

INVERSIONES ELÉCTRICAS DEL SUR S.A. AND SUBSIDIARIES

Financial Statements Consolidated for
the year ended December 31,2022 and 2021
and independent auditor's report

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors' of
Inversiones Eléctricas del Sur S.A.

We have audited the accompanying consolidated financial statements of Inversiones Eléctricas del Sur S.A. and subsidiaries (the "Company"), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the consolidated financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred in the first paragraph, present fairly, in all material respects, the financial position of Inversiones Eléctricas del Sur S.A. and subsidiaries as of December 31, 2022 and 2021, and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (“IASB”).

Emphasis on other matter – Indirect subsidiary demerger

As indicated in Note 1a), the indirect subsidiary Sagesa, was demerged in two new companies on December 31, 2022, the legal continuing company, which maintains the same legal name, the ownership in its subsidiary Línea de Transmisión Cabo Leones S.A. and the transmission assets; and a new company denominated “Sagesa Generación S.A.” and was assigned assets and liabilities related to the electricity generation business.

The accompanying financial statements have been translated into English solely for the convenience of readers outside Chile.



March 29, 2023
Santiago, Chile

**Consolidated Classified
Financial Statements**

**For the years ended
December 31, 2022 and 2021**

**INVERSIONES ELECTRICAS DEL SUR S.A.
AND SUBSIDIARIES**

Thousands of Chilean pesos – ThCLP\$

INVERSIONES ELECTRICAS DEL SUR S.A. AND SUBSIDIARIES
Consolidated Statements of financial position, Classified

As of December 31, 2022 and 2021

(In thousands of Chilean pesos – ThCLP\$)

ASSETS	Note	12-31-2022	12-31-2021
		ThCLP\$	ThCLP\$
CURRENT ASSETS			
Cash and cash equivalents	6	94,311,206	22,861,628
Other current financial assets	7	-	507,897
Other current non-financial assets	-	3,601,535	2,923,279
Trade and other receivables, current	8	284,361,505	221,769,963
Due from related companies, current	9	2,414	2,263
Current inventories	10	59,933,851	51,639,619
Current tax assets, current	11	31,540,676	28,468,133
Current assets other than non-current assets or disposal groups classified as held for sale or as held for distribution to owners		473,751,187	328,172,782
TOTAL CURRENT ASSETS		473,751,187	328,172,782
NON-CURRENT ASSETS			
Other financial assets, non-current	7	4,493,660	5,609,183
Other non-financial assets, non-current	-	215,030	72,582
Trade and other receivables, non-current	8	57,173,189	44,384,181
Intangible assets other than goodwill	12	91,278,586	88,934,474
Goodwill	13	232,596,536	232,581,513
Property, plant and equipment	14	1,417,367,963	1,304,384,187
Rights for use assets	15	3,092,116	2,990,878
Deferred tax assets	16	53,832,315	49,289,399
TOTAL NON-CURRENT ASSETS		1,860,049,395	1,728,246,397
TOTAL ASSETS		2,333,800,582	2,056,419,179

The accompanying notes are an integral part of these Consolidated Financial Statements

INVERSIONES ELECTRICAS DEL SUR S.A. AND SUBSIDIARIES
Consolidated Statements of financial position, Classified

As of December 31, 2022 and 2021

(In thousands of Chilean pesos - ThCLP\$)

NET EQUITY AND LIABILITIES	Note	12-31-2022 ThCLP\$	12-31-2021 ThCLP\$
CURRENT LIABILITIES			
Other financial liabilities, current	17	17,738,757	166,079,651
Lease liabilities, current	15	1,446,277	919,275
Trade accounts payable and other payables	18	232,148,279	193,820,677
Due to related companies, current	9	3,345,234	19,829,433
Other provisions, current	20	6,854,492	8,434,860
Current tax liabilities, current	11	18,110,825	14,025,749
Current accruals for employee benefits	20	15,012,998	10,333,913
Other non-financial liabilities, current	21	52,705,391	47,629,044
Current liabilities other than liabilities included in disposal groups of assets classified as held for sale		347,362,253	461,072,602
TOTAL CURRENT LIABILITIES		347,362,253	461,072,602
NON-CURRENT LIABILITIES			
Other financial liabilities, non-current	17	1,143,789,751	759,303,419
Lease liabilities, non-current	15	2,450,032	2,688,309
Trade accounts payable, non-current	18	20,634	330,482
Due to related companies, non-current	9	157,297,736	103,106,329
Deferred tax liability	16	87,794,798	99,424,258
Non-current accruals for employee benefits	20	18,204,096	14,204,873
Other non-financial liabilities, non-current	21	11,351,839	11,897,539
TOTAL NON-CURRENT LIABILITIES		1,420,908,886	990,955,209
TOTAL LIABILITIES		1,768,271,139	1,452,027,811
EQUITY			
Issued capital	22	385,906,755	385,906,755
Accumulated earnings	22	111,522,406	143,025,288
Other reserves	22	60,547,744	67,489,657
Equity attributable to owners of controller		557,976,905	596,421,700
Non-controlling interests	22	7,552,538	7,969,668
TOTAL EQUITY		565,529,443	604,391,368
TOTAL EQUITY AND LIABILITIES		2,333,800,582	2,056,419,179

The accompanying notes are an integral part of these Consolidated Financial Statements

INVERSIONES ELECTRICAS DEL SUR S.A. AND SUBSIDIARIES
Consolidated statements of comprehensive income, by Nature
For the years ended December 31, 2022 and 2021
(In thousands of Chilean pesos – ThCLP\$)

STATEMENT OF COMPREHENSIVE INCOME		01-01-2022 12-31-2022	01-01-2021 12-31-2021
		ThCLP\$	ThCLP\$
Income (losses)			
Revenue from ordinary activities	23	706,143,774	589,800,971
Other income	23	76,782,832	80,329,040
Raw materials and consumables used	24	(436,743,878)	(365,985,573)
Employee benefits expenses	25	(69,559,498)	(57,211,506)
Depreciation and amortization expense	26	(49,104,447)	(41,281,592)
Other expenses, by nature	28	(108,970,379)	(91,712,799)
Other income (losses)	30	2,399,291	3,464,185
Financial income	29	6,108,165	137,953
Financial expenses	29	(44,581,595)	(22,603,852)
Impairment gain and impairment loss reversal (impairment loss) determined according to IFRS 9 over financial assets	27	(4,306,944)	(10,760,616)
Income (losses) exchange in foreign currency	29	1,689,991	35,869,985
Profit and loss by adjustment unit	29	(89,980,359)	(41,617,910)
Profit (losses) before tax		(10,123,047)	78,428,286
Tax profit (loss) from continued operations	16	11,957,805	(18,297,200)
Profit (losses) from continued operations		1,834,758	60,131,086
Profit (losses) from continued operations	-	-	-
Profit (losses)		1,834,758	60,131,086
Profit (losses), attributable to			
Profit (losses), attributable to Controlling interest	-	1,988,959	59,809,370
Profit (losses), attributable to Non-controlling interest	22	(154,201)	321,716
Profit (losses)		1,834,758	60,131,086

The accompanying notes are an integral part of these Consolidated Financial Statements

INVERSIONES ELECTRICAS DEL SUR S.A. AND SUBSIDIARIES
Consolidated Statements of Other Comprehensive Income
For the years ended December 31, 2022 and 2021
(In thousands of Chilean pesos – ThCLP\$)

Statement of Comprehensive Income	Note	01-01-2021 12-31-2022 ThCLP\$	01-01-2021 12-31-2021 ThCLP\$
Profit (losses)		1,834,758	60,131,086
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	20	(607,484)	4,046,876
Other comprehensive income that will not be reclassified to profit and loss for the year, before tax		(607,484)	4,046,876
Components of other comprehensive income that will be reclassified to profit or loss for the year, before tax			
Exchange differences on translation			
Profit (losses) from exchange differences on translation, before tax		(6,633,006)	14,663,591
Other comprehensive income, before tax, exchange differences on translation		(6,633,006)	14,663,591
Cash flow hedges			
Profit (losses) from cash flow hedges, before tax		162,989	(968,857)
Other comprehensive income, before tax, cash flow hedges		162,989	(968,857)
Other comprehensive income that will be reclassified to the result of the year, before taxes		(6,470,017)	13,694,734
Other components of other comprehensive income, before taxes		(7,077,501)	17,741,610
Income tax on components of other comprehensive income that will not be reclassified to profit or loss for the year			
Income tax related to cash flow hedges of other comprehensive income	16	164,021	(983,626)
Income tax on components of other comprehensive income that will not be reclassified to profit or loss for the year		164,021	(983,626)
Income tax on components of other comprehensive income that will be reclassified to profit or loss for the year			
Income tax related to cash flow hedges of other comprehensive income	16	(44,007)	182,713
Income tax on components of other comprehensive income that will not be reclassified to profit or loss for the year		(44,007)	182,713
Other Comprehensive income		(6,957,487)	16,940,697
Total comprehensive income		(5,122,729)	77,071,783
Comprehensive income attributable to			
Comprehensive income attributable to Controlling interest		(5,075,260)	77,124,542
Comprehensive income attributable to Non-controlling interest		(47,469)	(52,759)
Total comprehensive income		(5,122,729)	77,071,783

The accompanying notes are an integral part of these Consolidated Financial Statements

INVERSIONES ELECTRICAS DEL SUR S.A. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity

For the year ended December 31, 2022

(In thousands of Chilean pesos – ThCLP\$)

