

Consolidated Classified Interim Financial Statements

**As of September 30, 2023 and for
the nine and three-month periods ended
September 30, 2023 and 2022 (unaudited)**

**SOCIEDAD DE TRANSMISIÓN AUSTRAL S.A.
AND SUBSIDIARIES**

Thousands of Chilean pesos – ThCLP\$

SOCIEDAD DE TRANSMISIÓN AUSTRAL S.A. AND SUBSIDIARIES
Consolidated Interim Statements of Financial Position, Classified
As of September 30, 2023 (unaudited) and December 31, 2022
(In thousands of Chilean pesos - ThCLP\$)

ASSETS	Note	09-30-2023	12-31-2022
		ThCLP\$	ThCLP\$
CURRENT ASSETS			
Cash and cash equivalents	6	4,998,467	8,327,746
Other current non-financial assets	-	1,225,503	1,821,325
Trade and other receivables, current	7	33,736,019	42,600,438
Due from related companies, current	8	11,682,591	2,946,584
Current inventories	-	7,649,377	4,370,185
Current tax assets, current	9	27,577,931	13,492,349
Current assets other than non-current assets or disposal groups classified as held for sale or as held for distribution to owners		86,869,888	73,558,627
Non-current assets or groups of assets for disposal classified as held for sale or as held for distribution to owners	13	-	97,762,404
TOTAL CURRENT ASSETS		86,869,888	171,321,031
NON-CURRENT ASSETS			
Other financial assets, non-current	-	1,292,728	-
Other non financial assets, non-current	-	148,713	198,742
Trade and other receivables, non-current	7	4,906,553	8,275,670
Trade and other receivables to related entities, non-current	8	4,892,038	5,173,122
Intangible assets other than goodwill	10	70,111,390	67,854,427
Goodwill	11	76,923,168	76,869,721
Property, plant and equipment	12	711,109,991	668,483,561
Rights for use assets	-	1,486,747	1,647,909
Deferred tax assets	14	33,286,141	28,817,322
TOTAL NON-CURRENT ASSETS		904,157,469	857,320,474
TOTAL ASSETS		991,027,357	1,028,641,505

SOCIEDAD DE TRANSMISIÓN AUSTRAL S.A. AND SUBSIDIARIES
Consolidated Interim Statements of Financial Position, Classified
As of September 30, 2023 (unaudited) and December 31, 2022
(In thousands of Chilean pesos - ThCLP\$)

EQUITY AND LIABILITIES	Nota	09-30-2023	12-31-2022
		ThCLP\$	ThCLP\$
CURRENT LIABILITIES			
Other financial liabilities, current	15	3,788,744	6,263,293
Lease liabilities, current	-	774,749	702,208
Trade accounts payable and other payables, current	16	57,714,105	34,810,329
Due to related companies, current	8	11,038,633	10,241,868
Other provisions, current	-	1,791,767	1,926,836
Current tax liabilities, current	9	1,121,039	10,670,130
Current accruals for employee benefits	-	3,469,216	2,858,518
Other non-financial liabilities, current	18	1,311,639	1,070,294
Total current liabilities other than liabilities included in disposal groups of assets classified as held for sale		81,009,892	68,543,476
Liabilities included in groups of assets for disposal classified as held for sale	13	-	33,161,661
TOTAL CURRENT LIABILITIES		81,009,892	101,705,137
NON-CURRENT LIABILITIES			
Other financial liabilities, non-current	15	454,893,708	436,006,829
Lease liabilities, non-current	-	1,607,667	1,655,543
Trade accounts payable and other accounts, non-current	16	20,634	20,634
Due to related companies, non-current	8	80,234,037	68,277,734
Deferred tax liability	14	60,198,612	51,110,610
Non-current accruals for employee benefits	-	3,088,378	2,679,890
Other non-financial liabilities, non-current	18	10,808,356	11,007,671
TOTAL NON-CURRENT LIABILITIES		610,851,392	570,758,911
TOTAL LIABILITIES		691,861,284	672,464,048
EQUITY			
Issued and paid-in capital	19	146,458,354	166,064,578
Retained earnings (Accumulated losses)	19	12,884,114	38,094,400
Other reserves	19	139,291,001	151,393,324
Equity attributable to owners of controller		298,633,469	355,552,302
Non-controlling interests	-	532,604	625,155
TOTAL EQUITY		299,166,073	356,177,457
TOTAL EQUITY AND LIABILITIES		991,027,357	1,028,641,505

SOCIEDAD DE TRANSMISIÓN AUSTRAL S.A. AND SUBSIDIARIES

Consolidated Interim Statements of Comprehensive Income, by Nature

For the nine-month and three-month periods ended September 30, 2023, and 2022(unaudited)

(In thousands of Chilean pesos - ThCLP\$)

STATEMENT OF COMPREHENSIVE INCOME		01-01-2023	01-01-2022	07-01-2023	07-01-2022
		09-30-2023	09-30-2022	09-30-2023	09-30-2022
		ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Profit (loss)					
Operating revenue	20	77,976,287	71,567,530	15,930,613	24,544,231
Other income	20	22,892,436	11,268,676	7,247,417	4,580,305
Raw materials and consumables used	-	(294,592)	(614,009)	2,288,947	(304,272)
Employee benefits expenses	21	(18,990,400)	(11,384,503)	(6,337,790)	(4,426,586)
Depreciation and amortization expense	22	(14,396,234)	(12,172,737)	(5,131,234)	(4,334,067)
Other expenses, by nature	23	(17,072,628)	(13,770,244)	(5,836,862)	(5,247,574)
Other income (losses)	-	75,225	15,624	57,312	(41)
Financial income	24	569,476	1,131,523	202,978	845,569
Financial expenses	24	(11,130,944)	(12,602,306)	(3,982,229)	(5,210,276)
Impairment of earnings and reversal of impairment losses (impairment losses) determined in accordance with IFRS 9	-	(70,960)	(91,618)	(97,633)	8,579
Foreign exchange differences	24	(10,352,398)	(15,550,835)	(20,131,638)	(4,869,987)
Profit and loss by adjustment unit	24	(2,704,150)	(12,064,118)	(2,468,409)	(4,343,986)
Profit (loss) before tax		26,501,118	5,732,983	(18,258,528)	1,241,895
Tax expenses (profits) from continued operations	14	(10,268,654)	3,613,422	2,201,459	1,494,690
Profit (loss) from continued operations		16,232,464	9,346,405	(16,057,069)	2,736,585
Profit (loss) from discontinued operations	13	20,593	(302,678)	1,159,488	321,355
Profit (loss)		16,253,057	9,043,727	(14,897,581)	3,057,940
Profit (loss), attributable to:					
Controlling interest	-	16,229,098	9,029,448	(14,875,872)	3,051,422
Non-controlling interest	-	23,959	14,279	(21,709)	6,518
Profit (loss)		16,253,057	9,043,727	(14,897,581)	3,057,940

SOCIEDAD DE TRANSMISIÓN AUSTRAL S.A. AND SUBSIDIARIES
Consolidated Interim Statements of Other Comprehensive Income

For the nine-month and three-month periods ended September 30, 2023, and 2022 (unaudited)
(In thousands of Chilean pesos - ThCLP\$)

Other comprehensive income	Note	01-01-2023	01-01-2022	07-01-2023	07-01-2022
		09-30-2023	09-30-2022	09-30-2023	09-30-2022
		ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Profit (loss)		16,253,057	9,043,727	(14,897,581)	3,057,940
Other comprehensive income					
Component of other comprehensive income that will not be reclassified to profit or loss for the year, before tax					
Other comprehensive income, before tax, actuarial income (loss) from defined benefit plans		25,191	(95,897)	117,390	16,507
Ownership interest in the other comprehensive income of associates and joint ventures accounted using equity method that will be reclassified to profit and loss for the period, before tax		(1,880)	21,784	(1,533)	17,529
Other comprehensive income that will not be reclassified to profit and loss for the year, before tax		23,311	(74,113)	115,857	34,036
Components of other comprehensive income that will be reclassified to profit or loss for the year, before tax					
Exchange differences on translation					
Losses (profit) from exchange differences, before tax		(3,454,246)	11,910,843	9,689,432	2,402,463
Other comprehensive income, before tax, exchange differences on translation		(3,454,246)	11,910,843	9,689,432	2,402,463
Cash flow hedges					
Profit (losses) from cash flow hedges, before tax		-	(154,197)	-	1,838,728
Other comprehensive income, before tax, cash flow hedges		-	(154,197)	-	1,838,728
Other comprehensive income to be reclassified to income for the period, before tax		(3,454,246)	11,756,646	9,689,432	4,241,191
Other components of other comprehensive income, before income tax		(3,430,935)	11,682,533	9,805,289	4,275,227
Income taxes related to components of other comprehensive income that will not be reclassified to profit or loss for the period					
Income tax related to remeasurements of defined benefit plans from other comprehensive income		(6,802)	25,892	(31,696)	(4,457)
Income taxes related to components of other comprehensive income that will not be reclassified to profit or loss for the period		(6,802)	25,892	(31,696)	(4,457)
Income taxes related to components of other comprehensive income to be reclassified to the income statement for the period					
Income taxes related to cash flow hedges in other comprehensive income		-	41,633	-	(496,457)
Income taxes related to components of other comprehensive income to be reclassified to the income statement for the period		-	41,633	-	(496,457)
Other comprehensive income		(3,437,737)	11,750,058	9,773,593	3,774,313
Comprehensive income		12,815,320	20,793,785	(5,123,988)	6,832,253
Comprehensive income attributable to					
Comprehensive income attributable to owners of controlling interest		12,670,156	20,779,918	(5,100,967)	6,825,689
Comprehensive income attributable to non-controlling interest		145,164	13,867	(23,021)	6,564
Comprehensive income		12,815,320	20,793,785	(5,123,988)	6,832,253

SOCIEDAD DE TRANSMISIÓN AUSTRAL S.A. AND SUBSIDIARIES
Consolidated Interim Statements of Changes in Net Equity
For the periods ended September 30, 2023, and 2022 (unaudited)
(In thousands of Chilean pesos - ThCLP\$)

Statements of changes in net equity	Issued capital	Foreign exchange translation differences reserve	Cash flow hedge reserve	Reserve of actuarial gains and losses on defined benefits plans	Other sundry reserves	Other reserves	Retained earnings (Accumulated losses)	Equity attributable to controlling interest	Non-Controlling interest	Total equity
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Opening balance 01-01-2023	166,064,578	16,605,300	-	(134,330)	134,922,354	151,393,324	38,094,400	355,552,302	625,155	356,177,457
Increase (decrease) due to changes in accounting policies	-	-	-	-	-	-	-	-	-	-
Restated opening balance as of 01-01-2023	166,064,578	16,605,300	-	(134,330)	134,922,354	151,393,324	38,094,400	355,552,302	625,155	356,177,457
Changes in equity										
Comprehensive income										
Profit (loss)	-	-	-	-	-	-	16,229,098	16,229,098	23,959	16,253,057
Other comprehensive income	-	(3,454,246)	-	(104,696)	-	(3,558,942)	-	(3,558,942)	121,205	(3,437,737)
Total Comprehensive income	-	(3,454,246)	-	(104,696)	-	(3,558,942)	16,229,098	12,670,156	145,164	12,815,320
Issued capital	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	(41,439,384)	(41,439,384)	-	(41,439,384)
Increase (decrease) by other contributions of owners, equity	-	-	-	-	-	-	-	-	-	-
Increase (decrease) for other changes, equity	(19,606,224)	-	-	-	(8,543,381)	(8,543,381)	-	(28,149,605)	-	(28,149,605)
Other increases (decreases) in net equity	-	-	-	-	-	-	-	-	(237,715)	(237,715)
Total changes in equity	(19,606,224)	(3,454,246)	-	(104,696)	(8,543,381)	(12,102,323)	(25,210,286)	(56,918,833)	(92,551)	(57,011,384)
Closing balance at 09-30-2023	146,458,354	13,151,054	-	(239,026)	126,378,973	139,291,001	12,884,114	298,633,469	532,604	299,166,073

SOCIEDAD DE TRANSMISIÓN AUSTRAL S.A. AND SUBSIDIARIES
Consolidated Interim Statements of Changes in Net Equity
For the periods ended September 30, 2023, and 2022 (unaudited)
(In thousands of Chilean pesos - ThCLP\$)

Statements of changes in net equity	Issued capital	Foreign exchange translation differences reserve	Cash flow hedge reserve	Reserve of actuarial gains and losses on defined benefits plans	Other sundry reserves	Other reserves	Retained earnings (Accumulated losses)	Equity attributable to controlling interest	Non-Controlling interests	Total equity
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Opening balance 01-01-2022	166,064,578	23,100,268	112,564	(205,468)	134,922,354	157,929,718	35,638,738	359,633,034	630,685	360,263,719
Increase (decrease) due to changes in accounting policies	-	-	-	-	-	-	-	-	-	-
Restated opening balance as of 01-01-2022	166,064,578	23,100,268	112,564	(205,468)	134,922,354	157,929,718	35,638,738	359,633,034	630,685	360,263,719
Changes in equity										
Comprehensive income										
Profit (loss)	-	-	-	-	-	-	9,029,448	9,029,448	14,279	9,043,727
Other comprehensive income	-	11,910,843	(112,564)	(47,809)	-	11,750,470	-	11,750,470	(412)	11,750,058
Total Comprehensive income	-	11,910,843	(112,564)	(47,809)	-	11,750,470	9,029,448	20,779,918	13,867	20,793,785
Issued capital	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	(26,928,819)	(26,928,819)	-	(26,928,819)
Increase (decrease) by other contributions of owners, equity	-	-	-	-	-	-	-	-	-	-
Increase (decrease) for other changes, equity	-	-	-	-	-	-	-	-	-	-
Other increases (decreases) in net equity	-	-	-	-	-	-	-	-	(37,560)	(37,560)
Total changes in equity	-	11,910,843	(112,564)	(47,809)	-	11,750,470	(17,899,371)	(6,148,901)	(23,693)	(6,172,594)
Closing balance at 09-30-2022	166,064,578	35,011,111	-	(253,277)	134,922,354	169,680,188	17,739,367	353,484,133	606,992	354,091,125

SOCIEDAD DE TRANSMISIÓN AUSTRAL S.A. AND SUBSIDIARIES
Consolidated Interim Statements of Cash Flows, Direct Method
For the periods ended September 30, 2023, and 2022 (unaudited)
(In thousands of Chilean pesos - ThCLP\$)

STATEMENT OF CASH FLOWS	Note	09-30-2023	09-30-2022
		ThCLP\$	ThCLP\$
Cash flows from (used in) operating activities			
Types of proceeds for operating activities			
Proceeds from sales of goods and services	-	186,662,350	90,972,404
Other charges from operating activities	-	16,724	7,467
Types of payments in cash from operating activities			
Payments to suppliers for goods and services	-	(62,925,609)	(36,327,966)
Payments to and on behalf of employees	-	(18,382,013)	(10,325,023)
Other cash payments from operating activities	-	(7,175,226)	(6,122,307)
Cash flows from (used in) operating activities		98,196,226	38,204,575
Income tax paid (refund), classified as operating activities	-	(27,434,695)	(571,574)
Other inflows (outflows) of cash, classified as operating activities		6,218,354	-
Cash flows from (used in) operating activities		76,979,885	37,633,001
Cash flows from (used in) investing activities			
Cash receipts from the sale of Purchase of property, plant and equipment, classified as investing activities		5,178	15,700
Purchase of property, plant and equipment, classified as investing activities	-	(39,803,817)	(34,547,339)
Dividends received, classified as investing activities		-	314,099
Interest received, classified as investing activities	-	531,865	1,097,605
Cash flows from (used in) investing activities		(39,266,774)	(33,119,935)
Cash flows from (used in) financing activities			
Proceeds from loans classified as financing activities	6	-	305,226,312
Proceeds from long-term borrowings		-	305,226,312
Loans from related entities	6	64,694,110	54,630,981
Payments of lease liabilities	6	(203,926)	(71,582)
Loan repayments to related entities	6	(49,989,277)	(281,134,217)
Dividends paid, classified as financing activities	-	(39,862,108)	(28,260,413)
Interests paid, classified as financing activities	6	(15,956,997)	(13,644,182)
Other inflows (outflows) of cash, classified as financing activities		-	2,094,958
Cash flows from (used in) financing activities		(41,318,198)	38,841,857
Net increase (decrease) in cash and cash equivalent, before the effect of the changes in the exchange rate	-	(3,605,087)	43,354,923
Effect of exchange rate changes on cash and cash equivalents			
Effect of exchange rate changes on cash and cash equivalents	-	275,808	4,484,358
Net increase (decrease) in cash and cash equivalents		(3,329,279)	47,839,281
Cash and cash equivalents at the beginning of the year	-	8,327,746	1,964,417
Cash and cash equivalents at the end of the year	6	4,998,467	49,803,698

SOCIEDAD DE TRANSMISIÓN AUSTRAL S.A. AND SUBSIDIARIES

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SOCIEDAD DE TRANSMISIÓN AUSTRAL S.A. AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements

As of September 30, 2023 (unaudited) and December 31, 2022

(In thousands of Chilean pesos – ThCLP\$)

1. Information and business description

a) General Information

At the Extraordinary Shareholders' Meeting of Sociedad Austral de Electricidad S.A., hereinafter "SAESA", held on December 18, 2019, it was agreed to divide it into the legal successor, which maintained the same corporate name and a new company, named "Sociedad de Transmisión Austral S.A.", hereinafter "STA" or the Company. The shares held by SAESA in STN, SATT and SGA were assigned to the latter as a result of the division. The division took effect as of December 31, 2019. The purpose of the division is to carry out certain separations of the electricity distribution segment, which is consistent with the regulatory guidelines that will be implemented in the coming years and to seek operational efficiencies, financial and accounting, by bringing together – to a significant extent – companies whose functional currency is the US dollar.

On June 1, 2021, the Company Inversiones Los Lagos IV Limitada merged with the Company (both at the aforementioned date indirect subsidiaries of Inversiones Eléctricas del Sur S.A), with STA being the legal successor. As a result, Sagesa S.A. and Línea de Transmisión Cabo Leones S.A. become direct subsidiaries of STA, and Sistema de Transmisión del Centro S.A. (STC) becomes a STA related company with 49.9% of ownership.

Likewise, on the same date, STA entered into a contract for the sale of shares with the related company Sistema de Transmisión del Sur S.A. (Formerly STS), where the last sold, and transferred 50,000 shares over its subsidiary STC. Considering the merger mentioned in the previous paragraph where STA maintains a 49.9% ownership in STC plus the purchase of these shares, the Company became the Controller of STC with a 99.9% ownership (99,990 shares).

On July 9, 2021, the Company entered into a contract for the sale of shares with Acciona Energía Global S.L., sole and exclusive owner of 100% of the shares issued by Tolchén Transmisión SpA (Tolchén), acquiring the total shares (196,685,064 shares) in US\$ 35.9 million, of which US\$ 3.7 million corresponds to Tolchén's shares and US\$ 32.2 million to the intercompany debt that Tolchén held with its Parent company.

