILE	US\$	— %	— %	— %	100.00 %
76.363.072-2	Campo Lindo	Parque Eólico Campo Lindo S.p.A	CHILE	US\$	— %	100.00 %	100.00 %	100.00 %
76.975.746-5	Nolana	Parque Eólico Nolana S.p.A	CHILE	US\$	— %	100.00 %	100.00 %	100.00 %
76.975.739-2	Topoloa	Parque Eólico Topoloa S.p.A	CHILE	US\$	— %	100.00 %	100.00 %	100.00 %
76.954.837-8	Litueche	Parque Eólico Litueche S.p.A	CHILE	US\$	— %	100.00 %	100.00 %	100.00 %
78.178.599-0	Los Cururos	Parque Eólico los Cururos Spa	CHILE	US\$	— %	100.00 %	100.00 %	100.00 %
76.729.711-4	La Cebada	Compañía Transmisora La Cebada S.A.	CHILE	US\$	99.99 %	0.01 %	100.00 %	100.00 %
77.116.491-9	San Matias	Energía Eólica San Matias S.p.A.	CHILE	US\$	— %	100.00 %	100.00 %	100.00 %
77.005.365-K	Paposo	Energía Eólica Paposo S.p.A.	CHILE	US\$	— %	100.00 %	100.00 %	100.00 %
76.967.596-5	Curauma	Energía Eólica Curauma S.p.A.	CHILE	US\$	— %	100.00 %	100.00 %	100.00 %
77.201.526-7	Inv Cochrane	Inversiones Cochrane S.p.A.	CHILE	US\$	— %	95.00 %	95.00 %	100.00 %
77.294.357-1	Pampas	Energía Eólica Pampas S.p.A.	CHILE	US\$	— %	100.00 %	100.00 %	— %
77.290.404-5	Don Alvaro	Energía Eólica Don Alvaro S.p.A.	CHILE	US\$	— %	100.00 %	100.00 %	— %

3.2. Change of functional currency for Argentine subsidiaries

Recent developments in the Argentine electricity market led management to reassess the functional currency of its operations in Argentina during the current fiscal year.

In this regard, it should be taken into account that the Secretary of Energy, under the Ministry of Production Development, issued Resolution 31/2020 on February 27, 2020, under the framework of Law No. 27,541, which declared the public emergency in economic, tariff and energy matters, and empowered the Executive Branch to freeze electricity and natural gas tariffs under federal jurisdiction and to start a process to renegotiate the current comprehensive tariff review or initiate an extraordinary review process. This resolution intended to convert to pesos the remuneration of generators that have not entered into a power purchase agreement, and that are incorporated at a time when demand exceeds the energy supply, replacing the system established by Resolution 1/2019 issued by the former Secretary of Renewable Resources and Electricity Market.

Additionally, in July 2020, the Company was informed of an administrative decision issued by the Secretary of Energy where it was established that all contracts entered into under the Energy Plus program created in 2006 would expire on October 31, 2020, based on the expiration of the 10-year term set forth in the original project. This program led to the creation and existence of a market for dollar-denominated contracts between generators and large industrial users. Termoandes submitted a note to CAMMESA so that it may consider the effectiveness of the Energy Plus program. During the last quarter of 2020, a notice was received confirming the effectiveness of the contracts already entered into and authorizing those starting on November 1, 2020. Moreover, it is allowed to continue entering into agreements on a conditional basis until the Secretary of Energy renders a final decision on the effectiveness of the program. While the program remains in effect, it is important to mention that both the quantities sold and the sales prices under this program have been decreasing in recent years, thus bringing about an increase in the exposure to local currency of the transaction margins.

As a result of these changes in the Argentine electricity market and their impact on the operations of AES Gener's Argentine subsidiaries, Management has decided that the Argentine peso is the currency of the main economic environment in which these subsidiaries do business and should therefore be considered as their functional currency.

3.3. Non-Controlling Interests

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

The summarized financial information as of December 31, 2020, is presented below:

	Interest %	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Ordinary Revenue	Ordinary Expenses	Net Gain (Loss)
Eléctrica Cochrane	40.0%	111,676	998,875	(86,642)	(895,159)	345,995	(234,449)	43,166
Alto Maipo	6.9%	75,246	3,264,787	(105,822)	(3,003,197)	—	(2)	(10,928)
Inversiones Cochrane (1)	5.0%	10	77,251	(14)	—	—	—	25,887

Accumulated balances attributed to non-controlling interest of the shareholders' equity are:

	December 31, 2020	December 31, 2019
Eléctrica Cochrane	\$ 51,499	\$ 80,069
Alto Maipo	\$ 15,917	\$ 20,844
Inversiones Cochrane (1)	\$ 102,574	\$ —
Others	\$ 255	\$ (43)
Total	\$ 170,245	\$ 100,870

(1) On September 4, 2020, the subsidiary Norgener Inversiones SpA sold to TIF Inversiones SpA (TIF), a non-controlling interest of the shares issued by the subsidiary of Norgener, Inversiones Cochrane SpA, which in turn owns 60% of Empresa Eléctrica Cochrane SpA ("Cochrane"), at US\$113,469.

Income or (loss) attributed to non-controlling interest are:

	December 31, 2020	December 31, 2019
Eléctrica Cochrane	17,267	9,184
Alto Maipo	(753)	(455)
Inversiones Cochrane	2,626	—
Others	650	(74)
Total	19,790	8,655

Comprehensive income attributed to non-controlling interest is:

	December 31, 2020	December 31, 2019
Eléctrica Cochrane	18,338	(665)
Alto Maipo	(4,927)	(3,634)
Inversiones Cochrane	2,626	—
Others	650	(74)
Total	16,687	(4,373)

Dividend payments and capital reductions attributed to non-controlling interest are:

	December 31, 2020	December 31, 2019
Eléctrica Cochrane	46,907	17,600
Inversiones Cochrane	12,269	—
Total	59,176	17,600

NOTE 4 - SUMMARY OF MAIN ACCOUNTING POLICIES

4.1. Associates

Associates are all those entities on which AES Gener has significant influence, but fails to have the control that, generally, is accompanied by a 20% to 50% voting interest. The investments in affiliates or associated companies are accounted for according to the equity method and are initially recognized at their cost. The investment of AES Gener in associates includes the goodwill recognized during the acquisition, net of any accumulated impairment loss.

The Group's share of losses or profit (net of taxes) subsequent to the acquisition of its associates is recognized in profit or loss, and its share in equity movements subsequent to the acquisition shall not be recognized in profit or loss, are accounted for as shareholders' equity reserves (and are shown as appropriate in the statement of other comprehensive income). To the extent that the Group's share of losses of an associate is equal to or higher than its interest therein, including any other unsecured account receivable, no additional losses are recognized, unless the Group has incurred in obligations or made payments on behalf of the associate.

Unrealized gains from transactions between the Group and its associates are removed based on the participating interest of the Group in those associates. Unrealized losses are also removed, except if the transaction provides evidence of impairment loss in the asset that is being transferred. When necessary to ensure its consistency with the policies adopted by the Company, financial information of the associates is adjusted.

4.2. Operating Segments

Segment information is consistently presented with the internal reports provided to the Management that makes decisions for AES Gener, which is responsible for allocating resources and evaluating the performance of the operating segments. Management identifies its operating segments according to the markets where it participates, i.e., the markets of Chile, Argentina and Colombia, for which strategic decisions are made.

Intercompany transactions are removed between segments on a consolidated basis. Financial costs are not separated by operating segments due to the fact that the Group manages debts on a consolidated basis.

This financial information by operating segments is detailed in Note 7.

4.3. Foreign Currency Transactions

a. Reporting Currency and Functional Currency

The items included in the financial statements of each of the entities of the Company are measured using the currency of the principal economic environment in which the entity operates (functional currency). The consolidated financial statements of AES Gener are expressed in United States dollars, which is the functional and reporting currency of the Company and all of its subsidiaries, except for its Colombian subsidiaries, whose functional currency is the Colombian peso, and the Argentine subsidiaries, whose functional currency is the Argentine peso.

b. Transactions and Balances

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

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

c. Translation Basis

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

	Symbol	December 31, 2020	December 31, 2019
Chilean Pesos	\$	710.95	748.74
Argentine pesos	Ar\$	84.15	59.89
Colombian pesos	Col\$	3,428.26	3,277.14
Euro	€	0.81	0.89
Unidad de Fomento	UF	0.02	0.03

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

d. Translation Bases for Subsidiaries with Different Functional Currencies

The results and financial position of all the Group entities, which have a functional currency other than the reporting currency and whose functional currency is not that of a hyperinflationary economy, are translated into the reporting currency as follows:

- i. The assets and liabilities are translated at the closing exchange rate as of the closing date.
- ii. Adjustments to goodwill and distribution of the price paid, as arising from the acquisition of a foreign entity, are treated as assets and liabilities of the foreign entity and are converted at the year-end foreign exchange rate.
- iii. Revenue and expenditure of each profit and loss account are converted at the monthly average exchange rates (unless this average is other than a reasonable approximation of the cumulative effect of exchange rates prevailing as of the transaction dates, in which event the income and expenditure will be translated at the exchange rate reported on those transaction dates).

All resulting exchange differences are recognized as a separate component of the shareholders' equity, under the account "Other Reserves". To the extent the investment is sold, those exchange differences are recognized in the income statement as part of the gain or loss on sale.

The results and financial position of the Group entities, which have a functional currency other than the reporting currency and whose functional currency is that of a hyperinflationary economy (as in the case of Argentine subsidiaries), are translated into the reporting currency as follows:

- i. Assets, liabilities, shareholders' equity, revenues and costs are translated at the closing date exchange rate.
- ii. The comparative figures are unchanged in relation to those reported in the previous Financial Statements since the reporting currency of the Group is that of a non-hyperinflationary economy.

Prior to applying the above translation method, the entities are required to restate their financial statements in accordance with IAS 29 based on the purchasing power at the end of the reporting period. Therefore, the transactions of this year and the balances of non-monetary items as of the end of the year, should be restated to reflect the current price index as of the balance sheet date.

For the restatement of the Financial Statements in homogeneous currency, the National Consumer Price Index (CPI) published by the National Institute of Statistics and Census of Argentina (INDEC) is used, according to the series prepared and published by the Argentine Federation of Professional Councils of Economic Sciences (FACPCE). Considering these indexes, inflation was 10.92% in the quarter ended December 31, 2020.

For consolidated purposes, exchange differences arising from the conversion of a net investment in foreign entities are accounted for in shareholders' equity. When all or part of those investments are sold, exchange differences are recognized in the income statement as part of gain or loss on sale.

4.4. Property, Plant and Equipment

The plots of land of AES Gener Group are carried at cost less relevant accumulated impairment losses.

Plants, buildings, equipment and transmission systems held for electricity generation and other items of property, plant and equipment are recognized at historical cost less relevant 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 operate as expected by the Management, and the initial estimated costs of dismantling and removing the asset, either in whole or in part, and restoring the site where it is located. This is an obligation assumed by the Company, at the time of purchasing the asset or as a consequence of using the asset during a certain period.

Subsequent costs are included in 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 assets will flow to the Group and the cost of the item can be reliably measured. The value of the replaced component is derecognized. Other repairs and maintenance are recognized in the income statement for the period as incurred.

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

- i. Financial expenses related to external financing that are directly attributable to constructions, both specific and generic in nature. In terms of generic financing, capitalized finance expenses are obtained by applying the weighted average cost of long-term financing to the average accumulated investment eligible for capitalization that is not specifically financed.
- ii. Directly related staff and other operative costs attributable to the construction.

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

Depreciation of fixed assets is calculated using the straight-line method, 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 18.

The residual value and the useful life of these assets are reviewed periodically 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 (Note 4.7).

Profit and losses on sales of fixed assets are calculated by comparing the proceeds from the sale with their carrying value and are included in the income statement as other net income (losses).

Derecognition of fixed assets is equivalent to the gross carrying value less accumulated depreciation at the time of recording.

4.5. Goodwill

Goodwill represents the excess of the acquisition cost over the fair value of the interest of the Group in the net identifiable assets of the subsidiary/associate acquired on the purchase date. Goodwill is tested for impairment on an

annual basis and is valued at cost less accumulated impairment losses. Gains and losses for sale of an entity include the carrying amount of the goodwill related to the entity being sold.

Goodwill is allocated to Cash Generating Units (CGU) with the purpose of testing whether the CGUs are impaired. When the recoverable amount of a CGU is lower than its carrying amount, an impairment loss will be recognized. Impairment losses related to goodwill cannot be reversed in future periods (Note 4.7).

As of December 31, 2020, the Group has not recognized any amount as Goodwill.

4.6. Intangible Assets

a. Computer programs

Licenses for purchased software are capitalized based on costs incurred to purchase and prepare the specific programs for use. These costs are amortized over their estimated useful lives using the straight-line method. (Note 17).

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

b. Easements

Easement rights are carried at historical cost. As the exploitation period of these rights has no limit, they are considered as assets with an indefinite useful life and are therefore not subject to amortization. Nevertheless, the indefinite nature of a useful life is reviewed at each reporting period to determine whether it should still be regarded as such. These assets are tested for impairment annually. The exception to the rule of an indefinite useful life is only applicable to cases where there is an underlying agreement limiting the useful life of the easement (Note 17).

c. Water Rights

Water rights are carried at historical cost. As the exploitation period of these rights has no limit, they are considered as assets with an indefinite useful life and are therefore not subject to amortization. Nevertheless, the indefinite nature of a useful life is reviewed at each reporting period to establish whether such nature is still applicable. These assets are tested for impairment annually.

4.7. Impairment of Non-Financial Assets

Assets subject to amortization and depreciation are tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. If there is an indication of impairment, the recoverable amount shall be estimated for the asset on an individual basis. If the recoverable amount cannot be determined for individual assets or the assets have an indefinite useful life, the entity shall determine the lowest level for

which there are separately identifiable cash flows (“cash generating units”) and shall estimate the recoverable amount of the cash generating unit to which the asset belongs.

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

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

Intangible assets and goodwill with indefinite useful lives are tested for impairment every October 1 of each year.

4.8. Financial Assets

Initial Classification

AES Gener 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 of financial assets in the initial recognition depends on the contract cash flow characteristics and Gener’s business model for their management. Except for trade receivables with no significant financial component or for which Gener has applied a practical solution, Gener initially recognizes a financial asset at fair value plus, in case of a financial asset not recognized at fair value through changes in profit or loss, transaction costs.

Financial assets classified and recognized at amortized cost are maintained within a business model with the aim of maintaining financial assets to collect contractual cash flows, while the financial assets classified and recognized at fair value through OCI are maintained within a business model with the purpose of keeping their ownership for the collection of contractual cash flows and sales. Financial asset sales or purchases requiring the delivery of assets within a period of time established by market regulation or convention (regular transactions) are recognized on the negotiation date, namely, the date on which the Company undertakes to buy or sell the asset.

a. 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 period. The financial assets are classified in the category of financial assets at fair value through profit or loss when they are held for negotiation purposes or designated in their initial recognition at fair value through profit or loss. A financial asset is classified in this category if it is acquired mainly with the purpose of being sold in the short term. Profit 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.

b. Assets carried at amortized cost

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

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

These instruments are initially carried at fair value, with gains or losses reclassified through 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 Gener 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 4.21.

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 of the Company to manage the financial instruments, and (ii) whether the contractual cash flows of the financial instruments are “Solely Payments of Principal and Interest”.

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

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

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

b. Financial Assets measured at Amortized Cost:

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

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

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

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

Impairment

Following the requirements of IFRS 9, the Company applies an impairment model that relies on the assessment of expected credit losses, based on the Company's historical information, existing market conditions, and prospective estimates at the end of each reporting period. This model applies to financial assets measured at amortized cost or measured at fair value through other comprehensive income, except for investments in equity instruments.

The expected credit loss is determined considering the probability of default, which is the difference between all the contractual cash flows that are due in accordance with the contract and all the cash flows that the entity expects to receive (i.e., insufficient money), discounted at the original effective interest rate.

To determine expected credit losses, the Company applies two different approaches:

- General approach: applied to financial assets other than trade receivables, contract assets or lease receivables. This approach is based on the assessment of significant increases in the credit risk of financial assets, since the initial recognition. In case that, as of the date of presentation of the financial statements, the credit risk has not had a significant increase, impairment losses are measured by reference to the 12-month expected credit losses; otherwise, if the credit risk has had a significant increase, the impairment is measured considering the expected credit losses throughout the life of the asset. In general, expected credit losses as per the general approach are determined on an individual basis.
- Simplified approach: for trade receivables, the Company applies a simplified method, whereby the impairment provision is always recorded with reference to expected credit losses over the life of the asset. This is the mostly applied approach, since trade receivables represent the main financial asset of the Company.

With respect to corporate customers and distribution companies whose power purchase agreements are long term and cover a significant portion of their installed capacity, the Company allocates its exposure to a credit risk grade based on data determined to be predictive, including credit ratings, audited financial statements, projected cash flows, and customer-related information available, and by applying experienced judgment relying on this information. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and consistent with the definition of credit risk according to the criteria applied by the risk agencies. Regarding the exposure to losses for customers whose credit assessment cannot be determined, considering the aforementioned guide, the Company covers this credit risk through the request for financial guarantees, which are stipulated in accordance with the respective power purchase agreements (see Note 33).

As of December 31, 2020, the Company holds guarantees received from customers as detailed in Note 33 to these financial statements for the payment obligations of customers under PPAs, including, in some cases, letters of credit from financial institutions with an investment grade rating and corporate bonds from their parent companies with an investment grade rating. Obligations under these letters of credit and corporate bonds may increase or decrease depending on our customers' capacity to meet certain construction, operational or financial thresholds or the change in the investment grade ratings of their respective parent companies.

The impact on the Company's results due to impairment of trade receivables as of December 31, 2020, amounts to a loss of ThUS\$172.

Based on the benchmark market and industry where our customers do business, as well as the recovery expectations after 90 days for such accounts receivable, the Company mainly applies a default maturity of 180 days to assess expected credit losses, as it is considered an effective indicator of a significant increase in credit risk. As a result, financial assets that are more than 90 days past due are generally not considered to be in default.

Based on Company-specific assessments, the prospective adjustment may be applied considering qualitative and quantitative information to reflect possible future events and macroeconomic scenarios, which may affect the risk of the portfolio or financial instrument.

4.9. Financial Liabilities

AES Gener classifies its financial liabilities in the following categories: fair value through profit or loss, derivatives designated as effective hedging instruments (see Note 4.10) and amortized cost. Management determines the classification of its financial liabilities on initial recognition.

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

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

When the Group has the right to offset obligations with financial rights, the net amount shall not be reported in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation, as the Company intends to pay and collect those items independently. IFRS 7 Financial Instruments: Disclosures also apply to recognized financial instruments whose derivative contracts are subject to an enforceable netting arrangement or similar agreement, irrespective of the net or gross disclosure under IAS 32. See Note 10.2 (e)

a. 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. Gains and losses on held-for-trading liabilities are accounted for as profit or loss. This category includes derivative instruments not designated for hedge accounting.

b. 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 are an integral part of the effective interest rate. This category includes trade payables and other accounts payable and loans included in other current and non-current financial liabilities.

4.10. Derivative Financial Instruments and Hedging

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

- i. fair value hedges
- ii. cash flow hedges.

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

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of the credit risk has no predominance over the changes in value resulting from that economic relationship; and
- The hedge ratio of the hedge relationship is the same as that resulting from the amount of the hedged item that the Group is actually hedging and the amount of the hedging instrument that the Group actually uses to hedge such amount of the hedged item.

If a hedge relationship ceases to meet the hedge effectiveness requirements in relation to the hedge ratio, but the risk management goal for that designated hedge relationship remains unchanged, the Group will adjust the hedge ratio of the hedge relationship so that it complies again with the required criteria. (Referred to as “rebalancing” in IFRS 9).

a. 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.

The Group has not used fair value hedges in the reporting periods.

b. 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 comprehensive income and are accumulated as cash flow hedge reserves in other reserves. The effective portion of changes in the fair value of the derivative instrument that is recognized in other comprehensive income is limited to the cumulative change in the fair value of the hedged item, as established on the basis of the present value, from the beginning of the hedging transaction.

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 Group recognized only the change in the spot fair value of the forward contract as the hedging instrument in the cash flow hedge relationships. The change in the fair value of the forward points in foreign currency is accounted for separately as hedging cost and is recognized in a hedge cost reserve within shareholders' equity.

When the expected transaction that is subsequently hedged brings about the recognition of a non-financial item as inventory, the accumulated amount in the hedging reserve and the cost of the hedging reserve is directly included in the initial cost of the non-financial item upon recognition.

For all the expected hedged transactions, the amounts accumulated in Other reserves are accounted for in the income statement during periods in which the hedged item affects the result. In the case of interest rate hedges, this means that the amounts recognized in shareholders' equity are reclassified as profit or loss in financial costs as interest on associated debts is accrued. For cross currency swaps, the amounts recognized in other reserves are reclassified to financial costs as interest is accrued and to exchange differences as a result of measuring the debts at closing exchange rates.

If the hedged item ceases to meet the criteria for hedge accounting or the hedging instrument expires, is sold, terminated or exercised, hedge accounting is prospectively discontinued. When hedge accounting for cash flow hedges is discontinued, the amount accumulated in other reserves will remain in shareholders' equity until, if the hedging of a transaction brings about the recognition of a non-financial item, it is included in the cost of the non-financial item on initial recognition or, in the case of other cash flow hedges, it is reclassified in profit or loss in the same period or periods in which the expected hedged future cash flows affect the income statement.

When it is expected that the transaction is not likely to occur, the gain or loss accumulated in shareholders' equity is immediately charged to income within financial cost or exchange differences, according to their nature.

c. Derivatives not qualifying for hedge accounting

Certain derivatives are not designated for hedge accounting and are carried at fair value through profit or loss. Changes in the fair value of these derivatives are immediately recognized in the income statement.

d. 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.

4.11. Inventory

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

4.12. Cash and Cash Equivalents

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

Cash and cash equivalents subject to restrictions are included in the statement of financial position within cash and cash equivalents, except when the nature of the restriction is such that it ceases to be liquid or readily convertible to cash. In this case, restricted cash set aside for less than 12 months will be recognized within other current financial assets, and the restricted cash set aside for more than 12 months will be recognized within other non-current financial assets. The classification of cash and cash equivalents is not consistent with the classification made in the statement of cash flows.

IAS 7 sets forth that the entity must submit information on cash flows from operating activities using the direct or indirect method. According to Official Letter No. 2058 published by the CMF, as from the reporting date, March 31, 2013, all open companies must present their cash flow statements using the direct method.

4.13. Issued Capital

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

Incremental costs directly attributable to the 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.

4.14. Taxes

Income taxes

The Company and all its subsidiaries 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 in the countries where the Group does business and generates taxable income.

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

Deferred Taxes

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

The differences between the carrying values of assets and liabilities and their tax bases generate (with the 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:

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

Deferred tax assets are 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:

- i. the temporary differences will reverse in the foreseeable future; and
- ii. there is liquid taxable income 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 shareholders' equity, based on how the income or loss originating them have been recognized.

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

Group companies representing tax losses recognize deferred tax assets when such losses are likely to be utilized. For that purpose, the generation of future tax profits and the expiration date of tax losses is considered. Both in Chile and Colombia, tax losses have no expiration date; however, in Argentina they expire at the fifth year.

4.15. Employee Benefits

Short-term Employee Benefits

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

Post-Employment Benefits - Defined Benefit Plans

The Company has recognized the total of liabilities related to voluntary pension plans for retired employees (active employees are not creditors of this benefit at the time of retirement) and other post-retirement benefits, as stipulated under the collective bargaining agreements existing in the Chilean companies of the Group. Pension benefits include the payment of a supplementary pension in addition to the pension provided for in the Chilean Social Security System payable for life to retired employees. Furthermore, these benefits include health services and electricity grants. In addition, the Colombian subsidiary AES Colombia has a pension plan limited to a certain staff group which includes a supplementary pension for those people who are not covered by the provisions of Law No. 100 of 1993.

The liabilities under post-employment benefit plans were recognized at the value of projected benefit liability, as assessed by applying the actuarial calculation and using the projected unit credit method. The actuarial assumptions considered in the calculation include the likelihood of such payments or benefits based on employee mortality (in the case of retired employees), future costs and level of benefits and discount rate. In Chile, the discount rate is based on reference to the performance of UF-denominated sovereign bonds issued by the Chilean Central Bank and the average long-term projected inflation, while in Colombia, the rate is assessed based on the performance of long-term sovereign bonds issued by the Colombian government. Sovereign bond rates are used considering that in none of both countries there are sufficiently active markets of high credit quality corporate notes.

In the case of Chilean former employees, who are only entitled to medical benefits and electricity grants, the benefits are recognized based on an estimation of the proportion of benefits accrued as of the balance sheet date. The obligations related to medical benefits and electricity grants have been determined considering the trend in future medical costs and fixed electricity for the bonus given to retired and active employees after retirement.

Actuarial gains and losses include adjustments for experience and effects of changes on the actuarial assumptions and are recognized in other comprehensive income.

Stock-based Compensations

AES Corporation, majority shareholder of AES Gener, grants stock-based compensation to certain employees of its subsidiaries, which consist of a combination of options and restricted stock. The rights on these plans are generally vested in three-year terms.

The fair value of the services received from the employees in exchange for the granting of the option is recognized as an expense and a corresponding increase in or contribution to the shareholders' equity of the Company. The cost is measured as of the date of granting based on the fair value of the equity instruments or liabilities issued and is recognized as an expense on a straight-line basis over the vesting period, net of an estimation for non-exercised options.

Currently, the Company uses a Black-Scholes model to estimate the fair value of the stock options granted to employees.

Staff Seniority Indemnities

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

The actuarial assumptions considered in the calculation include the likelihood of such payments or benefits based on mortality (in the case of retired employees) and employee rotation, future costs and level of benefits and discount rate. The discount rate is established in the same manner as for post-employment benefits, as detailed in Note 4.15 Post-Employment Benefits - Defined Benefit Plans.

4.16 Provisions

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

- i. the Group has a present obligation, whether legal or constructive, as a result of past events;
- ii. it is likely that an outflow of resources will be needed to settle the obligation; and
- iii. the amount has been reliably estimated.

No provisions for future operating losses are recognized.

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

4.17. Revenue Recognition

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

a. Proceeds from sales of goods and services

Sale of goods

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

Provision of Services

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

- i. Regulated customers: distribution companies in Chile and Colombia: The proceeds from electric power sales are recorded based on the physical delivery of energy and power pursuant to long-term agreements at a tendered price.
- ii. Non-regulated customers: for clients in Chile, Argentina and Colombia: The proceeds from electric power sales for these customers are recorded based on the physical delivery of energy and power at the rates specified in the relevant contracts.
- iii. Spot Market Customers: The proceeds from electric energy and power sales for these customers are recorded based on the physical delivery of energy and power to other generating companies or the system coordinator at the marginal cost of energy and power. The spot market is organized pursuant to the law through Dispatch Centers (CEN in Chile, CAMMESA in Argentina and XM in Colombia), 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 within the consolidated statement of comprehensive income.

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

Gener establishes the existence of significant financing components in its contracts by adjusting the value of the consideration, if appropriate, to reflect the effects of the time value of money. Nevertheless, Gener applies the practical solution provided by IFRS 15, and will not adjust the value of the committed consideration as a result of the effects of a significant financing component if the Company expects, at the beginning of the contract, that the period between payment and transfer of property or customer service will be one year or less.

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

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

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

a. Assets and Liabilities under Contracts

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

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

b. Transaction Price Allocated to Outstanding Performance Obligations

The transaction price allocated to outstanding performance obligations represents a consideration for unsatisfied (or partially unsatisfied) performance obligations as of each year-end date. As of December 31, 2020, the Company has no committed and unsatisfied or partially unsatisfied performance obligations.

4.18. Leases

The contracts executed by the Company are initially evaluated to identify whether they are, or contain, a lease. A contract is, or contains, a lease if it involves a right to control the use of an identified asset during a period of time in exchange for a consideration. To perform this evaluation, the Company assesses whether, during the same period of use of the asset, the user has:

- i. The right to obtain substantially all the economic benefits arising from the use of the identified asset (directly or indirectly); and
- ii. The right to direct the use of the identified asset.

a. When the Group is Lessor

In those cases where the Company acts as Lessor, leases are classified as: Financial lease depending on whether the agreement assigns substantially all the risks and benefits associated to the ownership of the asset or Operating lease when no such risks and benefits are assigned. This classification is made considering the background on the manner of transaction at the beginning of the lease (date on which lessor makes the asset available for use by the lessee) and is reassessed only when there is an amendment to the lease agreement.

a.1 Financial Lease

At the beginning of the lease, the Company recognizes the assets held for lease in its statements of financial position and discloses them as accounts receivable equivalent to the amount of the net investment in the lease, calculated as the sum of payments for lease payments plus any unsecured residual value, discounted at the interest rate implicit in the lease.

After the initial recognition, the Company recognizes a financial income for the duration of the lease, based on a pattern reflecting a constant periodic rate of return on the net investment of the Company in the lease.

a.2 Operating Lease

The Company recognizes the payments for operating leases in their statements of income as an income on a straight-line basis during the lease term. The costs incurred in obtaining the lease income, such as depreciation, are charged to income as an expense. For the periods covered by these financial statements, the Company was not a party to significant contracts of this nature.

b. When the Group is Lessee

In those cases where the Company acts as Lessee, the lease is recognized at the beginning as a Right-of-Use Asset and a Lease Liability.