Statements of changes in net equity	Issued capital	Reserves for currency differences	Cash flow hedges reserves	Reserve of actuarial gains and losses on defined benefit plans	Other sundry reserves	Other reserves	Retained earnings	Equity attributable to controlling interest	Non-controlling interest	Total net equity
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Opening balance 01-01-2022	385,906,755	26,076,411	126,340	(322,963)	41,609,869	67,489,657	143,025,288	596,421,700	7,969,668	604,391,368
Increase (decrease) due to changes in accounting policies	-	-	-	-	-	-	-	-	-	-
Restated opening balance 01-01-2022	385,906,755	26,076,411	126,340	(322,963)	41,609,869	67,489,657	143,025,288	596,421,700	7,969,668	604,391,368
Changes in equity										
Comprehensive income										
Profit (losses)	-	-	-	-	-	-	1,988,959	1,988,959	(154,201)	1,834,758
Other comprehensive income	-	(6,498,839)	(125,356)	(440,024)	-	(7,064,219)	-	(7,064,219)	106,732	(6,957,487)
Total comprehensive income	-	(6,498,839)	(125,356)	(440,024)	-	(7,064,219)	1,988,959	(5,075,260)	(47,469)	(5,122,729)
Equity issuance	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	(33,491,841)	(33,491,841)	-	(33,491,841)
Increase (decrease) by other contributions of owners, equity	-	-	-	-	-	-	-	-	-	-
Increase (decrease) for other changes in equity	-	-	-	-	122,306	122,306	-	122,306	(369,661)	(247,355)
Other increase (decrease)	-	-	-	-	-	-	-	-	-	-
Total changes in equity	-	(6,498,839)	(125,356)	(440,024)	122,306	(6,941,913)	(31,502,882)	(38,444,795)	(417,130)	(38,861,925)
Closing balance as of 12-31-2022	385,906,755	19,577,572	984	(762,987)	41,732,175	60,547,744	111,522,406	557,976,905	7,552,538	565,529,443

INVERSIONES ELECTRICAS DEL SUR S.A. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity

For the year ended December 31, 2021

(In thousands of Chilean pesos – ThCLP\$)

Statements of changes in net equity	Issued capital	Reserves for currency differences	Cash flow hedges reserves	Reserve of actuarial gains and losses on defined benefit plans	Other sundry reserves	Other reserves	Retained earnings	Equity attributable to controlling interest	Non-controlling interest	Total net equity
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Opening balance 01-01-2021	385,906,755	11,717,258	108,000	(3,260,642)	29,737,710	38,302,326	101,158,729	525,367,810	7,506,556	532,874,366
Increase (decrease) due to changes in accounting policies	-	-	-	-	-	-	-	-	-	-
Restated opening balance 01-01-2021	385,906,755	11,717,258	108,000	(3,260,642)	29,737,710	38,302,326	101,158,729	525,367,810	7,506,556	532,874,366
Changes in equity										
Comprehensive income										
Profit (losses)	-	-	-	-	-	-	59,809,370	59,809,370	321,716	60,131,086
Other comprehensive income	-	14,359,153	18,340	2,937,679	-	17,315,172	-	17,315,172	(374,475)	16,940,697
Total comprehensive income	-	14,359,153	18,340	2,937,679	-	17,315,172	59,809,370	77,124,542	(52,759)	77,071,783
Equity issuance	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	(17,942,811)	(17,942,811)	-	(17,942,811)
Increase (decrease) by other contributions of owners, equity	-	-	-	-	-	-	-	-	-	-
Increase (decrease) for other changes in equity	-	-	-	-	11,872,159	11,872,159	-	11,872,159	515,871	12,388,030
Other increase (decrease)	-	-	-	-	-	-	-	-	-	-
Total changes in equity	-	14,359,153	18,340	2,937,679	11,872,159	29,187,331	41,866,559	71,053,890	463,112	71,517,002
Closing balance as of 12-31-2021	385,906,755	26,076,411	126,340	(322,963)	41,609,869	67,489,657	143,025,288	596,421,700	7,969,668	604,391,368

INVERSIONES ELECTRICAS DEL SUR S.A. AND SUBSIDIARIES

Consolidated Statements of Cash Flows, Direct Method

For the years ended December 31, 2022 and 2021

(In thousands of Chilean pesos – ThCLP\$)

STATEMENT OF CASH FLOWS DIRECT METHOD	Note	12-31-2022 ThCLP\$	12-31-2021 ThCLP\$
Cash flows from (used in) operating activities			
Types of proceeds for operating activities			
Proceeds from sales of goods and services	-	852,533,720	741,202,592
Proceeds from bonuses and allowances, annuities and other benefits of policies underwritten	-	1,105,422	681,607
Other charges from operating activities	-	8,028,893	10,350,834
Types of payments cash for operating activities			
Payments to suppliers for goods and services	-	(644,194,253)	(531,886,492)
Payments to and on behalf of employees	-	(58,466,052)	(51,557,357)
Other cash payments from operating activities	-	(14,842,216)	(9,999,081)
Cash flows from operating activities		144,165,514	158,792,103
Income tax paid (refund), classified as operating activities	-	(3,512,804)	(44,834,320)
Other inflows (outflows) of cash, classified as operating activities	-	1,794,792	93,977
Cash flows from operating activities		142,447,502	114,051,760
Cash flows from (used in) investing activities			
Cash flows from loss of control of subsidiaries or other businesses, classified as investing activities	-	-	(26,842,351)
Amounts from sales of property, plant and equipment, classified as investing activities		15,700	48,441
Purchase of property, plant and equipment, classified as investing activities	-	(170,676,803)	(164,208,493)
Payments from contracts of futures, forwards, options and financial swap, classified as investing activities	-	-	(2,675,044)
Proceeds from futures, forward, option and swap contracts, classified as investing activities	-	9,011,000	1,340,388
Interest received, classified as investing activities	-	6,128,165	474,727
Cash flows used in investing activities		(155,521,938)	(191,862,332)
Cash flows from (used in) financing activities			
Proceeds from loans classified as financing activities			
Proceeds from long-term borrowings	6	305,226,312	597,000,000
Proceeds from short-term borrowings	6	-	565,000,000
Loans from related companies	6	185,726,013	43,918,000
Loan repayments, classified as financing activities	6	(192,990,263)	(460,542,485)
Lease financial liabilities payments	6	(908,592)	(714,647)
Related parties loans payments	6	(130,227,126)	(42,318,000)
Dividends paid, classified as financing activities	-	(50,996,361)	(56,935,890)
Interests paid, classified as financing activities	6	(42,726,597)	(24,820,700)
Other cash inflows (outflows), classified as financing activities		2,094,958	-
Cash flows from financing activities		75,198,344	55,586,278
Increase (decrease) in cash and cash equivalent, before effect of exchange rate changes		62,123,908	(22,224,294)
Effect of exchange rate changes on cash and cash equivalents			
Effect of exchange rate changes on cash and cash equivalents	-	9,325,670	132,835
Increase (decrease) in cash and cash equivalents		71,449,578	(22,091,459)
Cash and cash equivalents at beginning of the period	6	22,861,628	44,953,087
Cash and cash equivalents at end of the period	6	94,311,206	22,861,628

INVERSIONES ELECTRICAS DEL SUR S.A. AND SUBSIDIARIES

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INVERSIONES ELECTRICAS DEL SUR S.A. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(In thousands of Chilean pesos – ThCLP\$)

1. General Information and description of the business

a) General information

Inversiones Eléctricas del Sur S.A., hereinafter the “Company” or “Eléctricas”, was formed by public deed on June 10, 2008 under the name of Inversiones SF SpA, for the purpose of performing all kinds of investments in all types of movable or non-movable assets, such as shares in corporations, voting rights in partnerships, and managing these investments and their profits.

The Company is the entity through which the Canadian Fund Ontario Teachers’ Pension Plan Board and Alberta Investment Management Corporation (AIMCo) control the Saesa Group’s companies. The Company and its subsidiaries operate in the industries of distribution, transmission, transformation, generation and selling of electrical energy.

The Company is registered in the Securities Registry with the number 1,016 and is subject to the supervision of the Chilean Security and Exchange Commission (Comisión para el Mercado Financiero – CMF).

The direct subsidiaries registered in the Securities Register are: Sociedad Austral de Electricidad S.A. (hereinafter “Saesa”), registered under number 1,072, Empresa Eléctrica de la Frontera S.A. (hereinafter “Frontel”), registered under number 1,073. The indirect subsidiary Sistema de Transmisión del Sur S.A. (hereinafter “STS”), registered under number 1,200.

The indirect subsidiaries registered in the Register of Reporting Entities are: Compañía Eléctrica Osorno S.A. (hereinafter “Luz Osorno”), registered under number 116, Empresa Eléctrica de Aysén S.A. (hereinafter “Edelaysen”), registered under number 28, STS, registered under number 269 and Sociedad Austral de Transmisión Troncal S.A., (hereinafter “SATT”), registered under number 435.

The indirect subsidiaries not registered are Sagesa S.A. (hereinafter “Sagesa”), Sociedad Generadora Austral S.A. (hereinafter “SGA”), Sistema de Transmisión del Norte S.A. (hereinafter “STN”), Sistema de Transmisión del Centro S.A., (hereinafter “STC”), Sociedad de Transmisión Austral (hereinafter “STA”), Línea de Transmisión Cabo Leones S.A., Saesa Innova Soluciones SpA, Saesa Gestión y Logística SpA, Saesa Transmisión S.A. and Tolchén Transmisión SpA.

Within the context of the Law No. 21,194 over the exclusive distribution business the Group has carried out a series of company restructurings, involving the following:

SAGESA S.A. Demerger

At the Extraordinary Shareholders' Meeting of SAGESA S.A. held on December 30, 2022, the demerger of said company into two companies was agreed: (a) the successor, which maintained the company name and will retain the interest in the subsidiary Cabo Leones and the transmission assets; and (b) a new company, called “SAGESA Generación S.A.”, to which the assets corresponding to SIC and PMGD plants were assigned.

Capital contribution in Sociedad de Transmisión Austral S.A.

On December 28, 2021, the subsidiary Sociedad de Transmisión Austral S.A., STA, carried out a capital increase through the exclusive issuance of new Series B shares. The mentioned 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., becoming a subsidiary of STA.