On December 28, 2021, in the context of the reorganization process that the SAESA Group companies are carrying out as a result of the enactment of Law No. 21.194 that modified the General Electric Services Law, the company carried out a capital increase through the exclusive issuance of new Series B shares. Said capital increase was subscribed and paid by Inversiones Eléctricas del Sur S.A. through the total contribution of the shares owned by Sistema de Transmisión del Sur S.A. (STS). The process began on March 29, 2021, when the Extraordinary Shareholders Meeting of the related company "STS" agreed to merge Frontel Transmisión S.A. and Sistema de Transmisión del Sur S.A. into "STS".

Such merger would be subject to the fulfillment of a series of suspensive conditions, among which the inscription of Saesa Transmisión S.A. in the Securities Registry kept by the Chilean Security and Exchange Commission, since it would absorb STS, issuer of bonds in the local market, for which it must be enrolled in the Registry. The registration in the Securities Registry was carried out on November 17, 2021. With the suspension conditions fulfilled, the merger took effect starting December 1, 2021.

By virtue of the above, on December 1, 2021, the subsidiary STS has become the successor and legal continuer of the companies Frontel Transmisión S.A. and Sistema de Transmisión del Sur S.A. ("Formerly STS"), with both companies dissolved in full right without the need to carry out its liquidation, everything in accordance with Article 99 of Law N°18.046 and Article 158 of the Regulations on Public Companies. In addition to the effectiveness of the merger, dated December 1, 2021, Saesa Transmisión S.A. has become known as the "Sistema de Transmisión del Sur S.A.". (STS), maintaining its unique Tax ID number 77.312.201-6, and registration in the Securities Registry under number 1200. Hereinafter also referred to as "STS".

With this, the transfer of the shares of STS from Eléctricas to STA was 10,078,417,668,726 shares distributed in 416.201.830 Series A shares and 10,078,001,466,896 Series B shares. As of December 31, 2021, the Company became the Controller of STS with a total of 99,8% ownership.

The subsidiary company registered in the Register of Reporting Entities is Sociedad Austral de Transmisión Troncal S.A., SATT, registered under number 435.

The non-registered subsidiary companies are Sociedad Generadora Austral S.A., SGA, Sistema de Transmisión del Norte S.A., STN (in process of registration), Sistema de Transmisión del Centro S.A., STC, SAGESA S.A., Línea de Transmisión Cabo Leones S.A. and Tolchén Transmisión SpA.

The Company is a direct subsidiary of Inversiones Eléctricas del Sur S.A. This is the company through which the Canadian fund Ontario Teachers' Pension Plan Board and the Canadian fund Alberta Investment Management Corporation (AIMCo) controls Saesa Group companies and of which the Company is a part.

The legal address of the Company is Isidora Goyenechea 3621, floor 3, Santiago, and the main commercial address is Bulnes 441, Osorno.

b) Business information

The object of the Company is to carry out business related mainly to the transmission of energy through its own or other companies, as well as to carry out and manage investments. The Company's activities that make up its corporate purpose may be carried out in the country or abroad. The Company currently manages the investments of its subsidiaries STN, SATT, STC, Tolchén, STS, SGA and SAGESA.

The subsidiary STN, whose main line of business is the construction, operation and maintenance of facilities for the transmission or transport of energy, operates a dedicated transmission system in the Antofagasta Region, whose purpose is to supply the energy and power requirements of a mining company and allow the connection of a generating plant (517 MW) to the National Electric System (SEN), it also operates in the National Transmission System. Recently, new services associated with operation and control through technology, monitoring from applications and inspection services by means of drones have been incorporated.

The Subsidiary SATT whose main line of business is the construction, operation, maintenance and management of electric power transmission or transportation facilities operates Dedicated Transmission, Zonal and National assets located in Copiapó, Tocopilla and Araucanía.

The subsidiary Tolchén has a dedicated 33 km long dual-circuit transmission line with a capacity of 233 MVA per circuit and are used by wind farms. The first circuit runs from the San Gabriel substation to the Mulchén substation, and the second circuit runs from the Tolpán Sur substation to the Mulchén substation. Both circuits are located in the cities of Renaico and Mulchén, provinces of Malleco and Bio Bio, belonging to the regions of Araucanía and Bio Bio, respectively.

The subsidiary STS develops mainly transmission business in the Bío Bío, Araucanía, Los Ríos, and Los Lagos regions; in addition to the rendering of services in all the special areas of expertise related to the electrical transportation and transformation systems, such as advisories in the design, construction, maintenance and operation of the systems.

The subsidiary SGA markets electric power on the CEN-SEN spot market and its revenues relate to the sale of energy and power on the CEN-SEN spot market.

The subsidiary SAGESA S.A. has generation assets operating from the Bio Bio Region to the Los Lagos Region and its revenues correspond to the sale of energy and power on the CEN-SEN spot market.

The indirect subsidiary Cabo Leones, also in the Dedicated Transmission System, corresponds to a double circuit line of 220 KV, located in the communes of Freirina and Vallenar, which aims to evacuate the electricity and power of up to three wind projects under construction. It entered into operation in December 2017.

In the context of the reorganization process being carried out by SAESA Group companies as a result of the enactment of Law No. 21.194 which amended the General Electrical Services Law, establishing a legal obligation of exclusive line of business for energy distribution companies. At the Group level, the following actions have been carried out since 2019 onwards, with the objective of complying with the legal obligation of exclusive business.

- On December 1, 2021, the merger was materialized by incorporation of Frontel Transmisión S.A. and Sistema de Transmisión del Sur S.A. in Saesa Transmisión S.A., on the same date, Saesa Transmisión S.A. has been renamed to "Sistema de Transmisión del Sur S.A." (STS).
- On December 28, 2021, the Company carried out a capital increase through the exclusive issuance of new Series B shares. Said capital increase was subscribed and paid by Inversiones Eléctricas del Sur S.A. through the total contribution of the shares owned by Sistema de Transmisión del Sur S.A. (STS).

All the actions mentioned above had the purpose of grouping all the transmission companies of the Saesa Group as direct subsidiaries of STA, which meant that within the restructuring process it was necessary to temporarily include the SGA and Sagesa companies that have the lines of distribution and generation, respectively.

2. Summary of significant Accounting Policies

2.1 Accounting policies

These Consolidated Interim Financial Statements are presented in thousands of Chilean pesos, and they were prepared based on the accounting records kept by the Company and its Subsidiaries. The policies and criteria have been consistently applied by all the subsidiaries.

The accompanying Consolidated Interim Financial Statements of the Company and its subsidiaries ended as of September 30, 2023, and December 31, 2022, have been prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS") issued by the International Accounting Standards Board (hereinafter "IASB"). For these purposes, the IFRS comprise standards issued by the International Accounting Standards Board ("IASB") and the interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

These Consolidated Interim Financial Statements have been approved by the Board at its meeting held on November 28, 2023.

2.2 Responsibility for the Information and Use of Estimates

The Company's Management is responsible for the information contained in these Consolidated Interim Financial Statements.

The preparation of the accompanying Consolidated Interim Financial Statements requires the use of certain estimates and assumptions by Management. These estimates are based on management's best knowledge of the reported amounts, events or shares as of the date of issuance of these Consolidated Interim Financial Statements. However, it is possible that events in the future may require them to be adjusted (upwards or downwards) in future periods, which would be done, in accordance with IAS 8, on a prospective basis, recognizing the effects of the change in Future Consolidated Financial Statements. The detail of the significant accounting estimates and criteria is detailed in Note 5.

2.3 Periods covered

The current financial statements comprise the following:

- Consolidated Interim Classified Statements of financial position of Sociedad de Transmisión Austral S.A. and subsidiaries as of September 30, 2023 (unaudited), and December 31, 2022.
- Consolidated Interim Statements of comprehensive income by nature for the periods ended September 30, 2023, and 2022 (unaudited).
- Consolidated Interim Statements of changes in net equity for the periods ended September 30, 2023, and 2022 (unaudited).
- Consolidated Interim Statements of cash flows, direct method, for the periods ended September 30, 2023, and 2022 (unaudited).

2.4 Basis of preparation

The Consolidated Interim Financial Statements have been prepared under the historical cost criteria, except in the case of financial instruments, recorded at fair value.

2.5 Basis of consolidation

The Consolidated Interim Financial Statements incorporate the Financial Statements of the Company and the entities controlled by the Company (its subsidiaries). Control is achieved when the Company has:

- (a) power over investment (i.e., existing rights that give the ability to direct the relevant activities of the investee, i.e., activities that significantly affect the returns of the investee);
- (b) exposure, or rights, to variable returns from its involvement with the investee; and
- (c) ability to use its power over the investee in order to affect its performances.

When the Company has less than most of the voting rights of an investee, has power over the investee when these voting rights are sufficient to give in practice the ability to direct the relevant activities of the investee unilaterally. The Company considers all facts and circumstances to assess whether the voting rights in an investee are sufficient to give power, including:

- (a) the number of voting rights held by the investor in relation to the number and dispersion held by other holders of voting rights;
- (b) potential voting rights held by the investor, other vote holders or other parties;
- (c) rights arising from other contractual arrangements; and
- (d) any additional facts and circumstances indicating that the investor has or does not have, the current ability to direct the relevant activities at the time these decisions need to be taken, including patterns of voting behavior in previous shareholders' meetings.

The Company will reassess whether it has control over an investee if facts and circumstances indicate that there have been changes in one or more of the three control elements mentioned above.

The consolidation of a subsidiary starts from the date the investor obtains control of the investee and will cease when it loses control over it. Specifically, the income and expenses of an acquired or sold subsidiary during the year are included in the Consolidated Interim Statement of Comprehensive Income from the date on which the Company obtains control until the date on which the Company ceases to control the subsidiary.

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

Gain or loss of each component of other comprehensive income is attributed to owners of the Company and the non-controlling interest, as applicable. Total comprehensive income is attributed to owners of the Company and non-controlling interests, even if the result of the non-controlling interests has a deficit balance.

If a subsidiary uses accounting policies other than those adopted in the Consolidated Interim Financial Statements for transactions and other similar events under similar circumstances, appropriate adjustments will be made in the Financial Statements of the subsidiaries in preparing the Consolidated Interim Financial Statements to ensure compliance with accounting policies of the Company.

All assets and liabilities, equity, revenues, expenses and cash flows relating to transactions between group companies are eliminated in consolidation.

The detail of the subsidiary companies, which have been consolidated in these Consolidated Interim Financial Statements, is as follows:

Taxpayer ID	Company name	Abbreviated name	Country	Functional currency	Ownership Interest %			
					09-30-2023			12-31-2022
					Direct	Indirect	Total	Total
99.528.750-1	Sociedad Generadora Austral S.A.	SGA	Chile	US dollar	0.0000%	0.0000%	0.0000%	100.0000%
77.312.201-6	Sistema de Transmisión del Sur S.A.	STS	Chile	Chilean peso	99.9996%	0.0004%	100.0000%	100.0000%
77.708.654-5	Sagesa Generación S.A.	SAGESA Gx	Chile	US dollar	0.0000%	0.0000%	0.0000%	99.9987%
76.186.388-6	Sagesa S.A.	SAGESA Tx	Chile	US dollar	99.8987%	0.1000%	99.9987%	99.9987%
76.410.374-2	Sistema de Transmisión del Norte S.A.	STN	Chile	US dollar	100.0000%	0.0000%	100.0000%	100.0000%
76.440.111-5	Sistema de Transmisión del Centro S.A.	STC	Chile	US dollar	100.0000%	0.0000%	100.0000%	100.0000%
76.519.747-3	Sociedad Austral de Transmisión Troncal S.A.	SATT	Chile	US dollar	100.0000%	0.0000%	100.0000%	100.0000%
76.429.813-6	Línea de Transmisión Cabo Leones S.A.	Cabo Leones	Chile	US dollar	99.9900%	0.0100%	100.0000%	100.0000%
76.389.448-7	Tolchén Transmisión SpA	Tolchén	Chile	US dollar	100.0000%	0.0000%	100.0000%	100.0000%

Non-controlling interest – A parent company will present the non-controlling interests in the Consolidated Interim Statement of Financial Position, within equity, separately from the equity of the owners of the parent company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control over subsidiaries are accounted for as equity transactions. The carrying amounts of the participation of the Company and the controlling interests are adjusted to reflect the change in their relative interests in the subsidiaries. Any difference between the amount for which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

2.6 Business combination

Business combinations are accounted using the purchase method. This involves the recognition of identifiable assets (including previously unrecognized intangible assets) and liabilities (including contingent liabilities and excluding future restructurings) of the business acquired at fair value. If these business combinations involve acquiring control of an investment in which the Company had significant influence or joint control, such prior participation is recorded at fair value by recognizing the effect on results.

2.7 Functional and reporting currency

a) Functional currency

The functional currency of each entity in the Group has been determined as the currency of the main economic environment in which it operates. Transactions other than those performed in the entity's functional currency are translated at the exchange rate in effect on the date of the transaction. Assets and liabilities denominated in currencies other than the functional currency will be retranslated at the year-end exchange rates. Gains or losses from re-measurement will be included in net gains or losses in other financial items.

The Company's functional currency of the subsidiaries are distributed as follows:

Company	Abbreviated name	Functional currency
Sistema de Transmisión del Sur S.A.	STS	Chilean peso
Sagesa S.A.	SAGESA Tx	US dollar
Sistema de Transmisión del Norte S.A.	STN	US dollar
Sistema de Transmisión del Centro S.A.	STC	US dollar
Sociedad Austral de Transmisión Troncal S.A.	SATT	US dollar
Línea de Transmisión Cabo Leones S.A.	Cabo Leones	US dollar
Tolchén Transmisión SpA	Tolchén	US dollar

b) Reporting currency

The entity's reporting currency is the Chilean peso, as it corresponds to the currency of the Group's parent company, Inversiones Eléctricas del Sur S.A. and that it is the currency that best represents the economic environment in which the aforementioned Parent Company operates.

The conversion procedure used when the reporting currency is different from the functional currency is as follows:

- The assets and liabilities of each of the statements of financial position, using the exchange rate in force on the closing date of the corresponding statements of financial position;
- Income and expenses for each of the statements of comprehensive income will be translated at the exchange rates of the date of each transaction or at the average exchange rate, unless this average is not a reasonable approximation of the cumulative effect of the rates existing on the dates of the transaction; and
- The exchange differences produced in the translation of the Financial Statements will be recognized in the statement of other comprehensive income.

2.8 Basis of conversion

Transactions in a currency other than the functional currency are considered transactions in a foreign currency. Transactions in currencies other than the functional currency of each company are recorded at the exchange rates in force at the date of the transaction. During the year, any differences that arise between the balances translated at the exchange rate prevailing at the date of collection or payment are recorded as exchange differences in the Consolidated Interim Statement of Comprehensive Income.

Also, balances receivable or payable at each year-end denominated in currencies other than the functional currency of each company are translated at the year-end exchange rate. The resulting translation differences are recorded as exchange differences in the Consolidated Interim Statement of Comprehensive Income.

The assets and liabilities in foreign currency and in the adjustable currency (UF) are translated at the exchange rates at current values at the closing date of the Consolidated Interim Financial Statements, according to the following details:

Foreign and adjustable currency	Abbreviated name	09-30-2023	12-31-2022	09-30-2022
		CLP\$	CLP\$	CLP\$
US dollar	USD	895.60	855.86	960.24
Unidad de Fomento (Inflation index-linked unit of account)	UF	36,197.53	35,110.98	34,258.23

2.9 Offsetting of balances and transactions

As a general rule, assets and liabilities, income and expenses, are not offset in the Consolidated Interim Financial Statements, unless offsetting is required or is permitted by some standard and the presentation reflects the substance of the transaction.

2.10 Property, plant and equipment

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and accumulated impairment.

In addition to the amount paid for the acquisition or construction of each item, cost also includes, where appropriate, the following items:

- Borrowing costs incurred during the construction period that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, such as, for example, transmission or generation facilities. The interest rate used is that of specific-purpose financing or, failing that, the weighted average financing rate of the Company and its subsidiaries.
- The capitalized amount and the capitalization rate are as follows:

Costs for capitalized loans	09-30-2023	09-30-2022
	ThCLP\$	ThCLP\$
Costs for capitalized loans (see note 24)	3,183,854	2,928,220
Costs capitalization rate functional currency CLP	2.82%	2.66%
Costs capitalization rate functional currency USD	3.00%	3.00%

- Personnel costs directly related to work in progress as of September 30, 2023, and 2022 amounted to ThCLP\$2,352,581, and ThCLP\$1,552,133, respectively (see note 21).
- The future costs that the Company and its subsidiaries will have to incur in respect of the closure of their facilities are capitalized as part of the cost of the asset, at present value, and a related provision is recognized. Each year, the Company and its subsidiaries review their estimate of these future costs, by increasing or decreasing the value of the asset based on the results of this estimate.

The works in progress are transferred to working assets once the test period when they become available for use has been completed, which is the starting point for their depreciation.

The existing costs of substantial expansion or improvement of structures, facilities or equipment correspond to the replacement or improvement of parts, but without replacing the entire asset, and which lead to extension of the useful life, increase in capacity, decrease in operating costs, or increase in value through the benefits associated with the asset, are incorporated as an increase in the cost of the asset. These costs also include requirements by the authorities or commitments made by the Company and its subsidiaries, and in case these are not complied with, will not allow the use of the asset.

Subsequent costs (replacement of components, improvements, extensions or expansions) are included in the value of the initial asset or are recognized as a separate asset. The value of the replaced component is derecognized.

The other maintenance and repair expenses that do not comply with the above are recognized in profit and loss for the period in which they are incurred.

Depreciation is calculated using the straight-line method over the cost of the assets less their residual value. The land on which buildings and other constructions have been built has an indefinite useful life and, therefore, is not depreciated.

The Company and its subsidiaries depreciate their fixed assets from the moment in which the assets are in conditions of use.

The residual value and the useful life of the assets are reviewed regularly, and they are adjusted prospectively, if required and if applicable.

Based on the results of impairment tests, the Company and its subsidiaries consider that the assets' carrying value does not exceed their recoverable value as of September 30, 2023, and December 31, 2022.

The main periods of useful life used for depreciation of assets are as follows:

Property, plant and equipment	Estimated useful life range
Buildings	40-80
Plant and equipment	
Lines and networks	30-44
Transformers	44
Meters	20-40
Substations	20-60
Generation system	25-50
Information technology equipment	
Hardware	5
Fixtures and fittings	
Office furniture and equipment	10
Vehicles	7
Other equipment and tools	10

To operate the distribution electrical system, the companies have concessions for distribution of electricity which are granted by the Chilean Regulatory Authority and do not have an expiration date, and, therefore, they are considered indefinite.

2.11 Research and development costs

Research costs are recognized as an expense in the year in which they are incurred. The costs incurred in development projects are recognized as intangible assets when the recognition criteria are met:

- Technically, it is possible to complete the production of the intangible asset so that it can be available for use or sale;
- Management intends to complete the intangible asset in question, to use or sell it;
- There is the ability to use or sell the intangible asset;
- It is possible to demonstrate the way in which the intangible asset will generate probable economic benefits in the future;
- There is availability of adequate technical, financial or other resources to complete the development and to use or sell the intangible asset; and
- It is possible to reliably assess the disbursement attributable to the intangible asset during its development.

Other development costs are recognized as an expense when incurred. Development costs previously recognized as a result cost are not recognized as an asset in the period or a subsequent period.

The Company and its subsidiaries are working on the search for technological solutions that allow it, among others, a remote interaction with its customers and network equipment in order to facilitate energy management, quality of service and products delivered to its users, In addition to other NCRE projects for hybrid generation in isolated systems.