At the beginning of the lease, the Right-of-Use Asset is recognized at cost and the following items are considered:

- The initial amount calculated for the Lease Liability;
- Any lease payment made before or at the beginning of the lease;
- Any initial direct cost incurred by the Company; and
- An estimation of costs to be incurred by the Company for the dismantling and removal of the asset and restoration of the site where the asset is located.

After the initial recognition, the Right-of-Use Asset is measured using a cost model, minus accumulated depreciation, accumulated impairment losses, and adjustments for remeasurement of Lease Liability.

In those cases where the ownership of the asset will be transferred upon termination of the lease term or when it is expected to exercise a purchase option contained in the lease, the Right-of-Use Asset is depreciated during its remaining useful life. Otherwise, the Right-of-Use Asset is depreciated since the beginning of the lease until the earlier between the end of the useful life of the asset and termination of the lease.

To establish whether the Right-of-Use Asset is damaged, the Company uses the criteria described in Note 4.7.

Initially, the Lease Liability is calculated as the present value of lease payments that have not been made as of that date. Lease payments are discounted using the interest rate implicit in the lease, in case it can be readily determined; otherwise, the Company uses its borrowing rate (rate at which the Company would have borrowed the funds necessary to obtain an asset of a similar value to the Right-of-Use Asset during a time period similar to that of the lease).

Lease payments included in the initial measurement of the Lease Liability include:

- Fixed payments, less any account receivable associated to an incentive for the lease;
- Variable payments that depend on the variation of an index or rate;
- Amounts expected to be paid as collateral for the residual value;
- The exercise price of a purchase option if the lessee has a reasonable certainty that the option will be exercised;
- Payments for penalties for the early termination of the lease, if the lease term reflects the exercise of this option.

The Lease Liability is subsequently measured to reflect:

- The increase in the carrying amount associated with the interest recognized over the Lease Liability;
- The reduction in the carrying amount as a result of the lease payments made;
- Changes in the variable payments that depend on an index or rate;
- Remeasurements in carrying amount as a result of revaluations or modifications of the lease.

The interest on the Lease Liability is reflected in the income statement in the period during which it is incurred.

For short-term leases and those where the asset is of low value, the Company recognizes the lease payments as an expense on a straight-line basis over the term of the lease.

4.19. Dividends

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

At the end of each fiscal year, the Company makes a provision consisting of 30% of the result less dividends distributed on an interim basis pursuant to Law No. 18,046 as minimum dividend, given that such law requires the distribution of at least 30% of the financial result for the year, unless the Shareholders' Meeting unanimously resolves otherwise with regards to the voting shares issued.

Liquid earnings (losses) are equal to the Income (Loss) attributable to the parent.

4.20. Environmental Expenditures

Disbursements related to environmental protection are expensed as incurred. Investments in infrastructure works intended to meet environmental requirements are capitalized following the general accounting criteria for Property, Plant and Equipment, according to the IFRS.

4.21. 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 into between market players on 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 the fair value, management uses the assumptions that market players 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 satisfy a liability is not relevant when measuring the fair value.

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

- i. the particular asset or liability being measured;
- ii. 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;
- iii. the main or most advantageous market in which an orderly transaction would take place for the asset or liability; and
- iv. the appropriate valuation techniques to be used upon measuring the fair value. The valuation techniques adopted 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 equity instrument of the Company (e.g. equity interests issued as consideration in a business combination) is transferred to a market participant on the measurement date. The transfer of a liability or an equity instrument of the Company assumes the following:

- i. 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.
- ii. 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 extinguished 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 quantity of unobservable inputs is not significant. Transfers between hierarchy levels are recognized as of the date of the event or change in circumstances that gave rise to the transfer.

4.22. Assets Classified as Held for Sale and Discontinued Operations

Non-current assets, including property, plant and equipment, intangible assets, investments in associates and joint ventures, and groups of assets for disposal (group of assets that will be disposed of or distributed along with directly associated liabilities) are classified as held for sale if the carrying value will be primarily recovered through the implementation of a sales transaction, instead of from its continued use.

For the previous classification, assets must be immediately available for sale in its current condition and the sale must be highly probable. In order for the transaction to be considered highly probable, the Management must be committed to a sales plan, and the steps required to complete the plan must have been taken. Likewise, the sale is expected to be completed in one year as from the classification date.

The activities required to complete the sales plan should indicate that it is unlikely that significant changes can be made in the plan or that such plan would be canceled. The likelihood of approval by the shareholders (if required in the jurisdiction) should be considered as part of the assessment as to whether the sale is highly probable.

The assets or groups subject to expropriation classified as held-for-sale are measured at the lowest of the carrying value and the fair value less the sales costs.

Depreciation and amortization of these assets cease as soon as the criteria to be classified as non-current assets held for sale are met.

Assets that cease to be classified as held for sale or that cease to form part of the group of assets for disposal are valued at the lower of the carrying value before classification, less depreciations, amortizations, or reassessments that would have been recognized if they were not classified as such, and the recoverable value on the date on which they are reclassified as non-current assets.

The non-current assets and asset group components for disposal classified as held-for-sale are recognized in the consolidated statement of financial position as follows: assets in a single line called “Assets classified as held-for-sale”.

A discontinued operation is a component of the Group that has been disposed of, or otherwise that has been classified as held for sale, and:

- i. represents a line of business or geographic area, which is significant and can be regarded as separated from the rest;
- ii. is an integral part of an individual and coordinated plan to dispose of a line of business or geographic area of the operation that is meaningful and can be regarded as separated from the rest; or
- iii. is a subsidiary acquired exclusively for the purpose of being resold.

The after-tax income or loss from discontinued operations are expressed in a single line of the statement of comprehensive income called “Income (loss) from discontinued operations”, including the loss or income recognized by the fair value measurement less the sales cost or by the disposal of assets or groups for disposal that constitute the discontinued operation.

4.23.- Trade Payables

Trade payables include amounts due for the purchase of goods or services associated with the construction of coal (fuel) projects and purchases, which are related to reverse factoring operations. Under these operations, suppliers can choose to receive the advance payment of their invoice from a financial institution by factoring their accounts receivable from the Group. According to the reverse factoring process, a financial institution undertakes to pay to a participating supplier the amounts for any invoices owed by the Group and receives the payment from the Group at a later date. The main purpose of these transactions is to facilitate the efficient processing of payments and to allow suppliers, who so wish, to sell their accounts receivable owed by the Group to a financial institution before their due date. From the Group’s point of view, these transactions do not significantly extend the payment terms beyond the normal ones agreed to with other suppliers, considering that the payment terms under this system range from 30 to 120 days. Commissions paid to participating financial institutions are not representative amounts in relation to the amounts that those institutions pay to suppliers.

The Group has not derecognized the original liabilities subject to this reverse factoring system since neither a legal release has been obtained nor the original liability has been substantially changed when entering into each transaction. The Group discloses the amounts factored by suppliers within trade payables due to the fact that the nature and function of the financial liability remain the same as those of other trade payables.

NOTE 5 – FINANCIAL RISK MANAGEMENT

5.1. Risk Management Policy

The risk management strategy is designed to safeguard the stability and sustainability of Gener Group in relation to all relevant components of financial uncertainty, both in normal and special circumstances. The Company’s risk management is consistent with the general guidelines defined by its ultimate controlling shareholder, the AES Corporation.

Events of “financial risk” refer to situations in which the entity is exposed to conditions of financial uncertainty and are classified according to the sources of uncertainty and associated transmission mechanisms. For this reason, the strategy of the Management is to manage, with responsibility and effectiveness, all the identified and evaluated components of financial uncertainty relevant to the transactions, both under normal and special conditions.

The relevant aspects include, without limitation:

- i. To provide transparency by establishing risk tolerances and determining guides that will make it possible to develop strategies to mitigate significant exposure to the relevant risk.

- ii. To provide a formal discipline and process for assessing risks and implementing the commercial aspects of its businesses.

The structure of financial risk management involves the identification, determination, analysis, quantification, measurement, and control of these events. The ongoing assessment and management of the financial risk is the responsibility of the Management, more specifically the Chief Financial Officer and the Chief Commercial Officer.

5.2. Market and Financial Risks

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

5.2.1. Foreign Exchange Risk

In Chile, the functional currency of the Company is the US dollar, given that the revenue, costs, investments in equipment and financial debt are mainly determined at such currency. Moreover, in Chile, the Company is authorized to file income tax returns and pay income taxes in US dollars. Foreign Exchange Risk is associated with any revenue, costs, investments and financial debt denominated in any currency other than US dollars. The main items denominated in Chilean pesos are the accounts receivable for sale of electricity and tax credits mostly related to VAT credits. As of December 31, 2020, AES Gener maintained several forward contracts with banks with the purpose of reducing the exchange risk associated with the sales of energy, since, although the tariffs of most of the energy supply agreements of the Company are denominated in US dollars, they are paid in Chilean pesos using a foreign exchange rate that is fixed during a period of time. As of December 31, 2020, given the net liabilities of the Company in Chilean pesos, the impact of a 10% devaluation in the Chilean peso to U.S. dollar exchange rate as of year-end would have resulted in a positive realized impact of approximately ThUS\$2,593 in the results of AES Gener.

In the year ended December 31, 2020, approximately 84% of the ordinary revenues and 92% of the sales costs of the Company were denominated in US dollars, whereas in the year ended December 31, 2019, approximately 81% of the ordinary revenues and 84% of the sales costs were denominated in US dollars.

With regard to Colombia, it should be noted that the functional currency of AES Colombia is the Colombian peso since most part of the income, particularly the sales through contracts and sales in the spot market, and the operating costs of the subsidiary, are linked to the Colombian peso. In the year ended December 31, 2020, the contract and spot sales in Colombia accounted for 14% of the consolidated income, as compared with the 19% recorded during 2019. In addition, dividends of AES Colombia to AES Gener are established in Colombian pesos; however, financial hedging mechanisms are used to fix the amounts in US Dollars. It is expected that the impact of a 10% devaluation on the exchange rate of the Colombian peso to the US dollar at the closing of the year would have resulted in a positive realized effect of approximately ThUS\$2,526 in the results of AES Gener, considering the net liability position in US dollars held by AES Colombia as of that date.

In relation to Argentina, as of the last quarter of 2020, the Companies changed their functional currency from dollar to Argentine peso, considering the application of Resolution 31/2020 where Spot prices are denominated in Argentine pesos, in addition to the reductions in quantity and sales prices for contracts under the Energía Plus program

in 2020. It is expected that, as of December 31, 2020, a 10% devaluation of the Argentine peso to the US dollar as of the end of the year would have resulted in a negative impact of ThUS\$388 in the results of AES Gener, considering the net liability position in Dollars held by Termoandes as of that date.

On a consolidated basis, the investments in new plants and maintenance equipment are mainly fixed in US Dollars. Short-term investments associated with the handling of cash are carried out mainly in US Dollars. As of December 31, 2020, 73% of the investments and balances in current accounts are expressed in US dollars, 5% in Chilean pesos, 11% in Colombian pesos, and 11% in Argentine pesos. The cash balances denominated in Argentine pesos are subject to the exchange rate volatility inherent in the Argentine market. As of December 31, 2019, 81% of the investments and balances in current accounts are expressed in US dollars, 8% in Chilean pesos, 9% in Colombian pesos, and 2% in Argentine pesos.

With respect to bank loans and bonds denominated in any currency other than US dollars, AES Gener has entered into hedges in the form of currency swaps to reduce the exchange risk. For UF-denominated notes issued in 2007 for approximately ThUS\$219,245, AES Gener entered into exchange rate swaps with the same term of this debt. The amount corresponding to the Series O Note due 2016 was settled in June 2014, there remaining the part associated with the Series N Note due 2028, for a total amount of ThUS\$172,264. As at the end of December 2020, 96% of the indebtedness of AES Gener and its subsidiaries is denominated in US dollars, including the Series N Note previously mentioned and the associated swap.

The global spread of COVID has had an impact on currency volatility in the countries where the Company does business. Nevertheless, the Company mitigates the risks associated with this volatility through its hedging strategy with foreign exchange derivative instruments.

The following table shows the debt composition per currency based on owed capital as of December 31, 2020 and December 31, 2019:

Currency	December 31, 2020	December 31, 2019
US\$	96.0 %	97.0 %
UF	1.0 %	1.0 %
Col\$	3.0 %	2.0 %

5.2.2. Interest Rate Risk

The interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with variable interest rates.

The Company manages its interest rate risk by having an important percentage of its debt at fixed rate or with rate swaps to have them fixed. To mitigate interest rate risks with long-term obligations, AES Gener has entered into hedging transactions by way of interest rate swaps. As of December 31, 2020, there were interest rate swaps for an important portion of the debt associated with Alto Maipo. It is expected that a 10% increase in the variable interest rates would not generate a significant impact on results, since 86% of the corporate indebtedness is at a fixed rate or hedged by an interest rate swap.

The global spread of COVID has not had a significant impact on the assessment of financial creditors with respect to the credit risk of their debt contracts with the Company due to the resilience of the operations, the liquidity and the ability to meet their financial commitments. Finally, if there is a change in this credit risk assessment, the Company mitigates any possible increases in interest rates through financial instruments and maintains a large percentage of its debt at a fixed rate.

The following table shows the debt composition per type of rate as of December 31, 2020 and December 31, 2019:

Rate	December 31, 2020	December 31, 2019
Fixed rate or with interest rate	86.00 %	92.50 %
Variable rate	14.00 %	7.50 %

5.2.3. Fuel Price Risk

The AES Gener Group is affected by the volatility of prices of certain fuels. The fuels used by the Company, mainly coal and diesel, are “commodities” with international prices fixed by market factors beyond the control of the Company. It should be noted that, in Argentina, Termoandes purchases natural gas under fixed price short-term agreements that are reflected at the time of setting the sales price of energy under contracts.

The price of fuels is a key factor for the dispatch of plants and spot prices both in Chile and Colombia. Given that AES Gener is a company with a mixture of mainly thermal generation, the fuel cost represents an important portion of the sales costs.

At present, the volume of AES Gener’s contract energy is balanced with the generation from plants with high dispatch probabilities (efficient generation). Today, most of the power purchase agreements of AES Gener include indexation mechanisms that adjust the price on the basis of increases or decreases in the price of coal, according to the specific adjustment indexes and schedules of each contract, which makes it possible to mitigate much of the variations in the price of this fuel.

Based on the above, it is expected that a 10% rise in the cost of diesel during the period ended December 31, 2020, would not give rise to a significant impact on the results.

5.2.4. Credit Risk

The credit risk is associated with the credit quality of the partners of AES Gener and its subsidiaries. These risks are mainly reflected in trade receivables and financial assets, including deposits with banks and other financial institutions and other financial instruments.

With respect to the sales debtors under contracts, the customers of AES Gener in Chile are mainly highly solvent distributing companies and industrial customers, and a significant percentage of them and their parent companies have local and/or international investment grade risk ratings. The sales of AES Gener Group in the spot market are compulsorily made to the various SEN loss-making members according to the economic dispatch made by this entity.

In Colombia, AES Colombia performs risk assessments of its partners based on an internal credit assessment, which could include guarantees in certain cases.

On the other hand, in Argentina, the main commercial partners of Termoandes are CAMMESA (Compañía Administradora del Mercado Mayorista Eléctrico S.A.) and non-regulated customers called “Large Users” of the Wholesale Electricity Market, whose contracts operate under the Plus Energy standards. Termoandes conducts internal credit assessments of its customers.

The financial investments made by AES Gener and its subsidiaries, such as repurchase agreements and time deposits, including derivatives, are entered into with local and foreign financial entities whose 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-class local and international entities. There are cash, investment and treasury policies to govern the cash management of the Company and minimize the credit risk.

The spread of COVID has not negatively impacted the credit assessment with respect to supply agreements with customers in Chile, as a result of their high solvency with local and/or international investment grade ratings. Regarding Colombia and Argentina, any change in the credit rating continues to be mitigated through an internal assessment on a case-by-case basis, which has not been modified so far, involving in some cases the enforcement of guarantees by our customers.

5.2.5. Liquidity Risk

Liquidity risk is related to the need for 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, 2020, AES Gener had a balance in liquid available funds of ThUS\$271,203 recognized as cash and cash equivalents. Moreover, on December 31, 2019, AES Gener had a balance in liquid available funds of ThUS\$340,861, which includes cash and cash equivalents. It should be noted that the balance of cash and cash equivalents includes cash, time deposits with an original term of less than three months, marketable securities, US-denominated low-risk and immediately available mutual funds, buy-back options, and fiduciary rights.

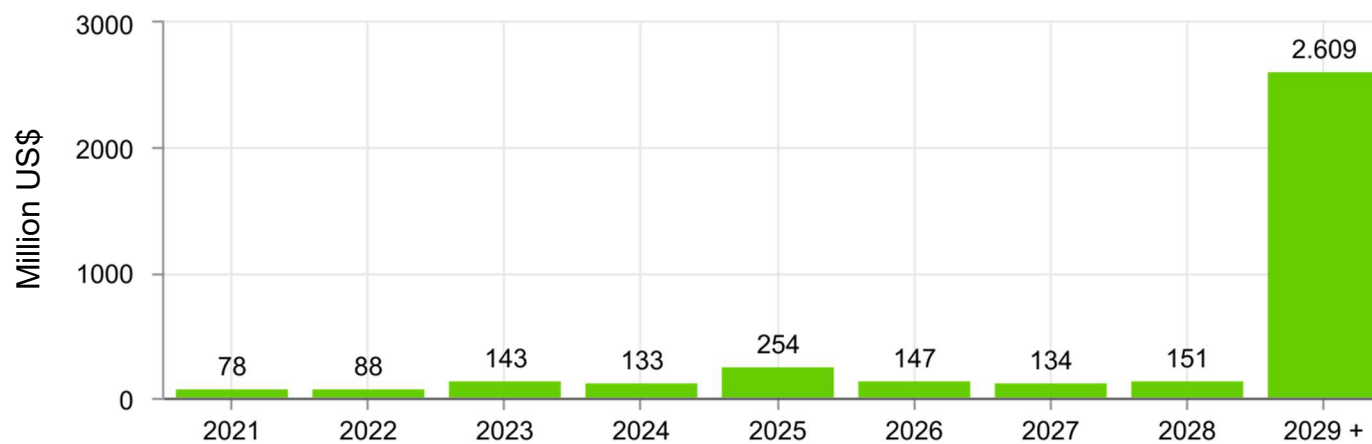
In addition, as of December 31, 2020, AES Gener has committed and unused credit lines for approximately Th\$250,000 in addition to non-committed and unused credit lines for approximately Th\$187,001.

For details regarding contractual restrictions to use the funds, see Note 8 of the Financial Statements, “Cash and Cash Equivalents”.

The chart and table below show the maturity schedule, based on outstanding principal, in million United States dollars as of December 31, 2020:

	Principal balance	Average Interest Rate	Due Rates as of									
			December 31, 2020									
			2021	2022	2023	2024	2025	2026	2027	2028	2029 +	
Gener US\$550 M Junior Note due 2079	550.00	7.13%	—	—	—	—	—	—	—	—	—	550.00
Gener US\$450 M Junior Green Note due	450.00	6.35%	—	—	—	—	—	—	—	—	—	450.00
Gener US\$409 M Senior Note due 2025	117.49	5.00%	—	—	—	—	117.49	—	—	—	—	—
Gener US\$4.4 M Junior Note due 2028	125.28	7.34%	15.66	15.66	15.66	15.66	15.66	15.66	15.66	15.66	15.66	—
Gener (ESSA) UF\$1,0 M Senior Note due	31.20	10.20%	2.22	4.00	9.77	15.21	—	—	—	—	—	—
Angamos US\$600 M Senior Secured Note due 2029	74.93	4.88%	8.82	8.82	8.82	8.82	8.82	8.82	8.82	8.82	8.82	4.37
Cochrane US\$430 M Secured Note due	388.20	5.50%	47.47	55.38	59.90	60.11	65.58	67.38	32.38	—	—	—
Cochrane US\$485 M Local Note due 2034	485.00	6.25%	—	—	—	—	—	—	11.95	67.42	405.63	—
Alto Maipo Syndicated Loan (fixed portion)	906.40	7.03%	—	—	20.24	10.25	18.77	24.14	30.88	35.41	766.71	—
AES Colombia US\$100 M Loans due 2027	67.01	0.79%	—	—	13.40	13.40	13.40	13.40	13.41	—	—	—
Total Fixed Rate	3,195.51	6.43%	74.17	83.86	127.79	123.45	239.72	129.40	113.10	127.31	2,176.71	
		85.54 %										
Alto Maipo Syndicated Loan (variable portion)	504.59	7.03%	—	—	11.27	5.71	10.45	13.44	17.19	19.71	426.82	—
Tunjita	35.57	4.14%	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	5.17	—
Total of variable rate	540.16	6.84%	3.80	3.80	15.07	9.51	14.25	17.24	20.99	23.51	431.99	
		14.46 %										
Total	3,735.67	6.49%	77.97	87.66	142.86	132.96	253.97	146.64	134.09	150.82	2,608.70	

DEBT AMORTIZATION



5.3. Risk Measurement

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

Various methodologies on risk quantification, such as regression analysis methods, risk tolerances and maximum exposures are used and documented for such analysis in order to adjust risk and mitigation strategies and to assess their impacts.

More information related to risks is included in Reasoned Analysis.

NOTE 6 - USE OF ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

Management must make judgments and estimates that have a significant effect on the figures presented in the financial statements. Changes in these assumptions and estimates may have a major impact on the financial statements. Below there is a detail of the estimates and critical judgments used by the Management:

- Assumptions used in the actuarial calculation of post-employment obligations with employees, including the discount rate. (Note 24)
- Assessment as to whether an agreement contains a lease (Note 19)
- Useful lives and residual values of property, plant and equipment, and intangible assets. (Note 17 and Note 18)
- Assumptions used in the calculation of the fair value of the financial instruments, including credit risk. (Note 10)
- Likelihood of occurrence and amount of any liabilities of uncertain amount or contingent liabilities. (Note 23 and Note 33)
- Future disbursements due to dismantling and asset removal obligations, including the discount rate. (Note 23)
- Determination of the existence of finance or operating leases based on the transfer of risks and rewards, in contracts where the Group is the lessor.
- Allocation of intangible assets and goodwill to Cash Generating Units (CGU) and the determination of recoverable value in tests for impairment. (Note 17)

Despite the fact that these estimates have been made based on the best information available at the date of issuance of these consolidated financial statements, the new information or events that may take place in the future are likely to change them (either upwards or downwards) in the next fiscal years. In such event, any changes would be made prospectively by recognizing the effects of the change in estimate in the relevant future consolidated financial statements, according to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

NOTE 7 - OPERATING SEGMENTS

7.1.- Definition of segments

The Company defines and manages its activities based on certain business segments that meet particular and individual qualities from an economic, regulatory, commercial or operational point of view.

A segment is a component of the Group:

- that is involved in business activities from which it generates revenues and incurs in costs;
- whose operating results are regularly monitored by the Management to make decisions, allocate resources and evaluate performance, and
- on which certain financial information is available.

The Management monitors separately the operating results of its operating segments for the decision-making process related to allocation of resources and performance evaluation. Segment performance is evaluated based on certain operating indicators, such as gross margin (difference between ordinary revenue and sales cost) and EBITDA. EBITDA shall be calculated based on the profit for the year, and adding interest expense, depreciation, amortization, exchange rate effects, asset dismantling costs, other gains/(losses) and interest in the income of associates.

Segment results and asset balances are measured according to the same accounting policies applied to the financial statements. Unrealized transactions and results are deleted between segments.

Financial liabilities of AES Gener are centralized and controlled at a corporate level and are not disclosed by reportable segments.

7.2.- Description of segments

The Company segments its business activities according to the interconnected energy markets where it does business, which are:

- Chile.
- Argentina.
- Colombia.

The segments referred to above relate to geographical areas.

In all segments, the main activity of the Company is the generation of electric power.

7.3.- Assets and Liabilities by Segment

Assets and liabilities by segment are detailed as follows:

	December 31, 2020					December 31, 2019				
	Chile	Colombia	Argentina	Elim.	Total	Chile	Colombia	Argentina	Elim.	Total
Cash and cash equivalents	211,854	28,351	30,998	—	271,203	301,217	32,654	6,990	—	340,861
Trade receivables and other accounts receivable ⁽¹⁾	494,237	47,928	30,208	(19,924)	552,449	428,683	45,291	71,637	(43,927)	501,684
Property, Plant and Equipment	6,068,796	449,036	157,059	—	6,674,891	6,429,232	448,717	156,344	—	7,034,293
Investment in Guacolda	—	—	—	—	—	81,714	—	—	—	81,714
Financial liabilities ⁽²⁾	3,836,613	107,214	—	—	3,943,827	4,077,646	90,732	—	—	4,168,378
Trade payables and other accounts payable ⁽³⁾	350,756	39,683	34,647	(19,924)	405,162	422,295	20,599	22,859	(43,927)	421,826
Total current assets by segment	815,456	95,922	62,532	(19,924)	953,986	849,490	80,792	84,052	(43,927)	970,407
Total non-current assets by segment	6,538,569	469,933	157,518	—	7,166,020	6,837,735	474,136	160,282	—	7,472,153
Total current liabilities by segment	1,186,177	49,159	38,411	(19,924)	1,253,823	694,503	104,007	36,741	(43,927)	791,324
Total non-current liabilities by segment	4,625,967	173,446	35,400	—	4,834,813	4,952,575	113,104	38,161	—	5,103,840

⁽¹⁾ Trade receivables and other accounts receivable, net, include the current and non-current portion, in addition to the item “Accounts receivable from related entities, current”.

⁽²⁾ Financial Liabilities include both the current and non-current item.

⁽³⁾ Trade payables and other accounts payable, include the current and non-current portion, in addition to the item “Accounts payable to related entities, current”.

7.4. Revenues, costs, and capital expenditures by segment

Revenues and costs by segments for the years ended December 31, 2020 and 2019, are detailed as follows:

	December 31, 2020					December 31, 2019				
	Chile	Colombia	Argentina	Elim.	Total	Chile	Colombia	Argentina	Elim.	Total
Results:										
Income from ordinary activities	2,075,801	356,479	76,995	(1,791)	2,507,484	1,832,241	471,538	111,444	(3,450)	2,411,773
Sales cost	1,288,664	236,131	56,266	(33)	1,581,028	1,432,567	236,394	77,848	(3,450)	1,743,359
Gross Margin	787,137	120,348	20,729	(1,758)	926,456	399,674	235,144	33,596	—	668,414
Income before tax	(396,638)	100,349	13,993	—	(282,296)	(1,190)	207,124	30,961	—	236,895
Net income for the period	(329,722)	70,520	7,548	—	(251,654)	(36,060)	138,075	22,426	—	124,441
EBITDA	891,091	115,395	38,913	34	1,045,433	549,819	232,842	56,706	—	839,367
Financial income	2,009	857	5,962	(856)	7,972	5,171	1,315	4,052	(267)	10,271
Financial costs	117,779	5,337	9	(933)	122,192	133,256	6,691	354	(267)	140,034
Investment in Guacolda	(79,658)	—	—	—	(79,658)	(125,889)	—	—	—	(125,889)
Depreciation and amortization for the period	215,766	9,739	22,380	—	247,885	231,477	11,021	22,992	—	265,490
Capital Expenditures	674,498	31,114	—	—	705,612	682,766	51,078	8,342	—	742,186
Cash Flow:										
Flow of operations	1,233,330	56,561	35,610	(77,804)	1,247,697	621,048	155,517	41,553	(79,000)	739,118
Flow of investments	(499,641)	(20,376)	20,363	(23,175)	(522,829)	(506,099)	(54,806)	(39,094)	—	(599,999)
Flow of funding	(820,764)	(37,207)	(27,015)	100,979	(784,007)	(98,051)	(93,028)	(349)	79,000	(112,428)

The table below details the items being considered for the calculation of EBITDA.

	December 31, 2020	December 31, 2019
Income from ordinary activities	\$ 2,507,484	\$ 2,411,773
Sales cost	\$ (1,581,028)	\$ (1,743,359)
Gross Margin	\$ 926,456	\$ 668,414
Depreciation and amortization	\$ 247,885	\$ 265,490
Operating margin	\$ 1,174,341	\$ 933,904
Dismantling provision	\$ 5,911	\$ 5,586
Other income, by function	\$ 2,274	\$ 2,647
Other expenses, by function	\$ (10,840)	\$ (5,824)
Sales and administration expenses	\$ (125,484)	\$ (100,606)
Valuation of derivate instruments	\$ (769)	\$ 3,660
TOTAL EBITDA	\$ 1,045,433	\$ 839,367

NOTE 8 – CASH AND CASH EQUIVALENTS

	December 31, 2020	December 31, 2019
Cash	708	55
Bank balances	231,120	328,660
Short-term deposits	26,572	900
Other cash and cash equivalents	12,803	11,246
Cash and cash equivalents	271,203	340,861

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

Other cash and cash equivalents includes mutual funds consisting in (i) low-risk investments in US dollars of immediate availability and with no restrictions, measured at fair value as of the end date of the financial statements, and (ii) buy-back agreements consisting in short-term investments in banks and brokerage firms, backed by financial instruments issued by the Chilean Central Bank and private banks of high credit rating.