Merger by incorporation of the subsidiaries Sistema de Transmisión del Sur S.A. and Frontel Transmisión S.A. in Saesa Transmisión S.A. (December 2021)

At the Extraordinary Shareholders' Meeting of the indirect subsidiary Sistema de Transmisión del Sur S.A. (Formerly – Saesa Transmisión S.A., New STS) held on March 29, 2021, the merger was agreed by incorporation of Frontel Transmisión S.A. (hereinafter “Frontel TX”) and Sistema de Transmisión del Sur S.A. (hereinafter “Former STS”) in Saesa Transmisión S.A. (New STS). The merger would be subject to the fulfillment of a series of precedent conditions, such as the registration of New STS in the Securities Registry kept by the Chilean Security and Exchange Commission (Comisión para el Mercado Financiero) stands out, since it would absorb the Former STS, which is the issuer of bonds in the local market, for which it must be registered in said Registry. The registration in the Securities Registry was made on November 17, 2021, under number 1200.

On November 19, 2021, the attorneys-in-fact of the companies that participated in the merger signed a public deed of compliance with conditions, which is why the Merger took place as of December 1, 2021.

According to the mentioned below, on December 1, 2021, Saesa Transmisión S.A. has become the legal successor of the companies Frontel Tx and the former STS, with both companies being dissolved as of right, without the need to carry out their liquidation, all in accordance with the provisions of article 99 of Law No. 18,046 and in the Article 158 of the Public Companies. In addition to the effectiveness of the merger, on December 1, 2021, Saesa Transmisión S.A. has been renamed “Sistema de Transmisión del Sur S.A.” (New STS), maintaining its unique tax ID number 77.312.201-6, and registration in the Securities Registry under number 1200.

“Tolchén Transmisión SpA” acquisition

On July 9, 2021, the subsidiary of the Company, Sociedad de Transmisión Austral S.A., “STA”, acquired all the shares into which the capital of Tolchén Transmisión SpA, “Tolchén”, is divided. The total amount of the operation amounted to US\$35,926,830, which is distributed between the payment of the price of the shares issued by Tolchén to Acciona Energía Global, SL, who owned them, and the payment for Tolchén's account of certain debts that it had with Acciona Energía Chile S.A. The purchase generated Goodwill and Intangibles, which are recognized in Notes 12 and 13, respectively.

b) Description of the Business

The subsidiaries Saesa, Frontel, Edelayesen and Luz Osorno distribute electrical energy in the country's southern zone from the province of Concepción (Bío Bío Region) to Villa O'Higgins (Aysén Region).

The subsidiary Sagesa S.A. is a generating company that operates from the Bío Bío Region to the Los Lagos Region. Basically, it owns a 45 MW gas/diesel power plant and several diesel power plants with an installed power of 103.9 MW. Part of the energy generated by this company is sold in the spot market of CEN-SEN through the subsidiary SGA and its revenues correspond to the sale of energy and power that is made in that market.

The subsidiary STS develops mainly transmission business in the Bío Bío, Araucanía, Los Ríos, and Los Lagos regions; and also rendering services in all the special areas of expertise related to the electrical transportation and transformation systems, such as advisories in designing, building, maintaining and operating the systems.

The subsidiary STN, whose main purpose is the construction, operation and maintenance of transmission or energy transmission facilities, 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. In the last year, new services associated with operation and control have been incorporated through technology, monitoring from applications and inspection service through drones.

The subsidiary STC, has the same business line as STN. This Company built the 2x220 kV San Fabián-Ancoa Transmission Line Project, which will be operated and managed by STC once it is operational. STC has completed the construction of the line during the second semester of 2018 realizing its energization with date: August 25, 2018 and later it was informed to the National Electrical Coordinator (“CEN”) that the Project had

begun its period of implementation service. This Project has as an important client Hidroeléctrica Ñuble SpA, which will evacuate its energy through this line connecting with the SEN (National Electric System).

During the 2022 half-year, Eléctrica Puntilla communicated to the Market through an essential fact that the Central Ñuble project of its subsidiary Hidroeléctrica Ñuble SpA ("Hidroñuble") has a significant delay, ratifying the postponement already reported on February 2020, foreseeing its start-up for the second semester of the year 2026.

The subsidiary Cabo Leones, also is in the Dedicated Transmission system, corresponds to a double-circuit line of 220 kV, located in the cities of Freirina and Vallenar, whose purpose is to evacuate electric power and power up to three wind projects under construction, came into operation in the month of December 2017.

The subsidiary SATT currently operates some National and Dedicated Transmission assets in the regions of Antofagasta, Atacama and Toltén.

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

The objective of the SGL subsidiary is to make available to the different Companies that make up the Saesa company, personnel, whether Professional or Technical, to carry out different tasks in the different projects, especially those with a duration of less than 1 year.

The INNOVA subsidiary's objective is the purchase, sale, lease and marketing of electrical products or products related to the electrical world in general, as well as a wide range of energy solutions for the industrial, mining, business and home sectors.

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

2. Summary of Main Accounting Policies

2.1. Accounting policies

These Consolidated 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 principles and criteria have been consistently applied by all the subsidiaries.

The accompanying Consolidated Financial Statements of the Company and its subsidiaries ended December 31, 2022 and 2021 have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (the "IASB"). For these purposes, the IFRS comprise standards issued by the International Accounting Standards Board (International Accounting Standards Board "IASB" in English) and the interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

These Consolidated Financial Statements have been approved by the Board at its meeting held on March 29, 2023.

2.2. Responsibility for the Information and Use of Estimates

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

The preparation of the accompanying Consolidated 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 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. Period covered

These Consolidated Financial Statements cover the following:

- Consolidated Statements of Financial Position, Classified of Inversiones Eléctricas del Sur S.A. and subsidiaries as of December 31, 2022 and 2021.
- Consolidated Statements of Comprehensive Income by Nature for the years ended December 31, 2022 and 2021.
- Consolidated Statements of Changes in Net Equity for the years ended December 31, 2022 and 2021.
- Consolidated Statements of Cash Flows Direct method for the years ended December 31, 2022 and 2021.

2.4. Basis of preparation

The Consolidated Financial Statements of the Company and its subsidiaries 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 Financial Statements incorporate the Financial Statements of the Company and 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 that keeps the investor in relation to the number and dispersion of the ones that maintain other holders of voting;
- (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 Statements of Comprehensive Income from the date on which the Company obtains control until the date on which the Company ceases to control the subsidiary.

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 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 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 Financial Statements, is as follows:

TAXPAYER ID	Company name	Abbreviated name	Country	Functional currency	% Participation			12-31-2021
					12-31-2022			
					Direct	Indirect	Total	
88.272.600-2	Empresa Eléctrica de Aisén S.A.	EDELAYSEN	Chile	Chilean peso	0.0000%	93.2373%	93.2373%	93.2373%
96.531.500-4	Compañía Eléctrica Osorno S.A.	LUZ OSORNO	Chile	Chilean peso	0.0000%	100.0000%	100.0000%	100.0000%
99.528.750-1	Sociedad Generadora Austral S.A.	SGA	Chile	US Dollar	0.0000%	100.0000%	100.0000%	100.0000%
77.312.201-6	Sistema de Transmisión del Sur S.A.	STS	Chile	Chilean peso	0.0000%	99.8586%	99.8586%	99.8586%
77.708.654-5	Sagesa Generación S.A.	SAGESA	Chile	US Dollar	0.1000%	99.8987%	99.9987%	0.0000%
76.186.388-6	Sagesa S.A.	SAGESA TX	Chile	US Dollar	0.1000%	99.8987%	99.9987%	99.9987%
76.073.162-5	Sociedad Austral de Electricidad S.A.	SAESA	Chile	Chilean peso	99.9164%	0.0000%	99.9164%	99.9164%
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	FRONTEL	Chile	Chilean peso	99.3737%	0.0000%	99.3737%	99.3737%
77.227.557-9	Saesa Gestión y Logística SpA	SGL	Chile	Chilean peso	100.0000%	0.0000%	100.0000%	100.0000%
77.227.565-K	Saesa Innova Soluciones SpA	INNOVA	Chile	Chilean peso	100.0000%	0.0000%	100.0000%	100.0000%
76.410.374-2	Sistema de Transmisión del Norte S.A.	STN	Chile	US Dollar	0.0000%	100.0000%	100.0000%	100.0000%
76.440.111-5	Sistema de Transmisión del Centro S.A.	STC	Chile	US Dollar	0.0000%	100.0000%	100.0000%	100.0000%
76.519.747-3	Sociedad Austral de Transmisión Troncal S.A.	SATT	Chile	US Dollar	0.0000%	100.0000%	100.0000%	100.0000%
77.122.643-4	Sociedad de Transmisión Austral S.A.	STA	Chile	US Dollar	99.9355%	0.0000%	99.9355%	99.9355%
76.429.813-6	Línea de Transmisión Cabo Leones S.A.	CABO LEONES	Chile	US Dollar	0.0100%	99.9900%	100.0000%	100.0000%
76.389.448-7	Tolchén Transmisión SpA	TOLCHÉN	Chile	US Dollar	0.0000%	100.0000%	100.0000%	0.0000%

Non-controlling interest – A parent company will present the non-controlling interests in the Consolidated 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.

Conversion of Financial Statements of companies with functional currency other than the Chilean peso

The indicated conversion is performed as follows:

- Assets and liabilities, using the exchange rate in force on the closing date of the Consolidated Financial Statements.
- The Income Statements items, using the average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the exchange rates prevailing at the dates of the transaction, in which case income and expenses are translated at the date of transactions).

- Exchange rate differences that occur in the conversion of Financial Statements are recorded under "Reserves for currency translation differences" within the Net Equity.