With respect to the projects described above, the Company and its subsidiaries have not recorded research expenses, if they have been recorded against profit and loss.

2.12 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and definitely-lived intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses (as a result of any event defined in IAS 36), the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognized for the asset in prior years.

Based on the results of impairment tests, the Company and its subsidiaries consider that the assets' carrying value does not exceed their recoverable value as of September 30, 2023, and December 31, 2022.

2.13 Leases

2.13.1 The Company acts as lessee:

To determine whether a contract is, or contains, a lease, the Company and its subsidiaries analyze the economic background of the agreement, assessing whether if the agreement transfers the right to control the use of an identified asset for a period in exchange for a consideration. It's considered that control exists if the client has i) the right to obtain substantially all the economic benefits from the use of an identified asset; and ii) right to direct the use of the asset.

At the beginning of the lease, right of use asset and a lease liability is recorded in the Consolidated Interim Statement of Financial Position.

The Company and its subsidiaries initially recognize the right-of-use assets at cost. The cost of the right-of-use assets includes: i) amount of the initial measurement of the lease liability; ii) lease payments made; iii) the initial direct costs incurred; and iv) the estimate of costs for decommissioning or restoration.

Subsequently, the right-of-use asset is measured at cost, adjusted by any new measurement of the lease liability, less accumulated depreciation and accumulated losses due to impairment of value.

The right-of-use asset is depreciated in the same terms as the rest of similar depreciable assets, if there is reasonable certainty that the lessee will acquire ownership of the asset at the end of the lease. If such certainty does not exist, the asset depreciates in the shortest period between the useful life of the asset or the lease term.

The lease liability is initially measured at the present value of the lease payments, discounted at the incremental loan rate of the Company and its subsidiaries, if the interest rate implicit in the lease could not be easily determined. Lease payments included in the measurement of the liability include: i) fixed payments, less any lease incentive receivable; ii) variable lease payments that depend on an index or rate; iii) residual value guarantees; iv) exercise price of a purchase option; and v) penalties for lease term.

After the beginning date, the lease liability is increased to reflect the accrual of interest and is decreased by the lease payments made. In addition, the carrying amount of the liability is measured again if there is a modification in the terms of the lease (changes in the term, in the amount of payments or in the evaluation of an option to buy or change in the amounts to be paid). Interest expense is recognized as an expense and is distributed among the periods that constitute the lease period, so that a constant interest rate is obtained in each year on the outstanding balance of the lease liability.

Short-term leases, equal to or less than one year, or low-value assets leases are excepted from the application of the recognition criteria described above, recording the payments associated with the lease as an expense in a straight-line method throughout the lease term.

2.13.2 The Company acts as lessor:

When the Company and its subsidiaries act as lessor, they classify at the beginning of the agreement whether the lease is operating or financial, based on the essence of the transaction. Leases in which substantially all risks and rewards inherent in ownership of the underlying asset are transferred are classified as financial leases.

All other leases are classified as operating leases.

In the case of financial leases, on the beginning date, the Company recognizes in its Consolidated Interim Statement of Financial Position the assets held in financial lease and presents them as an account receivable, for an amount equal to that of the net investment in the lease, calculated as the sum of the current value of the lease installments and the current value of any residual value accrued, discounted at the interest rate

implicit in the lease. Subsequently, financial income is recognized throughout the term of the lease, based on a model that reflects a constant rate of return on the net financial investment made in the lease.

In the case of operating leases, lease payments are recognized as income in a linear manner during the term of the lease, unless another systematic basis of distribution is more representative. The initial direct costs incurred to obtain an operating lease are added to the carrying amount of the underlying asset and are recognized as an expense over the term of the lease, on the same basis as the income from the lease.

2.14 Financial instruments

Financial assets and financial liabilities are recognized in the Company's Statement of financial position when the Company and its Subsidiaries become a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price (see revenue footnote). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Consolidated Interim statement of comprehensive income.

2.14.1 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

a) Classification and initial measurement of financial assets

The classification and measurement criteria correspond to the following:

- i. Debt instrument at amortized cost:
 - The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- ii. Debt instrument at fair value through other comprehensive income (FVTOCI):
 - The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- iii. Fair value through profit and loss (FVTPL):

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- The Group may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

b) Subsequent measurement of financial assets

Financial assets are measured subsequent to their acquisition based on their classification as follows:

- In the case of financial assets initially recognized at amortized cost, they are measured using the effective interest rate method, which links estimated future cash receipts over the expected life of the financial asset.
- Financial assets recognized at fair value with changes in other comprehensive income are subsequently measured at fair value. Interest income is calculated using the effective interest rate method, exchange gains and losses and impairment are recognized in results. Other net gains and losses are recognized in the statement of comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss for the year.
- In relation to financial assets initially recognized at fair value through profit or loss, these are subsequently measured at fair value. Net gains or losses, including any interest or dividend income, are recognized in profit or loss for the year. These financial assets are held for trading and are acquired for the purpose of selling them in the short term. Financial assets in this category are classified as other current financial assets.

c) Impairment of non-derivative financial assets

For trade receivables, finance lease receivables and contract assets, the Company has applied the simplified approach in IFRS 9 to measure the expected credit loss (ECL).

Under this simplified approach, the Company has determined a provision matrix based on the historical default rates of its customers, as adjusted by prospective estimates taking into account the most relevant macroeconomic factors that affect collections and that have shown correlation with collections in the past. The macroeconomic variables are reviewed periodically. The Company identifies as the main macroeconomic variables that affect collections; the gross domestic product of the country and the regions where it is present, national and regional unemployment rates, and variations in the purchasing power of customers.

When there is reliable information that indicates that the counterpart is in severe financial difficulties and there is no realistic prospect of recovery, for example when the counterpart has been put into liquidation or has entered bankruptcy proceedings, or in the case of trade receivables, when the amounts have been deemed uncollectable, a write-off will be recorded. Previous to the write-off, all prudential means of collection have been executed.

The trade debtors are users of the transmission systems.

In relation to loans to related parties, Management has not recognized a loss allowance as the loans to related parties are considered to be of low credit risk.

2.14.2 Financial liabilities

Financial liabilities are classified as (i) at amortized cost or (ii) at fair value through profit and loss.

The Group maintains the following financial liabilities in their consolidated interim statement of financial position classified as described below:

a) Commercial accounts payable:

Obligations with suppliers are initially recognized at their fair value, this being the value to be paid, and subsequently they are valued at their amortized cost using the effective interest rate method.

b) Obligations with banks and financial institutions.

Obligations with banks and financial institutions are initially recognized at their fair value, net of the costs incurred in the transaction.

Subsequently, they are valued at amortized cost. Any difference between the funds obtained (net of the costs necessary to obtain them) and the reimbursement value is recognized in the income statement over the life of the debt in accordance with the effective interest rate method.

2.14.3 Derivatives and hedge accounting

Derivatives are contracted to manage exchange rate, interest rate, inflation, etc. risks to which the Company may be exposed.

Derivative transactions are monitored regularly and consistently over the life of the contracts to ensure that no significant departures occur from the objectives defined, so as to satisfactorily follow the strategy adopted by Management. The Company has met the requirements for cash flow hedging for the derivative instruments entered into. Also, to meet the requirements set forth in the standard, the effectiveness during the hedging period is regularly monitored. The effectiveness of derivative transactions is monitored on a retrospective and prospective basis. Such effectiveness must be within the limits defined in IAS 39 (80% - 125%). The portion of the fair value of hedging derivatives that, under the respective methodology, turns out to be ineffective is recorded through Consolidated Interim Statements of Comprehensive Income in financial income or financial expense.

2.15 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is calculated using the weighted average cost method.

2.16 Other non-financial liabilities

This item includes the following:

2.16.1 Deferred income

These amounts are recorded as deferred income in the liabilities of the Consolidated Interim Statement of Financial Position and are charged to income under "Revenue from ordinary activities" in the Consolidated Interim Statement of Comprehensive Income to the extent that the service accrues.

In "Other Non-Current Non-Financial Liabilities" the advance payment on long-term toll contracts with third parties for the use of zonal transmission assets that the Company and its subsidiaries must construct has been included. Once the construction of the asset has been completed and the toll service for the use of the asset has commenced, the recognition of the respective income in the Company's results in the corresponding proportion and over the duration of the contract will be recorded.

2.16.2 Construction in Progress for Third Parties

The other works to third parties corresponds to electrical works that the entity builds and are billed and/or charged in advance to third parties, other than government subsidies. These generate at the beginning a liability and an account receivable equivalent. To the extent that progress is made in the construction of the work, the corresponding liability is reduced until the end of construction. The utility is recognized in proportion to the degree of progress.

The Company and its subsidiaries measure the degree of progress by differentiating according to the total budget of the work (between greater or less than ThCLP\$50.000). Under this amount the degree of progress is determined in relation to the cost incurred in the project, over this amount, the progress will be measured according to technical progress reports.

Similar transactions are considered works on ThCLP\$50.000 for having the following characteristics:

- Projects for the mass replacement of luminaries in the public lighting system, tendered through the platform “Mercado Público”, whose financing may come from the Ministry of Energy, the Regional Government or the Chilean energy efficiency agency (ACHEE).
- Projects related to energy efficiency, mainly photovoltaic systems, tendered through the public market also with financing from the ministry of energy or regional government.
- Projects to clients (preferably construction companies) related to electrification of both aerial and underground subdivisions.

2.17 Provisions

The obligations existing at the date of the Consolidated Interim Financial Statements, arising as a result of past events, in the liquidation of which the Company and its subsidiaries expects to dispose of resources that imply economic benefits and in which there is uncertainty of the amount and moment of cancellation, are recorded in the Consolidated Interim Statement of Financial Position as provisions for the current value of the most probable estimated amount that the Company and its subsidiaries will have to pay to settle the obligation.

The estimates of provisions are quantified taking into account the best information available at the date of issuance of the Consolidated Interim Financial Statements, which surrounds most of the events and the circumstances that coincide with the valuation thereof.

2.18 Employee Benefits

- ***Short-term, long-term employee benefits and severance indemnities.***

The Company and its subsidiaries recognize the amount of the benefits payables for services rendered as a liability, which is recorded at its nominal value using the accrual method and presented under trade and other payables and current provisions for employee benefits.

The costs associated with the employee benefits involving services rendered by the employees during the period are charged to profit and loss in the respective year.

- ***Post-employment benefits - Severance indemnities***

The employment terms and conditions stipulate the payment of severance indemnities when an employment contract terminates. Usually this corresponds to a proportion of the base wage (0.9) multiplied by each year of service, always provided the employee has served for more than 10 years.

The severance indemnity is calculated according to appraisals made by an independent actuary, using the projected credit unit method, which is updated periodically. The obligation recognized in the Consolidated Interim Statement of Financial Position represents the present value of the severance indemnity. Losses and gains produced by changes in actuarial assumptions are recorded in other comprehensive income for the year.

The Company and its subsidiaries use assumptions to determine the best estimate of these benefits. Such estimates, just like the assumptions, are established with the assistance of an external actuary. Such assumptions include an annual (nominal) discount rate of 4,93%, the expected increases in salaries and turnover rate, among others.

The total amount of actuarial liabilities accrued at year-end is presented in the item Non-current provisions for employee benefits.

2.19 Classification of current and non-current balances

In the accompanying Consolidated Interim Statement of Financial Position, the balances are classified according to their maturities, that is, those with maturities equal to or less than twelve months, and as non-current those with maturities greater than that period.

In the event that there are obligations whose maturity is less than twelve months, but whose long-term refinancing is assured and represents the intent of the Group and its subsidiaries through unconditionally available credit agreements with a long-term maturity, to refinance, they are classified as non-current liabilities.

2.20 Income and deferred taxes

Income tax expense for the year, is defined as the sum of current tax of the Company and its subsidiaries and results from the application of the tax rate on the tax base of the year, plus the change in assets and liabilities for deferred taxes and tax credits, both for tax loss carryforwards (to the extent realizable) as for deductible and taxable temporary differences.

Differences between the carrying amount of the assets and liabilities and their tax bases give rise to deferred tax assets and liabilities, which are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled.

Income tax and changes in deferred tax assets and liabilities not arising from business combinations are recognized in profit and loss or net equity, depending on the origin of the underlying recorded item which generated the tax effect.

Deferred tax assets and tax credits are only recognized when it is considered probable that there will be sufficient future tax profits to recover the deductible temporary differences and make the tax credits realizable.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognized if the temporary difference arises from the initial recognition of goodwill.

The Company is taxed under the "Partially Integrated Regime", first category income tax rate of 27%.

2.21 Recognition of income and expenses

The Company and its subsidiaries consider as operating revenue, in addition to the services invoiced in the year, an estimate for the services provided pending of billing at the end of the year. In addition, the costs associated with such revenues have been duly included as operating costs.

The company and its subsidiaries recognize revenue from the following main sources:

- Transmission
- Revenue from retail sale of products and services
- Revenue from the construction of third-party facilities
- Interest income

The Company recognizes revenue when (or as) control over a good or service is transferred to the customer. Revenue is measured based on the consideration to which it is expected to be entitled for said transfer of control, excluding amounts collected on behalf of third parties.

(i) Transmission:

Revenues from power transmission services are recorded based on the effective billing of the year of consumption, plus an estimate of the services provided and not billed at the closing date of the year, in these contracts there is a performance obligation. Revenues for Transmission services are recognized over time.

(ii) Revenue from retail sale of products and services:

Revenue from the sale of household products, materials and equipment is recognized when the significant risks and benefits of the goods have been transferred to the buyer, the performance obligation is satisfied when the control of the good has been transferred to the customer. The transfer of goods for the sale of products occurs at the point of sale, where the customer physically obtains the good and moment where billing also occurs. Revenues from the retail sale of products and services are recognized at a point in time.

Revenue is measured at the fair value of the payment received, excluding discounts, rebates and sales taxes.

(iii) Revenue from the construction of works to third parties:

The other works to third parties corresponds to electrical works that the entity constructs and are invoiced and/or charged in advance to third parties, other than government grants. These initially generate a liability and an equivalent account receivable. As the construction of the work progresses, the corresponding liability is reduced until the end of the construction. Revenues from the construction of works to third parties are recognized over time.

(iv) Interest income:

Interest income is accounted for considering the effective interest rate applicable to the principal pending amortization during the corresponding accrual period. Interest income is recognized over time.

The Company and its subsidiaries determine the existence of significant financing components in its contracts, adjusting the value of the consideration, if applicable, to reflect the effects of the time value of money. However, the Company applies the practical solution provided by IFRS 15 and will not adjust the value of the promised consideration for the effects of a significant financing component if the Company expects, at the beginning of the contract, that the period elapsed between the payment and the transfer of goods or services to the customer is one year or less.

Given that the Company mainly recognizes revenue for the amount to which it is entitled to invoice, it has decided to apply the practical disclosure solution provided for in IFRS 15, by which it is not required to disclose the aggregate amount of the transaction price assigned to the obligations of unsatisfied (or partially unsatisfied) performance at the end of the reporting year.

2.22 Dividends

Dividends distributed to shareholders are recognized as a liability on an accrual basis at the end of the reporting year in the Consolidated Interim Financial Statements of the Company, based on the dividend policy agreed upon by the shareholders or as set forth in the by-laws, which to date corresponds to the statutory minimum dividend payments set forth in Article Nº79 of Corporations Law No. 18.046. The Shareholders' Meeting has the power to change the amount of the dividend to be distributed, which does not necessarily apply for future years.

For the calculation of the distributable net earnings, the Company will not adjust “Profit (Loss) attributable to the Controlling Interests” in the Consolidated Interim Statement of Comprehensive Income. Given the above, the values of such item less accumulated losses, if any, will be used as a basis. The distributed dividends will be deducted from that result. The dividends will be charged to the income for the year. The IFRS first-time adoption adjustments will not be part of this calculation as long as they are not made.

2.23 Statement of cash flows

The cash flow statement reflects the changes in cash and cash equivalents during the year, calculated using the direct method. The following terms are used in the statements of cash flow:

- **Cash Flows:** Inflows and outflows of cash and cash equivalents, which are investments with a term of less than three months, and which are highly liquid and subject to an insignificant risk of change in value.
- **Operating Activities:** Are the activities related to the principal revenue-producing activities of the Company and its subsidiaries and other activities that are not investing or financing activities.
- **Investing Activities:** Are the activities related to the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
- **Financing Activities:** Are the activities that result in changes in the size and composition of equity and liabilities of a financial nature.

2.24 Reclassifications

For comparative purposes, some amounts have been reclassified in the Consolidated Interim Financial Statements as of September 30, 2023.

2.25 New accounting pronouncements

a) The following Amendments to IFRS has been applied to these Consolidated Interim Financial Statements:

New IFRS	Mandatory Application Date
IFRS 17, Insurance Contracts	Annual periods beginning on or after January 1, 2023
Amendments to IFRS	Mandatory Application Date
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	Annual periods beginning on or after January 1, 2023
Definition of Accounting Estimates (Amendments to IAS 8)	Annual periods beginning on or after January 1, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	Annual periods beginning on or after January 1, 2023
International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)	Annual periods beginning on or after January 1, 2023

The application of the amendments has not had a significant effect on the results reported in these Consolidated Interim Financial Statements, however, they could affect the accounting of future transactions or agreements.

b) Accounting pronouncements with effective application not yet in force:

As of the date of issuance of these Consolidated Interim Financial Statements, the following standards and amendments had been issued by the IASB but were not mandatory.

Amendments to IFRS	Mandatory Application Date
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	Annual periods beginning on or after January 1, 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	Annual periods beginning on or after January 1, 2024
Non-current Liabilities with Covenants (Amendments to NIC 1)	Annual periods beginning on or after January 1, 2024
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	Annual periods beginning on or after January 1, 2024
Lack of Exchangeability (Amendments to IAS 21)	Annual periods beginning on or after January 1, 2025

The Company and its subsidiaries are evaluating the impact of the application of the standards and amendments.

3. Industry Regulation and Operation of the Electrical System

The Chilean electrical sector participates in the activities of generation, transportation and distribution of electrical energy, which are performed by private companies, with the government performing a regulatory, supervisory and complementary function. The above means that the companies make decisions about their investments, marketing of their services and the operation of their facilities; consequently, they are responsible for the quality of the service provided in each segment, as stipulated in the electrical sector's regulatory framework.

In systems with an installed capacity equal to or greater than 200 MW, the actors of the electricity sector operate in coordination, and this coordination is in charge of the National Electrical Coordinator ("CEN").

In Chile, the National Electrical System (SEN) covers the area between Arica and Chiloé. On the other hand, there are several medium-sized systems (SSMM) operated by vertically integrated companies (including the subsidiaries SAGESA and Edelaysen), whose installed generation capacity is less than 200 MW, but greater than 1.500 KW, and which serve the consumption of the regions of Los Lagos, Aysén and Magallanes.

3.1 Generation of electricity

Generation of electricity is an activity characterized by free participation and no obligation to obtain concessions, except for the construction and operation of the hydroelectric power plants.

In Interconnected Systems such as the SEN there are three main markets that differ, both in the type of customers and in the type of rate applicable to each one.