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

The items of this account per types of currencies as of December 31, 2020 and December 31, 2019 are detailed as follows:

	December 31, 2020	December 31, 2019
\$	14,243	26,363
Ar\$	29,978	5,943
Col\$	28,047	31,705
US\$	198,935	276,850
Total Cash and Cash Equivalents	271,203	340,861

As of December 31, 2020 and December 31, 2019, as part of cash and cash equivalents, there are balances in bank accounts that have certain use or disposal restrictions; however, they are being used by the Company for Construction Project financing purposes, as detailed below:

Company	Class of cash	December 31, 2020	December 31, 2019
Alto Maipo	Bank balances	22,775	57,475
	Total	22,775	57,475

The restrictions are due to requirements associated to the financing agreement with several banking institutions, leaded by Banco Itaú as facility agent.

NOTE 9 - OTHER FINANCIAL ASSETS

As of December 31, 2020 and December 31, 2019, other financial assets are detailed as follows:

	Current		Non-current	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Hedging assets ⁽¹⁾	3,482	150	7,110	—
Assets at fair value through profit or loss ⁽¹⁾	3	123	—	—
Investment in Gasoducto Gasandes S.A. ⁽²⁾	—	—	2,353	2,353
Investment in Gasoducto Gasandes (Argentina) ⁽²⁾	—	—	2,200	2,200
Investment CDEC SIC Ltda.	—	—	—	70
Restricted investments	—	9,600	1,183	900
Other financial assets	5	158	—	—
Total	3,490	10,031	12,846	5,523

⁽¹⁾Hedging assets and assets at fair value through profit or loss (derivatives not designated as hedging) are recognized at fair value (more details in Note 10.4).

(2)The investments in Gasoducto Gasandes S.A. (Argentina) and Gasoducto Gasandes S.A. account for 13% of the shareholding interest owned by AES Gener in both companies (for more details see Note 10.1 Financial Instruments by Category and Note 29 Other Income (Losses)).

NOTE 10 - FINANCIAL INSTRUMENTS

10.1 Financial Instruments by Category

The classification of financial assets to the categories described in Note 4.8 is detailed as follows:

December 31, 2020	Cash and cash equivalents	Financial Assets at amortized cost	Assets at fair value through profit or loss	Hedging derivatives	Total
Cash and Cash Equivalents	271,203	—	—	—	271,203
Other current financial assets	—	—	8	3,482	3,490
Trade receivables and other accounts receivable	—	332,953	84,821	—	417,774
Other non-current financial assets	—	—	5,736	7,110	12,846
Accounts receivable from related entities	—	21,886	—	—	21,886
Total	271,203	354,839	90,565	10,592	727,199

December 31, 2019	Cash and cash equivalents	Financial Assets at amortized cost	Assets at fair value through profit or loss	Hedging derivatives	Total
Cash and Cash Equivalents	340,861	—	—	—	340,861
Other current financial assets	—	—	9,881	150	10,031
Trade receivables and other accounts receivable	—	353,237	—	—	353,237
Other non-current financial assets	—	—	5,523	—	5,523
Accounts receivable from related entities	—	29,541	—	—	29,541
Total	340,861	382,778	15,404	150	739,193

The carrying amount of financial assets such as cash and cash equivalents and the current portion of accounts receivable from related entities approximate to their fair values, due to the short-term nature of their maturities.

The instruments recognized within other current and other non-current financial assets classified as financial assets at fair value through profit or loss and hedging derivatives are carried at fair value in the statement of financial position. In Note 10.2 Measurement of Derivative Instruments, there is an explanation of the methodology used for the calculation of fair values.

Trade receivables and other accounts receivable classified as assets at fair value through profit or loss include accumulated accounts receivable related to the Stabilization Fund Law.

The financial instruments classified as Assets at fair value through profit or loss include the investments in Gasoducto Gasandes S.A. and Gasoducto Gasandes Argentina, which are carried at cost due to the fact that there is no sufficient information to establish their market value (Note 9).

The classification is based on the business model of the Company for the management of its financial model and the characteristics of the contractual cash flows of the financial assets.

The classification of financial liabilities with respect to the categories described in Note 4.9 is detailed as follows:

December 31, 2020	Financial Liabilities at Fair Value through Profit or Loss	Hedging derivatives	Financial liabilities at amortized cost	Total
Other current financial liabilities/current lease liabilities	13,503	46,346	130,988	190,837
Trade payables and other accounts payable	—	—	245,713	245,713
Other non-current financial liabilities/Non-current lease liabilities	7,801	194,608	3,612,684	3,815,093
Accounts payable to related entities	—	—	417,493	417,493
Total	21,304	240,954	4,406,878	4,669,136

December 31, 2019	Financial Liabilities at Fair Value through Profit or Loss	Hedging derivatives	Financial liabilities at amortized cost	Total
Other current financial liabilities/current lease liabilities	3,895	42,384	225,121	271,400
Trade payables and other accounts payable	—	—	228,458	228,458
Other non-current financial liabilities/Non-current lease liabilities	7,972	183,818	3,762,312	3,954,102
Accounts payable to related entities	—	—	382,711	382,711
Total	11,867	226,202	4,598,602	4,836,671

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

The instruments recorded in other current and non-current financial liabilities classified as financial assets at fair value through profit or loss (derivatives not designated as accounting hedges) and hedging derivatives are carried at fair value in the Statement of Financial Position. In Note 10.2 Measurement of Derivative Instruments, the methodology used for the calculation of fair values is explained.

The financial instruments recorded in Other current and non-current financial liabilities, involving Financial assets at amortized cost, show significant differences between the carrying amount and fair value mainly due to the fluctuations of the exchange rate (dollar and *unidad de fomento*) and market interest rates. The calculation methodology is the present value of future debt flows discounted using a yield curve. Certain assumptions such as currency of debt, credit rating of the instrument, credit rating of the Company or the Group, are used to calculate the present value. The assumptions used as of December 31, 2020 and 2019, are classified as Level 2 within the Fair Value Hierarchy as defined in Note 10.2 (d). The following table shows the carrying value and fair value of the interest-bearing loans:

	December 31, 2020		December 31, 2019	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Interest-bearing Loans	3,743,672	4,479,195	3,987,433	4,376,583

10.2. Measurement of Derivative Instruments

The Company entrusted Chatham Financial with the calculation of the fair value of the interest rate and currency swaps and currency forwards. For the calculation of embedded derivatives, the Company has developed internal assessment models.

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

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

Method for the Measurement of Derivative Instruments

a. Interest Rate Swaps

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

b. Cross-Currency Swaps

The valuation model of cross-currency swaps discounts cash flows of the instrument using a representative interest rate, and then these flows are translated into United States dollars at the spot foreign exchange rate. The assumptions considered in the model are historical transactions, observable market prices and rates, risk-free rates, country and/or counterparty risk, and the Company's own credit risk.

c. Foreign Exchange Forward

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

d. Hierarchy of Fair Value of Financial Instruments

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

Level 1: Quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for assets and liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for assets or liabilities that are not based on observable market data.

The hierarchy of recognized financial assets and liabilities carried at fair value is detailed as follows:

December 31, 2020	Note	Level 1	Level 2	Level 3	Total
Assets					
Assets at fair value through profit or loss					5,744
Foreign Exchange Forward	10.4(b)	—	3	—	
Other Investments	—	5,741	—	—	
Hedging derivatives					10,592
Cross currency swap	10.4 (a.2)	—	4,910	—	
Foreign Exchange Forward	10.4 (a.3)	—	5,682	—	
Total Assets		5,741	10,595	—	16,336
Liabilities					
Financial liabilities at fair value through profit or loss					21,304
Foreign Exchange Forward	10.4(b)	—	21,304	—	
Hedging derivatives					240,954
Cross currency swap	10.4 (a.2)	—	2,448	—	
Interest Rate Swap	10.4 (a.1)	—	115	230,436	
Foreign Exchange Forward	10.4 (a.3)	—	7,955	—	
Total Liabilities		—	31,822	230,436	262,258

December 31, 2019	Note	Level 1	Level 2	Level 3	Total
Assets					
Assets at fair value through profit or loss					15,404
Foreign Exchange Forward	10.4(b)	—	123	—	—
Other Investments		15,281			
Hedging derivatives					150
Foreign Exchange Forward	10.4 (a.3)	—	150	—	—
Total Assets		15,281	273	—	15,554
Liabilities					
Financial liabilities at fair value through profit or loss					11,867
Foreign Exchange Forward	10.4(b)	—	11,867	—	—
Hedging derivatives					226,202
Cross currency swap	10.4 (a.2)	—	20,635	—	—
Interest Rate Swap	10.4 (a.1)	—	—	181,439	—
Foreign Exchange Forward	10.4 (a.3)	—	24,128	—	—
Total Liabilities		—	56,630	181,439	238,069

The amount described in level 3 includes interest rate swap contracts of the subsidiary Alto Maipo, which are instruments executed in previous years.

The valuation of these derivatives has unobserved variables in the market, mainly related to the credit risk of Alto Maipo. The credit risk used in the valuation of these instruments considers the spread on LIBOR rate used in the financing of Alto Maipo, which is currently estimated with a weighted value of 355 points over LIBOR.

The Company has conducted sensitivity analyses with regard to these unobservable inputs, and their impact on the valuation at market value of the instruments included in level 3. It is expected that a change of +/- 50 basis points on the spreads applicable to the LIBOR rate would have a +/- 2% impact on the current valuation of these derivatives.

The changes in balance valued at Level 3 fair value hierarchy are detailed as follows:

	Interest Rate Swap Liability
Balance as of January 1, 2020	(181,439)
Revaluations recognized in Other Reserves	(83,075)
Adjustment to Profit or Loss	—
Settlements	34,078
December 31, 2020	(230,436)

e. Master Netting Agreements

The following table shows the derivative instruments as of December 31, 2020 and December 31, 2019 that are subject to Master Netting Agreements where there is a contractual right to compensate for assets and liabilities under these financial instruments.

	December 31, 2020		December 31, 2019	
	Assets	Liabilities	Assets	Liabilities
Current and Non-Current Derivative Instruments				
Current	3,484	(59,841)	150	(46,279)
Non-current	7,110	(199,870)	—	(188,222)
Total	10,594	(259,711)	150	(234,501)
Gross amounts of derivative instruments subject to netting				
Gross amount (equal to net) recognized in the balance	10,594	(259,711)	150	(234,501)
Unnetted derivative instruments	(2,103)	2,103	(150)	150
Unnetted posted collateral	—	15,000	—	(14,600)
Total Net Amount	8,491	(242,608)	—	(248,951)

As of December 31, 2020 and December 31, 2019, there are no balances of cash deposit securities.

10.3. Credit Quality of Financial Assets

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

Credit Rating of Counterparties of Gener and Chilean Subsidiaries

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

With regard to financial assets and derivatives, the investments made by Gener and subsidiaries are entered into with local and foreign financial institutions with national and/or international credit rating greater than or equal to “A” and “A2” according to Standard & Poor’s and Moody’s, respectively. In addition, derivatives executed for the financial debt are entered into with first class local and international entities. There are cash, investment and treasury policies to govern the cash management of the Company and minimize the credit risk.

Credit Rating of Counterparties of Foreign Subsidiaries

The Colombian subsidiary AES Colombia concentrates for its financial counterparties (banks) in Colombian pesos a AAA credit rating, which is considered as the highest credit rating according to Colombian credit rating agency Duff & Phelps. With respect to the credit rating of financial counterparties in US dollars, its lowest limit is A+ (Standard & Poors) or A1 (Moody’s), which is considered as a low credit risk.

With respect to the credit risk for business transactions of AES Colombia, this has been historically very limited, given the short-term nature of collections from customers.

Management believes that the Argentine subsidiary Termoandes S.A. has no important credit risks since it mainly concentrates its business operations in CAMMESA and the so-called “Large Users (GUME/GUMA)” of the Wholesale Electricity Market, whose contracts operate under the Plus Energy standards.

10.4. Derivative Instruments

Financial derivatives of Gener and Subsidiaries correspond primarily to transactions with the purpose of hedging interest and exchange rate volatility as a result of financing for the development of electric projects.

The Company, following its risk management policy, enters into interest rate swaps, cross currency swaps, and currency forwards to reduce the expected variability of future cash flows from the underlying hedged asset.

The portfolio of derivative instruments as of December 31, 2020 and December 31, 2019 is detailed as follows:

a. Derivative Instruments for Cash Flows Hedge Accounting

1. Interest Rate Swaps

These swap contracts partially cover the syndicated credits associated with the subsidiary Alto Maipo. The fair values of these instruments are included in the following table:

Interest Rates	December 31, 2020				December 31, 2019			
	Assets		Liabilities		Assets		Liabilities	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
2.80% - 5.77%	—	—	36,335	194,216	—	—	20,100	161,339
Total	—	—	36,335	194,216	—	—	20,100	161,339

Alto Maipo

In January 2014, Alto Maipo entered into ten 19-year interest rate swap agreements with KFW IPEX Bank, DNB Bank ASA, Banco Itaú Chile, and Corpbanca in the amount of ThUS\$973,578, to convert variable interest rates at a fixed rate during the plant construction and operation period.

In March 2017, Alto Maipo conducted a financial restructuring, which included a change of interest rate swaps with the banks BCI and Itau (including Corpbanca). The modification consisted in reducing the original fixed rate of the interest rate swap since the restructuring date until the first quarter of year 2020. This reduction will be offset with partial increases in the fixed rate until the reduction initially applied to the original fixed rate of the hedging instruments is matched. The increase in the fixed rate of the interest rate swap will be made from the first quarter of 2020 since this date up to the original maturity of these instruments. From the point of view of hedge accounting, the modified instruments were referred to as new instruments as of the restructuring date and reappointed as hedging instruments since they had been considered highly effective as of that date.

Eléctrica Alto Maipo has executed interest rate swaps, options and currency forwards from the beginning of the project in order to cover variable interest rate and foreign currency exposures, which were accounted for as accounting hedge under IFRS 9. As of June 30, 2017, as a result of the termination of one of the relevant construction contracts for the project, with Constructora Nueva Maipo (CNM), there occurred an event of technical default under the terms of the financing agreements, including also a cross-default under the master derivative agreements entered into by Alto Maipo S.p.A. For this reason, the surplus balance for financial assets and liabilities resulting from derivatives was disclosed as current in its entirety until resolution of the event of default.

In May 2018, the Company entered into the second refinancing of Alto Maipo, thus bringing to an end the technical default related to the termination of the construction contract with CNM, under which the project would not be allowed to make debt disbursements to fund the construction of the generation asset. As a result of the resolution of this event of default, the Company reallocated the interest rate swaps under a new hedge relationship, thus allowing the accounting for changes in the fair value of these instruments in the shareholders' equity of the Company. At the same time, the surplus balance related to loans with the main project creditors were reclassified from current to non-current as a result of the remediation of the event of default mentioned above.

2. Cross-currency Swaps - Currency Swaps

		December 31, 2020				December 31, 2019			
		Assets		Liabilities		Assets		Liabilities	
	Counterparty Bank	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
AES Gener	Credit Suisse-Deutsche Bank	—	4,910	2,448	—	—	—	4,576	4,653
Angamos	Estado- Chile- BCI- Corpbanca	—	—	—	—	—	—	1,690	9,716
TOTAL		—	4,910	2,448	—	—	—	6,266	14,369

In December 2007, AES Gener entered into two currency swap agreements with Credit Suisse International to redenominate the debt currency from *Unidad de Fomento* to United State Dollars, in relation to a new obligation originating from the placement of two series of notes in the local market (N and O), for an amount of UF 5.6 million, approximately equivalent to ThUS\$217,000 as of the date of issuance with maturities in 2015 and 2028.

In September 2009, the swap agreement related to a long series of notes (N-series) was modified and one part was novated to Deutsche Bank. In relation to the swap agreement with Credit Suisse International, it includes provisions requiring from AES Gener to grant guarantees when the market value of the swap exceeds the limit set in the contracts.

In April 2016, the Company conducted the partial early redemption of the 4.875% 144A/Reg S Notes of Angamos for an amount of ThUS\$199,028, at 94% of their nominal value. This redemption was funded with five loans from local banks in Pesos and *Unidad de Fomento*, see Note 20.1.(a), which have the same maturity as the note being redeemed. Along with obtaining these loans, Angamos executed five currency and interest rate swap contracts with the same banks that provided the funds for redemption of the note with the purpose of redenominating the debt currencies from Pesos and *Unidad de Fomento* to United States dollars, and to turn variable interest rates into a fixed rate during the period, in two of the five loans obtained.

Between September and October 2020, Angamos made the advance payment of the total bank loans outstanding with Banco Estado, Banco BCI and Banco Itaú in the amounts of ThUS\$53,689, ThUS\$45,337 and ThUS\$45,337, respectively. These prepayments generated the settlement of foreign

currency and interest rate swap contracts with the same banks, which implied the recognition of a loss in profit or loss of ThUS\$9,778, which includes the settlement of derivatives and related expenses. In addition, other comprehensive income related to derivatives for ThUS\$3,024 was recognized in the income statement.

3. Foreign Exchange Forward

	December 31, 2020				December 31, 2019			
	Assets		Liabilities		Assets		Liabilities	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Fixed Costs - AES Gener	1,941	2,200	3,994	392	—	—	13,738	8,110
Regulated customers - AES Gener	—	—	492	—	—	—	—	—
Currency forwards (Projects - AES Colombia)	—	—	1,855	—	—	—	—	—
Coal Forward - AES Gener	1,541	—	—	—	—	—	2,177	—
Forward Customers capacity - AES Gener	—	—	911	—	—	—	—	—
VAT Credit Forward	—	—	311	—	150	—	103	—
TOTAL	3,482	2,200	7,563	392	150	—	16,018	8,110

In December 2017, AES Gener entered into foreign exchange forward contracts, associated with fixed costs, with HSBC, Scotiabank and Banco de Chile, respectively, for a total nominal amount of ThUS\$80,226, with the last due date falling in October 2020. There are no current nominal values as of December 31, 2020.

In May 2018, AES Gener entered into foreign exchange forward contracts, associated with fixed costs, with Scotiabank, Banco de Chile, and JP Morgan, respectively, for a total nominal amount of ThUS\$68,532, with the last due date falling in May 2021. The nominal values as of December 31, 2020 amount to ThUS\$33,243.

In October 2018, AES Gener entered into foreign exchange forward contracts, associated with fixed costs, with Scotiabank, Banco de Chile, and HSBC, respectively, for a total nominal amount of ThUS\$40,847, with the last due date falling in September 2021. The current nominal values as of December 31, 2020 amount to ThUS\$15,816.

In May 2019, AES Gener entered into foreign exchange forward contracts, associated with fixed costs, with Scotiabank for a total nominal amount of ThUS\$26,484, with the last due date falling in April 2022. The nominal values as of December 31, 2020 amount to ThUS\$26,484.

In August 2019, AES Gener entered into foreign exchange forward contracts, associated with fixed costs, with Banco de Chile for a total nominal amount of ThUS\$11,603, with the last due date falling in July 2022. The nominal values as of December 31, 2020 amount to ThUS\$8,062.

In February 2020, AES Gener entered into foreign exchange forward contracts, associated with fixed costs, with Banco de Chile, Banco Estado, Itau, JP Morgan and Scotiabank, for a total nominal amount of ThUS\$51,738, with the last due date falling in December 2022. The current nominal values as of December 31, 2020, amount to ThUS\$33,612.

During the fourth quarter of 2020, AES Gener entered into a foreign exchange forward contract related to the VAT balance of subsidiary Alto Maipo with Scotiabank for a total nominal amount of ThUS\$5,878, with the last due date falling in February 2021. The nominal values as of December 31, 2020 amount to ThUS\$5,878.

During the fourth quarter of 2020, AES Gener entered into a foreign exchange forward agreement related to non-regulated customers with Scotiabank for a total nominal amount of ThUS\$16,740, with the last due date falling in January 2021. The nominal values as of December 31, 2020, amount to ThUS\$16,740.

During the second quarter of 2020, AES Gener entered into a foreign exchange forward agreement related to coal prices with Bank of America for a total nominal amount of ThUS\$10,917, with the last due date falling in September 2021. The nominal values as of December 31, 2020, amount to ThUS\$5,145.

During the third quarter of 2020, AES Gener entered into a foreign exchange forward agreement related to coal prices with Macquarie for a total nominal amount of ThUS\$4,450, with the last due date falling in December 2021. The current nominal values as of December 31, 2020, amount to ThUS\$3,623.

During the fourth quarter of 2020, AES Gener entered into a foreign exchange forward agreement related to power accounts receivable with Scotiabank for a total nominal amount of ThUS\$12,940, with the last due date falling in July 2021. The nominal values as of December 31, 2020, amount to ThUS\$12,940.

During the fourth quarter of 2020, AES Colombia entered into a foreign exchange forward agreement related to disbursements for projects under execution with BNP Paribas, Bank of America, Bancolombia and JP Morgan for a total nominal amount of ThUS\$16,868, with the last due date falling in July 2021. The nominal values as of December 31, 2020 amount to ThUS\$16,868.

Other Background Information on Cash Flow Hedging

Hedging maturity dates are detailed as follows:

Company	Type of Derivative	Institution	Hedged Position	Hedged Period		2020	2021	Subsequent	Total
				Start Date	End Date				
AES Gener	Currency Swap	Deutsche Bank and Credit Suisse	Interest Rate	01-Dec-2007	01-Dec-2028	15,660	15,660	93,962	125,282
Alto Maipo	Interest Rate Swap	Miscellaneous	Interest Rate	15-Apr-2014	17-Oct-2033	38,943	46,732	836,790	922,465
TOTAL						54,603	62,392	930,752	1,047,747

For more details on debt maturities, see Note 20 “Other financial liabilities”.

The Company has not made any cash flow hedging accounting for highly probable transactions that have not occurred later.

The ineffectiveness of cash flow hedges resulted in a profit of ThUS\$1,162 and a loss of ThUS\$782 for the periods ended December 31, 2020 and 2019, respectively.

The changes recognized in other reserves (see note 26.6 c) during the fiscal years ended 2020 and 2019, include:

	December 31, 2020	December 31, 2019
Valuation of assets carried at fair value		—
Profit/loss from derivatives recorded in other reserves	(21,975)	(119,487)
Profit/loss from derivatives reclassified from other reserves to profit or loss	(7,062)	22,090
Profit/loss from derivatives of Associates recorded in other reserves	(2,137)	(362)
	(31,174)	(97,759)

b. Derivatives Not Designated as Hedges

		December 31, 2020				December 31, 2019			
		Assets		Liabilities		Assets		Liabilities	
Derivative instruments	Classification	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Currency forwards (capital increase) AES Gener	Financial instrument at fair value through profit or loss	—	—	123	—	—	—	—	—
Derivative Power Supply Agreement	Financial instrument at fair value through profit or loss	3	—	—	2,540	123	—	—	3,568
AES Gener Currency forwards (non-regulated customers)	Financial instrument at fair value through profit or loss	—	—	210	—	—	—	69	—
Currency forwards (dividends subsidiary Colombia) AES Gener	Financial instrument at fair value through profit or loss	—	—	13,170	5,261	—	—	3,826	4,404
	Total	3	—	13,503	7,801	123	—	3,895	7,972

Other subsidiaries - FX currency forwards

During the fourth quarter of 2019, AES Gener entered into foreign exchange forward contracts related to dividends receivable of AES Colombia with Banco de Chile, JP Morgan, Scotiabank and Goldman Sachs, respectively, for a total nominal amount of ThUS\$125,168, with the last due date falling in March 2022. Part of these contracts were settled in the first quarter of 2020, the nominal values as of December 31, 2020, amount to ThUS\$33,736.

During the first quarter of 2020, AES Gener entered into foreign exchange forward contracts related to dividends receivable of AES Colombia with Banco de Chile, JP Morgan, Scotiabank, and Goldman Sachs, respectively, for a total nominal amount of ThUS\$110,744, with the last due date falling in September 2022. The nominal values as of December 31, 2020, amount to ThUS\$39,875.

During the third quarter of 2020, AES Gener entered into foreign exchange forward contracts related to dividends receivable of AES Colombia with Banco de Chile, JP Morgan, and Scotiabank, respectively, for a total nominal amount of ThUS\$35,883, with the last due date falling in August 2021. The nominal values as of December 31, 2020 amount to ThUS\$24,979.

During the fourth quarter of 2020, AES Gener entered into foreign exchange forward contracts related to dividends receivable of AES Colombia with Scotiabank, Banco Estado, Banco de Chile, and JP Morgan London, respectively, for a total nominal amount of ThUS\$49,194, with the last due date falling in September 2023. The nominal values as of December 31, 2020 amount to ThUS\$49,194.

During the fourth quarter of 2020, AES Gener entered into a foreign exchange forward agreement related to non-regulated customers with JP Morgan for a total nominal amount of ThUS\$5,108, with the last due date falling in January 2021. The nominal values as of December 31, 2020 amount to ThUS\$5,108.

During the fourth quarter of 2020, AES Gener entered into a foreign exchange forward agreement related to a capital increase with Banco Santander for a total nominal amount of ThUS\$300,000, with due date in January 2021. The nominal values as of December 31, 2020, amount to ThUS\$300,000.

In July 2018, AES Colombia executed a power sales agreement between 2022 and 2024 with Empresas Municipales de Cali (EMCALI). The agreement allows EMCALI to supply energy directly from the spot market at those times where the spot energy price is lower than the contract energy price. Considering the characteristics of Colombia's electricity market and given that it is impossible to guarantee the delivery of physical energy during the hours when the spot price is lower than the contract price, it was impossible to apply the exception identified in IFRS 9 paragraph 2.4 to this agreement. The agreement was measured at fair value through profit or loss.

The amounts related to these contracts are classified in current assets/liabilities.

a. Implicit derivatives (through profit and loss)

As of December 31, 2020 and 2019, there are no implicit derivatives.

NOTE 11 - OTHER NON-FINANCIAL ASSETS

As of December 31, 2020 and December 31, 2019, other non-financial assets are detailed as follows:

	Current		Non-current	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Insurance paid in advance	1,391	470	—	—
Taxes to be recovered ⁽¹⁾	—	—	27,984	23,337
Delivered guarantees	493	—	7,972	7,175
Advance payment of taxes on imports	—	307	—	—
Advance payment from purchases of energy	651	1,091	—	4,980
Advance payment for other purchases	608	—	—	—
Others	46	395	261	268
Total	3,189	2,263	36,217	35,760

⁽¹⁾ Mainly involving taxes to be recovered by AES Gener, associated with water right patents.

NOTE 12 – TRADE RECEIVABLES AND OTHER ACCOUNTS RECEIVABLE

The balances of Trade receivables and other accounts receivable involve operations in the ordinary course of business of the Company and subsidiaries, mainly energy and power sales, income from transmission system, and coal sales.

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

The items of this account as of December 31, 2020 and December 31, 2019, are as follows:

	Current		Non-current	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Trade receivables, gross	387,944	320,847	31,323	33,877
Bad debt allowance	(1,493)	(1,487)	—	—
Trade receivables, net	386,451	319,360	31,323	33,877
Remaining tax credit, gross	93,642	86,125	—	5,467
Other accounts receivable, gross	13,191	22,283	5,956	5,031
Total	493,284	427,768	37,279	44,375

On November 2, 2019, Law 21,185 was published in the Official Gazette, to be immediately effective, whereby a mechanism was created to stabilize electricity prices for contracts with regulated customers, with reference to tariff decree 20-T, related to the tariffs for the first half of 2019. This way, the increase in future prices for these clients shall be temporarily assumed by the generators that supply such agreements, who will finance a maximum amount of US\$1,350 million. As of December 31, 2020, current and non-current trade receivables include accounts receivable for ThUS\$77,215 and ThUS\$7,606, respectively, associated with the fair value of the stabilization fund.