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 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 is the Chilean peso. The functional currencies of the subsidiaries are distributed as follows:

Company	Abbreviated name	Functional currency
Sociedad Austral de Electricidad S.A.	SAESA	Chilean peso
Empresa Eléctrica de la Frontera S.A.	FRONTEL	Chilean peso
Sistema de Transmisión del Sur S.A.	STS	Chilean peso
Compañía Eléctrica Osorno S.A.	LUZ OSORNO	Chilean peso
Empresa Eléctrica de Aisén S.A.	EDELAYSEN	Chilean peso
Saesa Gestión y Logística SpA	SGL	Chilean peso
Saesa Innova Soluciones SpA	INNOVA	Chilean peso
Sociedad Generadora Austral S.A.	SGA	US Dollar
Sagesa Generación S.A.	SAGESA	US Dollar
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
Sociedad de Transmisión Austral S.A.	STA	US Dollar
Línea de Transmisión Cabo Leones S.A.	CABO LEONES	US Dollar
Tolchén Transmisión SpA	TOLCHÉN	US Dollar

Subsidiaries with a functional currency other than that of the Company are translated as described in Note 2.5.

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 the transaction and the balances translated at the exchange rate prevailing at the date of collection or payment are recorded as exchange differences in the Consolidated 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 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 Financial Statements, according to the following detail:

Foreign currency and resettable	Abbreviated name	12-31-2022	12-31-2021
		CLP\$	CLP\$
US Dollar (US\$)	USD	855.86	844.69
Unidad de Fomento (Inflation index-linked unit of account)	UF	35,110.98	30,991.74

2.9. Offsetting of Balances and Transactions

As a general rule, assets and liabilities, income and expenses, are not offset in the Consolidated 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 the accumulated depreciation and accumulated impairment.

In addition to the price 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 facilities. The interest rate used is for specific-purpose financing or, failing that, the weighted average financing rate of the Company or the Parent Company of the Group.
- The amount activated and the capitalization rate is as follows:

Cost for capitalized loans	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Costs for capitalized loans (see note 29)	5,656,526	5,290,732
Costs capitalization rate functional currency CLP	3.24%	3.69%
Costs capitalization rate functional currency USD	3.00%	3.00%

- The employee costs directly related to the construction in progress were ThCLP\$6,650,334 for the year ended December 31, 2022 and ThCLP\$8,393,497 for the year ended December 31, 2021 (See Note 25).

- 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.

Constructions in progress are transferred assets in use once the trial period has ended, when they are ready for their intended use, as of which time they start to be depreciated.

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, which 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 written off in the books.

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

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

Property, plant and equipment	Range of estimated useful lives
Building	40 - 80
Plant and equipment:	
Lines and grids	30 - 44
Power transformers	44
Meters	20 - 40
Substations	20 - 60
Generation Systems	25 - 50
Information technology equipment:	
Hardware	5
Fixed instalations and accesories	
Furniture and office 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. Intangible Assets

2.11.1. Purchased Goodwill

Purchased Goodwill represents the difference between the acquisition cost and the fair value of identifiable assets acquired, liabilities and contingent liabilities of the acquired Company. Goodwill is initially measured at cost and subsequently measured at cost less any impairment loss, if any.

Purchased Goodwill is reviewed annually to determine whether there are impairment indicators or more frequently, if events or changes in circumstances indicate that the book value may be impaired, as indicated in Note 2.12.

2.11.2. Easements and Water Rights

These intangible assets correspond to easements of passage. Their accounting recognition is initially made at acquisition cost and subsequently measured at their net cost of impairment losses, if any. Assets with indefinite useful lives are not amortized.

2.11.3. Software

These intangibles are computer applications and they are initially recognized at acquisition cost and subsequently they are valued at their net cost of amortizations and impairment losses, if any. These assets are amortized over a useful life of between four and six years.

2.11.4. 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 year or a subsequent year.

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 year 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.

The Company and its subsidiaries, based on the result of the impairment tests, consider that the carrying value of the assets does not exceed their recoverable value as of December 31, 2022 and 2021.

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 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, 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 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 Group becomes 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 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:

- i.** In the case of financial assets initially recognized at amortized cost, they are measured using the effective interest rate method, which accretes the estimated future cash collections over the expected life of the financial asset .
- ii.** 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 Consolidated Statement of comprehensive income. On derecognition, the gains and losses accumulated in other comprehensive income are reclassified to the income for the year.
- iii.** 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 financial assets

For trade receivables, finance lease receivables and contract assets, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL.

Under this simplified approach, the Group 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 Group 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 variances in the purchasing power of customers.

When there is reliable information that indicates that the counterparty is in severe financial difficulties and there is no realistic prospect of recovery, for example when the counterparty 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 system and distribution customers associated to the power distribution subsidiaries.

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 Statement of Financial Position classified as described below:

a) Trade 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 Consolidated Statement of Comprehensive Income 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 Group 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 Group 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 profit and loss in financial income or financial expense.

a) Classification of Hedge Instruments – cash flow hedges

This classification consists of designating hedge instruments to hedge the exposure to changes in the cash flows of an asset, liability (such as a swap to fix interest payments on a debt with a floating rate), a highly probable forecast transaction or a proportion thereof, provided that such changes: i) are attributable to a particular risk; and ii) could affect future profit or loss.

The effective portion of the changes in the fair value of the derivative instruments that are designated and qualified as cash flow hedging instruments is deferred in equity in a net equity reserve called "cash flow hedge." Deferred amounts in equity are recognized in profit or loss in the same periods in which the hedged item affects results.

However, when the expected hedged transaction results in the recognition of a non-financial asset or a non-financial liability, gains and losses previously deferred in equity are transferred from equity and included in the initial valuation of the cost of that asset or liability.

Hedge accounting is discontinued when the hedge relationship is canceled, when the hedge instrument expires or is sold, is terminated, or exercises, or no longer qualifies for hedge accounting.

Any deferred gain or loss on equity at that time is held in equity and recognized when the expected transaction is finally recognized in profit or loss. When an expected transaction is no longer expected to occur, the accumulated gain or loss that was deferred in equity is recognized immediately in profit or loss.

2.14.4. Cash and other equivalent liquid means

Under this item of the Consolidated Statement of Financial Position, cash is recorded in bank balances, cash and other highly liquid short-term investments that are quickly realizable in cash, with a maturity of up to three months and that have a low risk of exchange rates. its value. In the Consolidated Statement of Financial Position, bank overdrafts, if any, are classified under current liabilities.

2.14.5. Implicit Derivatives

The Company has established a procedure to evaluate the existence of embedded derivatives in financial and non-financial contracts. In case of an implicit derivative, and if the main contract is not a financial instrument, the procedure determines if the characteristics and risks of the same are not closely related to the main contract, in which case it requires a separate accounting. Otherwise, since the main contract is a financial asset, it is not separated, and the entire contract is evaluated according to the business model and contractual characteristics of its cash flows.

The procedure consists of an initial characterization of each contract that allows to distinguish those in which an implicit derivative could exist. In such a case, said contract is subject to a more thorough analysis determined whether or not the main contract is a financial instrument. If the product of this evaluation determines that the contract contains an embedded derivative that requires its separate accounting, it is valued and the movements in its fair value are recorded in the comprehensive income statement, while if it is not separable, the entire contract is subject to the business model, and movements in fair value are recorded in comprehensive income.

As of December 31, 2022 the analysis carried out indicate that there are no implicit derivatives in the contracts of the Company that need to be accounted for separately.

2.14.6. Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company and its subsidiaries are recognized as the proceeds received, net of direct issue costs. Currently, the Company has only issued ordinary series A and series B shares.

2.15. Inventories

Inventories are stated at the lower of weighted average acquisition cost and net realizable value.

2.16. Other non-financial liabilities

In this item are included the following concepts:

2.16.1. Deferred revenue

This item mainly includes issues of documents or payments received from customers for services, which according to the contract stipulate advance payments. These amounts are recorded as deferred income in the liabilities of the Consolidated Statement of Financial Position and are charged to income under "Revenue from ordinary activities" in the Consolidated Statement of Comprehensive Income to the extent that the service accrues.

In "Other Non-Current Non-Financial Liabilities" has been included the advance payment long-term toll contracts with third parties for the use of zonal transmission assets that the Company must construct. 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 charged to the liability recorded as deferred income, in the corresponding proportion and in the same duration of the contract.

2.16.2. Government Grants

Governmental grants are recognized at fair value, when there is a reasonable certainty that the grant will be collected and that the Company and subsidiaries will meet all statutory requirements.

Governmental grants related to assets are deducted from the carrying amount at which the corresponding asset has been recorded, and they are recognized in the Consolidated Statement of Comprehensive Income over the useful life of the depreciable asset with a reduced depreciation charge.

2.16.3. 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, in case of the INNOVA subsidiary ThCLP\$25,000). 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 luminaires in the public lighting system, tendered through the public market, 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 Financial Statements, arising as a result of past events, in the liquidation of which the entity 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 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 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 year 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 Statement of Financial Position represents the present value of the compensation obligation for years of service. 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 5.16%, 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. Current/Non-Current Classification

In the accompanying Consolidated 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 insured at the discretion of the Company and its subsidiaries, through unconditionally available credit agreements with a long-term maturity, they could be classified as non-current liabilities.

2.20. Income tax

Income tax expense for the period, is defined as the sum of current tax of the different companies of the Group and results from the application of the tax rate on the tax base of period, 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 Group is taxed under the "Partially Integrated Regime", first category income tax rate of 27%.

2.21. Recognition of revenue and expenses

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

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

- Sale of energy
- Transmission
- Generation and Commercialization
- Revenue from retail sale of products and services
- Revenue from the construction of works to third parties
- Interest revenue

The Company and its subsidiaries recognize 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) Sale of Energy:

The contracts of the Company and its subsidiaries with customers for the sale of energy include a performance obligation, so the revenue from sales of power is recorded based on the energy supplied, whether it is billed or estimated at the date of the present Consolidated Financial Statements. Revenue from the sale of energy is recognized over time.

(ii) Transmission:

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

(iii) Generation and Commercialization:

Revenues from sales of electric power and power, such as income from the commercialization of electric power and power, are recorded on the basis of physical delivery to the different customers,

whether these are billed or estimated constitute a performance obligation. Generation and Commercialization revenue are recognized over time.

(iv) 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.

(v) Revenue from the construction of works to third parties: (they are measured as indicated in Note 2.16.3).

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.