- a) **Large customer market:** Corresponds to those customers with more than 5 MW installed power, which agree on the fee freely with the generator. Customers between 500kW and 5 MW may choose to be part of the free customers market or the regular market, and they are not allowed to change such tariff regime for 4 years.
- b) **Spot Market:** Segment in which generating companies participate when making transactions among themselves, either by means of energy contracts or through sales at marginal cost.
- c) **Regulated customers market:** Segment consisting of all the transfers of energy between generation and distribution companies to supply customers subject to price regulation (hereinafter, "regulated customers"). In this way, the distribution companies become customers of the generating companies.

The price at which these latter transactions are performed is obtained from open, transparent and non-discriminatory tendering, which currently is established for a minimum contract period of 20 years. It should be noted that the power purchase price of tenders are set at the level of core bars.

Regardless of the final market supplied by a generator, transfers between generating companies participating in the system are performed at the hourly incremental cost. The agency in charge of performing these calculations is the Market Administration of the CEN.

3.2 Transmission

Transmission systems are classified into three groups: National Transmission, Zonal Transmission and Dedicated Transmission, with the first two having open access and regulated tariffs.

In the case of dedicated transmission, access may be denied in the case of available technical capacity, and transportation charges are governed by private contracts between the parties, except for those destined to the supply of users subject to price regulation, in which case the charges must be consistent with the regulated prices.

The information about tolls is public in all cases. The collection system of the transmission companies is the sum of a toll charged to the generation companies and to the final users. This system allows the companies that own the transmission facilities to recover and remunerate their investments in transmission assets and collect the efficient costs associated with the operation of those assets. The amount of the transmission may be regulated by the Regulatory Authority, determined in Public Tenders, or by private contracts between the parties.

3.3 Regulatory framework

3.3.1 General Aspects

The Chilean electricity industry is regulated since 1982, mainly by Decree with Force of Law No. 1/82, which contains the General Act on Electrical Services (referred to as "LGSE"), as well as by the overall regulation of said Act.

Since its enactment, several amendments have been performed to the Law, which had a positive impact on the sector by encouraging the level of investment and regulating the process of obtaining power purchase contracts by distributors to satisfy consumption. Next are listed the latest amendments carried out.

3.3.2 Transmission Law

On July 20, 2016, the new Transmission Law was published in the Official Gazette (Law No. 20.936) that establishes a New Electric Transmission System and creates an Independent Coordinating Agency of the National Electric System.

The main changes proposed by this Law are:

- a) Functional definition of the transmission: The "electricity transmission or transport system" is the set of electrical lines and substations that are part of an electrical system, and that are not intended to provide the public distribution service.
- b) Remuneration: It will be through unique charges that will ensure the recovery of the investment and the administration, operation and maintenance costs efficient and recognized in the tariff decrees. The current volatility is eliminated due to variations in electricity consumption. The recognized value for the 2018-2019 biennium of the existing transmission facilities was set through DS 6T/2018. As of January 2018, it ensures the income of the decree and eliminates the dependence on demand.

The valuation decree for period 2020-2023 is in the process of record by the Comptrollership, which has retroactive effect to January 2020. In addition, the valuation process for the 2024-2027 is beginning.

Nothing more has happened as of September 2023 in the transmission area, the technical bases were the subject of discrepancy in the expert panel, which issued its dictum in September 2022.

- c) Total open access to installations of transmission systems of the electrical system and may be used by third parties under non-discriminatory technical and economic conditions among all users, through payment of the corresponding transmission system remuneration.
- d) Change in discount rates used to remunerate facility costs from a real annual fixed rate of 10% before taxes at a rate that considers the systematic risk of the companies' own activities in relation to the market, the rate risk free and the prize for market risk, with a floor of 7% real after tax.
- e) Strip Study: The State may establish that certain projects for new facilities may use this mechanism, which consists of delivering to the entity awarded the project a preliminary strip with the approval of the Council of Ministers for Sustainability, and the awarded entity must develop the specific layout within the preliminary strip and obtain the corresponding Resolution of Environmental Qualification for the project. Subsequently, easements are imposed by decree for the interest of the entire nation. With respect to the negotiation and payment of easements, the same current mechanisms are maintained.

3.3.3 Regulating, supervisory, and coordinating agencies

The Chilean electricity industry is regulated mainly by state agencies, including the National Commission of Energy (referred to as "CNE"), the Ministry of Energy, and the Superintendency of Electricity and Fuels (referred to as "SEC"), which perform regulatory, oversight and coordinating functions.

- a) **National Energy Commission ("CNE", in Spanish):** It is primarily responsible for the proper functioning and development of the national energy sector. Specifically, the CNE is responsible for designing industry standards and the calculation of rates. Additionally, it acts as a technical entity and informs the Panel of Experts when divergences arise among the members of the CEN or when there are differences in the processes of pricing, among other matters.
- b) **Superintendence of Electricity and Fuels ("SEC", in Spanish):** Decentralized agency in charge of monitoring and overseeing compliance with the laws, regulations and technical standards governing the generation, production, storage, transportation, and distribution of liquid fuels, gas and electricity. Additionally, it grants provisional concessions and verifies the quality of the services provided.
- c) **Ministry of Energy:** Institution created in 2010, in charge of establishing node prices, transmission and sub-transmission usage charges, and distribution tariffs. In addition, it awards final concessions on the basis of a SEC report. The general objective of the Ministry of Energy is to elaborate and coordinate plans, policies and standards for the sector's proper functioning and development, to ensure compliance with them and to advise the Government on all matters related to energy.
- d) **National Electric Coordinator ("CEN", in Spanish):** Entity created in the Law on Transmission, who has the following functions:
 - To preserve the safety of the service;
 - To guarantee the operation at minimum cost of all the facilities that make up the system;
 - To guarantee access to the transmission facilities to supply the final customers (distributors or free customers).

4. Risk management policy

The risk management strategy is aimed at protecting the Company, its subsidiaries, its employees and their environment from situations that may adversely affect them. To achieve the objectives, financial risk management is based on covering all significant exposures, provided that adequate management techniques exist, and the cost is reasonable.

The main risks to which the Company and its subsidiaries are exposed are as follows:

4.1 Financial risk

The flows of the Company, which are mainly generated by its participation in the electricity business, have a very stable and long-term profile. The transmission business has a tariff structure which contemplates costs as denominated in international and local markets and any associated exchange rate or CPI effects, where applicable.

The Administration and Finance Management of Inversiones Eléctricas de Sur S.A., the controlling party of the Entities, historically has been in charge of identifying and responding to financial risks through mitigation measures proposed to Management and/or the respective Boards of Directors.

The management of financial risks of the Company is performed so as to maintain a balance between cash flows from operating activities and requirements with respect to payment of financial liabilities. As of September 30, 2023, the Company and its subsidiaries had cash and cash equivalents in the amount of ThCLP\$4,998,467. Total borrowings were ThCLP\$458,682,452. Of the total financial liabilities, 1% is repayable within one year (related to interests of the bond), and 99% of the financial liabilities are repayable after more than 5 years (related to bonds).

4.1.1 Exchange rate

The transactions of the Company and its subsidiaries are denominated in US dollars and Chilean pesos.

The Company performs a review of its financial assets and liabilities and the potential impact of the changes in the exchange rate. If the impact could be significant, the Company may contract derivatives to reduce the effects of these impacts in line with its documented hedging strategy.

Those subsidiaries that maintain their functional currency in Chilean pesos are exposed to exchange rate variations of the U.S. dollar through their revenues, given the indexation in this currency for their monthly pricing.

Additionally, these subsidiaries are exposed to exchange rate variations in certain foreign currency expenses, mainly U.S. dollars.

As of September 30, 2023, the Company and its affiliates do not maintain Forward derivative instruments.

Subsidiaries Sagesa S.A., STN, SATT, Cape Leones, STC and Tolchén, have the dollar as their functional currency, because their flows are linked to the evolution of that currency. The flows represented by these companies as part of the Group's consolidated flows are 21.2%. The variances in the assets that these Companies may have due to the effect of difference of change are not managed by the Company.

4.1.2 UF Variance

With respect to the revenue of the Company, more than 62% is denominated in Chilean pesos that are indexed to CPI (local). Tariffs are established taking into account, where applicable, exchange rates (i.e., when supplies are acquired principally in a particular currency) and CPI in the United States or other countries. The local inflation-indexation effects are also incorporated into the associated tariff, or, in the case of unregulated customers, the contracts may be denominated in the inflation-indexed monetary unit of Chile (UF).

4.1.2.1 Sensitivity analysis

The Company and its subsidiaries performed a sensitivity analysis of the variation of the UF for Other financial liabilities, current and non-current, loans and bonds in CLP and UF assuming that all other variables remain constant. This methodology consists of measuring, for the aforementioned interest-bearing liabilities, the positive variation of half a percentage point on an annual basis of the UF for the year of closing of these Financial Statements, with respect to the actual variation of the UF.

As of September 30, 2023, and 2022, the result of the analysis showed that, according to the above condition, there is an increase in the liabilities of the Company in the amount of ThCLP\$407,222 and ThCLP\$513,873, respectively.

The impact on income or loss for the indicated analysis is the following for the periods ended September 30, 2023, and 2022:

Debt type	Total readjustable debt		Variance % increase UF	Effect in profit and loss	
	09-30-2023	09-30-2022		09-30-2023	09-30-2022
	ThCLP\$	ThCLP\$		ThCLP\$	ThCLP\$
Debt in UF (bonds)	109,975,734	138,778,308	0.5%	407,222	513,873

4.1.3 Interest rate risk

The management of this risk is mainly focused on liabilities with the financial system. As of September 30, 2023, the Company maintains 100% of the financial debt associated with a fixed interest rate.

4.1.4 Liquidity risk

Financial resources are obtained from own sources, traditional debt, instruments of public and private offering and capital contributions, always maintaining stable structures and ensuring optimization of the use of the most convenient products in the market. As of September 30, 2023, 98% of debt of the Group is structured with long-term maturities, with annual and/or half-yearly debt service (mainly interest) that are lower than projected flows in conservative scenarios, so as not to have risks of refinancing in the short or long term.

Following is the principal and interest maturity analysis as of September 30, 2023, and December 31, 2022:

Capital and Interest	09-30-2023								
	Current		Non current						Total
	Up to 90 days	More than 90 days up to 1 year	More than 1 year up to 2 years	More than 2 year up to 3 years	More than 3 year up to 4 years	More than 4 year up to 5 years	More than 5 year up to 10 years	More than 10 years	
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Bonds	1,509,813	15,481,173	16,990,986	16,990,986	16,990,986	15,350,022	413,281,888	141,057,184	637,653,038
Lease liabilities	586,938	187,811	160,343	85,138	69,141	72,772	1,220,273	-	2,382,416
Total	2,096,751	15,668,984	17,151,329	17,076,124	17,060,127	15,422,794	414,502,161	141,057,184	640,035,454
Percentage	0%	2%	3%	3%	3%	2%	65%	22%	100%

Capital and Interest	12-31-2022								
	Current		Non current						Total
	Up to 90 days	More than 90 days until 1 year	More than 1 year up to 2 years	More than 2 year up to 3 years	More than 3 year up to 4 years	More than 4 year up to 5 years	More than 5 year up to 10 years	More than 10 years	
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Bonds	41,964,911	9,604,596	16,280,304	16,280,304	16,280,304	16,280,304	89,543,159	520,266,417	726,500,299
Total	41,964,911	9,604,596	16,280,304	16,280,304	16,280,304	16,280,304	89,543,159	520,266,417	726,500,299
Percentage	6%	1%	2%	2%	2%	2%	12%	72%	100%

The Parent Company Inversiones Grupo Saesa Limitada carries out joint management of flows with the Company, which through its surpluses, or through different debt instruments in the financial market, finances new investments in transmission projects of the Group with intercompany loans and these are paid by the subsidiary with the flows generated by these investments or with third-party credits, to the extent that the conditions are favorable.

4.1.5 Credit risk

The Company and subsidiaries are exposed to credit risk due to their operational activities and financial activities. Its policies are intended to reduce non-payment of counterparts and to improve the working capital position.

Credit risk related to financial instruments (time deposits, mutual funds or other) taken with financial institutions, is related to the contracting of instruments that maximize the returns of cash surplus. The Company analyzes the appropriate level of risk to take and maximum exposure, all under the risk margin established and in order to meet short-term obligations.

Investments of cash surpluses are carried out in national financial institutions with very high credit quality risk rating (see Note 6b, Cash and Cash Equivalents), with limits established for each entity and only in fixed income instruments. In no case is it considered or contemplated the possibility of making an investment in order to speculate in the national or foreign capital market.

5. Judgments and estimates of Management in applying the entity's significant accounting policies

Company Management is responsible for the information contained in these Consolidated Interim Financial Statements.

The preparation of the accompanying Consolidated Interim Financial Statements requires the use of certain judgments, estimates and assumptions by Management that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The following are the significant judgments, estimates and assumptions used by management in the preparation of these Consolidated Interim Financial Statements:

- a) **Economic useful life of assets:** The useful life of property, plant and equipment that are used for the purpose of calculating depreciation is determined based on technical studies prepared by external and internal specialists. In addition, these studies are used for new acquisitions of property, plant and equipment, or when indicators exist that the useful lives of these assets should be changed. These calculations require the use of estimates and assumptions such as technological change and expected term of operational availability of transmission assets. Changes in estimates are accounted for prospectively.
- b) **Impairment of assets:** The Company reviews the book value of their tangible and intangible assets to determine if there is any indication that the book value cannot be recovered. If such an indication exists, the recoverable value of the asset is estimated to determine the extent of the impairment. In the impairment assessment, assets that do not generate independent cash flow are grouped into a Cash Generating Unit ("CGU") to which the asset belongs. The recoverable amount of these assets or CGU, is measured as the greater value between its fair value (the value in use) and its book value. These assessments require the use of estimates and assumptions such as:
 - Revenues from transmission tolls: The value of transmission tolls (of the Regulated and Non-Regulated Transmission Systems) in accordance with the rate decrees (or existing contracts) and the possible impact of the regulation.
 - Investments in property, plant and equipment: The requirements of the new facilities to absorb the demand, as well as the regulatory requirements (example: Investment by Technical Standard) are considered in these projections. The Investment Plan is periodically updated to deal with the growth of the business.

- Fixed costs: Fixed costs are projected taking into account the current base, the growth of sales, customers and investments. Both in relation to staffing (considering salary adjustments and the Chilean CPI), as well as other operation and maintenance costs, and the projected level of inflation.
 - Macroeconomic variables: The macroeconomic variables (inflation, exchange rate, among others) necessary to project the flows (sales rates and costs) are obtained from third-party reports.
- c) **Revenues and operating costs:** The Group considers as revenue, in addition to services billed in the period, an estimate for the services provided pending billing at the end of the period, considering that the metering is performed during the month according to a metering program. In addition, the costs associated with such revenues have been duly included as operating costs. It is also considered as part of the revenues and costs of the operation, the estimation of certain amounts of the Electricity System (among others, purchase and sale of energy and toll collection) that allow settlements between the different companies of the System for services already provided. These values will be reversed once the final settlements are issued by the responsible regulator and recorded in the general ledger.
- d) **Litigation and contingencies:** The final cost for claims and lawsuits could vary due to estimates based on different interpretations of the regulations, opinions and final evaluations of the amount of damages. Therefore, any change in the circumstances involved could have a significant effect on the amount of the provision recorded.

6. Cash and cash equivalents

a) The detail of this item as of September 30, 2023, and December 31, 2022, is as follows:

Cash and cash equivalents	09-30-2023	12-31-2022
	ThCLP\$	ThCLP\$
Cash on hand	100	100
Bank balances	851,549	1,134,209
Other fixed income instruments	4,146,818	7,193,437
Total cash and cash equivalents	4,998,467	8,327,746

b) The detail of Other fixed income instruments is as follows:

Company name	Abbreviated name	Financial institution name	Financial instrument name	Currency	Risk classification	Investment amount	
						09-30-2023 ThCLP\$	12-31-2022 ThCLP\$
Sociedad de Transmisión Austral S.A.	STA	BCI Asset Management Administradora General de Fondos S.A.	Mutual funds	CLP	AA+fm/M1	-	2,477,298
Sociedad de Transmisión Austral S.A.	STA	BCI Asset Management Administradora General de Fondos S.A.	Mutual funds	USD	AA+fm/M1	-	856,303
Sociedad de Transmisión Austral S.A.	STA	Banco Estado S.A. Administradora General de Fondos	Mutual funds	CLP	AA+fm/M1	284,748	-
Sistema de Transmisión del Norte S.A.	STN	Banco Estado S.A. Administradora General de Fondos	Mutual funds	CLP	AA+fm/M1	3,283,221	1,958,933
Sociedad Austral de Transmisión Troncal S.A.	SAT	Banco Estado S.A. Administradora General de Fondos	Mutual funds	CLP	AA+fm/M1	293,265	578,088
Línea de Transmisión Cabo Leones S.A.	CABO LEONES	Banco Estado S.A. Administradora General de Fondos	Mutual funds	CLP	AA+fm/M1	-	251,468
Sistema de Transmisión del Sur S.A.	STS	Banco Estado S.A. Administradora General de Fondos	Mutual funds	CLP	AA+fm/M1	285,584	1,071,347
Total Other fixed income instruments						4,146,818	7,193,437

Other fixed income instruments correspond to a portfolio of fixed income instruments, such as mutual funds, time deposits of less than three months from the date of the investment, which are taken out by the Company and its subsidiaries to maximize returns on cash surpluses, without exceeding the level of risk and maximum exposure as defined by Management.