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

The past due, unpaid but not impaired financial assets are detailed as follows:

December 31, 2020	Regulated Customers		Non-regulated Customers		Total		
	Number of Customers	Gross portfolio	Number of Customers	Gross portfolio	Gross portfolio	Bad debt allowance	Net portfolio
No past due payments	16	117,415	16,830	220,778	338,193	—	338,193
1 to 30 Days	9	17,244	231	57,841	75,085	—	75,085
31 to 60 Days	3	107	144	766	873	—	873
61 to 90 Days	1	—	86	789	789	—	789
91 to 120 Days	1	—	775	465	465	(180)	285
121 to 150 Days	1	—	46	24	24	—	24
151 to 180 Days	1	—	120	373	373	—	373
181 to 210 Days	1	—	6	535	535	—	535
211 to 250 Days	1	—	34	495	495	—	495
>250 Days	6	967	1,059	1,468	2,435	(1,313)	1,122
Total trade receivables	40	135,733	19,331	283,534	419,267	(1,493)	417,774

December 31, 2019	Regulated Customers		Non-regulated Customers		Total		
	Number of Customers	Gross portfolio	Number of Customers	Gross portfolio	Gross portfolio	Bad debt allowance	Net portfolio
No past due payments	13	60,996	992	263,859	324,855	—	324,855
1 to 30 Days	1	807	631	14,196	15,003	—	15,003
31 to 60 Days	4	111	341	2,972	3,083	—	3,083
61 to 90 Days	2	20	423	1,656	1,676	—	1,676
91 to 120 Days	2	2	75	1,434	1,436	(4)	1,432
121 to 150 Days	1	2	65	594	596	(42)	554
151 to 180 Days	—	3	24	72	75	—	75
181 to 210 Days	3	1	34	1,005	1,006	—	1,006
211 to 250 Days	1	—	31	1,821	1,821	—	1,821
>250 Days	11	932	1,165	4,241	5,173	(1,441)	3,732
Total trade receivables	38	62,874	3,781	291,850	354,724	(1,487)	353,237

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

	Current Balance
Balance as of December 31, 2018	2,829
Increase (decrease) for the period	(1,342)
Write-offs	—
Balance as of December 31, 2019	1,487
Increase (decrease) for the period	6
Write-offs	—
December 31, 2020	1,493

NOTE 13 – BALANCES AND TRANSACTIONS WITH RELATED ENTITIES

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

13.1.- Balances and Transactions with Related Entities

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

Accounts receivable from related entities						Current	
Taxpayer Id. (RUT) number	Company	Country	Transaction description	Nature of the relation	Currency	December 31, 2020	December 31, 2019
Foreign	AES Corporation	United States	Other reimbursements	Parent	US\$	2,290	2,008
Foreign	AES Corporation	United States	Miscellaneous services	Parent	US\$	—	65
Foreign	AES Maritza East Ltd.	Bulgaria	Staff costs refund service commission	Common parent	US\$	68	68
Foreign	AES Panamá Limitada	Panamá	Project Consultancy	Common	US\$	29	29
Foreign	Compañía de Alumbrado Eléctrico	El Salvador	Staff benefits refund	Common parent	US\$	53	53
Foreign	AES Engineering, LLC	United States	Cost refund services provided	Common parent	US\$	127	127
Foreign	AES Argentina Generación S.A.	Argentina	Management Fee	Common	US\$	4,633	3,537
76.418.918-3	Guacolda Energía SpA	Chile	Sales of energy and power	Associate	US\$	11,560	10,178
76.236.918-4	Strabag SpA	Chile	Construction project services	Subsidiary shareholder	US\$	1,023	2,033
Foreign	AES Holdings Brasil Lt	Brazil	Miscellaneous services	Common	US\$	955	287
Foreign	Energética Argentina S.A.	Argentina	Management Fee	Common	US\$	418	257
Foreign	Vientos Neuquinos	Argentina	Management Fee	Common	US\$	628	320
Foreign	AES Global Insurance Company	United States	Insurance receivables	Common	US\$	—	10,496
	Other minor					102	83
Total						21,886	29,541

There are no accounts receivable with related parties classified in non-current assets.

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

Accounts payable to related entities						Current	
Taxpayer Id. (RUT) number	Company	Country	Transaction description	Nature of the relation	Currency	December 31, 2020	December 31, 2019
Foreign	AES Corporation	United States	Remuneration of foreign staff	Parent	US\$	\$ 8,956	\$ 8,943
Foreign	AES Corporation	United States	Dividends payable	Parent	US\$	\$ —	\$ 23,159
Miscellaneous	Minority Shareholders	Chile	Dividends payable	Shareholders	US\$	\$ —	\$ 11,577
Foreign	AES Servicios América	Argentina	Administrative services and system support	Common parent	US\$	\$ 530	\$ 530
Foreign	Compañía de Alumbrado Eléctrico	El Salvador	Staff benefits refund	Common parent	US\$	\$ 113	\$ 113
Foreign	AES Panamá Limitada	Panamá	Service commission and training refund	Common parent	US\$	\$ 38	\$ 38
Foreign	AES Big Sky, LLC	United States	Technology Services	Common parent	US\$	\$ 9,071	\$ 8,835
Foreign	AES Electric Ltd.	Great Britain	Miscellaneous services	Common parent	US\$	\$ 302	\$ 302
Foreign	AES Argentina	Argentina	Miscellaneous services	Common	US\$	\$ 55	\$ 21
Foreign	AES NA Central, LLC	United States	Staff benefits refund	Common	US\$	\$ 24	\$ 24
Foreign	Dominican Power Part	Dominican Republic	Expatriate refunds	Common parent	US\$	\$ 72	\$ 72
Foreign	AES Hawaii	United States	Coal sales	Common	US\$	\$ 48	\$ 48
Foreign	AES Latinoamerica, S De RL	Panamá	Staff benefits refund	Common	US\$	\$ 40	\$ 17
	AES Gener Foundation	Chile	Miscellaneous services	Common	US\$	\$ 188	\$ —
76.418.918-3	Guacolda Energía SpA	Chile	Purchase of energy and power	Associate	US\$	\$ 13,466	\$ 23,031
76.236.918-4	Strabag SpA	Chile	Construction project services	Subsidiary shareholder	US\$	\$ 5,950	\$ 18,791
	Other Minor					\$ 29	\$ 21
Total						38,882	95,522

Accounts payable to related entities						Non-current	
Taxpayer Id. (RUT) number	Company	Country	Transaction description	Nature of the relation	Currency	December 31, 2020	December 31, 2019
76.236.918-4	Strabag SpA (1)	Chile	Loans	Subsidiary shareholder	US\$	\$ 378,611	\$ 287,189
Total						\$ 378,611	\$ 287,189

(1) Within loans, interest accrued during the years 2020 and 2019 is included for ThUS\$33,162 and ThUS\$3,211, respectively.

The effects in the income statement of transactions with non-consolidated related parties for the years ended December 31, 2020 and 2019, are detailed as follows:

Taxpayer Id. (RUT) number	Company	Country	Transaction description	Nature of the relation	December 31, 2020	December 31, 2019
76.418.918-3	Guacolda Energía SpA	Chile	Associate	Sale of energy and power	16,009	19,970
76.418.918-3	Guacolda Energía SpA	Chile	Associate	Coal sales	106,810	126,978
76.418.918-3	Guacolda Energía SpA	Chile	Associate	Management fee and technical	3,451	3,382
76.418.918-3	Guacolda Energía SpA	Chile	Associate	Transmission system use entry	53	30
Foreign	Gasoducto Gasandes Argentina	Argentina	Investment	Dividends	1,403	1,462
Foreign	AES Argentina Generación S.A.	Argentina	Common parent	Management fee and technical	1,053	1,253
Foreign	AES Holdings Brasil Lt	Brazil	Common parent	Management fee and technical	767	—
Foreign	Energetica Argentina S.A.	Argentina	Common parent	Management fee and technical	18	—
Foreign	Vientos Neuquinos	Argentina	Common parent	Management fee and technical	201	—
96.721.360-8	Gasoducto Gasandes Chile S.A.	Chile	Investment	Dividends	1,170	299
Total Revenues					130,935	153,374
76.418.918-3	Guacolda Energía SpA	Chile	Associate	Purchase of energy and power	(75,808)	—
Foreign	AES Corporation	United States	Parent	Staff costs and several services	(1,290)	(616)
Foreign	AES Corporation	United States	Parent	Miscellaneous services	—	(804)
Foreign	AES Servicios América S.R.L.	Argentina	Common parent	Administrative services and system	(2,506)	(3,031)
Foreign	AES Big Sky, LLC	United States	Common parent	Technology Services	(21,756)	—
Total costs					(101,360)	(4,451)

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

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

The related party due, unpaid and unimpaired accounts receivable and accounts payable are detailed as follows:

	Accounts Receivable		Accounts Payable	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
No past due payments	21,582	29,171	28,577	85,509
1 to 180 days of delay	109	110	751	718
181 to 250 days of delay	195	260	9,071	8,835
More than 250 days of delay	—	—	483	460
Total	21,886	29,541	38,882	95,522

13.2.- Key Staff

Key Staff includes people with the authority and responsibility to plan, manage and control the activities of the Company, either directly or indirectly. AES Gener is managed by the members of the Senior Management and by a Board of Directors made up of seven regular directors and an alternate director for each of them, who are elected for a three-year period at the Annual General Shareholders' Meeting.

Pursuant to the provisions of Article 50 bis of Corporations Law No. 18,046, AES Gener has a Committee of Directors made up of 3 members, who have the powers referred to in that section.

a. Balances and Transactions with Key Staff

There are no pending receivables or payables between the Company and its Directors and members of the Senior Management.

In the periods covered by these financial statements no transactions were made between the Company and its Directors and members of the Senior Management other than payment of remuneration or between the Company and its related parties other than those disclosed in Note 13.2 c).

There are no guarantees in favor of the Directors or guarantees granted by the Company to the Senior Management.

There are no compensation plans pegged to the price of shares.

b. Board Compensation

The by-laws of AES Gener S.A. set forth that the Directors receive no compensation for the performance of their duties.

During the periods covered by these financial statements, the directors of the Company, who are employees of AES Corporation or any subsidiary or associate, have not collected any kind of remuneration, for their duties as directors, or entertainment expenses, per diem, royalties, or any other fee. The above, without prejudice of the remuneration collected by the directors who are members of the Committee of Directors and whose amount is detailed in the following paragraph.

At the Annual General Shareholders' Meeting dated April 16, 2020, it was resolved to set the amount of 300 *Unidades de Fomento* as remuneration of the members of the Committee of Directors of AES Gener for the financial year 2020. The remunerations paid to the members of the Committee of Directors and the Directors of subsidiaries during the periods covered by these financial statements are listed in the next tables.

		December 31, 2020		
Name	Position	AES Gener Board	Subsidiary Directory	Committee of Directors
Julian Nebreda	Chairman	—	—	—
Bernerda Santos	Director	—	—	—
Arminio Borjas	Director	—	—	—
Gustavo Pimenta	Director	—	—	—
Gonzalo Parot Palma	Director	—	—	127
Radovan Roque Razmilic Tomicic	Director	—	—	127
Daniel Mauricio Fernandez Koprach	Director	—	—	127
	TOTAL	—	—	381

		December 31, 2019		
Name	Position	AES Gener Board	Subsidiary Directory	Committee of Directors
Julian Nebreda	Chairman	—	—	—
Andrés Gluski	Director	—	—	—
Bernerda Santos	Director	—	—	—
Gustavo Pimenta	Director	—	—	—
Gonzalo Parot Palma	Director	—	—	130
Claudia Bobadilla Ferrer	Director	—	—	32
Radovan Roque Razmilic Tomicic	Director	—	—	130
Daniel Mauricio Fernandez Koprach	Director	—	—	97
	TOTAL	—	—	389

At the Annual General Shareholders' Meeting dated April 26, 2019, the Company approved the appointment of the following Directors, who will have their terms extended until 2022:

Regular Directors	Alternate Directors
Julián Nebreda	Leonardo Moreno
Arminio Borjas ⁽¹⁾	—
Bernerda Santos	Madelka McCalla
Gustavo Pimenta	Juan Ignacio Rubiolo
Radovan Razmilic Tomicic	—
Gonzalo Parot Palma	Luis Hernán Palacios C.
Daniel Fernández Koprach	Antonio Kovacevic B.

(1) On January 7, 2020, the Company's Board of Directors was informed of Andrés Gluski's resignation from his position as Regular Director, who was replaced by his alternate director, Arminio Borjas.

c. Global Remuneration of Senior Managers who are not Directors

The global remuneration of the Senior Management of the Company includes a fixed monthly remuneration, variable performance-based bonuses, corporate results over the previous fiscal year, long-term compensation plans and indemnification. The Senior Management of the Company serves in the following positions: Chief Executive Officer, Chief Operations Officer, Chief Corporate Affairs Officer, General Counsel, Chief Engineering and Construction Officer, Chief Development Officer, and Chief Financial Officer.

AES Gener has agreed for its executive officers an annual bonus plan based on attainment of goals and level of individual contribution to the results of the Company. These incentives are structured in a minimum and maximum of gross remuneration and are paid once a year.

The remunerations of the Senior Management of the Company during the years ended December 31, 2020 and 2019, amounted to ThUS\$5,268 and ThUS\$4,096, respectively.

NOTE 14 - INVENTORY

Inventories have been valued according to the provisions of Note 4.11 and are detailed as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Coal	29,619	41,193
Oil	2,757	3,309
Materials	44,723	44,089
Coal in transit	46,083	41,460
Imported materials in transit	1,060	912
Other inventories	14,037	13,814
Total	<u>138,279</u>	<u>144,777</u>

Inventory costs recognized as expenses in the years ended December 31, 2020 and 2019, are detailed as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Coal	445,686	577,489
Oil	2,837	3,363
Others ⁽¹⁾	22,934	26,181
Total	<u>471,457</u>	<u>607,033</u>

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

During the years covered by these financial statements, there are no adjustments that may have significantly affected the carrying amount of inventories.

NOTE 15 - TAXES

Current taxes

Current tax receivables as of December 31, 2020 and 2019, which include group companies with an asset position at the net current tax level, are detailed as follows:

	December 31, 2020	December 31, 2019
Monthly provisional payments	5,050	7,838
Colombian income tax advance payment	47,644	—
Argentine standard credit	—	4,992
Overpaid PPM	1,110	7,821
Others	27	742
Minus:		
Provision First Category Tax	31,176	6,227
Total	22,655	15,166

On the other hand, accounts payable for current taxes, which are considered by group companies with a liability position at the level of net current taxes, are detailed as follows:

	December 31, 2020	December 31, 2019
Provision for disallowed tax expenditure	248	50
Provision First Category Tax	232,837	96,979
Argentine Standard Tax	2,738	13,000
Minus:		
Monthly provisional payments	5,530	14,101
Advance payment of Colombian income	—	28,979
Overpaid PPM	4,813	15
Others	376	—
Total	225,104	66,934

Income taxes

Income tax charged to income for the years ended December 31, 2020 and 2019, is detailed as follows:

Current and Deferred Income Tax Expense (Benefit)	2020	2019
Current tax expense	273,784	111,229
Adjustments to current tax of previous period	—	(699)
Other current tax expense	250	159
Current tax expense, net	274,034	110,689
Deferred expense (benefit) due to:		
Taxes relating to the creation and reversal of temporary differences	(304,676)	1,765
Deferred tax expense (benefit), net	(304,676)	1,765
Income tax expense (benefit)	(30,642)	112,454

Foreign and local income tax expense (benefit)	2020	2019
Current tax expense, net:		
Foreign	38,804	81,220
Local	235,230	29,469
Current tax expense, net	274,034	110,689
Deferred tax expense, net:		
Foreign	(2,529)	(3,582)
Local	(302,147)	5,347
Deferred tax expense, net	(304,676)	1,765
Income tax expense (benefit)	(30,642)	112,454

The reconciliation between the income tax that would result from applying the effective rate in the years ended December 31, 2020 and 2019, is detailed as follows:

	Cumulative	
	December 31, 2020	December 31, 2019
Financial result before tax	(282,296)	236,895
Current tax rate	27%	27%
Expense for taxes at the statutory rate	(76,220)	63,962
Tax effect for:		
Rates in other jurisdictions (1)	7,327	18,906
Non-taxable ordinary income	21,508	33,990
Non-Deductible Tax Expenses	3,162	484
Tax effect resulting from the use of previously unrecognized tax losses	—	—
Tax effect resulting from the tax benefit not previously recognized in the income statement	142	(44)
Change in tax rates (2)	(3,243)	(3,170)
Tax effect of taxes excessively provided for in previous periods	1,551	(4,018)
Exchange differences	(1,341)	(746)
Effect of available-for-sale assets	15,917	—
Other increase (decrease) in charges for legal taxes	555	3,090
Adjustment to expense for taxes at the statutory rate, total	45,578	48,492
Expense (benefit) for taxes at the effective rate	(30,642)	112,454

(1) It includes the differences originating between the current rate in Chile (27%) and in other jurisdictions where the foreign subsidiaries are domiciled (Argentina, 30% and Colombia, 33%).

(2) It refers to the reduction in the tax legal rate in Argentina and Colombia.

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

	For the twelve-month period	
	2020	2019
Added deferred taxation concerning items charged to Shareholder's Equity	(6,777)	(27,753)
Taxes recognized in Other Comprehensive Income, Total	(6,777)	(27,753)

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

Deferred Taxes

The balances of assets and liabilities for deferred taxes as of December 31, 2020 and December 31, 2019, are detailed as follows:

	December 31, 2020		December 31, 2019	
	Assets	Liabilities	Assets	Liabilities
Depreciation	—	(648,076)	—	(825,952)
Amortization	167	(13,621)	290	(16,291)
Provisions	15,917	(12,953)	19,920	(11,859)
Obligations for post-employment benefits	10,291	(5,951)	8,604	(5,578)
Revaluation of Financial Instruments	5,418	(17,727)	8,447	(9,843)
Tax Losses	328,396	—	309,373	(895)
Deferred income	105,582	—	171	—
Debts (difference between effective and cover	465	(1,675)	420	(2,558)
Financial leasing obligations	26,716	(1,328)	31,293	(1,733)
Financing costs	20,005	(40,861)	38,089	(63,153)
Others	64,718	(8,192)	59,801	(25,817)
Subtotal	577,675	(750,384)	476,408	(963,679)
Netting at the level of financial statements	(343,877)	343,877	(343,773)	343,773
Balances according to the financial statement	233,798	(406,507)	132,635	(619,906)

The most significant deferred asset is related to the tax losses of those companies that are in the construction stage, or that have started their operations a little time ago: Cochrane and Alto Maipo. The origin of these losses mainly results from financial expenses that were not capitalized in the project and accelerated depreciation of those projects that started their operation.

There is positive evidence that these losses will be reversed in the near future as a result of taxable income associated with power purchase agreements (PPAs) that these companies have entered into with their parent AES Gener, and therefore, no valuation allowance needs to be accounted for.

As of December 31, 2020, the item “Others” includes mainly the difference related to the fixed asset retirement obligation.

Law 21,210 on Tax Modernization, which was passed and published on February 24, 2020, and represents some relevant amendments on income tax matters, has not had material impacts on the taxes and financial statements of AES Gener as of December 31, 2020.

Changes in deferred tax assets and liabilities for the years ended December 31, 2020 and December 31, 2019, are detailed as follows:

	Net Balance as of December 31, 2018	Increase (decrease) in profit (loss)	Increase (decrease) in comprehensive income	Foreign currency translation differences	Other increases (decreases)	Net Balance as of December 31, 2019
Depreciation	(806,027)	(20,842)	—	561	356	(825,952)
Amortization	761	(16,415)	—	(347)	—	(16,001)
Provisions	9,218	(1,157)	—	(11)	11	8,061
Obligations for post-employment benefits	705	2,242	79	—	—	3,026
Revaluation of Financial Instruments	(2,382)	(1,289)	2,259	16	—	(1,396)
Tax Losses	235,342	41,098	—	964	31,074	308,478
Deferred income	213	(42)	—	—	—	171
Debts (difference between effective and cover rate)	(2,289)	151	—	—	—	(2,138)
Financial leasing obligations	18,945	10,799	—	(184)	—	29,560
Financing costs	(29,760)	4,696	—	—	—	(25,064)
Others	29,120	(21,006)	25,415	341	114	33,984
Subtotal	(546,154)	(1,765)	27,753	1,340	31,555	(487,271)

	Net Balance as of December 31, 2019	Increase (decrease) in profit (loss)	Increase (decrease) in comprehensive income	Foreign currency translation differences	Other increases (decreases)	Net Balance as of December 31, 2020
Depreciation	(825,952)	170,713	—	7,163	—	(648,076)
Amortization	(16,001)	2,769	—	(222)	—	(13,454)
Provisions	8,061	(5,686)	—	589	—	2,964
Obligations for post-employment benefits	3,026	1,512	504	(702)	—	4,340
Revaluation of Financial Instruments	(1,396)	(17,798)	6,273	612	—	(12,309)
Tax Losses	308,478	19,918	—	—	—	328,396
Deferred income	171	105,411	—	—	—	105,582
Debts (difference between effective and cover rate)	(2,138)	928	—	—	—	(1,210)
Financial leasing obligations	29,560	(680)	—	(3,492)	—	25,388
Financing costs	(25,064)	4,208	—	—	—	(20,856)
Others	33,984	23,381	—	(839)	—	56,526
Subtotal	(487,271)	304,676	6,777	3,109	—	(172,709)

NOTE 16 - INVESTMENTS IN ASSOCIATES

As of December 31, 2020, AES Gener held a 50% interest in Guacolda Energía SpA (“Guacolda SpA”) with the same proportion of voting rights. The rights held by the Company in Guacolda S.A. are not covered by the notion and definition of IFRS 11 “Joint Ventures”. However, a significant influence is maintained and therefore Guacolda still qualifies as an “associate”, according to IAS 28 “Investments in Associates and Joint Ventures”.

The information of the associate as of December 31, 2020 and December 31, 2019, is detailed as follows:

	Functional Currency	Interest	Voting Power	January 1, 2020	Equity in Earnings (Loss)	Other Increase (Decrease)	Impairment Adjustment	December 31, 2020
Guacolda	US\$	50.00%	50.00%	81,714	(79,658)	(2,056)	—	—
Total				81,714	(79,658)	(2,056)	—	—

	Functional Currency	Interest	Voting Power	January 1, 2019	Equity in Earnings (Loss) ¹	Other increase (Decrease)	Impairment ²	December 31, 2019
Guacolda	US\$	50.00%	50.00%	213,315	(110,176)	(5,712)	(15,713)	81,714
Total				213,315	(110,176)	(5,712)	(15,713)	81,714

As of September 2020 and December 2019, the associate Guacolda Energía SpA accounted for the recognition of a loss (net of taxes) for impairment of Property, Plant, and Equipment for a total of ThUS\$406,460 and ThUS\$254,000, respectively. For fiscal year 2019, AES Gener assumed these losses in proportion to its shareholding interest in the associate Guacolda Energía SpA and for fiscal year 2020, it assumed these losses up to the value of the investment as of September 30, 2020.

During 2019, the Company identified indications of impairment in their investment in Guacolda Energía SpA. Therefore, it recognized a total impairment loss at the level of AES Gener of ThUS\$15,713, which reduced the carrying amount of the investment up to an amount equivalent to the fair value of ThUS\$81,714.

The summarized information as of December 31, 2020 and December 31, 2019, of the financial statements of the Company, prepared using the equity method, is detailed as follows:

December 31, 2020							
	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Ordinary income	Ordinary expenses	Net income (loss)
Guacolda	260,374	519,600	(82,286)	(607,605)	464,149	(346,911)	(317,087)
Total	260,374	519,600	(82,286)	(607,605)	464,149	(346,911)	(317,087)

December 31, 2019							
	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Ordinary income	Ordinary expenses	Net income (loss)
Guacolda	221,041	966,046	(176,880)	(608,310)	497,927	(394,555)	(220,352)
Total	221,041	966,046	(176,880)	(608,310)	497,927	(394,555)	(220,352)

Concerning the fact that the investment of Guacolda SpA in Gener was impaired in its entirety as of September 2020, the equity changes of Guacolda in the last quarter were not recognized.

NOTE 17 - INTANGIBLE ASSETS

17.1. Detail of Intangible Assets

The changes in the main classes of intangible assets, as valued according to the provisions of Notes 4.5 and 4.6., are detailed as follows:

December 31, 2020			
	Gross value	Accumulated Depreciation	Net value
Finite lived intangible assets	123,757	(38,784)	84,973
Indefinite lived intangible assets	32,368	—	32,368
Intangible assets	156,125	(38,784)	117,341
Computer programs	39,887	(25,385)	14,502
Easements	34,155	(607)	33,548
Water rights	16,014	—	16,014
Other identifiable intangible assets	66,069	(12,792)	53,277
Identifiable intangible assets	156,125	(38,784)	117,341

December 31, 2019			
	Gross value	Accumulated Depreciation	Net value
Finite lived intangible assets	89,962	(33,527)	56,435
Indefinite lived intangible assets	31,236	—	31,236
Intangible assets	121,198	(33,527)	87,671
Computer programs	33,747	(20,782)	12,965
Easements	16,035	(535)	15,500
Water rights	16,014	—	16,014
Other identifiable intangible assets	55,402	(12,210)	43,192
Identifiable intangible assets	121,198	(33,527)	87,671

Balances of and changes in Intangible Assets as of December 31, 2020 and December 31, 2019, respectively, are detailed as follows:

	Computer programs	Easements	Water rights	Other identifiable intangible	Intangible Assets, net
Balance as of January 1, 2020	12,965	15,500	16,014	43,192	87,671
Additions	6,487	20,325	—	13,407	40,219
Amortization	(4,705)	(72)	—	(559)	(5,336)
Impairment losses	(211)	(2,205)	—	(2,012)	(4,428)
Increase (decrease) due to exchange differences	(34)	—	—	(751)	(785)
Balance as of December 31,	14,502	33,548	16,014	53,277	117,341

	Computer programs	Easements	Water rights	Other identifiable intangible	Intangible Assets, net
Balance as of January 1, 2019	5,002	15,102	16,014	26,983	63,101
Additions	11,729	462	—	21,780	33,971
Withdrawals	—	—	—	(4,359)	(4,359)
Amortization	(3,766)	(64)	—	(1,212)	(5,042)
Balance as of December 31,	12,965	15,500	16,014	43,192	87,671

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

	Explanation of Rate	Maximum life or rate	Minimum life or rate
Computer programs	Years	5	3
Easements	Years	Indefinite	27
Water rights	Years	Indefinite	29
Life or rate for other identifiable intangible assets	Years	12	3

The most significant individually identifiable intangible assets of the Company are detailed as follows:

	Carrying amount	Remaining amortization period
Volcán water rights	11,908	Indefinite
Software	5,235	5 years

17.2 Impairment of Intangible Assets

Within the context of the assessment of the recoverable value of assets, as described in Note 18.2 and in relation to the withdrawal of the Ventanas 1 and Ventanas 2 units, the Company has identified and recognized an impairment loss of ThUS\$4,428 for intangible assets directly related to the aforementioned assets.

As of December 31, 2020, there were no other losses recorded for impairment of intangible assets or at CGU level.

NOTE 18 - PROPERTY, PLANT AND EQUIPMENT

18.1. Property, Plant and Equipment

The balances of the various categories of fixed assets during the years ended December 31, 2020 and December 31, 2019, are detailed as follows:

Class	December 31, 2020		
	Gross value	Accumulated Depreciation	Net value
Constructions in Progress ⁽²⁾	3,289,788	—	3,289,788
Plots of lands	25,901	—	25,901
Buildings	28,260	(8,311)	19,949
Plant and equipment	4,872,551	(1,607,818)	3,264,733
IT equipment	28,533	(18,426)	10,107
Fixed facilities and accessories	14,470	(11,937)	2,533
Motor vehicles	5,528	(4,598)	930
Other property, plant and equipment ⁽¹⁾	77,518	(16,568)	60,950
Total	8,342,549	(1,667,658)	6,674,891

Class	December 31, 2019		
	Gross value	Accumulated Depreciation	Net value
Constructions in Progress ⁽²⁾	2,698,775	—	2,698,775
Plots of lands	29,452	—	29,452
Buildings	21,776	(9,392)	12,384
Plant and equipment	6,735,200	(2,571,419)	4,163,781
IT equipment	24,788	(16,600)	8,188
Fixed facilities and accessories	17,615	(14,574)	3,041
Motor vehicles	6,279	(5,099)	1,180
Other property, plant and equipment ⁽¹⁾	136,217	(18,725)	117,492
Total	9,670,102	(2,635,809)	7,034,293

⁽¹⁾The asset made up of the cost of Dismantling Obligations is included within “Other property, plant and equipment”.

⁽²⁾The amount of construction in progress mainly corresponds to investments related to Alto Maipo projects in addition to renewable projects currently under construction (Mesamávida, Los Olmos, and Andes Solar)

The useful lives of the most relevant assets of the Company are detailed as follows:

	Explanation of Rate	Minimum life	Maximum life
Buildings	Years	20	40
Plant and equipment	Years	5	30
Plant and equipment (Colombia dam)	Years	80	80
IT equipment	Years	2	5
Fixed facilities and accessories	Years	2	20
Motor vehicles	Years	2	5
Other property, plants and equipment	Years	5	25

Decarbonization Agreement: Progressive Withdrawal of Generation Units in Chile.

On June 4, 2019, the Company entered into a voluntary agreement to disconnect and cease the operation of a set of coal-fired plants between the Government of Chile and industry generators. The agreement establishes that the plants ceasing their operations will be able to enter a new operational status called “Strategic Reserve Operational Status” (“*Estado Operativo de Reserva Estratégica*” or ERE), whose purpose is to provide safety guarantees to the National Electric System. The agreement shall bring about the withdrawal of approximately 1000 MW from coal-fired plants between 2019 and 2024, provided that the regulatory amendments described in said agreements become fully effective.

In relation to the above, Supreme Decree No. 42 of 2020 was published on December 26, 2020, which amended Supreme Decree No. 62 of 2006 and created the “Strategic Reserve Operating Status” (ERE). The law allows the withdrawal of power plants with this status from the usual dispatch of energy, being essentially arranged for systemic conditions with a prior notice of 60 calendar days. This way, the Ventanas 1 Unit was authorized by the National Electrical Coordinator to benefit from this new operating status as of December 29, 2020, while the Ventanas 2 Unit has been authorized to benefit from ERE as from August 1, 2021, or a later date, in such a way that it conforms to the commissioning of the second 220/110 kV – 300 MVA transformer of Agua Santa Substation.