(vi) Interest revenue:

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

The Company and its subsidiaries determine the existence of significant financing components in their contracts, adjusting the value of the consideration, if applicable, to reflect the effects of the time value of money. However, the Group 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 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 period in the Consolidated 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 N°79 of Corporations Law N°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 Interest" in the Consolidated 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 period. 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 financial statements as of December 31, 2021, mainly related with the reclass of the stabilization VAD provision from current to non-current (See Note 8).

2.25. New standards and amendments

a) Accounting standards and amendments has been applied to these Consolidated Financial Statements:

Amendments to IFRS	Mandatory effective date
Reference to the Conceptual Framework (Amendments to IFRS 3)	Annual periods beginning on or after January 1, 2022
Property, Plant and Equipment - Revenue before Intended Use (amendments to IAS 16)	Annual periods beginning on or after January 1, 2022
Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)	Annual periods beginning on or after January 1, 2022
Annual Improvements to IFRS Standards, 2018-2020 cycle (amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)	Annual periods beginning on or after January 1, 2022

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

b) New standards and amendments with effective application not yet in force:

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

New IFRS	Mandatory effective date
IFRS 17, Insurance Contracts	Annual periods beginning on or after January 1, 2023.
Amendments to IFRS	Mandatory effective date
Classification of liabilities as Current or Non-Current (amendments to IAS 1)	Annual periods beginning on or after January 1, 2024
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
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 IAS 1)	Annual periods beginning on or after January 1, 2024

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 generation 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 Electric 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 Edelayen), whose installed generation capacity is less than 200 MW, but greater than 1,500 KW, and which serve consumption in 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:** Belonged those customers with more than 5 MW installed power, which agree on the fee freely with the generator. Customers between 500kw and 5 MW which could choose to be treated as free customers market, cannot be changed in 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) **Distribution Companies 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 last transactions are performed is obtained from open, transparent and non-discriminatory tendering, which currently is established for a minimum contract period of 20 years. 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 (surplus to deficit) participating in the system are performed at the hourly incremental cost. The agency in charge of performing these calculations is the Direction of Tolls of the National Electrical Coordinator.

In the Medium size Systems as Aysén, Palena y Carrera, whose operation and exploitation are in the hands of the subsidiary Edelayen, such as in Hornopirén and Cochamó whose operation and exploitation are in the hands of the subsidiary SAESA, there are no competition conditions in the generation market. Therefore, the costs of generation and transmission are determined based on a specific study performed by the National Energy Commission (CNE) every four years. The Puerto Cisnes system operated by Edelayen, is in transition process to become a medium System, by exceeding the threshold of 1,500 kW of installed capacity.

The tariff process for medium systems for the period November 2022 – October 2026 is ongoing. The CNE is expected to publish its technical report in mid-March, which can be disputed by the companies in the Panel of Experts.

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 are defined by the CNE.

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

CNE is starting the 2024-2027 tariff process. It is expected that during 2023 the facility qualification process will be carried out and then the study will begin, which is carried out by a consultant and supervised by a committee.

3.3. Distribution

According to the laws in place, it is considered distribution to all electricity supply with a maximum voltage of 23 kV.

The companies engaged in electrical distribution operate under a concession system that determines the territories in which each company must serve regulated customers under a system of maximum tariffs and under an efficient company model, as stipulated by the regulatory authorities. Given the entry barriers to the industry, mainly due to the strong economies of scale, distributing companies operate with the characteristics of a natural monopoly in the market of regulated customers.

Every four years, the Regulatory Authority (CNE) establishes the Value-Added Distribution (VAD), as well as its indexing formulas, based on a classification process of each of the companies in typical areas and using economic criteria, such as population density, consumption density and costs per unit of distributed power. A model company is simulated, one in each typical area, basically considering operational standards and that are assimilated to the corresponding real companies.

Regarding the November 2020 – November 2024 process, the CNE published its Technical Report dated December 23, 2022, which is in the process of discrepancies in the Panel of Experts.

Regarding the November 2024 – November 2028 process, the CNE published the technical bases, which are in the process of discrepancy in the Panel of Experts.

As a result of Law No. 21,194-19 of the Ministry of Energy, published in the Official Gazette on 12/21/2019, the fixed rate of 10 percent before taxes is changed to a market rate that is set for each tariff process, whose value has a floor of 6% and a ceiling of 8% after taxes. For the November 2020 – 2024 tariff process, the rate was fixed at 6% after taxes.

All customers, both regulated or unregulated must pay the distribution value added (VAD in its Spanish acronym) for using the networks.

The distributor can have the following types of services mainly:

a) Sales to Regulated Customers

The tariffs that distributing companies apply to regulated customers are composed of a node price, National Transmission and Zonal charge and VAD.

The Node Price reflects the average purchase cost of energy and power from the generating companies that were awarded the electricity supply tenders. This price is defined semiannually, in January and July,

through the publication in the Official Gazette of the Decree of the Average Node Price. Transmission charges are calculated by the CNE based on the value of transmission assets and projected demand.

Finally, the tariff includes the VAD, which reflects the cost of capital of the distribution assets of a model Company, variable management costs, efficient maintenance and operation of the systems, fixed costs per invoicing and customer attention and the efficient losses.

b) Sales to Free Clients or toll collection

The tariff charged to this type of customer is determined between the corresponding supplier (which may or may not be the distributor) and the same client, according to market conditions that includes payment for the use of the distribution networks to which they are connected (VAD).

c) Other Services Associated with Distribution

Additionally, distribution companies receive revenues for services associated with electricity supply or services rendered as public service concession companies (called SSAA), including the rental of energy meters, shut-down and re-supply of power, support to telecommunications companies, and late payment fees, among the most significant. Tariffs for these services are established every 4 years and are determined at the time of each new VAD tariff-setting process.

3.4. Regulatory framework

3.4.1. General Aspects

The Chilean electrical industry has been regulated since 1982, mainly by Decree with Force of Law No.1/82, which contains the General Law on Electrical Services (LGSE in Spanish), and by the enabling Regulation of this law.

Since its publication, multiple modifications have been made to the Law that had a positive impact on the sector by encouraging the level of investment and regulating the process of obtaining energy purchase contracts by distributors to satisfy consumption. The latest changes made are listed below.

3.4.2. Transmission Law

On July 20, 2016, the new Transmission Law was published in the Official Gazette (Law Number 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 insures the income of the decree and eliminates the dependence on demand.

The valuation decree for the 2020-2023 period is in the process of being approved by the Comptroller's Office, which has retroactive effect from January 2020. In addition, the valuation process for the 2024-2027 period is beginning.

As of December 2022, the technical bases of this new process are being the subject of discrepancy in the Panel of Experts.

- 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 Studies: The State may establish that certain new works projects may use this mechanism, which consists of delivering to the adjudicated a preliminary strip with the approval of the Council of Ministers for Sustainability, and the adjudicated must develop the specific layout within the preliminary strip and obtain the corresponding RCA of the project. Subsequently, easements are imposed by decree, for reasons of public utility. With respect to the negotiation and payment of easements, the same current mechanisms are maintained.

3.4.3. Law of Tariff Equity and Recognition of Local Generation

On June 15, 2016, the Law on Tariff Equity was approved (Law No. 20,928, establishes mechanisms for fairness in electric service tariffs), the purpose of which is to introduce mechanisms of equity in electricity rates, among others:

- a) Local Generation Recognition (RGL): A discount is set on the energy component of all regulated tariffs of electricity-intensive communes, which will be assumed by those users of communes that are not considered as intensive in generation. This gives a signal of costs associated with the electricity supply, compatible with the benefit provided by City Halls that have installed generation capacity.
- b) Residential Tariff Equity (ETR): The "distribution" component of residential tariffs (today BT1) is modified to ensure that the difference between the average national accounts and the highest account does not exceed 10% of the first. This measure will be financed by all customers subject to price regulation.

3.4.4. Law that forces to solve the splice and meter in case of force majeure

Law No. 21,076 published on February 27, 2018 imposes on the distribution company the obligation to pay for the removal and replacement of the splice and meter in the event of the facilities becoming unusable due to force majeure, and the remuneration of these facilities must be included in the rate formulas.

3.4.5. Residential Generation Law

On November 17, 2018, Law 21,118 was published, modifying the LGSE in order to encourage the development of residential generators.

3.4.6. Technical Distribution Standard

On December 18, 2017, the Technical Standard of quality of service in distribution was published, which establishes more demanding standards of duration and frequency of supply interruptions, commercial quality levels, product quality and measurement systems, monitoring and control (SMMC). However, these standards are gradually enforceable as their costs are reflected in the distribution rates. Thus, as of the end of September 2018, as a result of the publication of the tariff decree of the Ministry of Energy 5T/2018, the period of gradual implementation of the requirements established in the new Technical Standard begins.

Within the new standards, the technical standard defines the requirement to install smart metering for end customers. Recently, as a result of a rejection of public opinion to change the meter and its associated cost, the Ministry of Energy announced (04/29/19) that the change to smart metering would be voluntary and the amounts charged to date in the tariff for this concept it should be returned by the Company. As of August 26, 2019, the return of the amounts involved.

A new version was published on 10.12.19 through RE CNE N ° 763-19, perfecting some points of the standard published in 2017. A new modification is in progress, which should be published in the first semester of 2023.

3.4.7. Law that regulates the removal of overhead and underground communications lines

On August 20, 2019, Law No. 21,172 was published, amending the General Telecommunications Law. In it, it regulates the withdrawal of aerial and underground lines when they fall into disuse, establishing a maximum withdrawal time. In the event that they do not do so within the deadline, the municipality is responsible for it, sanctioning the company that owns it.

3.4.8. Improvement of the Electricity Distribution Tariff Process Law

Law No. 21,194-19 of the Ministry of Energy, published in the Official Gazette on 12/21/19, generated major changes in the regulatory framework, mainly in the distribution rate process.