These instruments are held to meet short-term payment commitments and they are easily convertible into given amounts of cash and are subject to a low risk of change in value. Such instruments accrue market interest for these types of operations and are not subject to restrictions.

c) The detail per currency type of the cash and cash equivalents is as follows:

Detail of cash and cash equivalent	Currency	09-30-2023	12-31-2022
		ThCLP\$	ThCLP\$
Amount of cash and cash equivalents	CLP	4,897,808	7,041,254
Amount of cash and cash equivalents	USD	100,659	1,286,492
Total Detail by type of currency		4,998,467	8,327,746

d) The following table details the changes in liabilities arising from financing activities of the Company, including those changes that represent cash flows and changes that do not represent cash flows as of September 30, 2023, and December 31, 2022:

Changes in liabilities arising from financing activities	Cash flows											Changes other than cash					09-30-2023
	12-31-2022		Loan repayment	Interests paid	Loans	Related entities loans	Financial leases payments	Accrual interests	UF adjustment	Exchange adjustment	New Financial leases	Transfers	Amortization	12-31-2022			
	ThCLP\$	ThCLP\$													ThCLP\$	ThCLP\$	
Financial leases - Current	702,208	-	-	-	-	-	62,946	29,923	-	-	(20,328)	-	774,749				
Financial leases - Non-current	1,655,543	-	(12,347)	-	-	(203,926)	-	57,829	-	90,240	20,328	-	1,607,667				
Bonds	442,270,122	-	(14,197,665)	-	-	-	11,859,737	3,359,177	15,146,611	-	-	244,470	458,682,452				
Current account loans, current	288,196	-	(1,746,985)	-	-	-	1,568,162	220	17,204	-	84,067	-	210,864				
Current account loans, non-current	68,277,734	(49,989,277)	-	-	64,694,110	-	-	193,397	5,106,617	-	(8,050,544)	-	80,234,037				
Total	513,193,803	(49,989,277)	(15,956,997)	-	64,694,110	(203,926)	13,490,845	3,640,546	20,272,432	90,240	(7,966,477)	244,470	541,508,769				

Changes in liabilities arising from financing activities	Cash flows											Changes other than cash					12-31-2022
	12-31-2021		Loan repayment	Interests paid	Loans	Related entities loans	Financial leases payments	Accrual interests	UF adjustment	Exchange adjustment	New Financial leases	Transfers	Amortization	12-31-2021			
	ThCLP\$	ThCLP\$													ThCLP\$	ThCLP\$	
Financial leases - Current	329,609	-	(17,178)	-	-	-	23,120	(16,236)	-	-	382,893	-	702,208				
Financial leases - Non-current	1,482,146	-	-	-	-	(251,506)	-	62,699	-	387,714	(25,510)	-	1,655,543				
Bonds	126,065,394	(34,998,470)	(11,210,228)	305,226,312	-	-	16,274,121	16,775,528	22,179,236	-	1,547,882	410,347	442,270,122				
Current account loans, current	2,128,555	-	(5,924,896)	-	-	-	4,113,479	-	(84,949)	-	56,004	-	288,196				
Current account loans, non-current	331,055,584	(332,334,217)	-	-	94,915,296	-	-	-	(13,515,484)	-	(11,843,445)	-	68,277,734				
Total	461,061,288	(367,332,687)	(17,152,302)	305,226,312	94,915,296	(251,506)	20,410,720	16,821,991	8,578,806	387,714	(9,882,176)	410,347	513,193,803				

7. Trade and other receivables

The details of Trade and other receivables as of September 30, 2023, and December 31, 2022, is as follows:

Trade and other accounts receivables, gross	Current		Non current	
	09-30-2023	12-31-2022	09-30-2023	12-31-2022
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Trade debtors, gross	30,757,413	38,680,150	4,413,177	7,930,166
Other accounts receivable, gross	3,516,892	4,671,367	493,376	345,504
Total	34,274,305	43,351,517	4,906,553	8,275,670

Trade and other accounts receivables, net	Current		Non current	
	09-30-2023	12-31-2022	09-30-2023	12-31-2022
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Trade debtors, net	30,219,127	37,929,071	4,413,177	7,930,166
Other accounts receivable, net	3,516,892	4,671,367	493,376	345,504
Total	33,736,019	42,600,438	4,906,553	8,275,670

Provision for impairment of trade and other accounts receivable	Current		Non current	
	09-30-2023	12-31-2022	09-30-2023	12-31-2022
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Trade accounts receivable	538,286	751,079	-	-
Total	538,286	751,079	-	-

The detail of trade and other receivables billed and unbilled or provisioned for as of September 30, 2023, and December 31, 2022, is as follows:

Trade and other accounts receivables, gross	Current		Non current	
	09-30-2023	12-31-2022	09-30-2023	12-31-2022
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Billed	10,898,356	10,501,186	-	-
Energy and tolls	9,102,073	7,685,577	-	-
Imports and suppliers advances	1,430,207	2,690,516	-	-
Account receivable ongoing projects	364,264	124,540	-	-
Debtors material and services	1,812	553	-	-
Not billed or provisioned	22,420,048	31,376,817	4,413,177	7,930,166
Energy and tolls use of electric lines	17,024,642	12,762,108	4,413,177	-
Differences to recalculate by new decrees (*)	4,630,698	18,232,465	-	7,930,166
Other	764,708	382,244	-	-
Other (Employees current account)	955,901	1,473,514	493,376	345,504
Total, gross	34,274,305	43,351,517	4,906,553	8,275,670
Impairment provision	(538,286)	(751,079)	-	-
Total, net	33,736,019	42,600,438	4,906,553	8,275,670

The amounts referred to differences to recalculate by new decrees as of September 30, 2023, and December 31, 2022, are detailed below:

Differences to recalculate	Current		Non current	
	09-30-2023	12-31-2022	09-30-2023	12-31-2022
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Transmission valuation ITF (1)	-	16,866,706	-	7,930,166
Transmission decreas pending of issuance (2)	4,630,698	1,365,759	-	-
Total	4,630,698	18,232,465	-	7,930,166

- 1) Concepts generated by valorization of transmission facilities according to the Final Technical Report (ITF) issued by the CNE.
- 2) Corresponding to transmission decrees for issuing associated with the recognition of investment fees that have already entered into operation.

Main concepts of other accounts receivable:

Other accounts receivable	Current		Non current	
	09-30-2023	12-31-2022	09-30-2023	12-31-2022
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Advances for imports and suppliers	1,430,207	2,690,516	-	-
Account receivable ongoing projects	364,264	124,540	-	-
Debtors material and services	1,812	553	-	-
Employee current accounts	955,901	1,473,514	493,376	345,504
Other debtors	764,708	382,244	-	-
Total	3,516,892	4,671,367	493,376	345,504
Impairment provision	-	-	-	-
Total, Net	3,516,892	4,671,367	493,376	345,504

The carrying value of trade and other receivables represents a reasonable approximation of their fair value.

8. Balances and Transactions with Related Parties

8.1 Shareholders

The detail of the Company's shareholders as of September 30, 2023, is as follows:

Shareholders	Number of shares		Total	Ownership %
	Series A	Series B		
Inversiones Eléctricas del Sur S.A.	371,662,703	38,327,579,739,556	38,327,951,402,259	99.969358%
Inversiones Grupo Saesa Ltda.	375,450	10,977,866,271	10,978,241,721	0.028634%
Cóndor Holding SpA	248,037,779	-	248,037,779	0.000647%
Other non-controlling interests	17,386	521,712,917	521,730,303	0.001361%
Total	620,093,318	38,339,079,318,744	38,339,699,412,062	100.00%

8.2 Balances and transactions with related parties

Transactions between the Company and its subsidiaries occur in the normal operations of its line of business both in terms of objective and the terms and conditions. These transactions have been eliminated in the process of consolidation and are not included in this note.

Among the main transactions between related companies include the purchase and sale of electricity and tolls. The prices of electricity in these operations are set by the authorities or by the market, and the tolls are controlled by the sector's regulatory framework.

The purchase and sale of materials is performed at average warehouse prices.

Inter-company loans are regulated within a framework of consolidated cash management, which falls mainly to the subsidiaries Saesa, Frontel and the Company, in charge of defining the optimal flows between related parties. Management has established that these loans will be due in a period of more than 12 months. Current account loans pay market interest. These loans have amount limits between companies, as indicated in the bond contracts, which are periodically monitored and have been fully complied with at the closing date of the Consolidated Interim Financial Statements (see note 27).

At the date of these Consolidated Interim Financial Statements, there are no guarantees furnished on the balances with related companies, or impairment provisions for them.

The balances of unconsolidated receivables and payables between the Company and its related companies are as follows:

a) Accounts receivable from related entities, current and non-current:

Taxpayer ID	Company	Country	Description of the transaction	Deadline for transaction	Nature of relationship	Currency	Current		Non current	
							09-30-2023	12-31-2022	09-30-2023	12-31-2022
							ThCLPS	ThCLPS	ThCLPS	ThCLPS
96.531.500-4	Compañía Eléctrica Osomo S.A.	Chile	Expense recovery	Less than 90 days	Common parent	CLP	425,786	219,450	-	-
76.073.162-5	Sociedad Austral de Electricidad S.A.	Chile	Energy sale	Less than 90 days	Common parent	CLP	792,771	147,703	-	-
76.073.162-5	Sociedad Austral de Electricidad S.A.	Chile	Tolls	Less than 90 days	Common parent	CLP	3,457,422	2,014,446	-	-
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Chile	Current account loans (interest)	Less than 90 days	Common parent	UF	135,528	94,634	-	-
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Chile	Current account loans (capital)	More than 1 year	Common parent	CLP	-	-	4,892,038	4,745,192
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Chile	Expense recovery	Less than 90 days	Common parent	CLP	-	3,259	-	-
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Chile	Energy sale	Less than 90 days	Common parent	CLP	-	135,041	-	-
77.282.311-8	Sociedad Transmisora Metropolitana II S.A.	Chile	Expense recovery	Less than 90 days	Common parent	CLP	1,303,482	-	-	-
96.531.500-4	Compañía Eléctrica Osomo S.A.	Chile	Energy and tolls	Less than 90 days	Common parent	CLP	32,142	22,868	-	-
88.272.600-2	Empresa Eléctrica de Aisén S.A.	Chile	Expense recovery	Less than 90 days	Common parent	CLP	114,210	307,470	-	-
77.227.565-K	Saesa Innove Soluciones SpA	Chile	Expense recovery	Less than 90 days	Common parent	CLP	-	5	-	-
77.227.565-K	Saesa Innove Soluciones SpA	Chile	Current account loans (interest)	Less than 90 days	Common parent	CLP	-	1,105	-	-
77.227.565-K	Saesa Innove Soluciones SpA	Chile	Current account loans (capital)	More than 1 year	Common parent	USD	-	-	-	427,930
99.528.750-1	Sociedad Generadora Austral S.A.	Chile	Expense recovery	Less than 90 days	Common parent	CLP	5,311,135	-	-	-
77.708.654-5	Saesa Generación S.A.	Chile	Expense recovery	Less than 90 days	Common parent	CLP	109,462	-	-	-
77.227.557-9	Saesa Gestión y Logística SpA	Chile	Expense recovery	Less than 90 days	Common parent	CLP	653	603	-	-
Total							11,682,991	2,946,584	4,892,038	5,173,122

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

b) Accounts payable to related entities, current and non-current:

Taxpayer ID	Company	Country	Description of the transaction	Deadline for transaction	Nature of the relationship	Currency	Current		Non current	
							09-30-2023	12-31-2022	09-30-2023	12-31-2022
							ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Chile	Current account loans (interest)	Less than 90 days	Common parent	CLP	110,109	195,121	-	-
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Chile	Current account loans (capital)	More than 1 year	Common parent	UF	-	-	39,932,037	29,764,035
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Chile	Expense recovery	Less than 90 days	Common parent	CLP	315,636	129,077	-	-
76.024.782-0	Inversiones Grupo Saesa Ltda.	Chile	Current account loans (interest)	Less than 90 days	Common parent	CLP	100,755	93,075	-	-
76.024.782-0	Inversiones Grupo Saesa Ltda.	Chile	Current account loans (capital)	More than 1 year	Common parent	UF	-	-	40,302,000	38,513,699
76.073.162-5	Sociedad Austral de Electricidad S.A.	Chile	Expense recovery	Less than 90 days	Common parent	CLP	224,614	1,101,174	-	-
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Chile	Dividends	Less than 90 days	Common parent	CLP	2,483	5,926	-	-
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Chile	Expense recovery	Less than 90 days	Common parent	CLP	181,723	196,850	-	-
96.531.500-4	Compañía Eléctrica Osorno S.A.	Chile	Expense recovery	Less than 90 days	Common parent	CLP	2,555	6,934	-	-
88.272.600-2	Empresa Eléctrica de Aisén S.A.	Chile	Expense recovery	Less than 90 days	Common parent	CLP	1,587	18	-	-
77.227.565-K	Saesa Innova Soluciones SpA	Chile	Expense recovery	Less than 90 days	Common parent	CLP	51,063	115,017	-	-
77.227.557-9	Saesa Gestión y Logística SpA	Chile	Expense recovery	Less than 90 days	Common parent	CLP	16,778	12,726	-	-
77.282.311-8	Sociedad Transmisora Metropolitana II S.A.	Chile	Expense recovery	Less than 90 days	Common parent	CLP	382	-	-	-
76.024.782-0	Inversiones Grupo Saesa Ltda.	Chile	Dividends	Less than 90 days	Common parent	CLP	5,047	7,056	-	-
76.024.762-6	Cóndor Holding SpA	Chile	Dividends	Less than 90 days	Common parent	CLP	153	228	-	-
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Chile	Dividends	Less than 90 days	Common parent	CLP	10,025,428	8,378,352	-	-
14.655.033-9	Iván Díaz-Molina	Chile	Remuneration Director	Less than 90 days	Common parent	UF	160	-	-	-
6.443.633-3	Jorge Lesser García-Huidobro	Chile	Remuneration Director	Less than 90 days	Common parent	UF	160	314	-	-
Total							11,038,633	10,241,868	80,234,037	68,277,734

(*) As of December 31, 2022 Sistema de Transmisión del Sur S.A hold a current account loan with Inversiones Eléctricas del Sur S.A. destined to financing and the payment of its commitments for an amount of capital of ThUS\$6,820,352.- accruing a total amount of ThUS\$84,284.- in calculated interests with an annual interest rate not capitalizable of 12,02%.

As of January 1, 2023 the company has changed the conditions of the loans from pesos to UF calculated at the closing UF value 2022 for a total of ThUS\$194,251.25 UF.

As of September 30, 2023 the capital debt has been fully paid.

Nevertheless, during the period the company has requested new loans in UF with the parent company equivalent to an amount of ThUS\$2,646,354.- and has effected payments for an amount of ThUS\$1,005,208.- respectively. With the above the balance of the total debt in UF reajusted of capital as of September 30, 2023 increases to a total amount of ThUS\$8,551,728.- (240,382.63 UF) with an interest of ThUS\$23,041.- (647.67 UF) calculated at a non-capitalizable monthly interest rate of 3,1%.

Parent Management has established that the enforceability of the loans will be greater than 12 months, accruing a monthly interest rate on the principal owed. The loan does not have guarantees, its conditions could change and it can be repaid in advance, in part or in its entirety, according to a previous decision of the Administration.

c) The most significant transactions and their effects on profit and loss (charges) credits

Taxpayer ID	Company	Nature of relationship	Description of the transaction	09-30-2023		09-30-2022	
				Transaction amount	Effect of P&L (charge) credit	Transaction amount	Effect of P&L (charge) credit
				ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Parent	Loans on current account (capital)/interest	(10,168,002)	(916,594)	211,587,956	(3,528,273)
76.024.782-0	Inversiones Grupo Saesa Ltda.	Common parent	Loans on current account (capital)/interest	(1,788,301)	(845,184)	-	-
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Common parent	Loans on current account (capital)/interest	146,846	187,740	441,460	481,294
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Common parent	Tolls	615,076	615,076	362,518	362,518
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Common parent	Expense recovery	11,868	-	(332,256)	-
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Common parent	Energy sale	-	-	748,718	748,718
76.073.162-5	Sociedad Austral de Electricidad S.A.	Common parent	Energy sale	-	-	7,882,341	7,882,341
76.073.162-5	Sociedad Austral de Electricidad S.A.	Common parent	Expense recovery	1,082,896	-	5,534,036	-
76.073.162-5	Sociedad Austral de Electricidad S.A.	Common parent	Tolls	19,097,361	19,097,361	8,399,709	8,399,709
96.531.500-4	Compañía Eléctrica Osorno S.A.	Common parent	Expense recovery	13,653	-	(20,044)	-
96.531.500-4	Compañía Eléctrica Osorno S.A.	Common parent	Tolls	1,763,285	1,763,285	924,389	924,389
88.272.600-2	Empresa Eléctrica de Aisén S.A.	Common parent	Expense recovery	(194,829)	-	(52,866)	-
77.227.565-K	Saesa Innova Soluciones SpA	Common parent	Expense recovery	63,949	-	(27,607)	-
77.227.557-9	Saesa Gestión y Logística SpA	Common parent	Expense recovery	(4,002)	-	(61,375)	-
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Parent	Dividends	(1,647,076)	-	-	-
77.282.311-8	Sociedad Transmisora Metropolitana II S.A.	Common parent	Expense recovery	1,303,100	-	-	-
77.708.654-5	Sagesa Generación S.A.	Common parent	Expense recovery	109,462	-	-	-

8.3 Board of Directors and Key Management Personnel

The Company and its subsidiaries are managed by a Board of Directors composed of eight members, who remain in office for a period of two years and may be re-elected.

At the Company's Ordinary Shareholders' Meeting held on April 27, 2022, the Company's Board of Directors was renewed, electing Jorge Lesser García – Huidobro, Iván Díaz – Molina, Juan Ignacio Parot Becker, Waldo Fortín Cabezas, Stacey Purcell, Ashley Munroe, Christopher Powell and Jonathan Reay as Directors for a period of two years.

At its meeting held on May 11, 2022, the Company's Board of Directors elected Mr. Jorge Lesser García-Huidobro as Chairman of the Board and Mr. Iván Díaz-Molina as Vice Chairman.

On August 17, 2022, the Board of Directors of the Company acknowledged the resignation from the Board of Directors of the Company of Christopher Powell, Stacey Purcell and Waldo Fortin. The Board of Directors then proceeded to appoint Shama Naquashbandi, Stephen Best and Luz Granier in their replacement.

As of September 30, 2023, the Board of Directors of the Company is composed of Mr. Jorge Lesser García – Huidobro, Mr. Iván Díaz – Molina, Mr. Juan Ignacio Parot Becker, Mr. Ashley Munroe, Mr. Jonathan Reay, Mrs. Shama Naquashbandi, Mr. Stephen Best y Mrs. Luz Granier.

a) Accounts receivable and payable and other transactions with the Board of Directors

As of September 30, 2023, and December 31, 2022, there are no pending balances payable between the Company and its respective Directors by concept of Directors' Compensation.

There are no balances payable or receivable pending with the Directors for other concepts.

b) Compensation of the Board of Directors

As stipulated in Article 33 of the Law on Corporations No. 18.046, the fees of the Board of Directors are set every year in the Company's Ordinary Shareholders' Meeting.

The Directors are not compensated for carrying out their roles.

The Directors Jonathan Reay, Juan Ignacio Parot Becker, Shama Naquashbandi, Stephen Best, Luz Granier and Ashley Munroe waived the remuneration that would correspond to them for the exercise of the position of Director of the Company. Only Directors Jorge Lesser García-Huidobro and Iván Díaz-Molina will receive their remuneration.

c) Compensation for key management personnel

The Company has no executive officers directly compensated by it.

9. Current Tax Assets and Liabilities

The details of current tax assets as of September 30, 2023, and December 31, 2022, are as follows:

Current tax assets	09-30-2023	12-31-2022
	ThCLP\$	ThCLP\$
Recoverable income tax	20,168,932	-
Recoverable VAT credit, remanent (1)	6,796,577	9,062,424
Credit for absorbed earnings	119,814	1,859,681
Sence Credit	61,579	52,518
Recoverable tax previous year	431,029	2,517,726
Total	27,577,931	13,492,349

(1) Corresponds mainly to VAT tax credit for construction of major works of the subsidiaries, SATT and STC.