The transactions of property, plant and equipment during the fiscal years ended December 31, 2020 and 2019, are detailed as follows:

	Construction Work in Progress	Lands	Buildings	Plant and equipment	IT equipment	Fixed facilities and accessories	Motor vehicles	Other property, plants and equipment	Property, Plant and Equipment, net
Balance as of January 1, 2020	2,698,775	29,452	12,384	4,163,781	8,188	3,041	1,180	117,492	7,034,293
Additions	707,195	644	7,071	17,250	675	18	180	11,873	744,906
Withdrawals	—	—	—	(1,394)	—	—	(38)	(42,558)	(43,990)
Amortization	—	—	(1,115)	(230,872)	(2,443)	(973)	(281)	(3,318)	(239,002)
Foreign currency exchange ⁽¹⁾	(2,057)	(164)	(296)	(31,712)	(255)	(26)	(10)	—	(34,520)
Hyperinflationary Economy	103	31	244	15,540	36	6	12	—	15,972
Impairment losses	(1,261)	(4,062)	(606)	(773,691)	(59)	(438)	(110)	(22,541)	(802,768)
Finished works	(112,967)	—	2,267	105,831	3,965	905	(3)	2	—
Balance as of December 31, 2020	3,289,788	25,901	19,949	3,264,733	10,107	2,533	930	60,950	6,674,891

	Construction Work in Progress	Lands	Buildings	Plant and equipment	IT equipment	Fixed facilities and accessories	Motor vehicles	Other property, plants and equipment	Property, Plant and Equipment, net
Balance as of January 1, 2019	2,127,291	26,598	8,512	4,225,644	8,775	3,732	1,145	65,722	6,467,419
Additions	660,909	3,043	1,900	116,810	—	192	456	53,721	837,031
Withdrawals	(38)	(166)	—	(14,893)	(426)	(19)	(16)	—	(15,558)
Amortization	—	—	(866)	(245,054)	(2,526)	(1,088)	(366)	(1,951)	(251,851)
Foreign currency exchange ⁽¹⁾	740	(23)	(15)	(3,399)	(46)	(5)	—	—	(2,748)
Finished works	(90,127)	—	2,853	84,673	2,411	229	(39)	—	—
Balance as of December 31, 2019	2,698,775	29,452	12,384	4,163,781	8,188	3,041	1,180	117,492	7,034,293

⁽¹⁾It consists of the effects due to translation of the Colombian subsidiary AES Colombia, which has the Colombian peso as functional currency.

The costs for capitalized interest during the year and the capitalization rate for financial costs of the Company are detailed as follows:

	December 31, 2020	December 31, 2019
Amount of costs for capitalized interest	181,863	120,845
Capitalization rate of costs for capitalized interest	59.22 %	46.32 %

The Company and subsidiaries have insurance contracts with respect to its generation plants, including business interruption all risks insurance policies, which cover, among other things, damages caused by fire, flood, and earthquake.

Additional Information to be Disclosed in Property, Plant and Equipment	December 31, 2020	December 31, 2019
Amount of Commitments for the Acquisition of Property, Plant and Equipment	1,029,245	1,175,911

18.2. Asset Impairment

According to Note 4.7, the recoverable amount of property, plant and equipment is measured whenever there is an indication that the asset might have been impaired.

Taking into account the early termination of the contracts with Minera Escondida and Minera Spence of the subsidiary Angamos during the month of August 2020 and considering the Company's intention to accelerate the withdrawal of Ventanas 1 and Ventanas 2 at the earliest date as the safety and sufficiency of the system may allow, the Company assessed the recoverable value of these assets, and came to the conclusion that it was appropriate to record losses for impairment of Property, Plant and Equipment in the amount of ThUS\$819,762 (before tax).

NOTE 19 – RIGHT-OF-USE ASSETS

The information as of December 31, 2020 and December 31, 2019, regarding leases under which the group is lessee are detailed as follows:

	Buildings and Land	Plant and Equipment	IT equipment	Other Property, Plant and Equipment	Total
Rights of Use					
Balance as of January 1, 2020	1,849	42,260	382	5,691	50,182
Additions	26,391	—	—	42	26,433
Depreciation for the year	(1,638)	(2,903)	—	(403)	(4,944)
Derecognitions	—	(17,641)	(382)	—	(18,023)
Balance as of December 31, 2020	26,602	21,716	—	5,330	53,648

	Buildings and Land	Plant and Equipment	IT equipment	Other Property, Plant and Equipment	Total
Rights of Use					
Balance as of January 1, 2019	2,515	—	—	2,295	4,810
Additions	—	46,956	1,465	3,813	52,234
Depreciation for the year	(540)	(4,696)	(1,083)	(417)	(6,736)
Derecognitions	(126)	—	—	—	(126)
Balance as of December 31, 2019	1,849	42,260	382	5,691	50,182

As of December 31, 2020, the main assets and liabilities for right of use and lease liabilities are detailed as follows:

- Lease Agreement for the offices located in Torre Santa Maria II, Commune of Providencia, Santiago. This agreement was entered into with Bice Seguros de Vida S.A., accrues interest at a 2.82% annual rate and has a term of 25 years.
- Agreement entered into with Hidroeléctrica el Paso SpA consisting of the purchase of all the energy generated by its generation plant, which accrues interest at a 4.4% annual rate and has a term of 12 years.

The amount recognized for the right to use property, plant and equipment, pursuant to the application of IFRS 16 as of January 1, 2019, amounted to ThUS\$46,182.

NOTE 20 - OTHER FINANCIAL LIABILITIES

As of December 31, 2020 and December 31, 2019, the other financial liabilities are detailed as follows:

	Current		Non-current	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Interest-bearing loans (Note 20.1)	126,297	219,202	3,555,272	3,711,107
Hedging derivatives (Note 10.1)	46,346	42,384	194,608	183,818
Non-hedging derivatives	13,503	3,895	7,801	7,972
Total	186,146	265,481	3,757,681	3,902,897

20.1. Interest-bearing Loans

The interest-bearing loans are detailed as follows:

	Current		Non-current	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Bank loans	14,072	70,524	1,458,299	1,737,413
Bonds payable	112,225	148,678	2,098,444	1,974,194
Financing deferred expenses ⁽¹⁾	—	—	(1,471)	(500)
Total	126,297	219,202	3,555,272	3,711,107

⁽¹⁾They are deferred costs associated with unused lines of credit.

a. Bank Loans

The bank loans by debtor company, financial institution, currency, cover rate, and due dates as of December 31, 2020, are detailed as follows:

Tax Id. ("RUT") Number	Company	Country	Creditor	Currency	Amortization	Annual Effective Rate	Annual Nominal Rate	Year of Maturity	Current	Non-current
76.170.761-2	Alto Maipo (1)	Chile	Syndicate of Banks - Corpbanca	US\$	Monthly	5.15%	5.15%	2033	10,272	1,359,395
Foreign	AES Colombia	Colombia	Leasing Bancolombia S.A.	Col\$	Quarterly	9.51%	9.51%	2030	3,800	31,814
Foreign	AES Colombia	Colombia	Scotia Bank	Col\$	At maturity	3.39%	3.39%	2027	—	11,669
Foreign	AES Colombia	Colombia	Scotia Bank	Col\$	At maturity	4.55%	4.55%	2027	—	21,876
Foreign	AES Colombia	Colombia	Bancolombia	Col\$	At maturity	3.40%	3.40%	2027	—	11,669
Foreign	AES Colombia	Colombia	Bancolombia	Col\$	At maturity	4.55%	4.55%	2027	—	21,876
Total									14,072	1,458,299

Payments of principal and interest not discounted as of December 31, 2020, are detailed as follows:

Company	Creditor	Current			Non-current					
		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	Total
Alto Maipo (1)	Syndicate of Banks - Itaú	2,400	7,872	10,272	31,508	15,960	29,213	37,576	1,296,734	1,410,991
AES Colombia	Leasing Bancolombia S.A.	950	2,850	3,800	7,600	7,601	16,613	31,814	—	63,628
AES Colombia	Scotia Bank	—	—	—	2,334	7,001	2,334	11,669	—	23,338
AES Colombia	Scotia Bank	—	—	—	4,375	13,126	4,375	21,876	—	43,752
AES Colombia	Bancolombia	—	—	—	2,334	7,001	2,334	11,669	—	23,338
AES Colombia	Bancolombia	—	—	—	4,375	13,126	4,375	21,876	—	43,752
Total		3,350	10,722	14,072	52,526	63,815	59,244	136,480	1,296,734	1,608,799

(1) The principal of Alto Maipo will not be canceled until 2022, in accordance with the terms agreed in the financial restructuring executed on May 8, 2018.

The non-current portion includes interest accrued during 2020 and 2019 for ThUS\$63,111 and ThUS\$61,688, respectively.

The bank loans by debtor company, financial institution, currency, cover rate, and due dates as of December 31, 2019, are detailed as follows:

Tax Id. ("RUT") Number	Company	Country	Creditor	Currency	Amortization	Annual Effective Rate	Annual Nominal Rate	Year of Maturity	Current	Non-current
76.085.254-6	Cochrane	Chile	Syndicated Loan - Chilean Banks	US\$	Bi-annually	6.36%	6.25%	2034	3,568	438,034
76.170.761-2	Alto Maipo	Chile	Syndicate of Banks - Corpbanca	US\$	Monthly	5.15%	5.15%	2040	2,930	1,149,869
Foreign	AES Colombia	Colombia	Leasing Bancolombia S.A.	Col\$	Quarterly	9.73%	9.73%	2029	3,976	37,257
Foreign	AES Colombia	Colombia	Colpatria Scotia Bank	Col\$	Monthly	5.39%	5.39%	2019	45,930	—
76.004.976-K	Angamos	Chile	Banco Estado	CLP\$	Bi-annually	4.64%	4.35%	2029	4,384	34,960
76.004.976-K	Angamos	Chile	Banco Estado	CLP\$	Bi-annually	4.56%	4.27%	2029	945	7,540
76.004.976-K	Angamos	Chile	Banco de Crédito e Inversión	CLP\$	Bi-annually	4.80%	4.51%	2029	4,405	35,077
76.004.976-K	Angamos	Chile	Banco Corpbanca	CLP\$	Bi-annually	4.96%	4.67%	2029	4,386	34,676
Total									70,524	1,737,413

Payments of principal and interest not discounted as of December 31, 2019, are detailed as follows:

Company	Creditor	Current			Non-current					
		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	Total
Cochrane	Syndicated Loan - Chilean Banks	9,271	18,542	27,813	27,813	27,813	27,813	27,813	629,963	741,215
Alto Maipo	Syndicate of Banks - Corpbanca	2,930	—	2,930	—	—	—	—	1,149,870	1,149,870
AES Colombia	Leasing Bancolombia S.A.	994	2,982	3,976	3,976	3,976	3,976	3,976	21,354	37,258
AES Colombia	Colpatria Scotia Bank	—	45,930	45,930	—	—	—	—	—	—
Angamos	Banco Estado	—	6,564	6,564	6,357	6,143	5,948	5,734	23,245	47,427
Angamos	Banco Estado	—	1,414	1,414	1,370	1,325	1,283	1,238	5,026	10,242
Angamos	Banco de Crédito e Inversión	—	6,634	6,634	6,420	6,197	5,996	5,773	23,330	47,716
Angamos	Banco Corpbanca	—	6,704	6,704	6,482	6,252	6,043	5,813	23,415	48,005
Total		13,195	88,770	101,965	52,418	51,706	51,059	50,347	1,876,203	2,081,733

b. Bonds payable

Bonds payable per debtor company, series, currency, cover rate, and due dates as of December 31, 2020, are detailed as follows:

Tax Id. ("RUT") Number	Name	Country	Instrument Registration and Identification	Series	Currency or Indexation Unit	Annual Effective Rate	Annual Nominal Rate	Final Deadline	Current	Non-current
94.272.000-9	AES Gener	Chile	US\$ 4.4 M Senior Notes due 2028	SERIES N	UF	7.92%	7.34%	January 12,	17,146	112,234
94.272.000-9	AES Gener	Chile	US\$ 550 M Junior Notes due 2079	US\$ Bonds	US\$	7.13%	7.27%	March 26,	19,010	541,366
94.272.000-9	AES Gener	Chile	US\$ 409 M Senior Notes due 2025	US\$ Bonds	US\$	5.22%	5.00%	July 14,	2,791	116,779
94.272.000-9	AES Gener	Chile	US\$ 450 M Senior Notes due 2079	US\$ Bonds	US\$	6.47%	6.35%	October 07,	6,614	443,341
94.272.000-9	AES Gener	Chile	US\$ 1.0 M Senior Notes due 2024	SERIES B	UF	8.04%	7.50%	October 15,	2,726	28,548
76.004.976-K	Angamos	Chile	US\$ 600 M Senior Secured Notes due	US\$ Bonds	US\$	5.23%	4.88%	May 25,	9,197	65,060
76.085.254-6	Cochrane	Chile	144A/Res S Bond	US\$ Bonds	US\$	6.80%	5.50%	May 14,	50,704	323,743
76.085.254-6	Cochrane	Chile	Local Bond Series "A" \$485 2034	US\$ Bonds	US\$	6.90%	6.25%	November	4,037	467,373
Total									112,225	2,098,444

Payments of principal and interest not discounted as of December 31, 2020, are detailed as follows:

Name	Instrument Registration and Identification	Current			Non-current					Total
		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	
94.272.000-9	AES Gener	—	24,692	24,692	23,526	22,361	21,211	20,030	53,100	140,228
94.272.000-9	AES Gener	19,594	19,594	39,188	39,188	39,188	39,188	39,188	2,655,240	2,811,992
94.272.000-9	AES Gener	2,937	2,937	5,874	5,874	5,874	5,874	123,362	—	140,984
94.272.000-9	AES Gener	—	28,575	28,575	28,575	28,575	28,575	28,575	1,993,050	2,107,350
94.272.000-9	AES Gener	—	4,485	4,485	6,065	11,445	16,084	—	—	33,594
76.004.976-K	Angamos	—	3,545	3,545	12,366	11,936	11,506	11,076	40,925	87,809
76.085.254-6	Cochrane	—	68,220	68,220	73,404	74,851	71,708	73,791	105,227	398,981
76.085.254-6	Cochrane	—	29,853	29,853	31,875	30,973	31,054	31,139	662,435	787,476
Total		22,531	181,901	204,432	220,873	225,203	225,200	327,161	5,509,977	6,508,414

Bonds payable per debtor company, series, currency, cover rate, and due dates as of December 31, 2019, are detailed as follows:

Tax Id. ("RUT") Number	Name	Country	Instrument Registration and Identification	Series	Readjustment Currency or Unit	Annual Effective Rate	Annual Nominal Rate	Final Deadline	Current	Non-current
94.272.000-9	AES Gener	Chile	US\$ 4.4 M Senior Notes due 2028	SERIES N	UF	7.92%	7.34%	December	16,011	118,232
94.272.000-9	AES Gener	Chile	US\$ 550 M Junior Notes due 2079	US\$ Bonds	US\$	7.13%	7.27%	March 26,	29,938	541,175
94.272.000-9	AES Gener	Chile	US\$ 409 M Senior Notes due 2025	US\$ Bonds	US\$	5.22%	5.00%	July 14,	2,814	116,614
94.272.000-9	AES Gener	Chile	US\$ 450 M Senior Notes due 2079	US\$ Bonds	US\$	6.47%	6.35%	October 07,	6,614	443,228
94.272.000-9	AES Gener	Chile	US\$ 1.0 M Senior Notes due 2024	SERIES B	UF	8.04%	7.50%	October 15,	2,010	28,329
76.004.976-K	Angamos	Chile	US\$ 600 M Senior Secured Notes due	US\$ Bonds	US\$	5.25%	4.88%	May 25,	45,242	360,466
76.085.254-6	Cochrane	Chile	144A/Res S Bond	US\$ Bonds	US\$	6.80%	5.50%	May 14,	46,049	366,150
Total									148,678	1,974,194

Payments of principal and interest not discounted as of December 31, 2019, are detailed as follows:

Name	Instrument Registration and Identification	Current			Non-current					
		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	Total
AES Gener	US\$ 4.4 M Senior Notes due 2028	—	25,886	25,886	25,790	24,595	23,430	22,265	93,863	189,943
AES Gener	US\$ 550 M Junior Notes due 2079	30,479	19,594	50,073	39,188	39,188	39,188	39,188	2,714,673	2,871,425
AES Gener	US\$ 409 M Senior Notes due 2025	2,937	2,937	5,874	5,874	5,874	5,874	5,874	123,362	146,858
AES Gener	US\$ 450 M Senior Notes due 2079	—	28,575	28,575	28,575	28,575	28,575	28,575	2,043,612	2,157,912
AES Gener	US\$ 1.0 M Senior Notes due 2024	—	3,728	3,728	4,147	5,608	10,583	14,873	—	35,211
Angamos	US\$ 600 M Senior Secured Notes due	—	62,644	62,644	60,539	58,434	56,329	54,223	217,706	447,231
Cochrane	144A/Res S Bond	—	65,538	65,538	68,220	73,404	74,851	71,708	179,018	467,201
Total		33,416	208,902	242,318	232,333	235,678	238,830	236,706	5,372,234	6,315,781

c. Changes in liabilities from financing activities

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

	Balance as of December 31, 2019	Changes in Financing Activities				Other changes					Balance as of December 31, 2020
		New Obligations	Payment of Obligations	Interest Payment	Deferred Expenses	Accrued Interest	Capitalized Accrued Interest	Exchange Differences	Amortization of Deferred Costs	Change in Fair Value	
Bank Loans	1,807.937	338.619	(758.596)	(31.024)	(1.870)	37.740	63.111	8.870	7.584	—	1,472.371
AES Gener	—	90.000	(90.000)	(1.667)	—	1.667	—	—	—	—	—
Cochrane	441.602	—	(445.000)	(18.293)	—	19.008	—	—	2.683	—	—
Angamos	126.373	—	(142.281)	(5.271)	—	4.909	—	14.751	1.519	—	—
Alto Maipo	1,152.799	144.903	—	—	(1.870)	7.342	63.111	—	3.382	—	1,369.667
AES Colombia	87.163	103.716	(81.315)	(5.793)	—	4.814	—	(5.881)	—	—	102.704
Bonds payable	2,122.872	485.000	(393.329)	(148.457)	(2.935)	145.168	—	13.005	3.555	(14.210)	2,210.669
AES Gener	1,304.965	—	(16.467)	(97.846)	—	86.898	—	13.005	—	—	1,290.555
Angamos	405.708	—	(335.066)	(16.968)	—	16.236	—	—	4.347	—	74.257
Cochrane	412.199	485.000	(41.796)	(33.643)	(2.935)	42.034	—	—	(792)	(14.210)	845.857
Deferred costs	(500)	—	—	—	(1.204)	—	—	—	233	—	(1.471)
AES Gener	(500)	—	—	—	(1.204)	—	—	—	233	—	(1.471)
Hedging derivative instruments (Note 10.1)	226.202	—	(6.082)	(25.775)	—	26.499	—	(19.220)	—	39.330	240.954
AES Gener	33.357	—	—	—	—	—	—	(9.917)	—	(14.892)	8.548
Angamos	11.406	—	(6.082)	724	—	—	—	(9.303)	—	3.255	—
Alto Maipo	181.439	—	—	(26.499)	—	26.499	—	—	—	48.997	230.436
AES Colombia	—	—	—	—	—	—	—	—	—	1.970	1.970
Non-hedging derivative instruments	11.867	—	—	—	—	—	—	—	—	9.437	21.304
AES Gener	8.299	—	—	—	—	—	—	—	—	10.465	18.764
AES Colombia	3.568	—	—	—	—	—	—	—	—	(1.028)	2.540
Total	4,168.378	823.619	(1,158.007)	(205.256)	(6.009)	209.407	63.111	2.655	11.372	34.557	3,943.827

NOTE 21 - LEASE LIABILITY

The analysis of the expiration of lease liabilities as of December 31, 2020 and 2019, is detailed as follows:

Financial Liabilities	December 31, 2020			December 31, 2019		
	Gross	Interest	Present Value	Gross	Interest	Present Value
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Less than a year	6,195	1,504	4,691	8,772	2,853	5,919
Between one and five years	25,162	5,642	19,520	41,370	10,168	31,202
More than 5 years	49,647	11,755	37,892	24,351	4,348	20,003
Total	81,004	18,901	62,103	74,493	17,369	57,124

During the year ended December 31, 2020, the amount recognized as financial cost amounts to ThUS\$2,281.

The financial and operating lease liabilities by expiration date as of December 31, 2020, are detailed as follows:

	Accounting Balances		Payments of Interest and Principal			Payment of Interest and Principal					Total Non-Current
	Current	Non-current	Less than 90 days	More than 90 days	Total Current	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	
Financial	976	13,180	243	942	1,185	1,237	966	707	790	13,281	16,981
Operating	3,715	44,232	2,267	2,743	5,010	5,347	5,352	5,359	5,404	36,366	57,828
Total	4,691	57,412	2,510	3,685	6,195	6,584	6,318	6,066	6,194	49,647	74,809

The leases by debtor company, financial institution, currency, and expiration dates as of December 31, 2020, are detailed as follows:

Creditor	Description	Currency	Rate	Accounting Balances		Payments of Interest and Principal		
				Current	Non-current	Less than 90 days	More than 90 days	Total Current
Banco de Crédito e Inversiones	Edificio Matta	UF	2.89 %	640	993	169	508	677
Regional Ministerial Secretary	Andes Solar land	UF	2.82 %	60	1,389	—	74	74
Regional Ministerial Secretary	Andes Solar land	UF	2.82 %	71	1,646	—	88	88
Edelnor Transmisión S.A.	Substation installation	UF	2.81 %	136	740	39	118	157
Ministry of National Properties	Andes Solar land	UF	2.82 %	14	375	—	24	24
Bice Seguros de vida	Nueva Santa María	UF	2.82 %	444	14,500	210	631	841
Hidroeléctrica El Paso S.P.A.	PPA El Paso	USD	4.44 %	2,633	18,527	1,750	1,750	3,500
Sociedad Agrícola Huancara Limitada	Los Olmos land	UF	2.82 %	53	—	53	—	53
Inmobiliaria Obreque y Cía. Ltda	Los Olmos land	USD	4.71 %	1	—	—	1	1
Soc. Agrícola y Forestal Santa Edith Ltda	Los Olmos land	UF	2.82 %	80	1,671	80	—	80
Alejandro de la Maza	Los Olmos land	UF	2.82 %	74	1,575	74	—	74
Inversiones Fundo Las Trancas SpA	Campo Lindo land	UF	2.82 %	74	2,384	18	56	74
Inversiones Fundo Las Trancas SpA	Campo Lindo land	UF	2.82 %	45	1,378	14	31	45
Azcar S.A.	Campo Lindo land	UF	2.82 %	13	394	4	9	13
Victor Alberto Rios Santander	Campo Lindo land	UF	2.82 %	26	788	8	18	26
Agrícola Rios Ltda	Campo Lindo land	UF	2.82 %	32	985	9	23	32
Adelina Jara Soto y Otros	Campo Lindo land	USD	4.71 %	19	701	7	12	19
Fernando Stevens Alegría y Otros	Campo Lindo land	USD	4.71 %	11	423	—	11	11
Carmen Lidia Lobos Puente	Campo Lindo land	USD	4.71 %	11	423	—	11	11
MC Energía SpA	Paposo land	USD	4.71 %	33	131	1	32	33
MC Energía SpA	Paposo land	USD	4.71 %	36	57	—	36	36
Darío Prado Pino	Litueche land	USD	4.71 %	1	13	—	1	1
Claudio Antonio Cornejo	Litueche land	USD	4.71 %	1	13	—	1	1
Intercolombia SA ESP	ISA Leasing	Col\$	9.52 %	144	8,306	63	222	285
Berkley International Seguros SA	Carlos Pellegrini building	USD	— %	39	—	11	28	39
Total				4,691	57,412	2,510	3,685	6,195

Creditor	Description	Payment of Interest and Principal					Total Non-Current
		1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	
Banco de Crédito e Inversiones	Edificio Matta	677	339	—	—	—	1,016
Regional Ministerial Secretary	Andes Solar land	74	74	74	74	1,706	2,002
Regional Ministerial Secretary	Andes Solar land	88	88	88	88	2,022	2,374
Edelnor Transmisión S.A.	Substation installation	157	157	157	157	170	798
Ministry of National Properties	Andes Solar land	24	24	24	24	407	503
Bice Seguros de vida	Nueva Santa María	841	841	841	841	16,405	19,769
Hidroeléctrica El Paso S.P.A.	PPA El Paso	3,567	3,642	3,729	3,774	6,189	20,901
Soc. Agrícola Y Forestal Santa Edith Ltda	Los Olmos land	88	88	88	88	2,484	2,836
Alejandro de la Maza	Los Olmos land	82	82	82	82	2,373	2,701
Agrícola Forestal e Inversiones Fundo Las Trancas SpA	Campo Lindo land	156	156	156	156	2,966	3,590
Agrícola y Forestal Las Trancas Ltda	Campo Lindo land	90	90	90	90	1,715	2,075
Azcar S.A.	Campo Lindo land	26	26	26	26	490	594
Victor Alberto Rios Santander	Campo Lindo land	52	52	52	52	980	1,188
Agrícola Rios Ltda	Campo Lindo land	64	64	64	64	1,225	1,481
Adelina Jara Soto y Otros	Campo Lindo land	50	50	50	50	962	1,162
Fernando Stevens Alegría y Otros	Campo Lindo land	27	27	27	27	737	845
Carmen Lidia Lobos Puente	Campo Lindo land	27	27	27	27	737	845
MC Energía SpA	Paposo land	60	80	—	—	—	140
MC Energía SpA	Paposo land	60	—	—	—	—	60
Darío Prado Pino	Litueche land	15	—	—	—	—	15
Claudio Antonio Cornejo	Litueche land	15	—	—	—	—	15
Intercolombia SA ESP	ISA Leasing	344	411	491	574	8,079	9,899
	Total	6,584	6,318	6,066	6,194	49,647	74,809

NOTE 22 - TRADE PAYABLES AND OTHER ACCOUNTS PAYABLE

As of December 31, 2020 and December 31, 2019, trade payables and other accounts payable are detailed as follows:

	Current		Non-current	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Trade payables	68,026	91,307	—	—
Unbilled trade payables	177,687	135,268	—	—
Other accounts payable ⁽¹⁾	120,567	96,073	—	3,656
Total	366,280	322,648	—	3,656

⁽¹⁾As of December 31, 2020 and December 31, 2019, the current portion mostly includes income tax liabilities on emission of particulate pollutant emissions (green taxes), sales taxes, and an extra tax in addition to staff-related third party liabilities.

Trade payables are detailed as follows:

	Suppliers with no past due payments		Suppliers with past due payments	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Up to 30 days	49,460	48,054	12,707	22,661
31 to 60 Days	—	—	2,750	5,893
61 to 90 Days	—	—	526	7,786
91 to 120 Days	1,455	—	35	5,913
121 to 365 Days	—	—	919	693
From 365 days onwards	—	—	174	307
Total	50,915	48,054	17,111	43,253

Suppliers with no past due payments: As the average period for payment to suppliers is 30 days, their carrying amount is not significantly different from their fair value.

NOTE 23 - PROVISIONS

As of December 31, 2020 and December 31, 2019, the balances for provisions are detailed as follows:

	Current		Non-current	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Provision for legal claims	115	127	—	—
Dismantling and restructuring costs	59	59	150,685	175,843
Other provisions	—	392	—	—
Total	174	578	150,685	175,843

1. Provision for legal claims

Current balances primarily consist of provisions for legal contingencies. A detail of the main contingencies is provided in Note 32.

Given the typical characteristics of this type of provisions, it is impossible to reliably establish a payment schedule, should such disbursement be appropriate in each case.

2. Provisions for Decommissioning, Restructuring and Rehabilitation costs

The non-current balance of these provisions is entirely consistent in the cost for removal of assets and rehabilitation of the land where the different plants of the Group are located. The expected term of disbursements fluctuates from 30 to 45 years, depending on the laws, regulations or contracts giving rise to the liability.

3. Movements in provisions

	Legal claims	Dismantling and restructuring costs	Other provisions	Total
Opening Balance as of January 1,	156	117,650	11	117,817
Dismantling, restructuring and rehabilitation costs	—	5,588	—	5,588
Increase (decrease) in existing provisions ⁽¹⁾	—	2,622	—	2,622
Increase (decrease) in existing provisions	(29)	50,042	381	50,394
Balance as of December 31, 2019	127	175,902	392	176,421
Dismantling, restructuring and rehabilitation costs	—	5,959	—	5,959
Increase (decrease) in existing provisions	(12)	(31,117)	(392)	(31,521)
December 31, 2020	115	150,744	—	150,859

NOTE 24 - EMPLOYEE BENEFITS

AES Gener S.A. and some of its subsidiaries grant different post-employment benefit plans to part of their active or retired employees, which are assessed and recorded in the financial statements in accordance with the criteria described in Note 4.15 (b) and (d).