The main changes are:

- a) Change the fixed rate of 10 percent before taxes, for a market rate that is set for each tariff process, whose value has a floor of 6% and a ceiling of 8% after taxes. For the November 2020 – November 2024 tariff process, the rate was fixed at 6% after taxes.
- b) To better reflect the reality of electric cooperatives, in each tariff process, at least 4 typical areas must be determined to represent them. For the current rate process, 6 areas were determined for the cooperatives, totaling 12 typical areas (double the last rate process of 2016).
- c) Technical bases of the pricing process may be observable and discrepable in the Panel of Experts.
- d) A single study supervised by a special committee, made up of 4 representatives of the distributors, 2 from the Ministry, 2 from the CNE, leaving behind the preparation of 2 studies, one by the companies and the other by the CNE, weighted the results 2/3 CNE and 1/3 companies.
- e) After the study, the CNE publishes a preliminary technical report that can be observed and disagreed with by the Panel of Experts.
- f) Regarding the profitability check of the industry, the band changes from -4% + 4%, to a band of -3% + 2% of the established rate (resulting in a band between 3% and 8%). Made with the useful life of the model company.
- g) Increase of citizen participation in the entire process.
- h) Concessionaire companies must have an exclusive line of electricity distribution.

The first process of setting the Distribution Added Value under this new Law is underway, which will set the rates for the period November 2020 – November 2024

3.4.9. Temporary price stabilization law

Law No. 21,185 of the Ministry of Energy published in the Official Gazette on November 2, 2019, creates a temporary mechanism for stabilizing electricity prices for customers subject to rate regularization, the prices that distributors can transfer to their regulated customers correspond to the contents of decree MEN 20T/2018 of January 2019, called the Stabilized Price for Regulated Clients (PEC). This value is adjusted by CPI from the second half of 2021 and remains as a ceiling until 2025, provided that the balance to be paid to generators does not exceed 1,350 million USD. As of June 2022, this limit was reached, so significant increases should be passed on to end customers.

To avoid sudden increases for end customers, Law No. 21,472 was published on 08/27/2022, which creates a rate stabilization fund and establishes a new transitory electricity price mechanism for customers subject to price regulation. This Law adds an additional charge to the rate to solve the fund, differentiated by level of

consumption. The fund is also financed with direct contributions from the Ministry of Finance. In turn, maximum increases are defined for customers according to their consumption range, defining 3 levels: less than 350 kWh per month, between 350 and 500 kWh per month and over 500 kWh per month. The Law contemplates that all the balances are settled by 2032.

3.4.10. Law No. 21,304 on the supply to electro-dependent customers

Published on 01/12/2021 in the Official Gazette, on electricity supply for electro-dependent people. It establishes the need to ensure continuous supply and the discount of the consumption of the equipment to which they are connected continuously or temporarily and that they require to compensate for the loss of a fundamental function of the body and without which they would be at risk of vital or functional sequelae. severe. However, the provisions of this Law will enter into force once the regulation issued by the Ministry of Energy is issued.

3.4.11. Exempt resolution CNE N°176/2020 – Exclusive business

On June 9, 2020, CNE Exempt Resolution N ° 176 was published in the Official Gazette, modified by CNE Exempt Resolution N ° 276, hereinafter the "Resolution", which determines the scope of the obligation of Exclusive Business and separate accounting, for the provision of the public energy distribution service in accordance with the established in Law 21,194, hereinafter the "Law".

In accordance with the Law and the Resolution, the public distribution service concessionaires that operate in the National Electric System must be constituted as exclusive distribution companies and must only carry out economic activities aimed at providing the public distribution service, in accordance with the requirements established in said regulatory bodies. These requirements will apply as of January 1, 2021. Notwithstanding the foregoing, those operations that, due to their nature, cannot be carried out prior to that date, must be informed and justified to the CNE, including a planning calendar, indicating the deadlines for compliance with the respective requirements, which in any case may exceed January 1, 2022. The Company has implemented these requirements.

The requirements of the Exclusive Business allow other regulated services to be carried out, such as generation in medium-sized systems and transmission, maintaining an independent accounting system. For this reason, generation and distribution in the medium-sized systems of Palena, Aysén and General Carrera remained under the Tax ID of the subsidiary Edelaysen.

3.4.12. Basic Services Law for Health Crisis - COVID19

On August 5, 2020, Law No. 21,249 was enacted, which provides, exceptionally, the measures indicated in favor of the end users of health services, electricity and network gas. In this Law is established during the 90 days following its publication, the companies that provide these services cannot shutdown the supply due to payment delay to the users that the regulation itself indicates, who were considered vulnerable for these purposes.

In addition, it is established that the debts that these users contract with the companies between March 18, 2020 until 90 days after the publication of the Law, will be prorated in a number of equal and successive monthly installments determined by the client, up to a maximum of 12, and the beginning of its collection will be postponed until the first billing that occurs once the 90 days have elapsed, without penalties, interest or associated expenses.

It was modified by Law No. 21,340, published on May 22, 2021, which extends the benefits until December 31, 2021 and the number of installments up to 48.

On February 11, 2022, Law 21,423 was published in the Official Gazette, which regulates the apportionment and payment of debts for drinking water and electricity services generated during the COVID-19 pandemic and establishes subsidies for vulnerable customers. This law prorates the debt contracted during the pandemic period (March 2020 to December 2021) in 48 interest-free installments and with a maximum limit of the installment value equivalent per client to 15% of the average 2021 billing. The installment will be covered by a grant of the Government and the debt not covered by the installments is extinguished.

On June 23, MEN Resolution No. 130/2022 was published, which approves the procedure for the payment of grants, so it is expected that the mechanism will begin to be applied during the second half of 2022.

3.4.13. Regulating, supervisory, and coordinating agencies

The national electrical industry is regulated essentially by government bodies, including the CNE, the Ministry of Energy, and the Superintendence of Electricity and Fuels, which perform oversight, regulatory 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 Organization 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 grants definitive concessions, subject to prior report from the SEC. The overall purpose of the Ministry of Energy is to draw up and coordinate the plans, policies and standards for proper operation and development of the sector, oversee compliance thereof and advise the Government with regard to all energy-related matters.
- d) National Electric Coordinator:** Institution created in the Transmission Law, which has the following functions:
 - Preserve the security of the service;
 - Guarantee the operation at minimum cost of all the facilities that make up the system;
 - Guarantee access to transmission facilities to supply supplies for end customers (distributors or free customers).

4. Risk management policy

The risk management strategy is aimed at protecting the Company and its subsidiaries, employees and their environment from situations that may adversely affect them. This management is led by the Senior Management of the Company's Parent Company and is carried out both at a general level and for each of the sectors in which it participates, considering the particularities of each one. 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 is exposed are as follows:

4.1. Financial risk

Flows of the Group, 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 incorporates costs as denominated in international and local markets and any associated exchange rate or CPI effects, where applicable.

The Administration and Finance Area of the Company 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. The Company had, as of December 31, 2022, cash and cash equivalents by ThCLP\$ 94,311,206. Total borrowings were ThCLP\$1,161.528,508. 100% of the borrowings are repayable in more than 1 year (related to bank debt) and 98% of the financial liabilities are repayable after more than 5 years (related to bonds) (Note 17a). (As of December 31, 2021, 28.5% and 98.5% respectively).

4.1.1. Exchange rate

The Company transacts primarily 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 exchange rates. 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.

The Company and its subsidiaries also carry out transactions in currencies other than their functional currency and correspond mainly to payments for the purchase of materials or supplies associated with electrical system projects that are marketed in foreign markets, usually in dollars. In the event that these operations, as well as financing operations or other significant cash flows, may affect the results of the Company and its subsidiaries, the hiring of derivative instruments is evaluated in order to perform the coverage in any of these cases.

Those subsidiaries that maintain their functional currency Chilean Peso are exposed to variances in the US dollar exchange rate through their revenue, given the indexation in this currency for their monthly pricing.

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

As of December 31, 2022, the Company and its subsidiaries does not maintains a derivative instrument Forward.

The subsidiaries SAGESA S.A., SAGESA TX, SGA, STN, SATT. Cabo Leones, STC, STA and Tolchén have as functional currency the US dollar, because their flows are linked to the evolution of that currency. The flows represented by these companies as part of the consolidated flows of the Group are 21.2% (15.4% as of December 31, 2021). The variances in equity that these companies may have as a result of exchange differences are not managed by the Company.

As of December 31, 2022, the Company does not maintain current account loans receivable other than the Chilean peso with its related parties (as of December 31, 2021 US\$171,143,164, equivalent to Th\$144,562,919, for the construction of its assets) .

4.1.1.1. Sensitivity analysis

Below is a comparative table for the years 2022 and 2021 with the sensitivity analysis with the impact on results by the monetary accounts of balances in currencies other than their functional currency (US dollar), by Sagesa S.A., SGA, STN, STC, SATT and Cabo Leones S.A., against a positive or negative variance of CLP\$10 in the exchange rate:

Name Company	Balance Situation	Sensitivity Variance in F/E (±)	12-31-2022		12-31-2021	
			Credit/(Charge)		Credit/(Charge)	
			Appreciation CLP\$	Devaluation CLP\$	Appreciation CLP\$	Devaluation CLP\$
			ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Sagesa S.A.	Excess of liabilities over assets	\$10	26,227	(26,227)	170,888	(170,888)
Sociedad Generadora Austral S.A.	Excess of liabilities over assets	\$10	183,351	(183,351)	78,477	(78,477)
Sistema de Transmisión del Norte S.A.	Excess of liabilities over assets	\$10	45,711	(45,711)	144,982	(144,982)
Sistema de Transmisión del Centro S.A.	Excess of liabilities over assets	\$10	-	-	94,818	(94,818)
Sistema de Transmisión del Centro S.A.	Excess of liabilities over assets	\$10	(5,354)	5,354	-	-
Sociedad Austral de Transmisión Troncal S.A.	Excess of liabilities over assets	\$10	30,525	(30,525)	18,458	(18,458)
Línea de Transmisión Cabo Leones S.A.	Excess of liabilities over assets	\$10	8,740	(8,740)	55,931	(55,931)
Total			289,200	(289,200)	563,554	(563,554)

Also, for the years 2022 and 2021, is shown a sensitivity of the impact on results in the Company, of the loan in current account in dollars held by the subsidiaries STC, STN and SATT with the Company and its subsidiary Saesa, with a positive or negative variation CLP\$10 in the exchange rate:

Company	debtor - checking account	Sensitivity Variance in F/E (±)	12-31-2022		12-31-2021	
			Credit/(Charge)		Credit/(Charge)	
			Appreciation CLP\$	Devaluation CLP\$	Appreciation CLP\$	Devaluation CLP\$
			ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
SAESA	SATT	\$10	-	-	(69,851)	69,851
ELECTRICAS	STN	\$10	-	-	(274,866)	274,866
ELECTRICAS	STC	\$10	-	-	(399,517)	399,517
ELECTRICAS	SATT	\$10	-	-	(967,198)	967,198
Total			-	-	(1,711,432)	1,711,432

4.1.2. UF Variance

With respect to the gross revenue of the Group, 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.