The details of deferred tax liabilities as of September 30, 2023, and December 31, 2022, is as follows:

Current tax liabilities	09-30-2023	12-31-2022
	ThCLP\$	ThCLP\$
Income tax	249	9,304,216
VAT tax debit	1,060,080	1,316,200
Other	60,710	49,714
Total	1,121,039	10,670,130

10. Intangibles assets other than Goodwill

The details of this item as of as of September 30, 2023, and December 31, 2022, is as follows:

Intangible assets, net	09-30-2023	12-31-2022
	ThCLP\$	ThCLP\$
Total identifiable intangible assets. Net	70,111,390	67,854,427
Easements	62,927,942	61,650,895
Software	1,124,755	258,891
Intangible assets related with clients	6,058,693	5,944,641

Identifiable intangible assets, gross	09-30-2023	12-31-2022
	ThCLP\$	ThCLP\$
Total identifiable intangible assets, gross	71,614,382	68,855,286
Easements	63,203,583	61,891,435
Software	1,801,340	647,670
Intangible assets related with clients	6,609,459	6,316,181

Total identifiable intangible assets, amortization	09-30-2023	12-31-2022
	ThCLP\$	ThCLP\$
Total identifiable intangible assets, amortization	(1,502,992)	(1,000,859)
Easements	(275,641)	(240,540)
Software	(676,585)	(388,779)
Intangible assets related with clients	(550,766)	(371,540)

The breakdown and movements of intangible assets other than goodwill as of September 30, 2023, and December 31, 2022, are as follows:

Movement of intangibles assets other than Goodwill	Easements, net	Software, net	Intangible assets related to customers, net	Total
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Opening balance as of 01-01-2023	61,650,895	258,891	5,944,641	67,854,427
Transfers (capitalization work in progress)	400,170	1,153,648	-	1,553,818
Amortization expense	(35,101)	(287,806)	(179,226)	(502,133)
Increase (decrease) in foreign currency exchange rate	911,978	22	293,278	1,205,278
Total movements	1,277,047	865,864	114,052	2,256,963
Closing balance at 09-30-2023	62,927,942	1,124,755	6,058,693	70,111,390

Movement of intangibles assets other than Goodwill	Easements, net	Software, net	Intangible assets related to customers, net	Total
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Opening balance as of 01-01-2022	57,920,856	378,652	6,111,517	64,411,025
Transfers (capitalization work in progress)	3,515,162	31,024	-	3,546,186
Increase (decrease) in foreign currency exchange, accumulated amortization	(1,639)	(88)	2,656	929
Amortization expense	(46,248)	(150,750)	(251,966)	(448,964)
Increase (decrease) in foreign currency exchange rate	262,764	53	82,434	345,251
Total movements	3,730,039	(119,761)	(166,876)	3,443,402
Closing balance at 12-31-2022	61,650,895	258,891	5,944,641	67,854,427

The easements and water rights are stated at cost and those acquired after the date of transition to historical costs. The period for exercising such rights generally has no expiration date, so they are considered to be assets with an indefinite useful life and, consequently, are not subject to amortization.

Software or computer programs and licenses are amortized using the straight-line method over 4 to 6 years. The amortization of these assets is presented in “Depreciation and Amortization Expenses” in the Statement of Comprehensive Income.

Intangible assets associated with customer contracts of the Tolchén subsidiary are amortized on a straight-line basis over 25 years, according to the duration of the toll contracts.

During 2021, the increase in Intangible assets other than goodwill, is explained by the increase in identifiable intangible assets of (ThCLP\$6,233 million), caused by the valuation of the toll contracts included in the purchase of the company Tolchén.

In the purchase allocation process, the book values of Tolchén's assets and liabilities were reviewed, and intangible assets at fair value linked to contracts with wind farms, San Gabriel, Tolpán, El Alba and Los Olmos were identified.

11. Goodwill

The detail of goodwill as of September 30, 2023, and December 31, 2022, is as follows:

Taxpayer ID	Company	09-30-2023	12-31-2022
		ThCLP\$	ThCLP\$
90.021.000-0	Sociedad Austral de Electricidad S.A.	64,000,000	64,000,000
91.715.000-1	Empresa Eléctrica de la Frontera S.A.	2,109,123	2,109,123
96.956.660-5	Sociedad Austral de Electricidad S.A.	7,883,969	7,883,969
96.986.780-K	Empresa Eléctrica de la Frontera S.A.	1,725,559	1,725,559
77.122.643-4	Tolchén Transmisión SpA	1,204,517	1,151,070
Total		76,923,168	76,869,721

Due to the requirements of Law No. 21.194, which seeks that distribution companies have an exclusive line of business, on December 31, 2020 when the distribution companies of Grupo Saesa, Sociedad Austral de Electricidad S.A. (Saesa S.A.) and Empresa Eléctrica de la Frontera S.A. (Frontel) were demerged and transferred their transmission assets to the new companies Saesa Transmission S.A. (STS) and Frontel Transmisión S.A. (Frontel TX), respectively, the purchased capital gains associated with the Transmission business were included in the demerge process.

- i. Sociedad Austral de Electricidad S.A. transferred the goodwill associated with the transmission assets in the demerge process. The subsidiary Sistema de Transmisión de Sur S.A. (formerly STS) has an assigned goodwill of ThCLP\$64.000.000 from the acquisition of Grupo Saesa (indirect parent company of Sociedad de Transmisión Austral S.A.) by OTTPP (Ontario Teachers' Pension Plan) and a part of the goodwill reassigned from Saesa S.A. for ThCLP\$2.109.123 associated with transmission assets.
- ii. Empresa Eléctrica de la Frontera S.A. transferred in the split up process a part of the capital gain of Frontel S.A. related to its transmission assets (ThCLP\$9.609.528).
 - The goodwill purchased related to Empresa Eléctrica de la Frontera S.A., Tax ID 96.956.660-5, by ThCLP\$7.883.969 corresponds to the excess paid arising from the purchase of the shares of that Company, carried out in 2001. Subsequently, the purchased Company was absorbed by its corresponding parent company, which came to have the same name as the absorbed Company, leaving the Goodwill.

The purchased goodwill recognized by Sociedad Empresa Eléctrica de la Frontera S.A., formerly Frontel, Tax ID 96.986.780-k, for ThCLP\$1.725.559 corresponds to the amount paid in excess of the fair value of the assets acquired through Inversiones Eléctricas del Sur Dos Ltda., in July 2008. Through a corporate restructuring, a cascade effect of the purchased capital gains mentioned in the previous paragraph was generated, which was finally incorporated into the Company.

- iii. The goodwill purchased related to Tolchén Transmisión SpA, Tax ID 77.122.643-4, corresponds to the amount paid in excess of the fair value of the assets acquired originating from the purchase of the shares made in July 2021.

The summary of the Statement of Financial Position of the acquired Company, including the allocation of the fair value evaluated by the Company at the date of purchase, is presented below (figures without incorporating the capital gain generated in the acquisition):

Assets	Carrying value	Fair value adjustment	Adjusted value	Liabilities	Carrying value	Fair value adjustment	Adjusted value
	ThCLP\$	ThCLP\$	ThCLP\$		ThCLP\$	ThCLP\$	ThCLP\$
Current	444,307	-	444,307	Current (*)	5,462,610	-	5,462,610
Non-current	28,244,870	6,233,747	34,478,617	Non-current (*)	22,441,036	1,613,358	24,054,393
				Net equity	495,532	4,610,389	5,105,921
Total assets	28,689,177	6,233,747	34,922,924	Total liabilities and equity	28,399,178	6,223,747	34,622,925

(*) Current and non-current liabilities correspond mainly to accounts payable with related parties, which were settled as part of the transaction and included in the price paid by the subsidiary STA.

The detail of the fair value of the net assets acquired as of July 9, 2021, and Goodwill is as follows:

Identifiable Assets	ThCLP\$
Cash and cash equivalents	89,537
Trade receivables	317,603
Property, plant and equipment (Note 14)	28,282,036
Intangibles (Note 12)	6,233,747
Identifiable Liabilities	ThCLP\$
Trade payables	239,892
Deferred taxes	1,613,358
Others	227,222
Net assets identified	32,842,453
Purchase price	31,706,406
Goodwill generated in the acquisition	1,136,047

In accordance with the estimates and projections available to the Company's Management, the projections of the cash flows attributable to the Cash Generating Units or groups of them to which the different capital gains are assigned allow their value to be recovered.

12. Property, plant and equipment

These are the balances of the item as of September 30, 2023, and December 31, 2022:

Classes of Property, Plant and Equipment, net	09-30-2023	12-31-2022
	ThCLP\$	ThCLP\$
Total Property, Plant and Equipment, net	711,109,991	668,483,561
Land	11,014,645	11,005,688
Buildings	8,864,387	8,937,527
Plant and equipment	487,214,364	459,025,628
Information technology equipment	619,551	439,879
Fixtures and fittings	463,659	344,928
Motor vehicles	2,511,510	2,770,054
Construction in progress	192,058,499	180,104,191
Other property, plant and equipment	8,363,376	5,855,666

Classes of Property, Plant and Equipment, gross	09-30-2023	12-31-2022
	ThCLP\$	ThCLP\$
Total Property, Plant and Equipment, gross	835,922,973	776,963,740
Land	11,014,645	11,005,688
Buildings	11,174,484	10,959,208
Plant and equipment	604,427,422	561,318,510
Information technology equipment	1,525,486	1,270,707
Fixtures and fittings	885,026	716,238
Motor vehicles	3,578,309	3,478,339
Construction in progress	192,058,499	180,104,191
Other property, plant and equipment	11,259,102	8,110,859

Classes of Accumulated Depreciation and Impairment, Property, Plant and Equipment	09-30-2023	12-31-2022
	ThCLP\$	ThCLP\$
Classes of Accumulated Depreciation and Impairment, Property, Plant and Equipment	(124,812,982)	(108,480,179)
Buildings	(2,310,097)	(2,021,681)
Plant and equipment	(117,213,058)	(102,292,882)
Information technology equipment	(905,935)	(830,828)
Fixtures and fittings	(421,367)	(371,310)
Motor vehicles	(1,066,799)	(708,285)
Other property, plant and equipment	(2,895,726)	(2,255,193)

The following is the detail of property, plant and equipment as of September 30, 2023, and December 31, 2022:

Movement Property, plant and equipment	Land	Buildings, net	Plant and equipment, net	Information technology equipment, net	Fixtures and fittings, net	Motor vehicles, net	Construction in progress, net	Other Property, plant and equipment, net	Total
	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS
Opening balance as of 01-01-2023	11,005,688	8,937,527	459,025,628	439,879	344,928	2,770,054	180,104,191	5,855,666	668,483,561
Additions	-	-	4,654,587	-	12,084	-	38,030,098	-	42,696,769
Transfers (capitalization work in progress)	-	2,002	25,933,678	247,572	132,765	46,402	(29,267,432)	2,887,801	(17,212)
Withdrawals, gross	-	-	-	-	-	(47,501)	-	-	(47,501)
Withdrawals and transfers accumulated depreciation	-	-	(508,230)	-	(2,417)	23,463	-	-	(487,184)
Increase (decrease) in foreign currency exchange accumulated depreciation	-	(22,439)	(2,135,333)	4,163	(4,626)	(118,414)	-	12,159	(2,264,490)
Depreciation expense	-	(252,430)	(12,349,111)	(70,280)	(40,010)	(302,166)	-	(606,337)	(13,622,334)
Increase (decrease) in foreign currency exchange rate	8,957	199,727	12,593,145	(1,783)	20,935	139,672	3,191,642	216,087	16,368,382
Total movements	8,957	(73,140)	28,188,736	175,672	118,731	(258,544)	11,954,308	2,507,710	42,626,430
Closing balance at 09-30-2023	11,014,645	8,864,387	487,214,364	615,551	463,659	2,511,510	192,058,499	8,363,376	711,109,991

Movement Property, plant and equipment	Land	Buildings, net	Plant and equipment, net	Information technology equipment, net	Fixtures and fittings, net	Motor vehicles, net	Construction in progress, net	Other Property, plant and equipment, net	Total
	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS
Opening balance as of 01-01-2022	9,014,615	6,385,065	403,033,327	150,510	389,833	2,380,556	201,735,637	3,312,863	627,502,406
Additions	-	1,693,388	(1,693,388)	-	-	-	54,415,531	-	54,415,531
Transfers (capitalization work in progress)	1,083,189	1,012,875	63,211,509	260,578	6,459	776,946	(69,181,303)	2,829,747	-
Withdrawals, gross	(798)	-	-	(2,687)	(536)	(77,609)	-	-	(81,630)
Withdrawals and transfers accumulated depreciation	-	-	170,397	3,821	535	65,639	-	-	240,392
Increase (decrease) in foreign currency exchange accumulated depreciation	-	(209,451)	(692,089)	(3,735)	(4,742)	(63,014)	-	(24,497)	(997,528)
Depreciation expense	-	(290,201)	(14,751,293)	(30,155)	(48,808)	(335,518)	-	(478,644)	(15,934,619)
Increase (decrease) in foreign currency exchange rate	8,682	145,851	9,747,165	61,547	2,187	23,054	(6,865,674)	216,197	3,339,009
Total movements	1,091,073	2,352,462	55,992,301	289,369	(44,905)	389,498	(21,631,446)	2,542,803	40,981,155
Closing balance at 12-31-2022	11,005,688	8,937,527	459,025,628	439,879	344,928	2,770,054	180,104,191	5,855,666	668,483,561

The Company and its subsidiaries have maintained a policy of doing everything necessary to meet growing demand, preserve the condition of the facilities and adapt the system to technological improvements, with a view to complying with the standards of quality and continuity of the supply stipulated by current regulations.

Additional Information on Property, Plant and Equipment

- Depreciation of property, plant and equipment is presented in the item "Expenses for Depreciation and Amortization of Operating Income".
- The Company and its subsidiaries have risk insurance coverage for their property, plant and equipment (power stations, substations, constructions, contents and inventories), except for the power transmission lines and power grid. The above insurance coverage is effective for 12 to 14 months.
- The amount of property, plant and equipment fully depreciated as of September 30, 2023, and December 31, 2022, is not significant. The Company and its subsidiaries do not have any significant amount of assets not in service or withdrawn from active use.

13. Non-current assets or groups of assets for disposal classified as held for sale or as held for distribution to owners

In the context of the reorganization process being carried out by Saesa Group companies as a result of the enactment of Law No. 21.194 which amended the General Electrical Services Law, establishing a legal obligation of exclusive line of business for energy distribution companies. At the Group level, the actions described in note 1 have been carried out with the objective of complying with the legal obligation of exclusive business and grouping all the transmission companies of the Saesa Group as direct subsidiaries of STA, which meant that within the restructuring process the SGA and Sagesa companies that have the lines of Marketing and Generation had to be temporarily included respectively.

On September 27, 2021, the Company began an international bond placement process under rule 144A/REG-S in order to refinance all the intercompany debt held by the transmission companies and obtain financing for new projects. Considering the market conditions and the type of risk of the transmission business, the placement of this bond will be destined only to finance the transmission subsidiaries of STA, excluding the commercialization and generation businesses of SGA and Sagesa, which have not yet been divested.

According to the above, at the time of the placement of the Bond there was a formal commitment with the potential bondholders, where STA will divest itself of the subsidiaries SGA and Sagesa through a new restructuring process planned for the period 2022, It is for this reason that both subsidiaries have been reclassified and presented within the group of assets and liabilities held for distribution to owners as detailed in note 13.

- a) The detail of the current and non-current balances of this asset as of September 30, 2023, and December 31, 2022, is as follows:

ASSETS	09-30-2023	12-31-2022
	ThCLP\$	ThCLP\$
CURRENT ASSETS		
Cash and cash equivalents	-	12,541,398
Other current non-financial assets	-	374,163
Trade and other receivables, current	-	29,146,659
Current inventories	-	2,292,219
Current tax assets, current	-	564,092
TOTAL CURRENT ASSETS	-	44,918,531
NON-CURRENT ASSETS		
Other financial assets, non-current	-	1,700,084
Other non financial assets, non-current	-	14,722
Trade and other receivables, current	-	1,960
Intangible assets other than goodwill	-	230,748
Property, plant and equipment	-	46,531,965
Deferred tax assets	-	4,364,394
TOTAL NON-CURRENT ASSETS	-	52,843,873
TOTAL ASSETS	-	97,762,404
LIABILITIES	09-30-2023	12-31-2022
	ThCLP\$	ThCLP\$
CURRENT LIABILITIES		
Trade accounts payable and other payables	-	26,340,263
Current tax liabilities, current	-	223,118
Current accruals for employee benefits	-	116,523
Other non-financial liabilities, current	-	207,149
TOTAL CURRENT LIABILITIES	-	26,887,053
NON-CURRENT LIABILITIES		
Deferred tax liability	-	6,180,060
Non-current accruals for employee benefits	-	93,617
Other non-financial liabilities, non-current	-	931
TOTAL NON-CURRENT LIABILITIES	-	6,274,608
TOTAL LIABILITIES	-	33,161,661

b) The detail of the results of discontinued operations as of September 30, 2023, and 2022, is as follows:

STATEMENT OF COMPREHENSIVE INCOME	01-01-2023	01-01-2022
	09-30-2023	09-30-2022
	ThCLP\$	ThCLP\$
Profit (loss)		
Revenue from ordinary activities	8,513,532	64,989,887
Other income	64,315	1,371,780
Raw materials and consumables used	(5,735,272)	(56,955,000)
Employee benefits expenses	(32,409)	(969,366)
Depreciation and amortization expense	-	(1,639,886)
Other expenses, by nature	(2,789,573)	(3,286,969)
Other income (losses)	-	(5,700)
Financial income	-	190,691
Financial expenses	-	(1,079,650)
Impairment of earnings and reversal of impairment losses (impairment losses) determined in accordance with IFRS 9	-	(96,372)
Exchange differences	-	(3,179,709)
Profit and loss by adjustment unit	-	29,909
Profit (loss) before tax	20,593	(630,385)
Tax expenses (profits) from continued operations	-	327,707
Profit (loss) from continued operations	20,593	(302,678)

c) The cash flow from discontinued operations as of September 30, 2023, and 2022, is as follows:

STATEMENT OF CASH FLOWS	09-30-2023	09-30-2022
	ThCLP\$	ThCLP\$
Cash flows from (used in) operating activities		
Types of proceeds for operating activities		
Proceeds from sales of goods and services	-	86,612,829
Types of payments in cash from operating activities		
Payments to suppliers for goods and services	-	(81,868,527)
Payments to and on behalf of employees	-	(865,997)
Other cash payments from operating activities	-	(2,041,956)
Cash flows from (used in) operating activities	-	1,836,349
Income tax paid (refund), classified as operating activities	-	(338,194)
Cash flows from (used in) operating activities	-	1,498,155
Cash flows from (used in) investing activities		
Loans to related entities		(3,944,550)
Purchase of property, plant and equipment, classified as investing activities	-	(7,551,713)
Receivables from related entities	-	18,184,438
Interest received, classified as investing activities	-	271,334
Cash flows from (used in) investing activities	-	6,959,509
Cash flows from (used in) financing activities		
Loans from related entities	-	23,396,627
Loan repayments to related entities	-	(26,260,580)
Dividends paid, classified as financing activities	-	(314,413)
Interests paid, classified as financing activities	-	(948,171)
Cash flows from (used in) financing activities	-	(4,126,537)
Net increase (decrease) in cash and cash equivalent, before the effect of the changes in the exchange rate	-	4,331,127
Effect of exchange rate changes on cash and cash equivalents		
Effect of exchange rate changes on cash and cash equivalents	-	70,662
Net increase (decrease) in cash and cash equivalents	-	4,401,789
Cash and cash equivalents at beginning of the period	-	435,221
Cash and cash equivalents at end of the period	-	4,837,010

14. Income tax and deferred taxes

14.1 Income tax

a) The detail of income tax expense recorded in the Consolidated Interim Statement of Comprehensive Income as of September 30, 2023, and 2022, is as follows:

Expenses (profits) from income taxes	01-01-2023	01-01-2022	07-01-2023	07-01-2022
	09-30-2023	09-30-2022	09-30-2023	09-30-2022
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Current income taxes				
Expense (profit) from current taxes	2,044,592	4,703,393	(4,829,987)	1,386,380
Other current tax expense	679	1,234	108	596
Total Current income taxes, net	2,045,271	4,704,627	(4,829,879)	1,386,976
Deferred taxes				
Deferred tax expense (income) relating to the origination and reversal of temporary differences	8,223,383	(8,318,049)	2,628,420	(2,881,666)
Total deferred tax expense (income), net	8,223,383	(8,318,049)	2,628,420	(2,881,666)
Total expense (income) from for income taxes	10,268,654	(3,613,422)	(2,201,459)	(1,494,690)

b) The reconciliation of the income tax that would result from applying the current tax rate to “Gain (Loss) Before Tax” as of September 30, 2023, and 2022, is as follows:

Reconciliation of accounting profit multiplied by applicable tax rates	01-01-2023	01-01-2022	07-01-2023	07-01-2022
	09-30-2023	09-30-2022	09-30-2023	09-30-2022
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Profit (loss) before tax	26,501,118	5,732,983	(18,258,528)	1,241,895
Total Income (expense) per gains taxes using the legal rate 27%	(7,155,302)	(1,547,905)	4,929,803	(335,312)
Tax effect of income from tax exempt ordinary income	635,706	597,616	68,746	(99,403)
Tax effect of non-deductible expenses for calculating tax profits (losses)	(954,436)	(1,376,952)	(75,048)	(230,682)
Effect for exchange difference	(222,335)	3,365,945	452,746	381,838
Tax effect from changes in tax rates	(668,462)	22,749	(187,029)	103
Tax price-level restatement (investments and equity)	1,172,161	2,156,789	131,598	442,671
Other tax effects from reconciliation of accounting profits and tax (expense) income	(3,075,986)	395,180	(3,119,357)	1,335,475
Total adjustment to tax (expense) income using the statutory rate	(3,113,352)	5,161,327	(2,728,344)	1,830,002
Tax (expense) income using the effective rate	(10,268,654)	3,613,422	2,201,459	1,494,690
Effective tax rate	38.75%	-63.03%	12.06%	-120.36%

14.2 Deferred taxes

a) The details of deferred taxes recorded as of September 30, 2023, and December 31, 2022, is as follows:

Temporary differences Deferred tax assets	09-30-2023	12-31-2022
	ThCLP\$	ThCLP\$
Deferred taxes related to obligations for post-employment benefits	107,809	115,332
Deferred taxes related to provision for uncollectible accounts	143,905	202,714
Deferred taxes related to vacation provision	320,770	183,316
Deferred taxes related to obsolescence provision	935	8,126
Deferred taxes related to anticipated income	2,134,966	2,212,027
Deferred taxes related to prepaid expenses	1,122,379	1,128,208
Deferred taxes related to tax losses	26,251,655	24,292,569
Deferred taxes related to employee benefits provision	47,435	100,897
Deferred taxes related to leases	241,829	191,659
Deferred taxes related to other provisions	690,685	382,474
Deferred taxes related to tax specific diesel taxes	2,223,773	-
Total Temporary differences Deferred tax assets	33,286,141	28,817,322

Temporary differences Deferred tax liabilities	09-30-2023	12-31-2022
	ThCLP\$	ThCLP\$
Deferred taxes related to depreciations	58,145,911	49,099,109
Deferred taxes related to amortizations	1,556,662	1,605,053
Deferred taxes related to prepaid expenses	431,537	344,913
Deferred taxes related to obligations for post-employment benefits	64,502	61,535
Total Temporary differences Deferred tax liabilities	60,198,612	51,110,610

Deferred taxes are presented in the Consolidated Interim Statement of Financial Position as follows:

Temporary differences, net	09-30-2023	12-31-2022
	ThCLP\$	ThCLP\$
Deferred tax assets	33,286,141	28,817,322
Deferred tax liabilities	(60,198,612)	(51,110,610)
Total temporary differences, net	(26,912,471)	(22,293,288)

b) Movements in the items “Deferred taxes”, of the Consolidated Interim Statements of Financial Position as of September 30, 2023, and December 31, 2022, are as follows:

Deferred taxes movement	Assets		Liabilities	
	09-30-2023	12-31-2022	09-30-2023	12-31-2022
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Opening balance	28,817,322	29,110,771	51,110,610	55,872,726
Increase (decrease) for deferred taxes in profit or loss	3,415,584	2,402,508	11,638,967	(4,845,789)
Increase (decrease) for deferred taxes in other comprehensive income	(6,802)	19,072	-	-
Increase (decrease) due to exchange difference	1,060,037	(2,715,029)	(2,550,965)	83,673
Total movements	4,468,819	(293,449)	9,088,002	(4,762,116)
Final balance	33,286,141	28,817,322	60,198,612	51,110,610

Recovery of deferred tax asset balances depends on whether sufficient tax profits are obtained in the future. Management of the Company and subsidiaries considers that projections of future profits of the various companies making up the Group are sufficient to recover these assets.

The Company and its subsidiaries are domiciled in Chile, so the local regulations in force apply equally to all of them.

15. Other financial assets and liabilities, current

a) The detail of current and non-current balances as of September 30, 2023, and December 31, 2022, as follows:

Other financial liabilities, current and non current	Current		Non current	
	09-30-2023	12-31-2022	09-30-2023	12-31-2022
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Bonds	3,788,744	6,263,293	454,893,708	436,006,829
Total	3,788,744	6,263,293	454,893,708	436,006,829

b) The breakdown by currencies and maturities of the Obligations with the public Bonds as of September 30, 2023, and December 31, 2022, is as follows:

Name debtor company	Country	Type of debt	Type of currency	Type of amortization	Nominal interest rate	Guarantee	09-30-2023										
							Current			Non current							Total non-current
							Up to 1 year	More than 1 year up to 2 years		More than 2 year up to 3 years		More than 3 year up to 4 years		More than 4 year up to 5 years		More than 5 years	
							Up to 90 days	More than 90 days up to 1 year	Total current	More than 1 year up to 2 years	More than 2 year up to 3 years	More than 3 year up to 4 years	More than 4 year up to 5 years	More than 5 years			
Sociedad de Transmisión Austral S.A.	Chile	STASCL 32	USD	Annual	0.35%	No guarantee	-	2,405,600	2,405,600	-	-	-	-	-	-	344,629,964	344,629,964
Sistema de Transmisión del Sur S.A.	Chile	Bond Series A / N° 923	UF	Half-yearly	2.80%	No guarantee	-	1,383,144	1,383,144	-	-	-	-	-	-	110,263,744	110,263,744
Total							-	3,788,744	3,788,744	-	-	-	-	-	-	454,893,708	454,893,708

Name debtor company	Country	Type of debt	Type of currency	Type of amortization	Nominal interest rate	Guarantee	12-31-2022										
							Current			Non current							Total non-current
							Up to 1 year	More than 1 year up to 2 years		More than 2 year up to 3 years		More than 3 year up to 4 years		More than 4 year up to 5 years		More than 5 years	
							Up to 90 days	More than 90 days up to 1 year	Total current	More than 1 year up to 2 years	More than 2 year up to 3 years	More than 3 year up to 4 years	More than 4 year up to 5 years	More than 5 years			
Sociedad de Transmisión Austral S.A.	Chile	STASCL 32	USD	Annual	0.35%	No guarantee	-	5,647,411	5,647,411	-	-	-	-	-	-	329,038,154	329,038,154
Sistema de Transmisión del Sur S.A.	Chile	Bond Series A / N° 923	UF	Half-yearly	2.80%	No guarantee	615,882	-	615,882	-	-	-	-	-	-	106,968,675	106,968,675
Total							615,882	5,647,411	6,263,293	-	-	-	-	-	-	436,006,829	436,006,829

16. Trade and Other Accounts Payable

The details of this item as of as of September 30, 2023, and December 31, 2022, is as follows:

Trade accounts payable and other payables	Current		Non current	
	09-30-2023	12-31-2022	09-30-2023	12-31-2022
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Trade accounts payable	54,053,963	32,583,348	20,634	20,634
Other accounts payable	3,660,142	2,226,981	-	-
Total trade and other accounts payables	57,714,105	34,810,329	20,634	20,634

17. Financial instruments

17.1 Financial instruments by category

By category, the assets and liabilities of financial instruments are as follows:

a) Financial assets

Financial assets	09-30-2023		
	At amortized cost	At fair value with changes in income or loss	Total
	ThCLP\$	ThCLP\$	ThCLP\$
Cash and cash equivalents	851,649	4,146,818	4,998,467
Trade and other accounts receivable, current and non-current	38,642,572	-	38,642,572
Due from related entities, current and non-current	16,574,629	-	16,574,629
Other financial assets, non-current	1,292,728	-	1,292,728
Total financial assets	57,361,578	4,146,818	61,508,396

Financial assets	12-31-2022		
	At amortized cost	At fair value with changes in income or loss	Total
	ThCLP\$	ThCLP\$	ThCLP\$
Cash and cash equivalents	1,134,309	7,193,437	8,327,746
Trade and other accounts receivable, current and non-current	50,876,108	-	50,876,108
Due from related entities, current and non-current	8,119,706	-	8,119,706
Total financial assets	60,130,123	7,193,437	67,323,560

b) Financial liabilities

Financial liabilities	09-30-2023		
	At amortized cost	Hedge derivative	Total
	ThCLP\$	ThCLP\$	ThCLP\$
Other financial liabilities, current and non current	458,682,452	-	458,682,452
Lease liabilities, current and non-current	2,382,416	-	2,382,416
Trade and other accounts payable, current and non-current	57,734,739	-	57,734,739
Due to related entities, current and non-current	91,272,670	-	91,272,670
Total financial liabilities	610,072,277	-	610,072,277

Financial liabilities	12-31-2022		
	At amortized cost	Hedge derivative	Total
	ThCLP\$	ThCLP\$	ThCLP\$
Other financial liabilities, current and non current	442,270,122	-	442,270,122
Lease liabilities, current and non-current	2,357,751	-	2,357,751
Trade and other accounts payable, current and non-current	34,830,963	-	34,830,963
Due to related entities, current and non-current	78,519,602	-	78,519,602
Total financial liabilities	557,978,438	-	557,978,438

17.2 Fair value of financial instruments

a) Fair value of financial instruments accounted for at amortized cost

The following summarizes the fair values of the main financial assets and liabilities, including those that are not presented at fair value in the Statement of Financial Position.

Financial assets	09-30-2023	
	Carrying value	Fair value
	ThCLP\$	ThCLP\$
Investments held at amortized cost		
Cash on hand	100	100
Bank balances	851,549	851,549
Trade and other accounts receivable, current and non-current	38,642,572	38,642,572

Financial liabilities	09-30-2023	
	Carrying value	Fair value
	ThCLP\$	ThCLP\$
Financial liabilities held at amortized cost		
Other financial liabilities, current and non current (bonds)	458,682,452	434,725,014
Lease liabilities, current and non-current	2,382,416	2,382,416
Trade and other accounts payable, current and non-current	57,734,739	57,734,739

b) Methodology and assumptions used in the calculation of fair value

The fair value of financial assets and liabilities were determined using the following methodology:

- Trade accounts and other current accounts receivable, trade accounts payable and other accounts payable correspond to receivables mainly associated with energy sales and tolls, which have a short-term collection horizon, and on the other hand, they do not have a formal market where they are traded. Accordingly, valuation at cost or amortized cost is a good approximation of fair value.
- The fair value of the bonds and the bank was determined based on market price references, since these instruments are traded in the market under standard conditions and with a high degree of liquidity.

c) Recognition of Fair Value Measurements in the Consolidated Financial Statements:

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

18. Other Non-Financial Liabilities

The details of this item as of as of September 30, 2023, and December 31, 2022, is as follows:

Other non-financial liabilities	Current		Non current	
	09-30-2023	12-31-2022	09-30-2023	12-31-2022
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Other works of third parties	925,194	683,849		-
Prepaid income for tolls sale	386,445	386,445	7,536,500	7,821,915
Other non financial liabilities (*)		-	3,271,856	3,185,756
Total other non-financial liabilities	1,311,639	1,070,294	10,808,356	11,007,671

(*) Includes purchase option with IBL for the acquisition of Tolchén on July 9, 2021 (ThCLP\$3,209,853).

The detail of the Advance Revenues from the sale of tolls as of September 30, 2023, and December 31, 2022, is as follows:

Clients	Settlement date	Current		Non current	
		09-30-2023	12-31-2022	09-30-2023	12-31-2022
		ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Hidroensur, Hidronalcas and Hidropalmar	06-01-2042	91,929	91,929	1,631,749	1,700,696
Hidroensur, Hidronalcas and Hidropalmar	06-01-2042	83,571	83,571	1,483,375	1,546,053
Hidroensur, Hidronalcas and Hidropalmar	06-01-2042	23,102	23,102	860,041	896,025
Hidroensur, Hidronalcas and Hidropalmar	12-01-2043	27,537	27,537	536,744	557,397
Hidroensur, Hidronalcas and Hidropalmar	08-01-2042	47,223	47,223	396,640	413,400
Hidroensur, Hidronalcas and Hidropalmar	06-01-2045	16,371	16,371	355,830	368,108
Hidroensur, Hidronalcas and Hidropalmar	11-01-2046	14,852	14,852	354,889	366,029
Hidroensur, Hidronalcas and Hidropalmar	08-01-2042	17,397	17,397	312,243	325,291
Hidroensur, Hidronalcas, Hidropalmar, Hidro Ensenada and Hidrobonito	-	48,796	48,796	1,122,379	1,158,974
Parque Eólico Cabo Leones I.S.A.	12-31-2047	-	-	151,222	149,012
Ibereólica Cabo Leones II S.A.	12-31-2047	-	-	151,221	149,012
Eólica La Esperanza S.A.	03-31-2036	15,667	15,667	180,167	191,918
Total Clients		386,445	386,445	7,536,500	7,821,915

19. Equity

19.1 Net equity of the Company

19.1.1 Subscribed and Paid-in Capital

As of September 30, 2023, the issued capital of the Company amounts to ThCLP\$166.064.578. The capital is represented by 620.093.318 series A shares (all subscribed and paid) and 38.352.069.948.752 series B shares, of which 12.990.630.008 are subscribed and pending payment (12.401.271.096 Grupo Saesa and 589.358.912 other non-controlling interest).

On December 28, 2021, at the Company's Extraordinary Shareholders' Meeting, it was agreed to increase the Company's capital for an amount of ThCLP\$106.292.019, through the issuance of 20.343.540.014.041 series B shares.

Capital increase was subscribed and paid by Inversiones Eléctricas del Sur S.A. through the total contribution of the shares owned by Sistema de Transmisión del Sur S.A. (STS).

The series A shares have all the rights that the current regulations confer on ordinary shares. On the other hand, series B shares have all the rights that current legislation confers on ordinary shares, but that have the preference to call meetings of shareholders (they will have the privilege of convening ordinary and extraordinary shareholders' meetings, when requested, at least, 5% of these shares) and the limitation to elect Directors (they will not have the right to elect Directors).

19.1.2 Other reserves

The details of Other reserves as of September 30, 2023 and 2022 are as follows:

Movements other reserves	Opening balance as of 01-01-2023	Reserves for translation differences	Reserve for cash flows hedge	Reserve for actuarial gains or losses in defined benefit plans	Other sundry reserves	Closing balance at 09-30-2023
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Reserves for translation differences, net of deferred taxes	16,605,300	(3,454,246)	-	-	-	13,151,054
Reserves of actuarial gains or losses in defined benefit plans, net of deferred taxes	(134,330)	-	-	(104,696)	-	(239,026)
Other sundry reserves (*)	134,922,354	-	-	-	(8,543,381)	126,378,973
Total	151,393,324	(3,454,246)	-	(104,696)	(8,543,381)	139,291,001

Movements other reserves	Opening balance as of 01-01-2022	Reserves for translation differences	Reserve for cash flows hedge	Reserve for actuarial gains or losses in defined benefit plans	Other sundry reserves	Closing balance at 09-30-2022
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Reserves for translation differences, net of deferred taxes	23,100,268	11,910,843	-	-	-	35,011,111
Cash flows hedge reserves, net of taxes	112,564	-	(112,564)	-	-	-
Reserves of actuarial gains or losses in defined benefit plans, net of deferred taxes	(205,468)	-	-	(47,809)	-	(253,277)
Other sundry reserves	134,922,354	-	-	-	-	134,922,354
Total	157,929,718	11,910,843	(112,564)	(47,809)	-	169,680,188

On December 28, 2021, in the context of the reorganization process that the SAESA Group companies are carrying out as a result of the enactment of Law No. 21.194 that modified the General Electric Services Law, the Company carried out a capital increase through the exclusive issuance of new Series B shares. Said capital increase was subscribed and paid by Inversiones Eléctricas del Sur S.A. through the total contribution of the shares owned by Sistema de Transmisión del Sur S.A. (STS). Thus, the transfer of New STS shares from Eléctricas to STA was 10.078.417.668.726 shares distributed in 416.201.830 Series A shares and 10.078.001.466.896 Series B shares. Those that originated an adjustment in other reserves of ThCLP\$154.339.821. As it is an operation between related parties, the effects that originate must form part of the equity. Under this guideline, the company reclassified this effect in Other reserves.

(*) On December 1, 2021, the merger was carried out by incorporating the transmission companies Former STS, Frontel Transmisión into New STS, leaving the new Company as legal successor. After the merger, the company was renamed Sistema de Transmisión del Sur S.A. or STS. This merger gave rise to a tax gain that gave rise to a deferred tax asset of ThCLP\$12.063 million. As it is an operation between related parties, the effects that originate must form part of the equity. Under this guideline, the Company reclassified this effect in Other reserves.

19.1.3 Translation Differences

The detail of the subsidiaries and related companies that present translation differences net of taxes as of September 30, 2023, and 2022 is as follows:

Reserves for translation differences		09-30-2023	09-30-2022
		ThCLP\$	ThCLP\$
Sociedad Generadora Austral S.A.	SGA	-	6,926,490
Sagesa S.A.	SAGESA TX	450,655	15,251,142
Sistema de Transmisión del Centro S.A.	STC	5,416,864	6,625,967
Sistema de Transmisión del Norte S.A.	STN	7,145,425	7,075,473
Sociedad Austral de Transmisión Troncal S.A.	SATT	5,112,370	6,691,150
Línea de Transmisión Cabo Leones S.A.	CABO LEONES	1,087,226	1,287,112
Sociedad de Transmisión Austral S.A.	STA	(6,284,603)	(9,263,509)
Tolchén Transmisión SpA	TOLCHÉN	223,117	417,286
Total Reserves for translation differences		13,151,054	35,011,111

The translation reserve comes from exchange differences that arise from the conversion of the subsidiary which have functional currency dollar.