As of December 31, 2020 and December 31, 2019, the balance of post-employment obligations is detailed as follows:

	December 31, 2020	December 31, 2019
Current	5,455	3,893
Non-current	36,265	31,167
Total	41,720	35,060

24.1. Present Value of Post-Employment Obligations

The changes in post-employment obligations for defined benefits in the periods ended December 31, 2020 and December 31, 2019, are detailed as follows:

	December 31, 2020	December 31, 2019
Initial balance	35,060	34,606
Current service cost of obligation	2,131	1,850
Interest cost of obligation	1,536	1,693
Actuarial losses (gains) - demographic assumptions	2,808	2,762
Actuarial losses (gains) - financial assumptions	902	(616)
Increase (decrease) due to exchange differences	1,487	(3,495)
Contributions paid under obligations	(2,204)	(1,740)
Final Balance	41,720	35,060

24.2. Costs Recognized as Profit or Loss

The amounts recognized in consolidated profit or loss within sales cost and administrative expenses in the statement of comprehensive income for the years ended December 31, 2020 and 2019, are detailed as follows:

	December 31, 2020	December 31, 2019
Current service cost of defined benefit plan	2,131	1,850
Interest cost of defined benefit plan	1,536	1,588
Loss (gain) for defined benefit plan reduction and settlement	3,088	1,516
Total impact in profit or loss	6,755	4,954

24.3. Other Disclosures

a. Actuarial Assumptions:

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

	Chile		Colombia	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Nominal discount rate used	3.22 %	3.96 %	6.50 %	6.50 %
Average job turnover rate	7.49 %	7.49 %	— %	— %
Expected rate of salary increases	4.86 %	5.06 %	4.00 %	4.00 %
Mortality table	Tables issued according to joint standards of the Financial Market Commission and the Superintendency of Pension-fund Managers		Tables issued according to 1971 GAM from US agencies	

b. Awareness:

As of December 31, 2020, the sensitivity of the total value of post-employment obligations in the event of variations in medical cost, discount rate, salary increase rate and turnover rate, generates the following effects:

	Awareness Rate	Reduction	Increase
Discount rate sensitivity	0.25%	752	(725)
Salary increase sensitivity	0.25%	(477)	493
Turnover rate sensitivity	1.00%	267	(238)

NOTE 25 - OTHER NON-FINANCIAL LIABILITIES

As of December 31, 2020 and December 31, 2019, the balances of other non-financial liabilities are detailed as follows:

	Current		Non-current	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Deferred income (Note 25.1)	390,721	154	2,724	2,878
Accrued liabilities (Note 25.2)	26,618	19,910	187	—
Other liabilities (Note 25.3)	9,752	10,285	44,741	29,099
Total	427,091	30,349	47,652	31,977

25.1. Deferred Income

As of December 31, 2020 and December 31, 2019, deferred income is detailed as follows:

	Current		Non-current	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Escondida anticipated income	48	48	240	289
Helio anticipated income	26	26	350	376
Helio anticipated income	80	80	2,134	2,213
BHP anticipated income ⁽¹⁾	390,567	—	—	—
Total	390,721	154	2,724	2,878

⁽¹⁾ On August 7, 2020, the subsidiary Angamos entered into an agreement with the subsidiaries of BHP, Minera Escondida and Minera Spence for the early termination of the PPAs then in force. According to this agreement, PPAs will expire in August 2021.

As a result of the agreements, the subsidiary Angamos received funds in the amount of ThUS\$720,000, which will be recognized in profit or loss during the remaining term of the agreement. As of December 31, 2020, the ThUS\$390,567 recognized as deferred income represent the portion of income pending recognition.

25.2. Accumulated Liabilities

They primarily consist of provisions for vacation and other staff benefits of the Company, as accrued as of the year-end date of the financial statements.

25.3. Other liabilities

They primarily consist of contingent liabilities related to new projects under development.

NOTE 26 – SHAREHOLDERS' EQUITY

26.1. Capital Management

The shareholders' equity includes issued capital, additional paid-in capital, other interests, other reserves, and retained earnings (losses).

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

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

On December 17, 2019, the Company's Extraordinary Shareholders' Meeting approved the creation of a share buy-back program in accordance with Articles 27 A to 27 C and other relevant parts of the Corporations Law. According to the terms proposed in that program, the maximum percentage of shares to be acquired shall be 5% of the Company's subscribed and paid-in shares, with a duration of five years effective from the date of the Board meeting.

Except as set forth in the previous paragraph, during the years ended December 31, 2020 and 2019, no changes were made in the capital-related goals, policies or procedures of the Company.

26.2. Subscribed and Paid-in Capital

As of December 31, 2020 and December 31, 2019, the capital stock of the Company is made up of 8,400,318,891 subscribed and paid in shares. As mentioned in paragraph 26.1 with respect to the share buy-back program, the Company owns 24,836,382 shares of treasury stock as of the date of these Financial Statements.

Although there are no changes in the number of shares during the period covered by these Consolidated Financial Statements, at the Special Shareholders' Meeting held on April 16, 2020, the Company's capital increase of ThUS\$500,000, as proposed by the Board of Directors, was approved. To that end, the issuance of up to 5,000,000,000 additional shares were resolved.

On December 28, 2020, the Board of Directors, in accordance with the powers conferred on it by the Extraordinary Shareholders' Meeting held on April 16, 2020, agreed to set the placement price of 1,980,000,000 shares at \$110 per share, which shall consist in the capital increase agreed at the Shareholders' Meeting, whose issue was registered by the Financial Market Commission on July 22, 2020.

The capital increase process was completed on February 5, 2021. A total of 1,976 million shares, equivalent to 99.8% of the total securities placed as capital increase, were subscribed for a total amount of ThUS\$300,000.

26.3. Dividend Policy

In the Ordinary Shareholders' Meeting held on April 16, 2020, it was agreed that the purpose of the Company is to distribute as dividend among its shareholders up to 100% of the earnings generated during 2020, subject to the earnings actually obtained, the results of the projections periodically carried out by the Company, and the need to contribute their own resources to finance investment projects, among others.

In addition, at such Shareholders' Meeting it was resolved to pay such dividend against earnings for the year ended December 31, 2019, as follows:

- US\$115,785,687, equivalent to approximately 100% of the earnings for fiscal year 2019
 - by means of a minimum dividend of US\$34,735,706, which was paid on May 15, 2020,
 - by means of a dividend of US\$81,049,981, which was paid on August 28, 2020.

At the Extraordinary Shareholders' Meeting, held on November 19, 2020, it was agreed to pay a contingent dividend of US\$194,214,038.61, equivalent to US\$0.0231884 per share, as retained earnings (Reserve for proposed dividends - Other Interest in the Shareholders' Equity) of the Company, which was paid on December 10, 2020.

26.4.- Retained Earnings (Losses)

Earnings for each period are detailed as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Initial balance	364,801	484,640
Result for the period	(271,444)	115,786
Definitive dividends	(81,049)	(200,889)
Provision for minimum dividend	—	(34,736)
Final balance	<u>12,308</u>	<u>364,801</u>

26.5 Other Interest in the Shareholders' Equity

Other interest in the shareholders' equity is detailed as follows:

	Stock Option Plans	Reserve for proposed dividends	Total
Balance as of December 31, 2018	9,333	229,611	238,944
Stock Option Plan	356	—	356
Balance as of December 31, 2019	9,689	229,611	239,300
Stock Option Plan	473	—	473
Dividends	—	(194,214)	(194,214)
December 31, 2020	<u>10,162</u>	<u>35,397</u>	<u>45,559</u>

26.6. Other Reserves

Other reserves as of December 31, 2020 and 2019, are detailed as follows:

	Reserve for Exchange Differences due to Translation	Reserve for Cash Flow Hedges	Reserve for Defined Benefit Plans	Translation Reserve within Equity ⁽¹⁾	Other reserves	Total
Balance as of January 1, 2019	(169,199)	(206,125)	(16,329)	(136,741)	328,191	(200,203)
Movement of derivatives recognized in profit or loss	—	22,090	—	—	—	22,090
Movement of derivatives recognized in other reserves	—	(119,486)	—	—	—	(119,486)
Movement of derivatives of associate	—	(362)	—	—	—	(362)
Deferred tax	—	27,182	571	—	—	27,753
Non-controlling interests (net of taxes)	—	13,027	—	—	—	13,027
Exchange difference of subsidiary	(2,727)	—	—	—	—	(2,727)
Other variations	—	—	(2,146)	2,539	—	393
Balance as of December 31, 2019	(171,926)	(263,674)	(17,904)	(134,202)	328,191	(259,515)
Movement of derivatives recognized in profit or loss	—	(7,062)	—	—	—	(7,062)
Movement of derivatives recognized in other reserves	—	(21,975)	—	—	—	(21,975)
Movement of derivatives of associate	—	(2,137)	—	—	—	(2,137)
Deferred tax	—	5,756	1,021	—	—	6,777
Non-controlling interests (net of taxes)	—	3,110	(7)	—	—	3,103
Exchange difference of subsidiary	(12,213)	—	—	—	—	(12,213)
Other variations	—	—	(3,953)	996	—	(2,957)
Balance as of December 31, 2020	(184,139)	(285,982)	(20,843)	(133,206)	328,191	(295,979)

(1) It consists of the adjustment for the difference between principal paid at the closing foreign exchange rate of December 31, 2008, and its historical value, as stated in Circular Official Letter 456 dated June 20, 2008, issued by the Financial Market Commission.

26.7.- Restrictions on disposition of funds from subsidiaries

The subsidiaries of Gener may distribute dividends so long as they comply with the restrictions, ratios and limitations established in their respective credit agreements. See Note 31.2 for more details of compliance with the ratios associated with the financial commitments.

NOTE 27 - REVENUES

Ordinary revenues for the years ended December 31, 2020 and 2019 are detailed as follows:

	December 31, 2020	December 31, 2019
Sales of energy and power under contracts ⁽¹⁾	1,996,425	1,790,465
Spot sales of energy and power	247,692	358,463
Transmission income	118,952	95,805
Other ordinary income ⁽²⁾	144,415	167,040
Total	2,507,484	2,411,773

⁽¹⁾ The sales of energy and power under contracts include pass-through costs, as set forth in supply contracts with non-regulated customers, which mainly include fuel costs, transmission system costs, rerouting of energy, and tax on emissions, among others.

⁽²⁾ Other ordinary income mainly includes income from coal sales.

NOTE 28 – COMPOSITION OF RELEVANT RESULTS

28.1 Expenses by nature

The main operating and administration costs and expenses for the periods ended December 31, 2020 and 2019, within sales cost and administrative expenses in the statement of comprehensive income are detailed as follows:

	December 31, 2020	December 31, 2019
Fuel consumption	357,176	477,777
Fuel sales cost	106,613	128,368
Purchase of energy and power	420,832	419,644
Other fuel costs	94,471	100,733
Cost for use of transmission system	123,043	106,718
Production and other sales costs	170,092	186,582
Production staff costs	60,916	58,047
Amortization	241,053	259,895
Amortization	6,832	5,595
Sales Cost	1,581,028	1,743,359
Administrative staff costs	28,949	30,146
Other administrative costs	96,535	70,460
Administrative expenses	125,484	100,606

28.2. Staff Costs

Staff costs for the years ended December 31, 2020 and 2019, are detailed as follows:

	December 31, 2020	December 31, 2019
Wages and salaries	48,227	51,968
Short-term employee benefits	26,799	22,168
Employment termination benefits	6,597	5,181
Stock-based compensation transactions	1,110	1,319
Other staff costs	7,132	7,557
Total	89,865	88,193

NOTE 29 - OTHER INCOME (LOSSES)

Other income (losses) for the years ended December 31, 2020 and 2019, is detailed as follows:

	December 31, 2020	December 31, 2019
Impairment property, plant and equipment and intangible	(819,762)	—
Fair value adjustment for sale of accounts receivable	(20,414)	—
Discontinued projects	(6,691)	—
Costs for debt termination and restructuring	(5,964)	(54,363)
Result for sale/withdrawal of fixed and intangible assets	(2,696)	(2,260)
Recoverable tax write-offs	(1,526)	(574)
Contingent liability adjustment for projects	4,088	(4,306)
Gasandes dividend	2,572	2,020
Insurance recovery adjustment	2,000	212
Gain (Loss) for sale of investment CTNG	—	(1,678)
Other several revenues (expenses)	781	784
Total	(847,612)	(60,165)

⁽¹⁾ The amount recognized as Impairment of Property, Plant and Equipment is made up of ThUS\$802,768 related to Property, Plant and Equipment, ThUS\$4,428 related to Intangible Assets, and ThUS\$12,566 related to adjustments to Other Reserves. All the amounts detailed above are directly related to the plants that were impaired during 2020 (See Note 18.2).

NOTE 30 – FINANCIAL RESULTS

Financial results for the years ended December 31, 2020 and 2019, are detailed as follows:

	December 31, 2020	December 31, 2019
Income from financial assets	7,908	10,071
Other financial income	64	200
Total financial income	7,972	10,271
Interest on bank loans (1)	(97,700)	(125,474)
Interest on notes	(140,126)	(102,174)
Income/(loss) for assessment of financial derivatives, net	(19,468)	(16,075)
Other Expenses	(46,761)	(17,156)
Capitalized financial expenses (2)	181,863	120,845
Total financial expenses	(122,192)	(140,034)
Exchange differences, net	(31,071)	(11,919)
Total financial profit (loss)	(145,291)	(141,682)

(1) For the years 2020 and 2019, interest accrued by the subsidiary Alto Maipo related to the syndicated loan is included, which amounts to ThUS\$63,111 and ThUS\$61,688, respectively.

(2) The 2020 financial year includes the sum of ThUS\$21,379 for the adjustment related to the normalization of capitalized interest from Alto Maipo project.

NOTE 31 – EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of outstanding ordinary shares during the year, excluding, if any, any ordinary shares acquired by the Company and held as treasury stock.

The amounts of basic earnings (loss) per share are expressed in dollars.

	December 31, 2020	December 31, 2019
Profit or loss attributable to the equity holders of the parent entity	(271,444)	115,786
Available profit or loss for ordinary shareholders, basic	(271,444)	115,786
Weighted average number of shares, basic	8,400,319	8,400,319
Basic earnings (loss) per share	(0.032)	0.014

There are no transactions or items generating dilutive effects. The shares have no par value.

NOTE 32 – CONTINGENCIES AND COMMITMENTS

32.1.- Litigation and/or Administrative Procedures

(a) Legal processes related to AES Gener (“Gener”)

(i) Lawsuit for Environmental Damages against AES Gener

In July 2016, two fishing, diving, and other unions related to the extraction of sea products, along with 18 individuals from the districts of Horcón and Ventanas, filed a lawsuit before the Second Environmental Court of Santiago against AES Gener S.A., the Ministry of Environment, and another 10 companies located in the area (CODELCO, Puerto Ventanas, Empresa Nacional de Electricidad, GNL Quintero, COPEC, Gasmar, Oxiquim, Petróleos Asfaltos y Combustibles S.A., Melón Cementos and ENAP) for alleged environmental damage caused by the companies, which were authorized by the State.

The lawsuit seeks to repair the environmental damage of Quintero and Ventanas bays, which is allegedly derived from the industrial activity developed by the defendants, and it proposes for such purpose to create a fund with contributions to be made by the latter and intended to finance the studies that will allow to assess the current condition of the environment components, and the redress measures that need to be adopted.

In December 2019, at the request of the Environmental Court, plaintiffs and defendants start negotiations with the aim of reaching a possible conciliation. On December 27, 2019, the plaintiffs' attorney proposed to the court the basis for a possible settlement. From that date onwards, certain regular hearings were held at the initiative of the Second Environmental Court in order to monitor the status of negotiations between the parties, the latter of which took place in May last year. So far, no settlement was reached between the parties. The process has been suspended until March 14 of this year as a result of the extension of the Constitutional State of National Catastrophe due to Covid-19 pandemic.

(ii) Summary Administrative Investigations by Gobernación Marítima de Valparaíso (Valparaíso Maritime Authority)

Fiscalía Marítima de Valparaíso (Valparaíso Maritime Public Prosecutor) is conducting two investigations. The first of them (File No. 12,050/10/19) was resolved by means of Public Prosecutor Opinion dated October 24, 2017, which proposed, among other measures, the payment of a fine of 52,000 gold pesos (Th\$250,000 [ThUS\$352]), as a result of unauthorized discharges of burned and unburned coal particles between November 8, 2012 and November 8, 2013. The investigation is currently ongoing, pending a technical report requested by the Maritime Public Prosecutor's Office, which is expected to be completed during this year. Once such technical report is issued, the Public Prosecutor will have to render an opinion.

The second investigation (File No. 12.050/10/21) was resolved on January 23, 2019, and as of the date hereof, there have been several requests for information in relation to the operation of the Ventanas Thermoelectric Complex, including a field visit by the maritime public prosecutor. In addition, experts and academic entities have been requested to issue reports to prove the origin of coal particle strands in Ventanas Beach. This second investigation is still at a preliminary stage, therefore, there is no proposed sanction issued by the maritime authority.

(iii) International Arbitration between Constructora Nuevo Maipo S.A., AES Gener S.A. and The AES Corporation before the International Chamber of Commerce (“ICC”).

In August 2018, Constructora Nuevo Maipo S.A. (hereinafter “CNM”) brought an arbitration process against AES Gener S.A. and The AES Corporation, in which it requested to the arbitration panel hearing the arbitration with Alto Maipo SpA to establish whether AES Gener S.A. and The AES Corporation would be jointly and severally responsible to Alto Maipo Spa for the damages claimed by CNM as a result of the termination of the construction contract by Alto Maipo SpA. The claim is based on the “lifting of the corporate veil” theory.

The arbitration between AES Gener S.A., The AES Corporation and CNM is currently resolving a jurisdictional matter since it should be proved whether the arbitration panel hearing the arbitration between Alto Maipo SpA and CNM has competent jurisdiction to hear the claim made by CNM against AES Gener S.A. and The AES Corporation, in light of the aforementioned lifting the corporate veil theory. August 14, 2020, was the deadline for the submission of evidence on which CNM, The AES Corporation and AES Gener would rely during the Jurisdiction hearing that was to be initially held in October 2020. AES Gener and The AES Corporation requested the arbitration panel to postpone the hearing to be held in October for being it impossible to conduct a face-to-face hearing due to the Covid-19 pandemic. Initially, the arbitration panel postponed the date of the hearing to March 2021; however, it was again suspended by the panel to a date to be defined.

(iv) Accusations of SMA against AES Gener S.A., Ventanas Complex.

On October 1, 2019, the Superintendency of the Environment (SMA) gave notice to AES Gener, Ventanas Complex, about a procedure for the imposition of a sanction based on 4 possible violations arising from the failure to comply with its Environmental Qualification Resolutions, LIW emission standards (Supreme Decree 90), and noise emission standards (Supreme Decree 38). AES Gener drafted a Compliance Program with the purpose of filling the gaps asserted by the environmental authority, whose consolidated text, where the observations made by environmental authority were duly taken into account, was submitted on December 7, 2020, and is currently under review.

(v) Arbitration with Compañía General de Electricidad S.A.

On October 8, 2019, AES Gener filed a lawsuit against Compañía General de Electricidad S.A. (CGE) before the Arbitration and Mediation Center of the Santiago Chamber of Commerce (CAM Santiago) to demand forced performance of four power supply agreements executed in 2007, as a result of the lesser volume that CGE has allocated to these contracts until December 30, 2019, in relation to other agreements executed by CGE in the same tender. CGE answered the complaint requesting that it be dismissed in its entirety, and submitted a counterclaim against AES Gener. The action is currently in the stage for the production of evidence.

(vi) Arbitration BO Paper

On September 4, 2020, BO Paper Bío Bío S.A. filed a lawsuit before CAM Santiago against AES Gener for termination of contract plus compensation for damages due to a dispute as to which of the parties should collect certain tariff revenues for a total of Th\$2,112,853 (ThUS\$2,972). On January 11, 2021, the arbitrator issued the decision ordering the beginning of the stage for the production of evidence.

(vii) AES Gener-CGE Arbitration for non-payment of regulated customers.

On November 20, 2020, AES Gener filed a lawsuit before CAM Santiago for forced contract compliance plus compensation for damages so that Compañía General de Electricidad S.A. (“CGE”) pay the undue discounts it made during April, May and June 2020 for lower collection from its regulated customers, which amounted to a total of Th\$1,006,000 (ThUS\$1,415), plus interest. CGE answered the complaint requesting that it be dismissed in its entirety, and submitted a counterclaim against AES Gener. The case is in the first stage of the proceedings called “*discusión*”, pending the submission by AES Gener of the answer to the counterclaim brought by CGE.

(viii) Complaints under the Navigation Law (files 2-2020 and 7-2020)

On November 26, 2020 and January 12, 2021, notice of two lawsuits filed under the Navigation Law, under files 2 and 7 of the year 2020, for alleged coal strands, filed by lawyers Rafael González and Felipe Altamirano, was served to the Company. The first of them, on behalf of 40 fishermen of El Manzano vessel, who claim a total of Th\$1,720,000 (ThUS\$2,419) due to the coal strands that have occurred since 2017 on Ventanas beach, which would have affected the fishing activities of the area. The second lawsuit was filed on behalf of 19 fishermen, also from El Manzano vessel, who claim a total of Th\$817,000 (ThUS\$1,149), also due to the coal strands that have occurred since 2017 on Ventanas beach, which would have affected the fishing activities of the area.

Regarding the first lawsuit (file 2-2020), AES Gener filed dilatory exceptions that were dismissed on February 12, 2021. Consequently, AES Gener answered the lawsuit on February 24, 2021 and requested that it be dismissed in its entirety. In relation to the second lawsuit (file 7-2020), dated January 29, 2021, AES Gener also filed dilatory exceptions that were answered by the plaintiff on February 13, 2021, and must now be resolved by the court.

(b) Legal proceedings related to the subsidiary Alto Maipo (“Alto Maipo”)

(i) Alto Maipo SpA - Constructora Nuevo Maipo S.A. Arbitration Proceedings

On June 7, 2017, Alto Maipo terminated the contract for the construction of the tunnel complex entered into on November 6, 2012, with Constructora Nuevo Maipo S.A. (hereinafter referred to as “CNM”), due to multiple serious breaches of contractor. On that same date, Alto Maipo filed a lawsuit for breach of the contract before the International Chamber of Commerce (hereinafter referred to as “ICC”). In turn, on July 3, 2017, CNM filed a lawsuit for breach of contract against Alto Maipo before the ICC. The damages claimed by CNM range from ThUS\$103,000 to ThUS\$157,000, depending on the different contract termination scenarios and alleged damages that CNM suggests that should be declared by the arbitration panel. As of the date hereof, the Parties have submitted all their writings. The hearing of this arbitration was conducted in Santiago, Chile, between May 20 and 31, 2019. The closing allegations hearing was conducted by teleconference on June 10 and 11, 2020. There are no further substantive stages before the award is rendered. The ICC has requested the Court to render the award during April 2021.

(ii) Procedure for the imposition of a sanction against Alto Maipo SpA (“Alto Maipo”)

On January 26, 2017, the Superintendency of Environment (“SMA”) served notice to Alto Maipo of certain breaches related to its environmental permit, and started a procedure for the imposition of a sanction by means of Exempted Resolution N° 1/ ROL D-001-2017. As permitted by the regulations, it is possible to submit for consideration and approval of the SMA a “Compliance Program” with actions to remedy the deviations and intended to return to a full compliant status. After several filings, the Compliance Program was approved by the SMA on April 6, 2018, and is fully

effective as of this date. Thereafter, three requests for invalidation were filed against the SMA resolution that approved the Compliance Program before the Second Environmental Court of Santiago. The three requests for invalidation were joined in a single action, in respect of which each party filed their respective final allegations and are currently awaiting judgment, since the court adopted measures to render a better judgment, i.e. the court's personal visit or inspection of the Project conducted on October 16 and 23, 2020, and the production of further background information on the case. In a different procedure, the Second Environmental Court of Santiago requested the SMA to analyze the likelihood of initiating a process to review certain aspects of the RCA of Alto Maipo. This procedure is known as 25Quinques. The SMA decided to conduct this procedure in order to amend the approved Compliance Plan. This process is currently in still pending resolution.

(iii) Civil lawsuit for damages against AES Gener and Alto Maipo

On May 16, 2017, a lawsuit for damages was filed in the 28th Civil Court of Santiago by seven defendants against Constructora Nuevo Maipo SpA (CNM), Alto Maipo SpA and AES Gener S.A., as a result of a traffic accident occurred in the road to Alto Maipo project, in which a worker of CNM, contractor of Alto Maipo SpA, lost his life. The purpose of the complaint is to cause CNM, Alto Maipo SpA and AES Gener to be jointly and severally ordered to pay to claimants, for pain and suffering, the total sum of Th\$560,000 (ThUS\$788).

On August 27, 2019, the court issued a final judgment where it acquitted AES Gener S.A. and ordered CNM and Alto Maipo SpA, on a jointly and severally basis, to pay Th\$210,000 (ThUS\$295) to seven plaintiffs, plus adjustments and interest. Both CNM and Alto Maipo SpA appealed the judgment on September 16, 2019. Then, on September 24, 2019, the competent Court admitted the appeal that is now pending and must be resolved by the Santiago Court of Appeal. The action has currently been suspended due to the Constitutional State of Catastrophe. No provision has been made for these amounts since they are covered by the insurance purchased for Alto Maipo project.

(iv) Arbitration with Aguas Andinas

On September 30, 2020, Alto Maipo filed a request for arbitration in relation to an agreement entered into between Aguas Andinas S.A. and Alto Maipo SpA due to water management in El Yeso reservoir. The arbitration is conducted before CAM Santiago to resolve whether it is necessary or not for Alto Maipo SpA to make a payment of ThUS\$10,000 under the aforementioned agreement. In October of this year, CAM Santiago appointed the arbitrator that will hear the case. Then, on December 15, 2020, the parties reached an agreement on the matter and executed an addendum to the agreement. Consequently, CAM Santiago should formally terminate the arbitration.

(v) Arbitration with Covarrubias Family.

On October 23, 2020, Covarrubias family brought an arbitration before CAM Santiago against Alto Maipo since, in their opinion, Alto Maipo would not be complying with the easement contract entered into between "Covarrubias Valenzuela, Nora del Carmen et als" and "Compañía Industrial El Volcán S.A." on December 31, 2008. The amount claimed by Covarrubias family is ThUS\$2,579. The hearing establishing the rules of procedure was held on December 9, 2020. Later, on January 11, 2021, Alto Maipo filed the answer to the lawsuit and the counterclaim with CAM Santiago.

(vi) Civil Lawsuit of Parque Arenas SpA.

In December 2020, Parque Arenas SpA filed a civil lawsuit for termination of contract and compensation for damages against Alto Maipo SpA for alleged breaches of the company's easement contract entered into several years ago. The lawsuit was notified to Alto Maipo SpA on February 8, 2021, where the parties were summoned to a preparatory hearing for February 18, 2021.

(d) Legal processes related to the associate Guacolda Energía SpA (“Guacolda”)

(i) Minimum Technical Requirements of Guacolda Energía S.A.

On September 20, 2018, the Superintendency of Electricity and Fuels (SEC, for its acronym in Spanish) brought charges against Guacolda Energía Spa, through Regular Official Letter 19519, dated September 7, 2018. Under the claim, Guacolda is accused of two offenses related to having given false or wrong information to CDEC-SIC about the actual minimum technical requirements for its 5 units and having delayed and hindered the technical audit established in Opinion 5-2016 issued by the Panel of Experts. By means of SEC Resolution No. 29644 dated June 26, 2019, the authority imposed fines for a total of 66,000 UTM (thUS\$4,737). On July 3, 2019, an administrative appeal for review was filed with the SEC, requesting the nullification of the fine and that Guacolda be released from the charges brought, which was dismissed on September 21, 2020. An appeal for illegality was filed against this decision before the Court of Appeals of Santiago, requesting the dismissal of Guacolda and the invalidation of the fines imposed.

32.2- Financial Commitments

32.2.1 Commitments related to Gener

Both the credit agreements executed by Gener with various financial institutions and the indentures governing the notes, impose certain financial restrictions and obligations during their effective term, which are usual for this type of operations. As of December 31, 2020, Gener was compliant with all the debt commitments and financial restrictions as per the terms and conditions of each of these agreements and contracts.

- a. In December 2007, Gener placed the issuance of notes for UF 5,600,000 (ThUS\$219,245), made up of two series, which were registered with the Register of Securities of Chile under numbers 516 and 517 on November 9, 2007. This issuance included 4.30% Series N Notes for UF 4,400,000 (ThUS\$172,264) due 2028 and 3.10% Series O Notes for UF 1,200,000 (ThUS\$46,981) due 2015. The Series O was prepaid in its entirety on July 14, 2014.

On April 8, 2009, Gener made a second issuance of notes against the line of notes registered with the Registry of Securities under No. 517 on November 9, 2007. This issuance consisted of 8.0% Series Q notes for ThUS\$196,000 due 2019. On April 1, 2019, the current principal of ThUS\$24,540 was fully prepaid and the debt was fully cleared.