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

19.1.4 Retained Earnings

The detail of Retained earnings as of September 30, 2023, and 2022 is as follows:

Movement Retained earnings (Accumulated deficit)	Accumulated distributable net earnings	Total
	ThCLP\$	ThCLP\$
Opening balance as of 01-01-2023	38,094,400	38,094,400
Gain attributable to owners of the controlling interest	16,229,098	16,229,098
Reversal of provision dividend previous year	8,380,690	8,380,690
Dividend paid prior year	(39,792,262)	(39,792,262)
Provision minimum dividend for the year	(10,027,812)	(10,027,812)
Total movements	(25,210,286)	(25,210,286)
Closing balance at 09-30-2023	12,884,114	12,884,114

Movement Retained earnings (Accumulated deficit)	Accumulated distributable net earnings	Total
	ThCLP\$	ThCLP\$
Opening balance as of 01-01-2022	35,638,738	35,638,738
Gain attributable to owners of the controlling interest	9,029,448	9,029,448
Reversal of provision dividend previous year	1,566,079	1,566,079
Dividend paid prior year	(26,240,119)	(26,240,119)
Provision minimum dividend for the year	(2,254,779)	(2,254,779)
Total movements	(17,899,371)	(17,899,371)
Closing balance at 09-30-2022	17,739,367	17,739,367

19.2 Capital management

The objective of the Company and its subsidiaries is to maintain an adequate level of capitalization to ensure that they can accomplish their operating and financial objectives in the medium and long term in order to generate returns for their shareholders.

19.3 Restrictions on the Disposal of Funds

As of September 30, 2023, the Company and its subsidiaries do not present restriction with the cash flow delivery to the shareholders.

20. Revenue from ordinary activities and other income

The details of this item of the Consolidated Interim Statement of Comprehensive Income as of September 30, 2023, and 2022 is as follows:

Revenue from ordinary activities	01-01-2023	01-01-2022	07-01-2023	07-01-2022
	09-30-2023	09-30-2022	09-30-2023	09-30-2022
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Revenue recognition over time				
Transmission	77,976,287	71,567,530	15,930,613	24,544,231
Total revenue recognition over time	77,976,287	71,567,530	15,930,613	24,544,231
Total revenue from ordinary activities	77,976,287	71,567,530	15,930,613	24,544,231

Other income	01-01-2023	01-01-2022	07-01-2023	07-01-2022
	09-30-2023	09-30-2022	09-30-2023	09-30-2022
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Recognition of revenue at a point in time				
Service supply (*)	4,363,569	-	619,806	-
Construction of works and works to third parties	2,257,853	1,782,438	863,339	778,960
Leases	9,000	2,000	2,000	2,000
Credits and loans interests	16,634	10,106	5,732	3,658
Demand management revenues and mobile equipment	28,862	4,133	7,681	1,183
Other revenues	280,815	16,005	1,784	4,735
Total revenue recognition at a point in time	6,956,733	1,814,682	1,500,342	790,536
Recognition of revenue at a point in time				
Sale of material and equipment	15,935,703	9,453,994	5,747,075	3,789,769
Total revenue recognized at a point in time	15,935,703	9,453,994	5,747,075	3,789,769
Total other revenues	22,892,436	11,268,676	7,247,417	4,580,305

(*) It corresponds to the new contract for the service supply with Sociedad Transmisora Metropolitana II S.A.

21. Expenses for Benefits to Employees

The details of this item of the income statement accounts as of September 30, 2023, and 2022 is as follows:

Employee benefits expenses	01-01-2023	01-01-2022	07-01-2023	07-01-2022
	09-30-2023	09-30-2022	09-30-2023	09-30-2022
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Wages and remunerations	18,835,365	10,815,572	6,609,596	4,130,022
Other benefits to employees, short-term	1,869,204	1,569,434	336,916	624,473
Expenses for post employment benefits, defined benefit plans	638,412	551,630	180,622	189,373
Capitalization employee expenses	(2,352,581)	(1,552,133)	(789,344)	(517,282)
Total employee benefits expenses	18,990,400	11,384,503	6,337,790	4,426,586

22. Expense for depreciation and amortization

The details of this item of the Consolidated Interim Statement of Comprehensive Income as of September 30, 2023, and 2022 is as follows:

Depreciation and amortization expense	01-01-2023 09-30-2023	01-01-2022 09-30-2022	07-01-2023 09-30-2023	07-01-2022 09-30-2022
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Depreciation of property, plant and equipment	13,622,334	11,703,811	4,852,215	4,170,992
Amortization of intangibles	502,133	335,267	187,214	116,795
Amortization for right of use assets	271,767	133,659	91,805	46,280
Total depreciation and amortization expense	14,396,234	12,172,737	5,131,234	4,334,067

23. Other expenses by nature

The details of this item as of September 30, 2023, and 2022 is as follows:

Other expenses, by nature	01-01-2023 09-30-2023	01-01-2022 09-30-2022	07-01-2023 09-30-2023	07-01-2022 09-30-2022
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Shared services	3,295,028	2,605,169	959,807	952,053
Operations and maintenance of electrical system	7,020,563	5,684,544	2,700,461	2,152,340
Operation vehicles, travel and expenses	1,804,375	1,342,186	678,683	517,172
Rental of machinery, equipment and facilities	270,645	365,240	65,129	102,684
Provisions and write offs	(30,405)	(2,301)	2,636	(390)
Administrative expenses and other services provided	3,285,458	3,191,637	1,350,240	1,306,499
Expenses for construction work to third parties	716,123	185,334	251,995	162,059
Other expenses by nature	710,841	398,435	(172,089)	55,157
Total Other expenses by nature	17,072,628	13,770,244	5,836,862	5,247,574

24. Financial Results

The detail of the financial income and expenses as of September 30, 2023, and 2022, is as follows:

Financial income (loss)	01-01-2023	01-01-2022	07-01-2023	07-01-2022
	09-30-2023	09-30-2022	09-30-2023	09-30-2022
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Income from cash and cash equivalents	531,865	1,097,603	190,178	833,703
Other financial income	37,611	33,920	12,800	11,866
Financial income	569,476	1,131,523	202,978	845,569
Bond expenses	(12,104,207)	(12,094,286)	(4,192,425)	(4,627,454)
Other financial expenses	(2,210,591)	(3,436,240)	(913,672)	(1,655,457)
Capitalization financial expenses	3,183,854	2,928,220	1,123,868	1,072,635
Financial expenses	(11,130,944)	(12,602,306)	(3,982,229)	(5,210,276)
Profit (loss) per indexed unit	(2,704,150)	(12,064,118)	(2,468,409)	(4,343,986)
Positive	547,940	19,870,176	251,324	3,474,796
Negative	(10,900,338)	(35,421,011)	(20,382,962)	(8,344,783)
Profit (loss) from exchange differences	(10,352,398)	(15,550,835)	(20,131,638)	(4,869,987)
Total financial income (loss)	(23,618,016)	(39,085,736)	(26,379,298)	(13,578,680)

25. Guarantees Pledged to Third Parties

Guarantees granted as of September 30, 2023, are as follows:

Relationship	Committed assets			2023	2024	2025	2026	2027
	Type of guarantee	Currency	Total					
			ThCLP\$					
Guarantees construction work	Performance bond	CLP	1,322,946	40,000	1,231,810	51,136	-	-
Guarantees construction work	Performance bond	UF	3,930,021	440,120	2,051,435	782,915	611,971	43,580
Guarantees construction work	Performance bond	USD	11,265,779	1,578,654	7,096,513	2,590,612	-	-
Total			16,518,746	2,058,774	10,379,758	3,424,663	611,971	43,580

26. Sureties Obtained from Third Parties

As of September 30, 2023, and 2022, the Company and its subsidiaries have received guarantees from clients, suppliers and contractors guaranteeing, primarily, performance under power supply contracts, works to be performed and advance payments for ThCLP\$ 18,398,135 and ThCLP\$14,351,844, respectively.

27. Commitments and Restrictions

Subsidiary STS's bond issue contracts impose obligations in addition to the payment obligations, including financial ratios of various types over the term of these contracts.

STS must report quarterly on compliance with these ratios. As of September 30, 2023, STS is in compliance with all the financial ratios required in those contracts and complies with the aforementioned covenants.

On January 10, 2019, STS subsidiary placed the Series A bonds, for a total amount of UF 4,000,000, with the following main restriction, maintain at the end of each quarter, a combined adjusted EBITDA / Net Financial Expenses not exceeding 6.75, which will be measured using the financial statements of the Company.

As of September 30, 2023, and December 31, 2022, the subsidiary STS complies with the covenants stipulated in their financial contracts.

STA bonds do not maintain any financial covenants.

28. Summarized Financial Information of the Subsidiaries that are part of the Company

Taxpayer ID	Company	Country	Nature of relationship	Currency	09-30-2023						
					Current assets	Non-current assets	Current liabilities	Non-current liabilities	Ordinary income	Net income (loss)	Comprehensive income
					ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
77.312.201-6	Sistema de Transmisión del Sur S.A.	Chile	Subsidiary	CLP	50,205,354	523,251,389	51,295,613	294,852,303	48,599,400	9,715,549	9,974,489
76.410.374-2	Sistema de Transmisión del Norte S.A.	Chile	Subsidiary	USD	17,408,244	56,441,064	13,238,753	23,642,348	6,840,393	2,759,299	4,952,699
76.440.111-5	Sistema de Transmisión del Centro S.A.	Chile	Subsidiary	USD	2,196,025	75,769,809	1,302,774	42,913,260	8,436,678	1,120,289	3,420,015
76.519.747-3	Sociedad Austral de Transmisión Troncal S.A.	Chile	Subsidiary	USD	11,665,301	154,232,195	11,828,581	121,063,578	7,218,895	3,122,287	5,050,323
76.186.388-6	Sagesa S.A.	Chile	Subsidiary	USD	8,738,142	56,945,853	2,926,476	46,341,693	13,225,555	1,762,173	2,775,666
76.429.813-6	Línea de Transmisión Cabo Leones S.A.	Chile	Subsidiary	USD	1,234,172	46,600,237	1,420,746	38,476,300	3,940,156	1,564,655	2,127,035
76.389.448-7	Toilchén Transmisión SpA	Chile	Subsidiary	USD	577,690	30,998,653	382,658	27,769,194	2,168,898	925,799	952,035

Taxpayer ID	Company	Country	Nature of relationship	Currency	12-31-2022						
					Current assets	Non-current assets	Current liabilities	Non-current liabilities	Ordinary income	Net income (loss)	Comprehensive income
					ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
77.312.201-6	Sistema de Transmisión del Sur S.A.	Chile	Subsidiary	CLP	41,303,918	515,443,091	44,544,331	259,200,783	66,482,905	20,790,149	20,568,163
99.528.750-1	Sociedad Generadora Austral S.A.	Chile	Subsidiary	USD	39,407,288	619,804	31,634,446	727,594	78,001,815	2,405,257	2,123,941
76.410.374-2	Sistema de Transmisión del Norte S.A.	Chile	Subsidiary	USD	13,135,123	57,471,059	6,341,533	32,289,956	9,157,649	4,519,595	4,075,230
76.440.111-5	Sistema de Transmisión del Centro S.A.	Chile	Subsidiary	USD	407,911	72,846,299	1,025,682	41,322,136	4,330,457	896,447	1,288,078
76.519.747-3	Sociedad Austral de Transmisión Troncal S.A.	Chile	Subsidiary	USD	14,486,043	131,357,123	16,243,396	100,619,487	9,681,017	7,156,818	6,794,146
76.186.388-6	Sagesa Generación S.A.	Chile	Subsidiary	USD	15,046,199	97,662,175	5,522,056	64,244,827	31,087,487	6,632,119	1,219,292
76.429.813-6	Línea de Transmisión Cabo Leones S.A.	Chile	Subsidiary	USD	1,683,606	45,010,176	1,433,997	39,552,217	5,319,965	2,230,360	2,228,893
76.389.448-7	Toilchén Transmisión SpA	Chile	Subsidiary	USD	689,488	29,687,127	330,449	27,561,626	2,871,163	734,798	810,697

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

29. Additional Information on Financial Debt

The following is an undiscounted maturity analysis by financial debt type:

a) Bonds

Debtor entity								Creditor entity		09-30-2023									
Taxpayer ID	Company	Country	Creditor	Country	Bond Contract/ Registration number	Type of currency	Effective interest rate	Nominal interest rate	Current			Non current							
									Up to 90 days	More than 90 days up to 1 year	Total current	More than 1 year up to 2 years	More than 2 year up to 3 years	More than 3 year up to 4 years	More than 4 year up to 5 years	More than 5 years	Total non- current		
									THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	
77.122.643-4	Sociedad de Transmisión Austral S.A.	Chile	UMB BANK, NATIONAL ASSOCIATION	Chile	Bond STA	USD	4.26%	4.26%				13,971,360	13,971,360	13,971,360	13,971,360	13,971,360	12,330,396	398,183,760	452,428,236
77.332.201-6	Sistema de Transmisión del Sur S.A.	Chile	Banco de Chile	Chile	Issue of Line Series A / N° 923	UF	2.74%	2.80%	1,509,813	1,509,813	3,019,626	3,019,626	3,019,626	3,019,626	3,019,626	3,019,626	156,155,312	168,233,816	
Total									1,509,813	15,481,173	16,990,986	16,990,986	16,990,986	16,990,986	16,990,986	15,350,022	554,339,072	620,662,052	

Debtor entity								Creditor entity		12-31-2022									
Taxpayer ID	Company	Country	Creditor	Country	Bond Contract/ Registration number	Type of currency	Effective interest rate	Nominal interest rate	Current			Non current							
									Up to 90 days	More than 90 days up to 1 year	Total current	More than 1 year up to 2 years	More than 2 year up to 3 years	More than 3 year up to 4 years	More than 4 year up to 5 years	More than 5 years	Total non- current		
									THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS	THCLPS		
77.122.643-4	Sociedad de Transmisión Austral S.A.	Chile	UMB BANK, NATIONAL ASSOCIATION	Chile	Bond STA	USD	4.26%	4.26%	6,675,708	6,675,708	13,351,416	13,351,416	13,351,416	13,351,416	13,351,416	13,351,416	393,866,772	447,272,436	
77.332.201-6	Sistema de Transmisión del Sur S.A.	Chile	Banco de Chile	Chile	Issue of Line Series A / N° 923	UF	2.74%	2.80%	35,299,201	2,028,888	38,328,091	2,028,888	2,028,888	2,028,888	2,028,888	2,028,888	152,927,383	164,642,094	
Total									41,974,911	8,704,596	51,669,507	16,280,304	16,280,304	16,280,304	16,280,304	16,280,304	546,794,155	611,914,530	

30. Foreign Currency

CURRENT ASSETS	Currency of origin	09-30-2023	12-31-2022
		ThCLP\$	ThCLP\$
Cash and cash equivalents	CLP	4,918,306	7,041,254
Cash and cash equivalents	USD	80,161	1,286,492
Other current financial assets	UF	-	-
Other current non-financial assets	CLP	1,225,503	1,821,325
Trade and other receivables, current	CLP	33,653,097	42,531,173
Trade and other receivables, current	UF	82,922	69,265
Due from related companies, current	CLP	11,547,063	2,851,950
Due from related companies, current	USD	-	-
Due from related companies, current	UF	135,528	94,634
Current inventories	CLP	7,649,377	4,370,185
Current tax assets, current	CLP	27,577,931	13,492,349
TOTAL CURRENT ASSETS		86,869,888	73,558,627
Non-current assets or groups of assets for disposal classified as held for sale or as held for distribution to owners	CLP	-	97,659,691
	USD	-	102,713
	UF	-	-
TOTAL CURRENT ASSETS	CLP	86,571,277	169,767,927
	USD	80,161	1,389,205
	UF	218,450	163,899
		86,869,888	171,321,031

NON-CURRENT ASSETS	Currency of origin	09-30-2023	12-31-2022
		ThCLP\$	ThCLP\$
Other financial assets, non-current	CLP	1,292,728	-
Other non financial assets, non-current	CLP	148,713	198,742
Trade and other receivables, non-current	CLP	4,481,840	7,930,167
Trade and other receivables, non-current	UF	424,713	345,503
Trade and other receivables to related entities, non-current	CLP	-	427,930
Trade and other receivables to related entities, non-current	UF	4,892,038	4,745,192
Intangible assets other than goodwill	CLP	70,111,390	67,854,427
Goodwill	CLP	75,718,651	75,718,651
Goodwill	USD	1,204,517	1,151,070
Property, plant and equipment	CLP	711,109,991	668,483,561
Rights for use assets	CLP	1,486,747	1,647,909
Deferred tax assets	CLP	33,286,141	28,817,322
TOTAL NON-CURRENT ASSETS		904,157,469	857,320,474
TOTAL NON-CURRENT ASSETS	CLP	897,636,201	851,078,709
	USD	1,204,517	1,151,070
	UF	5,316,751	5,090,695
		904,157,469	857,320,474

TOTAL ASSETS	CLP	984,207,478	1,020,846,636
	USD	1,284,678	2,540,275
	UF	5,535,201	5,254,594
		991,027,357	1,028,641,505

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

CURRENT LIABILITIES	Currency of origin	09-30-2023	12-31-2022
		ThCLP\$	ThCLP\$
Other financial liabilities, current	USD	2,405,600	5,647,411
Other financial liabilities, current	UF	1,383,144	615,882
Lease liabilities, current	CLP	36,880	25,403
Lease liabilities, current	USD	343,319	264,892
Lease liabilities, current	UF	394,550	411,913
Trade accounts payable and other payables, current	CLP	57,714,105	34,810,329
Due to related companies, current	CLP	11,038,313	9,953,358
Due to related companies, current	USD	-	288,196
Due to related companies, current	UF	320	314
Other provisions, current	CLP	1,791,767	1,926,836
Current tax liabilities, current	CLP	1,121,039	10,670,130
Current accruals for employee benefits	CLP	3,469,216	2,858,518
Other non-financial liabilities, current	CLP	1,311,639	1,070,294
TOTAL CURRENT LIABILITIES		81,009,892	68,543,476
Liabilities included in groups of assets for disposal classified as held for sale	CLP	-	33,161,661
	USD	-	-
	UF	-	-
TOTAL CURRENT LIABILITIES	CLP	76,482,959	94,476,529
	USD	2,748,919	6,200,499
	UF	1,778,014	1,028,109
		81,009,892	101,705,137

NON-CURRENT LIABILITIES	Currency of origin	09-30-2023	12-31-2022
		ThCLP\$	ThCLP\$
Other financial liabilities, non-current	USD	344,629,964	329,038,154
Other financial liabilities, non-current	UF	110,263,744	106,968,675
Lease liabilities, non-current	CLP	49,311	5,743
Lease liabilities, non-current	USD	1,150,866	1,128,598
Lease liabilities, non-current	UF	407,490	521,202
Trade accounts payable and other accounts, non-current	CLP	20,634	20,634
Due to related companies, non-current	USD	80,234,037	68,277,734
Deferred tax liability	CLP	60,198,612	51,110,610
Non-current accruals for employee benefits	CLP	3,088,378	2,679,890
Other non-financial liabilities, non-current	CLP	10,808,356	11,007,671
TOTAL NON-CURRENT LIABILITIES		610,851,392	570,758,911
TOTAL NON-CURRENT LIABILITIES	CLP	74,165,291	64,824,548
	USD	69,945	26,377
	UF	49,311	5,743
		74,284,547	64,856,668

TOTAL LIABILITIES	CLP	150,648,250	159,301,077
	USD	2,818,864	6,226,876
	UF	1,827,325	1,033,852
		155,294,439	166,561,805

31. Sanctions

During the period ended September 30, 2023, no sanctions have been applied to the Company and its subsidiaries by the Chilean Security and Exchange Commission (Comisión para el Mercado Financiero – CMF).

32. Subsequent events

In the period between October 1, 2023, and the date of issuance of the accompanying Consolidated Interim Financial Statements, no other significant events have occurred that affect these.