In accordance with the obligations established in these agreements, the Company must meet the following financial indicators every quarter, based on its consolidated financial statements:

- “Level of indebtedness not greater than 1.20 times, which is understood as the ratio of (adjusted cash and cash equivalents) financial debt to the shareholders’ net equity, excluding special purpose subsidiaries (project finance).” The value calculated for this indicator as of December 31, 2020 was 0.63 times.
- “Financial expense hedging not less than 2.50 times, understood as the ratio of EBITDA to net financial income (financial costs (-) financial income), excluding special purpose subsidiaries

(project finance).” The value calculated for this indicator as of December 31, 2020 was 51.37 times.¹

- “Minimum shareholders’ equity not less than ThUS\$1,574,622.” The Shareholders’ Net Equity value used for this indicator as of December 31, 2020, was ThUS\$1,861,125.
 - “Maintenance of Essential Assets equivalent to at least 70% of the total consolidated operating income in investments related to generation, transmission, marketing, distribution, and/or supply of electricity or fuels (Essential Assets are understood to be the “Property, Plant and Equipment” used in the generation process).” As of the date of the Financial Statements, the Company is compliant with this indicator.
- b. In December 2013, Gener completed the issuance of an 8.375% Subordinated Note due 2073 for a total of ThUS\$450,000. This Subordinated Junior Note has no financial restrictions. On March 26, 2019, Gener conducted a note repurchase for a total of ThUS\$334,693, which was funded with the issuance of a 7.125% subordinated note due 2079 for a total of ThUS\$550,000. Subsequently, on April 8 and June 18, 2019, Gener conducted the total repurchase of the bond for ThUS\$6,315 and ThUS\$108.87, respectively. The redeemed notes were settled, and the debt was fully paid. In August 2011, Gener completed a liability refinance transaction and issued a new Senior note under Rule 144A and Regulation S of the United States with a 5.250% interest rate and due in 2021 for a total of ThUS\$401,682. This note has no financial restrictions. After a series of voluntary repayments, on November 7, 2019, the Company repurchased the remainder of ThUS\$73,025. The redeemed notes were settled, and the debt was fully paid.
- c. In July 2015, Gener completed a liability refinance transaction and issued a new Senior note under Rule 144A and Regulation S of the United States with a 5.00% interest rate and due in 2025 for a total of ThUS\$425,000. Through this process, the current project finance debt of Empresa Eléctrica Ventanas was prepaid and the partial purchase of the local note in dollars of AES Gener, due in 2019, was made. This note has no financial restrictions. In 2016 and 2017, Gener repurchased the note for a total of ThUS\$252,637, which was funded with available funds. The redeemed notes were settled. On October 7, 2019, Gener repurchased the note for a total of ThUS\$54,875, there remaining an amount of ThUS\$117,488, which was funded with the issuance of a 6.35% subordinated note due 2079 issued on October 2019. The redeemed notes were settled.
- d. In March 2019, Gener completed the issuance of a 7.125% Subordinated Bond due 2079 for a total of ThUS\$550,000. The proceeds from this issuance will be used for the prepayment of subordinated note due 2073. This Subordinated Junior Note has no financial restrictions.
- e. In October 2019, Gener completed the issuance of a 6.35% Subordinated Note due 2079 for a total of ThUS\$450,000. The proceeds from this issuance were allocated to pay in full the 2021 Note and to make a partial payment of 2025 Note. This Subordinated Junior Bond has no financial restrictions.
- f. On December 21, 2020, the committed credit arrangement entered into with a syndicate of banks was closed for ThUS\$250,000 for up to 4 years. Moreover, on December 21, 2020, the committed credit arrangement entered into with a syndicate of banks for Th\$250,000 in 2017 and 2018 was canceled.

¹ Considers distributions of Angamos related to the termination of the contracts with Minera Escondida and Minera Spence - (subsidiaries of BHP).

Every quarter, Gener must comply with the following financial indicators calculated based on its consolidated financial statements:

- “Level of indebtedness not greater than 1.20 times, which is understood as the ratio of (adjusted cash and cash equivalents) financial debt to the shareholders’ net equity, excluding special purpose subsidiaries (project finance).” The value calculated for this indicator as of December 31, 2020 was 0.63 times.
- “Financial expense hedging not less than 2.50 times, understood as the ratio of EBITDA to net financial income (financial costs (-) financial income), excluding special purpose subsidiaries (project finance).” The value calculated for this indicator as of December 31, 2020, was 51.37 times.²

As of December 31, 2020, the line was still undrawn.

- g. Sociedad Eléctrica Santiago (“ESSA”) was bound, in its capacity as issuer, under an bond issue contract (notional initial amount of UF 1,086,000 (ThUS\$44,406)), registered with the Registry of Securities of the Commission for the Financial Market, under number 214.

As a result of the execution of the stock purchase agreement between ESSA and Generadora Metropolitana SpA in December 2017; and by virtue of which the bond issue contract of ESSA was assumed by AES Gener S.A., Gener must meet every quarter with the following financial indicators based on its consolidated financial statements:

- “Level of indebtedness not greater than 1.20 times, which is understood as the ratio of (adjusted cash and cash equivalents) financial debt to the shareholders’ net equity, excluding special purpose subsidiaries (project finance).” The value calculated for this indicator as of December 31, 2020, was 0.63 times.
- “Financial expense hedging not less than 2.50 times, understood as the ratio of EBITDA to net financial income (financial costs (-) financial income), excluding special purpose subsidiaries (project finance).” The value calculated for this indicator as of December 31, 2020 was 51.37 times.³
- “Minimum shareholders’ equity not less than ThUS\$1,574,622.” The Shareholders’ Net Equity value used for this indicator as of December 31, 2020 was ThUS\$1,861,125.

The outstanding principal as of December 31, 2020 is UF 762,915 (ThUS\$31,195).

On March 19 and 20, 2020, Gener closed two short-term credits totaling ThUS\$90,000 with local banks due September 2020. These funds are to ensure liquidity over the next few years. These credits had no financial restrictions and were repaid on August 14 and September 16. The debt was therefore fully cleared.

² Considers distributions of Angamos related to the termination of the contracts with Minera Escondida and Minera Spence - (subsidiaries of BHP).

³ Considers distributions of Angamos related to the termination of the contracts with Minera Escondida and Minera Spence - (subsidiaries of BHP).

32.2.2 Commitments related to AES Colombia

On January 22, 2018, the credit granted by Bancolombia for Tunjita Plant for a total value of ThCOP\$157,925,927 (ThUS\$46,066) in 48 quarterly installments for a principal of ThCOP\$3,257,222 (ThUS\$950), at an IPC+5.5% interest rate and a 1% purchase option for ThCOP\$1,579,259 (ThUS\$461) upon the end of the credit due January 22, 2030 was capitalized. As of December 31, 2020, a debt in the amount of ThCOP\$122,096,482 (ThUS\$35,615) is still outstanding.

On June 3, 2020, the 6-month short term loan for ThCOP\$150,000,000 (ThUS\$43,754) with Scotiabank Colpatría was renewed. This loan has no financial restrictions.

On March 30 and April 3, 2020, two loans for ThCOP\$80,000,000 (ThUS\$23,335) were arranged with Citibank for a term of one year. These funds are to ensure liquidity over the coming months. These loans have no financial restrictions.

On December 17, 2020, a credit agreement of up to ThCOP\$350,000,000 (ThUS\$102,093) was entered into with Scotiabank Colpatría and Bancolombia for a term of 7 years to (i) develop the construction of the San Fernando solar plant, (ii) refinance the financial obligations outstanding as of that date, and (iii) meet their general purpose needs within the ordinary course of business. Every six months, AES Colombia must comply with the following financial indicators calculated based on its individual financial statements:

- “Net Financial Debt/EBITDA Ratio” less than or equal to 3.5 times. The value calculated for this indicator as of December 31, 2020 was 0.60 times.

On December 21, the first disbursement of this loan was made for ThCOP\$230,000,000 (ThUS\$67,089), which was used for the novation of all the debts outstanding as of that date with Scotiabank Colpatría and Citibank.

32.2.3 Commitments related to Angamos

On November 25, 2014, Angamos completed the issuance and placement of a 4.875% Secured Bond due 2029 for a total of ThUS\$800,000. The issuance was carried out in order to refinance the liabilities of the Company. The transaction was carried out under Rule 144-A and Regulation S of the United States security standards. This Bond has no financial maintenance restrictions.

In March 2016, Angamos conducted a repurchase of 144-A/RegS Bonds for ThUS\$200,000, which was funded with credit contracts for the same value. These credits have the same maturity profile as the bonds and have no financial maintenance restrictions.

On July 13, 2018, Angamos repurchased the bond for a total of ThUS\$100,061, which was funded with available funds. The redeemed bonds were settled.

On June 17, 2019, Angamos made a partial prepayment of the credit of ThUS\$200,000 for an amount of ThUS\$23,281, which was financed with available funds.

On September 21, 2020, Angamos conducted a bond repurchase for a total of ThUS\$255,457, which was funded out of the advance payment for the termination of the agreement with Minera Escondida and Minera Spence

(Subsidiaries of BHP). The redeemed bonds were settled. Subsequently, on October 5, 2020, Angamos made a repurchase of the bond for a total of ThUS\$53,607. The redeemed bonds were settled. As of December 31, 2020, the total notional amount of the debt related to the Angamos bond is ThUS\$74,927.

On September 3, 2020, Angamos made a partial prepayment of the ThUS\$200,000 loan for a total amount of ThUS\$50,980, which was funded out of the advance payment for the termination of the agreement with Minera Escondida and Minera Spence (Subsidiaries of BHP). Subsequently, on October 7 and 9, 2020, Angamos made a total prepayment of the loan for a total of ThUS\$83,808, which was funded out of the advance payment for the termination of the agreement with Minera Escondida and Minera Spence (Subsidiaries of BHP), and the debt was fully cleared.

32.2.4 Other Commitments related to Cochrane

On 27 March 2013, Cochrane closed the financing for up to ThUS\$1,000,000 for the construction of Cochrane plant in addition to letters of credit for up to ThUS\$55,000 to secure several obligations of Cochrane. The credit was for an 18-year period and is secured with project assets, shares and cash flows. This credit was prepaid on November 15, 2019 for the total of ThUS\$863,000 for the principal due on the same date, which was financed through the issuance of an international bond for ThUS\$430,000 and a syndicated loan for US\$445,000, as stated in the following paragraphs. Both the international bond and the syndicated credit share guarantees on assets and plots of land.

On November 5, 2019, Cochrane completed the issuance and placement of a 5.50% Secured Senior Bond due 2027 for a total of ThUS\$430,000. The transaction was carried out under Rule 144-A and Regulation S of the United States security standards. This Bond has no financial maintenance restrictions. As of December 31, 2020, the debt in the amount of ThUS\$388,204 is still pending.

In addition and complementary to obtaining the funds to make the aforementioned prepayment, on October 24, 2019, Cochrane executed a guaranteed loan, with a syndicate of financial institutions, led by Banco Consorcio, for MUS\$445,000 and due in November 2034. This Credit was fully prepaid on July 14, 2020 with funds from the issuance of bonds payable by the line registered with the Registry of Securities under the Commission for the Financial Market on June 16, 2020. The placement was for ThUS\$485,000. This Note has no financial maintenance restrictions. Both the international bond and the syndicated credit share guarantees on assets and plots of land. As of December 31, 2020, the current notional amount of the local note is ThUS\$485,000.

32.2.5 Other Commitments related to Alto Maipo

On March 17, 2017, Alto Maipo completed the financial restructuring process of the project, under which it closed the original refinancing for up to ThUS\$1,217,000 in ThUS\$1,316,000. In addition, AES Gener committed additional disbursements for up to ThUS\$117,000, which will be made on a pro rata basis with the debt to be disbursed by the banks, and which were fully disbursed as of the date hereof. Moreover, and in accordance with the original financing, letters of credit were issued for up to ThUS\$14,000 to secure certain obligations of the project. Finally, AES Gener S.A. committed a limited and contingent security for a maximum amount of ThUS\$55,000 until the end of the project construction. The credit is for a 22-year period and is secured with project assets, shares and flows.

During June 2017, as informed in Essential Fact GG 017/2017 dated July 31, 2017, Alto Maipo terminated one of the construction agreements of the Project entered into with the company Constructora Nueva Maipo S.A. ("CNM"), due to breaches of contractor. Since that date, Alto Maipo initiated a series of court and arbitration procedures, including the collection of bank guarantees from CNM for ThUS\$73,000. In spite of the fact that Alto Maipo succeeded in collecting

the above-mentioned guarantees, the outcome of the other pending arbitration procedures with CNM cannot be anticipated until they are resolved.

On May 8, 2018, Alto Maipo completed a new financial restructuring process and closed the project debt at ThUS\$1,451,000. In addition, AES Gener committed additional disbursements for up to ThUS\$200,000 in proportion to the indebtedness to be disbursed by the banks and ThUS\$200,000 after the debt disbursement committed by the banks. The credit is for a 22-year period and is secured with project assets, shares and flows. As of December 31, 2020, ThUS\$1,410,992 associated with this funding have been disbursed so far and AES Gener has contributed ThUS\$269,500 out of the committed amount of ThUS\$400,000.

As of the date of presentation of these Consolidated Financial Statements, the Project had a 96% progress, with 74.5 kilometers of tunnels excavated out of a total of 74.6 kilometers.

32.2.6 Other Commitments related to Norgener Renovables

On December 9, 2013, Norgener Renovables entered into a commercial pledge on the shares issued by Alto Maipo in favor of the creditors to secure the obligations associated with the financing for Alto Maipo Plant.

32.3 Contingencies due to COVID-19

On January 30, 2020, the World Health Organization (WHO) declared the outbreak of the new coronavirus 2019, or COVID-19, as a “Public Health Emergency of International Concern.” On March 11, 2020, the WHO confirmed that the COVID-19 outbreak reached the level of pandemic, which could significantly affect Chile, as well as our commercial partners inside and outside the country.

To deal with this international public health emergency due to COVID-19, since March 2020, the governments of the countries in which AES Gener does business adopted restraining measures specifically aimed at restricting the free movement of people, including curfews, mandatory quarantines, prohibition of mass gatherings and sports events, temporary closure of companies and businesses, among other measures.

In this regard, some of the preventive measures adopted by the Company are:

- 100% of non-essential, administrative, and high-risk employees are working remotely.
- 77% of plant operations staff continue to provide on-site services. It should be noted that all the prevention standards suggested by the health authorities have been followed.
- Additional contingency plans have been defined in the event of a possible worsening of the situation and a tightening of movement restrictions that could affect operations or progress in our construction projects.
- Various health and wellness programs have been launched to collaborate and help all our collaborators through this contingency.
- Early fuel supply management to reinforce inventory levels to ensure continuous operation for at least 30 days.
- Management of short-term loans to strengthen the Company's liquidity in case of potential disruptions in the payment chain.

All the Company's efforts remain focused on ensuring the correct and safe performance of our operations, while safeguarding the health and safety of our employees.

In relation to the degree of uncertainty generated in the macroeconomic and financial environment in which AES Gener operates and its effects on the results as of December 31, 2020, the Company estimates that to date there have been no significant effects on the group or the estimated loss due to impairment of trade receivables.

NOTE 33 - GUARANTEES

Guarantees granted

Below there is a detail of the guarantees granted to AES Gener as of December 31, 2020.

On December 19, 2018, Gener granted a guarantee under the terms of the exchange rate swap agreement with Credit Suisse International in respect of the bond issued in Unidades de Fomento in December 2007 for the amount of UF 4.4 million (ThUS\$179,913), which includes a provision requiring Gener to grant a guarantee when the market value (“MTM”) of the swap exceeds the limit set in the agreement.

The guarantee was granted through an SBLC (Stand-by Letter of Credit) for a total of ThUS\$15,000 issued by Bank of Nova Scotia and expires in August 2021. As of December 31, 2020, the MTM of the contract with Credit Suisse was positive for ThUS\$716.

On August 30, 2019, a power supply agreement was executed between AES Gener S.A. and Inversiones y Servicios Dataluna Limitada (a subsidiary of LLC Google). AES Gener issued a guarantee of ThUS\$5,200 to ensure full compliance with the power supply agreement.

Other Guarantees

AES Gener granted guarantees in favor of Bradley Arant Boult Cummings LLP for legal fees of the affiliate Alto Maipo SpA.

On May 9, 2018, Norgener Renovables SpA, a wholly-owned subsidiary of AES Gener S.A. granted a commercial pledge on 100% of the shares of its subsidiary Energía Eólica Mesamávida SpA in favor of Inversiones Bosquemar Limitada in order to secure the payment of the second milestone for the asset purchase agreement of Mesamávida Project.

On May 9, 2018, Norgener Renovables SpA, a wholly-owned subsidiary of AES Gener S.A. granted a commercial pledge on 100% of the shares of its subsidiary Energía Eólica Los Olmos SpA in favor of Inversiones Bosquemar Limitada in order to secure the payment of the second milestone for the asset purchase agreement of Los Olmos Project

On November 6, 2018, Norgener Renovables SpA, a wholly-owned subsidiary of AES Gener S.A. granted a commercial pledge on 100% of the shares of its subsidiary Energía Eólica Litueche SpA in favor of Plan 8 Energía Infinita Limitada in order to secure the payment of the second milestone for the asset purchase agreement of Litueche Project.

On October 17, 2019, AES Gener S.A. granted an Owner Parent Guarantee to secure compliance with the payment obligations of its subsidiary Energía Eólica Los Olmos SpA, in favor of the companies Nordex Energy Chile S.A. and Nordex Energy GmbH, under the terms of the Lump sum, Turnkey, Engineering, Procurement and Construction Contract for a total amount of Th\$105,147.

On the same date, October 17, 2019, AES Gener S.A. granted an Owner Parent Guarantee to secure compliance with the payment obligations of its subsidiary Energía Eólica Mesamávida SpA in favor of the companies Nordex Energy Chile S.A. and Nordex Energy GmbH under the terms of the Lump sum, Turnkey, Engineering, Procurement and Construction Contract for a total amount of ThUS\$68,846.

On December 11, 2019, Norgener Renovables SpA, a wholly-owned subsidiary of AES Gener S.A. granted a joint and several counter guarantee with respect to the obligations assumed by its subsidiary Energía Eólica Paposo SpA under a sublease agreement with MC Energía SpA for the development of Paposo Eólico Project.

On December 11, 2019, Norgener Renovables SpA, a wholly-owned subsidiary of AES Gener S.A. granted a joint and several counter guarantee with respect to the obligations assumed by its subsidiary Energía Eólica Paposo SpA under a sublease agreement with MC Energía SpA for the development of Paposo Solar Project.

On January 30, 2020, Norgener Renovables SpA, a wholly-owned subsidiary of AES Gener S.A. granted a joint and several counter guarantee in the amount of ThUS\$8,161 to secure the payment obligations of the subsidiary Energía Eólica San Matías SpA to Central de Generación Eólica San Matías SpA in relation to the asset purchase agreement of San Matías Project.

On July 2, 2020, Norgener Renovables SpA, a wholly-owned subsidiary of AES Gener S.A. granted a commercial pledge on 100% of the shares of its subsidiary Energía Eólica Rinconada SpA in favor of Inversiones Bosquemar Limitada in order to secure the obligations acquired under the stock purchase agreement of the company Energía Eólica Rinconada SpA.

On July 10, 2020, Norgener Renovables SpA, a wholly-owned subsidiary of AES Gener S.A. granted a joint and several counter guarantee in the amount of ThUS\$26,250 to secure the price payment obligations of subsidiary Energía Eólica Rinconada SpA to Inversiones Bosquemar Limitada in connection with the asset purchase agreement of Rinconada Project.

On September 29, 2020, AES Gener S.A. granted an Owner Parent Company Guarantee to secure compliance with the payment obligations of its subsidiary Parque Eólico Campo Lindo SpA, in favor of the company Vestas Chile Turbinas Eólicas Limitada, under the terms of the Turbine Supply and Installation Agreement for a total amount of Th\$68,141.

On January 8, 2021, AES Gener granted a bank guarantee in favor of Vestas Chile Turbinas Eólicas Limitada for a value of ThUS\$3,862 to guarantee the issuance of the Notice to Proceed, in accordance with the terms and conditions of the Turbine Supply and Installation Agreement entered into between Energía Eólica San Matías SpA and Vestas Chile Turbinas Eólicas Limitada on the same date, January 8, 2021.

On October 22, 2018, as parent of AES Colombia, AES Gener SA granted as guarantor in favor of Ecopetrol S.A. and/or its Business Group, as beneficiaries, a joint and several parent company guarantee under which AES Gener secured the appropriate and full performance of the obligations assumed up to that time and in the future by AES Colombia with respect to the beneficiary under the Castilla Project contracts.

On July 10, 2020, as parent company of AES Colombia, AES Gener SA granted as guarantor in favor of Cenit Transporte y Logística de Hidrocarburos SAS and/or its assignees of Grupo Empresarial Ecopetrol, as beneficiaries, a

joint and several parent company guarantee under which AES Gener secures the appropriate and full performance of the obligations assumed up to that time and in the future by AES Colombia with respect to the beneficiary under the San Fernando Project contract.

Guarantees Received

On November 8, 2017, Teck amended the Parent Company Guarantee by increasing the guaranteed value up to the total value of the power purchase agreement between Empresa Eléctrica Cochrane SpA and Compañía Minera Quebrada Blanca S.A.

On June 7, 2017, based on the defaults detailed in the section “Commitments” of Note 31, Alto Maipo SpA terminated the tunnel construction process entered into with Constructora Nuevo Maipo (“CNM”) and proceeded to execute the bank guarantees for ThUS\$73,000 granted by CNM.

On May 8, 2018, Strabag SE issued a Parent Company Guarantee to secure up to the total value of the construction contract between Alto Maipo SpA and Strabag SpA.

On October 23, 2019, Nordex S.E. granted a Contractor Parent Company Guarantee to secure compliance with the obligations of its subsidiaries Nordex Energy Chile S.A. and Nordex Energy GmbH, in favor of Energía Eólica Los Olmos SpA, under the terms of the Lump Sum, Turnkey, Engineering, Procurement and Construction Contract dated October 17, 2019.

On October 23, 2019, Nordex S.E. granted a Contractor Parent Company Guarantee to secure compliance with the obligations of its subsidiaries Nordex Energy Chile S.A. and Nordex Energy GmbH in favor of Energía Eólica Mesamávida SpA under the terms of the Lump Sum, Turnkey, Engineering, Procurement and Construction Contract dated October 17, 2019.

On November 21, 2019, Prodiel Proyectos de Instalaciones Eléctricas S.L. granted a Contractor Parent Company Guarantee to secure compliance with the obligations of its subsidiary Prodiel Agencia en Chile, in favor of Andes Solar SpA, under the terms of the Lump Sum, Turnkey, Engineering, Procurement and Construction Contract dated November 15, 2019.

On October 06, 2020, Vestas Wind Systems A/S granted a Contractor Parent Company Guarantee to secure compliance with the obligations of its subsidiary Vestas Chile Turbinas Eólicas Limitada, in favor of Parque Eólico Campo Lindo SpA, under the terms of the Lump Sum, Turnkey, Engineering, Procurement and Construction Contract dated September 18, 2020.

On January 12, 2021, Vestas Wind Systems A/S granted a Contractor Parent Company Guarantee to secure compliance with the obligations of its subsidiary Vestas Chile Turbinas Eólicas Limitada, in favor of Energía Eólica San Matías SpA, under the terms of the Lump Sum, Turnkey, Engineering, Procurement and Construction Contract dated January 08, 2021.

Delivered guarantees

Beneficiary	Guarantee description	Date		ThUS\$
		Start Date	Due Date	
Credit Suisse International (1)	Secure Cross Currency Swap threshold local bond debt	Dec 19, 2018	Jan 13, 2021	15,000
Terminal Graneles del Norte S.A.	Secure contract compliance by Terminal Graneles del Norte S.A.	Oct 22, 2013	Oct 22, 2021	10,800
Ministry of Public Works, General Water Board	Secure Construction Contract for Hydraulic Works, Alto Maipo Hydroelectric Project	Dec 09, 2013	Dec 09, 2021	7,395
Minera Escondida Ltda	Secure compliance with supply.	Oct 22, 2013	Oct 22, 2021	6,568
Inversiones y Servicios Dataluna	Secure power supply agreement with Servicios Dataluna Limitada.	Aug 03, 2020	Aug 02, 2021	3,744
Ministerial Regional Secretary of National Properties (2)	Secure Bidding Terms and Conditions for the concession of State-owned Land for renewable energy projects.	Apr 20, 2020	Jan 04, 2021	1,922
Minera Spence S.A.	Secure compliance with electricity supply agreement	Oct 22, 2013	Oct 22, 2021	1,750
Inversiones Bosquemar Ltda. (2)	Secure and cover the sales milestone Los Olmos and Mesamavida	Aug 06, 2020	Feb 10, 2021	1,650
Aguas Andinas S.A.	Secure compliance with electricity supply agreement	Dec 30, 2019	Feb 01, 2024	1,390
Ministry of National Properties	Secure contract for concession granted	Apr 26, 2019	May 06, 2021	1,351
Ministerial Regional Secretary of National Properties	Secure concession of state-owned land - Antofagasta Region	Nov 05, 2020	Nov 05, 2021	908
Ministerial Regional Secretary of National Properties	Secure concession of state-owned land - Antofagasta Region	Nov 05, 2020	Nov 05, 2021	442
Aguas Andinas S.A.	Secure electricity supply agreement	Dec 15, 2017	Apr 01, 2022	409
Aela Eólica Negrete SpA	Secure payment of deenergization costs.	Dec 11, 2020	May 15, 2021	358
Ministry of National Properties	Secure contract for concession granted	May 29, 2019	Jul 26, 2021	300
Compañía General de Electricidad S.A. (2)	Secure payment of balance in increased capacity CGE-PE Mesamávida project	Nov 13, 2020	Jan 02, 2021	235
Ministerial Regional Secretary of National Properties (2)	Secure application	Dec 12, 2019	Jan 04, 2021	204
	Other minor guarantees			177
	Total			54,603

(1) Guarantee renewed valid until August 2021

(2) Not renewed.

Guarantees Received

Grantor	Guarantee description	Date		ThUS\$
		Start Date	Due Date	
Teck	Payment of Single Compensation - LC Guaranteed Amount and other payments (122mw PPA)	Nov 08, 2017	Nov 08, 2021	468,145
Strabag SPA	Secure tunnel complex construction contract	May 17, 2018	May 17, 2021	167,476
Teck PCG	Payment of Single Compensation - LC Guaranteed Amount and other payments (80mw PPA)	Dec 07, 2012	Dec 07, 2021	166,667
KGHM International Ltd.	Secure compliance with contract commitments. Sierra Gorda SCM	Jun 22, 2017	Jun 30, 2021	137,500
Teck PCG (1)	Single Compensation - LC Guaranteed Amount and other payments (38mw PPA)	Jan 16, 2020	Jan 16, 2021	79,167
Sumitomo Metal Mining Co. Ltd.	Secure compliance with power supply agreement, Sierra Gorda	Mar 14, 2013	May 17, 2021	78,750
Sumitomo Corporation	Secure compliance with power supply agreement, Sierra Gorda	Mar 15, 2013	May 04, 2021	33,750
Strabag SPA	Secure tunnel complex construction contract	May 04, 2018	May 17, 2021	32,524
Voith Hydro S.A.	Secure Las Lajas turnkey construction contract	Dec 09, 2013	Dec 22, 2021	30,426
Nordex Energy Chile S.A.	Secure advance payment of Los Olmos contract	Dec 18, 2019	Dec 17, 2021	17,274
Teck PCG	Payment of Single Compensation - LC Guaranteed Amount and other payments (21mw PPA)	Oct 29, 2013	Oct 29, 2021	16,923
Voith Hydro S.A.	Secure tunnel complex construction contract	Dec 09, 2013	Dec 22, 2021	16,493
Nordex Energy Chile S.A.	Secure EPC contract, construction of Mesamávida Wind Plant	Dec 03, 2019	Nov 26, 2021	11,120
Vestas Chile Turbinas Eólicas Ltda. (2)	Secure advance payment.	Sep 24, 2020	Dec 31, 2020	6,814
Compañía Portuaria Mejillones	Secure compliance with dry bulk transfer contract	May 08, 2020	Apr 21, 2021	6,000
Andritz Hydro GMBH	Secure design, manufacture, supply and commissioning of 2 gate valves.	May 25, 2020	Mar 30, 2022	1,735
Prodiel Agencia en Chile S.A.	Secure Andes Solar - Prodiel agreement	Oct 29, 2020	Jun 26, 2022	1,646
Sonnedix Power Holdings Limited	Secure Gener and Atacama Solar purchase agreement	Jun 15, 2020	Mar 31, 2021	1,600
Posco Engeneering & Construction Co.	SBLC Secure compliance with Cochrane project.	Oct 19, 2017	Sep 30, 2021	1,500
Parque Eólico Cabo Leones	Secure PPA Cabo Leones Wind Plant	Jun 25, 2020	Oct 31, 2022	1,500
Fotovoltaica Norte Grande 1 SpA	Secure photovoltaic PPA Norte Grande	Sep 16, 2019	Mar 30, 2022	1,000
Enel Green Power Chile	Secure Andes Solar connection contract	Jun 30, 2020	Jul 30, 2021	500
Voith Hydro S.A.	Secure contract prepayment	Jul 07, 2020	Oct 07, 2021	479

Grantor	Guarantee description	Date		ThUS\$
		Start Date	Due Date	
Voith Hydro S.A.	Secure contract prepayment	Jul 07, 2020	Dec 29, 2021	479
Bankia S A	Secure global supply agreement	Nov 05, 2020	Mar 01, 2021	459
Conix Ingeniería y Construcción SpA	Secure advance payment of project contract for improvement of circulation and ventilation pipeline.	Dec 10, 2020	Dec 15, 2021	416
Ansaldo Energía SpA	Secure advance payment of purchase order	Sep 21, 2020	Jun 30, 2021	393
KSB CHILE S A	Secure advance payment of purchase order	Oct 27, 2020	Mar 01, 2021	317
Andritz Chile	Secure contract obligations	Dec 27, 2019	Jan 22, 2022	302
Andritz AG	Secure compliance with the contract	Jun 15, 2020	May 04, 2022	224
Importadora Distribuidora y Exportadora Cauchoval SA	Secure compliance with advance payment of purchase order	Aug 19, 2020	Mar 02, 2021	208
R Y Q Ingeniería S.A.	Secure support contract	Aug 31, 2020	Sep 30, 2021	202
Servicio de Compresores Schulz SpA (3)	Secure advance payment of purchase order	Dec 10, 2020	Jan 24, 2021	202
Conix Ingeniería y Construcción SpA (3)	Secure contract obligations	Oct 01, 2020	Jan 30, 2021	160
Constructora Interhaus Ltda	Secure Santa Maria building office licensing contract	Oct 27, 2020	Oct 27, 2021	155
	Other minor guarantees			886
	Total			1,283,392

(1) Guarantee renewed until January 2022.

(2) Guarantee renewed and increased to ThUS\$10,221

(3) Not renewed.

NOTE 34 - PROFIT OR LOSS BY INDEXATION UNIT

The economy of Argentina is considered as a hyperinflationary economy, according to the criteria established in International Accounting Standard No. 29 - Financial Information in Hyperinflationary Economies. This assessment was made on the basis of a number of qualitative and quantitative criteria, including the presence of a cumulative inflation rate of over 100% over three years.

As mentioned in Note 3.2, as of the last quarter of 2020, the subsidiaries in Argentina changed their functional currency from United States dollars to Argentine pesos. In accordance with IAS 21, companies have applied the translations procedures to the new functional currency prospectively.

For consolidation purposes and as a result of the application of IAS 29, the results of subsidiaries in Argentina were translated at the closing exchange rate as of December 31, 2020, in accordance with the provisions of IAS 21 "Effects of Changes in Foreign Exchange Rates", when it is a hyperinflationary economy (see Note 4.3.d.). Considering that the functional and reporting currency of AES Gener fails to qualify as a currency of a hyperinflationary economy, according to the guidelines established in IAS 29, no restatement of comparative results as of December 31, 2019, is required to be made in the Group's consolidated financial statements.

The general price indexes used at the end of the reported periods are:

	General Price Index
December 2020 (1)	10.92 %

(1) From the functional currency exchange date to the date of presentation of the financial statements

The effects on the consolidated income statement are detailed as follows:

Profit or loss by indexation units	December 31, 2020
	ThUS\$
Inventory	93
Property, plant and equipment	16,251
Deferred taxes	(3,152)
Shareholders' Equity (not including profit/loss for the period)	(14,602)
Effect of restatement of equity items	(1,410)
Operating income	(6,780)
Variable costs:	2,027
Fixed costs - Administration and sales expenses	1,408
Depreciation - amortization	1,910
Other profit/loss items	704
Effect from restatement of the income statement	(731)
Total of profit or loss by readjustment units	(2,141)

NOTE 35.- ENVIRONMENTAL EXPENDITURES

The long-term policy of the Group is the sustainable development of its activities, in harmony with the environment. In this context, investments made in facilities, equipment and industrial plants consider state-of-the-art technology, in line with the latest progresses made in these areas.

The main environmental expenses for the years ended December 31, 2020 and 2019, are detailed as follows:

	December 31, 2020	December 31, 2019
Air quality monitoring station	754	909
Wastewater system	353	—
Ash deposit and handling	4,900	5,082
Marine monitoring (oceanographic monitoring and control of LIW)	495	570
Stack and noise monitoring	653	2,030
Miscellaneous expenses, Law 99 Environmental Commission -	5,233	8,598
River and road transport	1,490	—
Waste management and other related services	66	1,942
Reforestation, irrigation and maintenance	885	—
Hazardous waste	121	—
Environmental protection costs	321	—
Others	137	444
Total	15,408	19,575

Under its environmental investment plan, the Group develops projects intended to optimize the performance of the plants to ensure compliance with the applicable environmental standards.

In AES Gener, there are also other projects associated with the development of new technologies intended to mitigate the impact on the environment.

NOTE 36 - ASSETS AND LIABILITIES IN FOREIGN CURRENCY

	Foreign Currency	December 31, 2020		December 31, 2019	
		Until 90 days	From 91 days to 1 year	Until 90 days	From 91 days to 1 year
Cash and cash equivalents	Pesos	14,243	—	26,363	—
	Other Currencies	58,025	—	37,648	—
Other financial assets	Other Currencies	—	—	—	281
Other non-financial assets	Pesos	409	543	—	—
Other non-financial assets	Other Currencies	860	—	1,550	—
Trade receivables and other accounts receivable	Pesos	96,430	9,147	165,428	11,278
	UF	6,068	82,739	62	77,700
	Other Currencies	57,102	14	48,944	6,275
Accounts receivable from related entities	Pesos	180	—	10,178	—
Inventory	Other Currencies	—	2,563	—	1,611
Assets for current taxes	Pesos	—	—	—	276
	Other Currencies	—	17,372	4,990	36
Total Current Assets		233,317	112,378	295,163	97,457

	Foreign Currency	December 31, 2020			December 31, 2019		
		More than 1 year	More than 3 years	More than 5 years	More than 1 year	More than 3 years	More than 5 years
Other financial assets	Pesos	1,014	—	—	613	—	—
	Other Currencies	170	—	—	177	—	180
Other non-financial assets	Pesos	—	—	—	1,675	—	—
	UF	—	35,067	—	—	28,115	—
	Other Currencies	—	—	—	4,993	—	—
Claims receivable	Pesos	1,956	—	—	—	—	—
	UF	—	—	—	5,473	—	—
	Other Currencies	722	—	—	1,138	—	—
Intangible assets other than goodwill	Other Currencies	—	—	18,681	—	—	17,793
Property, plant and equipment	Other Currencies	—	—	606,094	—	—	448,717
Right-of-use assets	Other Currencies	—	—	1,736	—	—	1,963
Total Non-Current Assets		3,862	35,067	626,511	14,069	28,115	468,653

	Foreign Currency	December 31, 2020		December 31, 2019	
		Until 90 days	From 91 days to 1 year	Until 90 days	From 91 days to 1 year
Other financial liabilities	UF	—	2,727	—	2,009
	Other	950	4,706	46,845	3,062
Current lease liabilities	UF	532	1,230	85	748
	Other currencies	28	116	98	—
Trade payables and other accounts payable	Pesos	133,630	70	109,710	871
	UF	9,737	—	8,346	174
	Other	37,839	455	25,130	731
Accounts payable to related entities	Pesos	22	—	23,031	—
Other current provisions	Other	—	115	—	109
Tax Liabilities	Other	2,738	—	29,676	12,991
Current provisions for employee benefits	Pesos	3,397	—	2,875	—
	Other	2,027	31	—	1,018
Other non-financial liabilities	Pesos	17,013	7,437	16,681	1,975
	Other	3,001	804	2,934	504
Total Current Liabilities		210,914	17,691	265,411	24,192

	Foreign Currency	December 31, 2020			December 31, 2019		
		More than 1 year	More than 3 years	More than 5 years	More than 1 year	More than 3 years	More than 5 years
Other financial liabilities	UF	13,764	14,785	—	6,653	21,676	—
	Other currencies	21,019	47,855	32,684	8,315	8,601	23,910
Non-current lease liabilities	UF	3,109	1,974	23,735	1,613	749	3,190
	Other currencies	474	783	7,049	—	—	8,839
Other accounts payable	Other currencies	—	—	—	86	—	—
Deferred tax liabilities	Other currencies	—	—	78,103	—	—	51,921
Non-current provisions for employee benefits	Pesos	3,265	3,241	26,068	1,757	3,326	21,057
	Other currencies	3,691	—	—	5,027	—	—
Other non-financial liabilities	UF	1,429	1,012	5,549	—	—	—
	Other currencies	9	—	—	10,014	—	—
Total Non-Current Liabilities		46,760	69,650	173,188	33,465	34,352	108,917

NOTE 37 - SUBSEQUENT EVENTS

On February 5, 2021, as mentioned in Note 26, the Company successfully completed the capital increase procedure.

On February 8, 2021, AES Gener SA received the funds for the sale of the first group of accounts receivable from the enforcement of the Electricity Rate Stabilization Law. This first stage, with a nominal value of ThUS\$34,437, was for the amounts accumulated up to December 2019.

On February 23, 2021, the Company entered into a stock purchase agreement for ThUS\$34,000 under which it committed itself to sell all the 108,845,616 shares (the "Shares") held in Guacolda Energía SpA, representing 50.0000005% of the shares of Guacolda, to WegE SpA, a related company of El Aguila II SpA, which controls 49.9999995% of the shares of Guacolda and committed itself to purchase those shares. As of December 31, 2020, the carrying value of the investment was zero. The consummation of the sale of the Shares is subject to the approval of the transaction by the National Economic Prosecutor, the absence of a material adverse event, and other normal adjustments for this type of transactions.

There are no other relevant subsequent events as of the date of issuance of these Financial Statements.

Summary Financial Statements of Affiliates

Empresa Eléctrica Angamos S.A.

SUMMARY FINANCIAL STATEMENTS OF AFFILIATES

ASSETS	31-12-2020 MUS \$	31-12-2019 MUS \$
Current	107,184	100,833
Non-current	629,603	769,026
Total Assets	736,787	869,859

SHAREHOLDERS' EQUITY AND LIABILITIES	31-12-2020 MUS \$	31-12-2019 MUS \$
Current	628,158	117,691
Non-current	131,382	677,933
Shareholders' Equity	-22,753	74,235
Total shareholders' equity and liabilities	736,787	869,859

STATEMENT OF COMPREHENSIVE INCOME	31-12-2020 MUS \$	31-12-2019 MUS \$
Gross Margin	428,606	95,830
Income (loss) before taxes	-101,981	56,402
Income tax expense (gain)	-27,477	15,162
Net Income (Loss)	-74,504	41,240

STATEMENT OF COMPREHENSIVE INCOME	31-12-2020 MUS \$	31-12-2019 MUS \$
Income (Loss)	-74,504	41,240
Total Other Income and Costs Charged or Credited to Shareholders' Equity	8,329	-2,087
Total Comprehensive Income and Costs	-66,175	39,153

SHAREHOLDERS' EQUITY

STATEMENT OF CHANGES IN EQUITY	ISSUED CAPITAL MUS \$	ADDITIONAL PAID IN CAPITAL MUS \$	OTHER SHAREHOLDING INTEREST MUS \$	OTHER RESERVES MUS \$	RETAINED EARNINGS MUS \$	MINORITY INTEREST MUS \$	TOTAL SHAREHOLDERS' EQUITY - MUS \$
Current Opening Balance as of January 1, 2020	79,344	1,125	0	-17,046	10,812	0	74,235
Changes in Shareholder's Equity	-20,000	0	0	8,329	-85,317	0	-96,988
Final balance of current year as of december 31, 2020	59,344	1,125	0	-8,717	-74,505	0	-22,753

STATEMENT OF CHANGES IN EQUITY	ISSUED CAPITAL MUS \$	ADDITIONAL PAID IN CAPITAL MUS \$	OTHER SHAREHOLDING INTEREST MUS \$	OTHER RESERVES MUS \$	RETAINED EARNINGS MUS \$	MINORITY INTEREST MUS \$	TOTAL SHAREHOLDERS' EQUITY - MUS \$
Current Opening Balance as of January 1, 2019	79,344	1,125	0	-14,959	4,572	0	70,082
Changes in Shareholder's Equity	0	0	0	-2,087	6,240	0	4,153
Final balance of current year as of december 31, 2019	79,344	1,125	0	-17,046	10,812	0	74,235

CASH FLOWS

STATEMENT OF CASH FLOWS	31-12-2020 MUS \$	31-12-2019 MUS \$
Net cash flows from (used in) operating activities	852,138	138,213
Net cash flows from (used in) investment activities	-299,504	-9,193
Increase (decrease) in cash and cash equivalents, net	-538,566	-148,321
Incremento (decremento) neto en efectivo y equivalentes al efectivo	14,068	-19,301
Effect of changes in exchange rates on cash and cash equivalents	-521	235
Cash and Cash Equivalents, Statement of Cash Flows, Opening Balance	25,750	44,816
Cash and Cash Equivalents, Statement of Cash Flows, Closing Balance	39,297	25,750

Empresa Eléctrica Cochrane SpA

SUMMARY FINANCIAL STATEMENTS OF AFFILIATES

ASSETS	31-12-2020 MUS \$	31-12-2019 MUS \$
Current	111,675	140,656
Non-current	953,360	1,019,912
Total Assets	1,065,035	1,160,568

SHAREHOLDERS' EQUITY AND LIABILITIES	31-12-2020 MUS \$	31-12-2019 MUS \$
Current	86,643	96,875
Non-current	849,644	863,520
Shareholders' Equity	128,748	200,173
Total shareholders' equity and liabilities	1,065,035	1,160,568

STATEMENT OF COMPREHENSIVE INCOME	31-12-2020 MUS \$	31-12-2019 MUS \$
Gross Margin	117,746	118,229
Income (loss) before taxes	57,721	32,513
Income tax expense (gain)	14,555	9,553
Net Income (Loss)	43,166	22,960

STATEMENT OF COMPREHENSIVE INCOME	31-12-2020 MUS \$	31-12-2019 MUS \$
Income (Loss)	43,166	22,960
Total Other Income and Costs Charged or Credited to Shareholders' Equity	2,679	-24,619
Total Comprehensive Income and Costs	45,845	-1,659

SHAREHOLDERS' EQUITY

STATEMENT OF CHANGES IN EQUITY	ISSUED CAPITAL MUS \$	ADDITIONAL PAID IN CAPITAL MUS \$	OTHER SHAREHOLDING INTEREST MUS \$	OTHER RESERVES MUS \$	RETAINED EARNINGS MUS \$	MINORITY INTEREST MUS \$	TOTAL SHAREHOLDERS' EQUITY - MUS \$
Current Opening Balance as of January 1, 2020	204,868	34,520	0	-62,493	23,278	0	200,173
Changes in Shareholder's Equity	-93,992	0	0	2,679	19,888	0	-71,425
Final balance of current year as of december 31, 2020	110,876	34,520	0	-59,814	43,166	0	128,748

STATEMENT OF CHANGES IN EQUITY	ISSUED CAPITAL MUS \$	ADDITIONAL PAID IN CAPITAL MUS \$	OTHER SHAREHOLDING INTEREST MUS \$	OTHER RESERVES MUS \$	RETAINED EARNINGS MUS \$	MINORITY INTEREST MUS \$	TOTAL SHAREHOLDERS' EQUITY - MUS \$
Current Opening Balance as of January 1, 2019	204,868	34,520	0	-37,874	44,318	0	245,832
Changes in Shareholder's Equity	0	0	0	-24,619	-21,040	0	-45,659
Final balance of current year as of december 31, 2019	204,868	34,520	0	-62,493	23,278	0	200,173

CASH FLOWS

STATEMENT OF CASH FLOWS	31-12-2020 MUS \$	31-12-2019 MUS \$
Net cash flows from (used in) operating activities	150,262	147,852
Net cash flows from (used in) investment activities	-2,800	-1,278
Increase (decrease) in cash and cash equivalents, net	-168,039	-150,297
Incremento (decremento) neto en efectivo y equivalentes al efectivo	-20,577	-3,723
Effect of changes in exchange rates on cash and cash equivalents	-255	-1181
Cash and Cash Equivalents, Statement of Cash Flows, Opening Balance	47,118	52,022
Cash and Cash Equivalents, Statement of Cash Flows, Closing Balance	26,286	47,118

Gener Argentina S.A.

SUMMARY FINANCIAL STATEMENTS OF AFFILIATES

ASSETS	31-12-2020 MUS \$	31-12-2019 MUS \$
Current	62,506	84,044
Non-current	159,968	160,294
Total Assets	222,474	244,338

SHAREHOLDERS' EQUITY AND LIABILITIES	31-12-2020 MUS \$	31-12-2019 MUS \$
Current	38,384	36,740
Non-current	32,950	38,160
Shareholders' Equity	151,140	169,438
Total shareholders' equity and liabilities	222,474	244,338

STATEMENT OF COMPREHENSIVE INCOME	31-12-2020 MUS \$	31-12-2019 MUS \$
Gross Margin	20,729	33,105
Income (loss) before taxes	13,994	30,965
Income tax expense (gain)	6,445	8,535
Net Income (Loss)	7,549	22,430

STATEMENT OF COMPREHENSIVE INCOME	31-12-2020 MUS \$	31-12-2019 MUS \$
Income (Loss)	7,549	22,430
Total Other Income and Costs Charged or Credited to Shareholders' Equity	1,001	0
Total Comprehensive Income and Costs	8,550	22,430

SHAREHOLDERS' EQUITY

STATEMENT OF CHANGES IN EQUITY	ISSUED CAPITAL MUS \$	ADDITIONAL PAID IN CAPITAL MUS \$	OTHER SHAREHOLDING INTEREST MUS \$	OTHER RESERVES MUS \$	RETAINED EARNINGS MUS \$	MINORITY INTEREST MUS \$	TOTAL SHAREHOLDERS' EQUITY - MUS \$
Current Opening Balance as of January 1, 2020	224,929	0	0	9,045	-80,475	15,939	169,438
Changes in Shareholder's Equity	0	0	0	1,094	-17,793	-1,599	-18,298
Final balance of current year as of december 31, 2020	224,929	0	0	10,039	-98,269	14,340	151,140

STATEMENT OF CHANGES IN EQUITY	ISSUED CAPITAL MUS \$	ADDITIONAL PAID IN CAPITAL MUS \$	OTHER SHAREHOLDING INTEREST MUS \$	OTHER RESERVES MUS \$	RETAINED EARNINGS MUS \$	MINORITY INTEREST MUS \$	TOTAL SHAREHOLDERS' EQUITY - MUS \$
Current Opening Balance as of January 1, 2019	224,929	0	0	9,113	-100,941	13,982	147,083
Changes in Shareholder's Equity	0	0	0	-68	20,466	1,957	22,355
Final balance of current year as of december 31, 2019	224,929	0	0	9,045	-80,475	15,939	169,438

CASH FLOWS

STATEMENT OF CASH FLOWS	31-12-2020 MUS \$	31-12-2019 MUS \$
Net cash flows from (used in) operating activities	35,610	41,554
Net cash flows from (used in) investment activities	20,363	-39,096
Increase (decrease) in cash and cash equivalents, net	-27,015	-349
Incremento (decremento) neto en efectivo y equivalentes al efectivo	28,958	2,109
Effect of changes in exchange rates on cash and cash equivalents	-4,949	-3,697
Cash and Cash Equivalents, Statement of Cash Flows, Opening Balance	6,989	8,577
Cash and Cash Equivalents, Statement of Cash Flows, Closing Balance	30,998	6,989

Norgener Foreign Investment

SUMMARY FINANCIAL STATEMENTS OF AFFILIATES

ASSETS	31-12-2020 MUS \$	31-12-2019 MUS \$
Current	103,763	82,663
Non-current	480,809	491,827
Total Assets	584,572	574,490

SHAREHOLDERS' EQUITY AND LIABILITIES	31-12-2020 MUS \$	31-12-2019 MUS \$
Current	117,442	104,868
Non-current	173,944	177,703
Shareholders' Equity	293,186	291,919
Total shareholders' equity and liabilities	584,572	574,490

STATEMENT OF COMPREHENSIVE INCOME	31-12-2020 MUS \$	31-12-2019 MUS \$
Gross Margin	121,601	233,469
Income (loss) before taxes	97,306	205,189
Income tax expense (gain)	29,834	69,050
Net Income (Loss)	67,472	136,139

STATEMENT OF COMPREHENSIVE INCOME	31-12-2020 MUS \$	31-12-2019 MUS \$
Income (Loss)	67,472	136,139
Total Other Income and Costs Charged or Credited to Shareholders' Equity	-14,531	-2,727
Total Comprehensive Income and Costs	52,941	133,412

SHAREHOLDERS' EQUITY

STATEMENT OF CHANGES IN EQUITY	ISSUED CAPITAL MUS \$	ADDITIONAL PAID IN CAPITAL MUS \$	OTHER SHAREHOLDING INTEREST MUS \$	OTHER RESERVES MUS \$	RETAINED EARNINGS MUS \$	MINORITY INTEREST MUS \$	TOTAL SHAREHOLDERS' EQUITY - MUS \$
Current Opening Balance as of January 1, 2020	10,045	5,320	52,806	70,339	61,400	9	291,919
Changes in Shareholder's Equity	0	0	0	-14,531	15,798	0	1,267
Final balance of current year as of december 31, 2020	102,045	5,320	52,806	55,808	77,198	9	293,186

STATEMENT OF CHANGES IN EQUITY	ISSUED CAPITAL MUS \$	ADDITIONAL PAID IN CAPITAL MUS \$	OTHER SHAREHOLDING INTEREST MUS \$	OTHER RESERVES MUS \$	RETAINED EARNINGS MUS \$	MINORITY INTEREST MUS \$	TOTAL SHAREHOLDERS' EQUITY - MUS \$
Current Opening Balance as of January 1, 2019	102,045	5,320	52,806	72,541	4,180	8	236,900
Changes in Shareholder's Equity	0	0	0	-2,202	57,220	1	55,019
Final balance of current year as of december 31, 2019	102,045	5,320	52,806	70,339	61,400	9	291,919

CASH FLOWS

STATEMENT OF CASH FLOWS	31-12-2020 MUS \$	31-12-2019 MUS \$
Net cash flows from (used in) operating activities	57,402	156,493
Net cash flows from (used in) investment activities	-20,376	-55,788
Increase (decrease) in cash and cash equivalents, net	-38,049	-93,026
Incremento (decremento) neto en efectivo y equivalentes al efectivo	-1,023	7,679
Effect of changes in exchange rates on cash and cash equivalents	-3,858	-1,794
Cash and Cash Equivalents, Statement of Cash Flows, Opening Balance	32,657	26,772
Cash and Cash Equivalents, Statement of Cash Flows, Closing Balance	27,776	32,657

Norgener Inversiones

SUMMARY FINANCIAL STATEMENTS OF AFFILIATES

ASSETS	31-12-2020 MUS \$	31-12-2019 MUS \$
Current	484,102	418,791
Non-current	2,413,037	2,427,717
Total Assets	2,897,139	2,846,508

SHAREHOLDERS' EQUITY AND LIABILITIES	31-12-2020 MUS \$	31-12-2019 MUS \$
Current	845,472	342,054
Non-current	1,442,086	1,817,488
Shareholders' Equity	609,581	686,966
Total shareholders' equity and liabilities	2,897,139	2,846,508

STATEMENT OF COMPREHENSIVE INCOME	31-12-2020 MUS \$	31-12-2019 MUS \$
Gross Margin	513,718	299,517
Income (loss) before taxes	-73,170	153,667
Income tax expense (gain)	-4,826	42,573
Net Income (Loss)	-68,344	111,094

STATEMENT OF COMPREHENSIVE INCOME	31-12-2020 MUS \$	31-12-2019 MUS \$
Income (Loss)	-68,344	111,094
Total Other Income and Costs Charged or Credited to Shareholders' Equity	14,880	-22,693
Total Comprehensive Income and Costs	-53,464	88,401

SHAREHOLDERS' EQUITY

STATEMENT OF CHANGES IN EQUITY	ISSUED CAPITAL MUS \$	ADDITIONAL PAID IN CAPITAL MUS \$	OTHER SHAREHOLDING INTEREST MUS \$	OTHER RESERVES MUS \$	RETAINED EARNINGS MUS \$	MINORITY INTEREST MUS \$	TOTAL SHAREHOLDERS' EQUITY - MUS \$
Current Opening Balance as of January 1, 2020	162,370	8,466	84,023	317,185	31,035	83,887	686,966
Changes in Shareholder's Equity	-44,320	0	0	13,186	-115,474	69,223	-77,385
Final balance of current year as of december 31, 2020	118,050	8,466	84,023	330,371	-84,439	153,110	609,581

STATEMENT OF CHANGES IN EQUITY	ISSUED CAPITAL MUS \$	ADDITIONAL PAID IN CAPITAL MUS \$	OTHER SHAREHOLDING INTEREST MUS \$	OTHER RESERVES MUS \$	RETAINED EARNINGS MUS \$	MINORITY INTEREST MUS \$	TOTAL SHAREHOLDERS' EQUITY - MUS \$
Current Opening Balance as of January 1, 2019	162,370	8,466	84,023	329,924	90,849	101,932	777,564
Changes in Shareholder's Equity	0	0	0	-12,739	-59,814	-18,045	-90,598
Final balance of current year as of december 31, 2019	162,370	8,466	84,023	317,185	31,035	83,887	686,966

CASH FLOWS

STATEMENT OF CASH FLOWS	31-12-2020 MUS \$	31-12-2019 MUS \$
Net cash flows from (used in) operating activities	924,262	270,690
Net cash flows from (used in) investment activities	-348,178	104,512
Increase (decrease) in cash and cash equivalents, net	-582,431	-398,619
Incremento (decremento) neto en efectivo y equivalentes al efectivo	-6,347	-23,417
Effect of changes in exchange rates on cash and cash equivalents	-871	-872
Cash and Cash Equivalents, Statement of Cash Flows, Opening Balance	72,876	97,165
Cash and Cash Equivalents, Statement of Cash Flows, Closing Balance	65,658	72,876

Norgener Renewables

SUMMARY FINANCIAL STATEMENTS OF AFFILIATES

ASSETS	31-12-2020 MUS \$	31-12-2019 MUS \$
Current	123,210	146,743
Non-current	3,597,476	2,935,581
Total Assets	3,720,686	3,082,324

SHAREHOLDERS' EQUITY AND LIABILITIES	31-12-2020 MUS \$	31-12-2019 MUS \$
Current	152,507	103,389
Non-current	3,323,943	2,649,490
Shareholders' Equity	244,236	329,445
Total shareholders' equity and liabilities	3,720,686	3,082,324

STATEMENT OF COMPREHENSIVE INCOME	31-12-2020 MUS \$	31-12-2019 MUS \$
Gross Margin	-1,087	-4,822
Income (loss) before taxes	-31,935	-6,588
Income tax expense (gain)	-6,236	-1,764
Net Income (Loss)	-25,699	-4,824

STATEMENT OF COMPREHENSIVE INCOME	31-12-2020 MUS \$	31-12-2019 MUS \$
Income (Loss)	-25,699	-4,824
Total Other Income and Costs Charged or Credited to Shareholders' Equity	-60,578	-46,600
Total Comprehensive Income and Costs	-86,277	-51,424

SHAREHOLDERS' EQUITY

STATEMENT OF CHANGES IN EQUITY	ISSUED CAPITAL MUS \$	ADDITIONAL PAID IN CAPITAL MUS \$	OTHER SHAREHOLDING INTEREST MUS \$	OTHER RESERVES MUS \$	RETAINED EARNINGS MUS \$	MINORITY INTEREST MUS \$	TOTAL SHAREHOLDERS' EQUITY - MUS \$
Current Opening Balance as of January 1, 2020	109,61	4,587	45,530	16,426	132,439	20,851	329,445
Changes in Shareholder's Equity	0	0	0	-55,392	-24,946	-4,871	-85,209
Final balance of current year as of december 31, 2020	109,612	4,587	45,530	-38,966	107,493	15,980	244,236

STATEMENT OF CHANGES IN EQUITY	ISSUED CAPITAL MUS \$	ADDITIONAL PAID IN CAPITAL MUS \$	OTHER SHAREHOLDING INTEREST MUS \$	OTHER RESERVES MUS \$	RETAINED EARNINGS MUS \$	MINORITY INTEREST MUS \$	TOTAL SHAREHOLDERS' EQUITY - MUS \$
Current Opening Balance as of January 1, 2019	109,612	4,587	45,530	57,662	136,808	23,637	377,836
Changes in Shareholder's Equity	0	0	0	-41,236	-4,369	-2,786	-48,391
Final balance of current year as of december 31, 2019	109,612	4,587	45,530	16,426	132,439	20,851	329,445

CASH FLOWS

STATEMENT OF CASH FLOWS	31-12-2020 MUS \$	31-12-2019 MUS \$
Net cash flows from (used in) operating activities	-13,983	-40,500
Net cash flows from (used in) investment activities	-417,033	-366,600
Increase (decrease) in cash and cash equivalents, net	400,582	423,418
Incremento (decremento) neto en efectivo y equivalentes al efectivo	-30,434	16,318
Effect of changes in exchange rates on cash and cash equivalents	302	-455
Cash and Cash Equivalents, Statement of Cash Flows, Opening Balance	59,526	43,663
Cash and Cash Equivalents, Statement of Cash Flows, Closing Balance	29,394	59,526

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