Additionally, 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.

4.1.2.1. Sensitivity analysis

The Company and its subsidiaries conducted a sensitivity analysis of the variation of the UF for interest-bearing loans (Other current and non-current financial liabilities) assuming that all other variables remain constant. This methodology consists of measuring, for interest-bearing loans (Other current and non-current financial liabilities), the positive variation of half a percentage point of the UF for the year of closing of these Consolidated Financial Statements, with respect to the real UF variance.

The result of the analysis showed that, in accordance with the previous condition, there is an increase in the company's liabilities of ThCLP\$3,767,934 as of December 31, 2022 (ThCLP\$3,486,571 as of December 31, 2021).

The impact on results for the indicated analysis is the following for the years 2022 and 2021:

Debt type	Total readjustable debt		Variance % increase UF	Effect in profit and loss	
	12-31-2022	12-31-2021		12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$		ThCLP\$	ThCLP\$
Debt in UF (Bonds)	760,476,897	705,275,796	0.5%	3,767,934	3,486,571

4.1.3. Interest rate

The management of this risk focuses mainly on liabilities with the financial system. As of December 31, 2022, the Company maintains 100% of the associated financial debt at a fixed interest rate.

There is an interest rate risk associated with the profitability of cash investments, which is explained by current market conditions in relation to inflation increases and reference interest rates, both local and foreign.

Management invests the cash mainly in Mutual Funds with terms lower than 30 days with the possibility of daily redemptions and daily monitors rate movements that affect current yields. If necessary, Management redeems the funds in advance and reinvests them at market values..

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 December 31 2022, 100% of debt of the Company and its subsidiaries 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 the table of the profile of principal and interest maturities in December 2022 and 2021:

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 until 2 years	More than 2 year until 3 years	More than 3 year until 4 years	More than 4 year until 5 years	More than 5 year until 10 years	More than 10 years		
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$		
	Bonds	45,802,386	37,641,839	47,744,647	50,500,849	49,989,137	49,477,425	432,403,042		883,495,180
Bank loans	227,500	636,008	40,788,508	22,128,564	-	-	-	-	-	63,780,580
Financial Leases	655,375	790,902	765,586	323,063	70,788	68,205	1,222,390	-	-	3,896,309
Total	46,685,261	39,068,749	89,298,741	72,952,476	50,059,925	49,545,630	433,625,432	883,495,180	1,664,731,394	
Percentage	3%	2%	5%	4%	3%	3%	26%	53%	100%	

Capital and Interest	12-31-2021								Total
	Current		Non - current						
	Up to 90 days	More than 90 days until 1 year	More than 1 year until 2 years	More than 2 year until 3 years	More than 3 year until 4 years	More than 4 year until 5 years	More than 5 year until 10 years	More than 10 years	
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	
Bonds	3,437,525	21,267,027	33,058,073	44,157,599	33,608,073	35,929,191	363,365,770	455,517,900	990,341,158
Bank loans	150,951,292	636,008	863,508	62,660,647	-	-	-	-	215,111,455
Financial Leases	448,953	470,322	596,601	520,568	262,982	64,376	1,243,782	-	3,607,584
Total	154,837,770	22,373,357	34,518,182	107,338,814	33,871,055	35,993,567	364,609,552	455,517,900	1,209,060,197
Percentage	13%	2%	3%	9%	3%	3%	30%	38%	100%

The Company performs a cash management joint with Inversiones Grupo Saesa Limitada through its surpluses, or through different debt instruments in the financial market, finances new investments in the Group's transportation projects with intercompany loans and these are paid by the subsidiary with the flows generated by these investments or with financing from third parties to the extent that conditions are favorable.

4.1.5. Credit risk

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

The credit risk related to the supply of electricity, as mentioned in Note 8 a) y b) is limited given the collection tools (cut of supply and filing of debt in the property) that the Law gives to the companies that deliver this service.

During the year 2020, Law No. 21,249 on Basic Services was published, also considering 2 extensions published during the year 2021, which provides, exceptionally, measures in favor of the end users of sanitary services, electricity and network gas, whose regulations establish the prohibition of supply interruption until December 31, 2021. The foregoing has translated into an increase in the levels of late payment and credit of the clients, which began to be regularized in the first semester of 2022 through the application of the payment agreements of the basic services laws: apportionments in up to 48 installments for registered customers (Law No. 21,249) and agreements with subsidies for customers with consumption average of up to 250 Kwh (Law No. 21,423). The reactivation of shutdowns for all customers from July 2022 was also added.

According to the foregoing, the Company and its subsidiaries have recorded an impairment provision by ThCLP\$3,316,202 as of December 31, 2022, considering the effects described above in relation to future agreements entered into and the balance of the debt that must be assumed. the Company (See Note 8).

The Company and its subsidiaries also carry out other types of sales, which correspond to businesses of lesser relative importance, but whose purpose is to provide the customer with a broader range of products, such as: a) retail sales of products and services and sale of electrical materials and services (for residential customers), and b) construction works and equipment rental (large customers and municipalities). Regarding letter a), the policy establishes terms ranging from 12 to 36 months for its electricity distribution customers.

With regard to the construction of works, which are normally built for state, municipal or large clients, the form of payment considers installments ranging from 36 to 96 months. These amounts are granted under market credit conditions and to customers who meet certain standards of historical behavior without delinquency.

Further information can be found in Note 8 of Trade receivables and other accounts receivable.

In the following comparative chart to December 31, 2022 and 2021, shows the relationship between total revenues and the amount of sales and other accounts receivable due or impaired.

Concepts	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Operating revenue (past 12 months)	782,926,606	670,130,011
Trade and other receivables past due and impaired (past 12 months)	4,475,977	10,819,660
Trade and other receivables past due and impaired / operating revenue	0.57%	1.61%

Regarding the transmission segment, the payment compliance of the companies that use the transmission networks is supervised by the National Electrical Coordinator, in case of non-payment, the Coordinator can suspend the operator. In the case of non-regulated contracts, customers pay on time since the suspension of transmission would affect their ability to deliver electricity

Investments of cash surpluses are carried out in national financial institutions with very high credit quality risk rating 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 critical accounting policies

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

The preparation of the accompanying Consolidated 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 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 Group reviews the book value of their tangible and intangible assets to determine if there is any indication that the carrying 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 carrying value.

These assessments require the use of estimates and assumptions such as:

- **Distribution and Transmission toll revenue:** The value of distribution and transmission tolls revenue (from the Company's Regulated and Unregulated Transmission Systems) in accordance with current tariff decrees (or existing contracts) and the possible impact of regulation.
 - **Growth in energy demand:** The growth estimate for energy sales has been calculated based on the behavior of local and sector realities for the short and medium historical term and in the long term, according to the IMACEC growth estimate. , a variable that over long periods shows a structural relationship with the behavior of demand.
 - **Energy purchase and sale prices:** The purchase prices are determined according to current contracts and their evolution for the coming years. The sale prices of the electricity business projections (mainly distribution and transmission) are determined so as to obtain an average regulatory return. Thus, the net income (income from sales less cost of sale and fixed costs) over the investments made must deliver the average returns.
 - **Investments in property, Plant and Equipment:** The requirements of new facilities to absorb the demand, as well as the regulatory requirement (i.e. Technical Standards investments) are considered in these projections. The Investment Plan is periodically updated in order to cope with the growth of the business.
 - **Fixed costs:** fixed costs are projected considering the current base, the growth of sales, customers and investments. Both in relation to staffing (considering salary and Chilean CPI adjustments), as well as other operation and maintenance costs, and the projected inflation level.
 - **Macroeconomic Variables:** The macroeconomic variables (inflation, exchange rate among others) that are required 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 year, an estimate for the services provided pending billing at the end of the year, 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 accruals will be reversed once the final settlements are issued by the responsible regulator and recorded in the general ledger.
- d) Estimate of bad debtors and obsolete inventories:** The Company and its subsidiaries have estimated the risk of recovery of accounts receivable and inventory obsolescence, for which they have established percentages of provision according to the expected credit losses and the turnover rate of their inventories, respectively.
- e) Employee benefit obligation:** The obligations recognized for indemnities for years of service arise from collective agreements entered into with the employees of the Company and its subsidiaries in which the commitment is established by it. Management uses actuarial assumptions to determine the best estimate of these benefits. Any actuarial gain or loss, which may arise from changes in actuarial assumptions, is recognized in other comprehensive results for the year.
- The assumptions are established jointly with an actuary external to the Company, and include, among others, the demographic assumptions, the discount rate and the expected salary increases and future permanence.
- f) 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 December 31, 2022 and 2021 is as follows:

Cash and cash equivalent	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Cash in cash	4,396,980	4,106,048
Bank Balances	6,763,973	4,207,183
Time deposits	25,686,421	-
Other fixed income instruments	57,463,832	14,548,397
Total	94,311,206	22,861,628

b) The detail of Time Deposits is the following:

Company Name	Short Name	Financial Entity Name	Financial instrument name	Currency	Risk classification	Investment amount	
						12-31-2022 ThCLP\$	12-31-2021 ThCLP\$
Sociedad Austral de Electricidad S.A.	SAESA	Scotiabank Chile	Time deposits	USD	01-05-2023	15,411,950	-
Sociedad Austral de Electricidad S.A.	SAESA	Banco de Crédito e Inversiones	Time deposits	USD	01-05-2023	10,274,471	-
Total Time deposits						25,686,421	-

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

Company Name	Short Name	Financial Entity Name	Financial instrument name	Currency	Risk classification	Investment amount	
						12-31-2022 ThCLP\$	12-31-2021 ThCLP\$
Inversiones Eléctricas del Sur S.A.	ELECTRICAS	Itaú Administradora General de Fondos S.A.	Mutual funds	USD	AA+fm/M1	1,713,256	-
Empresa Eléctrica de la Frontera S.A.	FRONTEL	Itaú Administradora General de Fondos S.A.	Mutual funds	CLP	AA+fm/M1	-	1,435,308
Empresa Eléctrica de la Frontera S.A.	FRONTEL	Scotia Administradora General de Fondos Mutuos S.A.	Mutual funds	CLP	AA+fm/M1	1,450,275	-
Sociedad Austral de Electricidad S.A.	SAESA	Itaú Administradora General de Fondos S.A.	Mutual funds	USD	AA+fm/M1	11,389,229	-
Sociedad Austral de Electricidad S.A.	SAESA	BCI Asset Management Administradora General de Fondos S.A.	Mutual funds	USD	AA+fm/M1	9,847,481	-
Sociedad Austral de Electricidad S.A.	SAESA	Scotia Administradora General de Fondos Mutuos S.A.	Mutual funds	USD	AA+fm/M1	6,769,714	-
Sociedad Austral de Electricidad S.A.	SAESA	BCI Asset Management Administradora General de Fondos S.A.	Mutual funds	CLP	AA+fm/M1	-	3,635,801
Sociedad Austral de Electricidad S.A.	SAESA	Scotia Administradora General de Fondos Mutuos S.A.	Mutual funds	CLP	AA+fm/M1	4,681,439	3,635,071
Sociedad Austral de Electricidad S.A.	SAESA	Itaú Administradora General de Fondos S.A.	Mutual funds	CLP	AA+fm/M1	-	2,206,241
Sociedad Austral de Electricidad S.A.	SAESA	Banco Estado S.A. Administradora General de Fondos	Mutual funds	CLP	AA+fm/M1	-	1,026,314
Compañía Eléctrica Osorno S.A.	LUZ OSORNO	Banco Estado S.A. Administradora General de Fondos	Mutual funds	CLP	AA+fm/M1	533,945	498,133
Empresa Eléctrica de Aisén S.A.	EDELAYSÉN	Banco Estado S.A. Administradora General de Fondos	Mutual funds	CLP	AA+fm/M1	780,972	697,227
Saesa Innova Soluciones SpA	INNOVA	Banco Estado S.A. Administradora General de Fondos	Mutual funds	CLP	AA+fm/M1	1,269,882	-
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	-
Sistema de Transmisión del Norte S.A.	STN	Banco Estado S.A. Administradora General de Fondos	Mutual funds	CLP	AA+fm/M1	1,958,933	567,121
Sociedad Austral de Transmisión Troncal S.A.	SATT	Banco Estado S.A. Administradora General de Fondos	Mutual funds	CLP	AA+fm/M1	578,088	584,125
Sociedad Generadora Austral S.A.	SGA	Banco Estado S.A. Administradora General de Fondos	Mutual funds	CLP	AA+fm/M1	9,888,939	263,056
Sagesa Generación S.A.	SAGESA	Banco Estado S.A. Administradora General de Fondos	Mutual funds	CLP	AA+fm/M1	1,945,263	-
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	1,071,347	-
Total						57,463,832	14,548,397

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.

d) The detail by currency type of cash and cash equivalents is as follows:

Detail of Cash and cash equivalent	Currency	12-31-2022	12-31-2021
		ThCLP\$	ThCLP\$
Amount of cash and cash equivalents	CLP	36,833,065	21,403,818
Amount of cash and cash equivalents	USD	57,478,141	1,457,810
Total detail by currency type		94,311,206	22,861,628

e) The following table details the changes in liabilities arising from financing activities of the Company and its subsidiaries, including those changes that represent cash flows and changes that do not represent cash flows as of December 31, 2022 and 2021:

Changes in liabilities arising from financing activities	12-31-2021	Cash flows										Changes other than cash						12-31-2022
		Loan repayment		Interest paid	Loans	Related parties loan	Financial leases payments	Accrual interest	UP adjustment	exchange rate adjustment	New Financial leases	Transfers	amortization					
		THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$					
Long-term loans	155,408,556	(155,000,000)	(1,605,786)	-	-	-	1,425,341	-	-	-	-	-	-	228,111				
Short-term loans	62,000,000	-	-	-	-	-	-	-	-	-	-	-	-	62,000,000				
Financial leases - Current	919,275	-	(28,965)	-	-	-	173,132	50,736	-	163	331,896	-	-	1,446,277				
Financial leases - Non-current	2,688,309	-	(78,905)	-	-	(908,592)	-	212,589	-	1,096,170	(559,539)	-	-	2,450,033				
Bonds	707,974,514	(37,990,263)	(30,913,829)	305,236,312	-	-	35,997,530	96,675,291	22,179,235	-	1,547,882	607,735	1,099,300,391					
Loans in current account	371,384	-	(10,099,112)	-	-	-	10,935,696	-	-	-	-	-	-	1,207,746				
Loans in current account, non current	103,106,329	(130,227,126)	-	-	185,726,013	-	-	-	(1,345,954)	-	38,474	-	-	157,297,738				
Total	1,032,468,167	(323,217,388)	(42,726,597)	305,236,312	185,726,013	(908,592)	48,531,689	96,934,616	20,833,281	1,096,333	1,308,793	607,735	1,323,930,321					

I	12-31-2020	Cash flows						Changes other than cash						12-31-2021
		Loan repayment		Interest paid	Loans	Related parties loan	Financial leases payments	Accrual interest	UP adjustment	exchange rate adjustment	New Financial leases	Transfers	amortization	
		THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	THCLP\$	
Long-term loans	45,187,908	(455,000,000)	(1,793,118)	565,000,000	-	-	2,013,803	-	-	-	-	-	-	155,408,556
Short-term loans	30,000,000	-	-	32,000,000	-	-	-	-	-	-	-	-	-	62,000,000
Financial leases - Current	860,479	-	(2,090)	-	-	-	160,587	68,964	-	226,104	(894,769)	-	-	919,277
Financial leases - Non-current	2,985,575	-	(99,230)	-	-	(714,647)	2,863	285,691	-	1,397,812	(1,165,750)	-	-	2,688,309
Bonds	669,189,285	(5,542,485)	(21,114,317)	-	-	-	21,166,591	44,131,273	-	-	-	-	144,187	707,974,514
Loans in current account	309,260	-	(1,811,890)	-	-	-	2,073,814	-	-	-	-	-	-	371,384
Loans in current account, non current	103,106,329	(42,318,000)	-	43,918,000	-	-	-	-	-	-	2	-	-	103,106,329
Total	849,838,884	(502,860,485)	(24,925,700)	597,000,000	43,918,000	(714,647)	25,417,656	44,481,928	-	1,623,916	(1,560,522)	144,187	1,032,468,167	

7. Other financial assets

The detail of this item as of December 31, 2022 and 2021:

Other financial assets	Current		Non Current	
	12-31-2022	12-31-2021	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Derivatives instruments (1)	-	507,897	-	-
Remaining tax credit (*)	-	-	4,493,660	5,609,183
Total	-	507,897	4,493,660	5,609,183

(1) See note 17.1 Derivative instruments

(*) Corresponds to the remaining fiscal credit (specific tax), which will be recovered in future periods based on the generation of flows from the companies that generated them. The initial valuation of these assets is made with the projected cash flows of the companies and discounted at the discount rate used for the evaluation of cash generating units. Subsequent valuations are made using the effective discount rate method and annually, there is an impairment of the asset based on updated projected cash flows.

8. Trade Debtors and Other Accounts Receivable

The detail of this item as of December 31, 2022 and 2021 is as follows:

Trade debtors and other accounts receivable, gross	Current		Non Current	
	12-31-2022	12-31-2021	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Trade debtors, gross	221,326,162	192,274,288	40,892,980	28,087,900
Other accounts receivable, gross	85,731,427	55,916,435	16,280,209	16,296,281
Total	307,057,589	248,190,723	57,173,189	44,384,181

Trade debtors and other accounts receivable, net	Current		Non Current	
	12-31-2022	12-31-2021	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Trade debtors, net	206,446,207	172,243,909	40,892,980	28,087,900
Other accounts receivable, net	77,915,298	49,526,054	16,280,209	16,296,281
Total	284,361,505	221,769,963	57,173,189	44,384,181

Provision for impairment of commercial debtors and other accounts receivable	Current		Non Current	
	12-31-2022	12-31-2021	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Trade debtors	14,879,955	20,030,379	-	-
Other accounts receivable	7,816,129	6,390,381	-	-
Total	22,696,084	26,420,760	-	-

The detail of trade debtors and other accounts receivable billed and unbilled or provisioned for as of December 31, 2022 and 2021 is as follows:

Trade debtors and other accounts receivable	Current		Non Current	
	12-31-2022	12-31-2021	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Billed	145.266.298	138.465.198	14.582.310	9.997.620
Energy and tolls	73.126.912	88.740.366	-	-
Imports and suppliers advances	13.376.044	13.530.385	-	4.606.685
Account receivable ongoing projects	4.820.973	3.637.915	-	-
Payment agreements and credits for energy	28.691.284	7.311.383	13.060.174	2.814.197
Debtors material and services	12.080.409	7.188.973	36	70
Debtors for retail sale of products and services	5.236.204	10.508.675	909.207	1.580.043
Receivables for public lighting	538.211	529.898	611.465	995.196
Other	7.396.261	7.017.603	1.428	1.429
Not billed or provisioned	153.007.496	105.780.701	40.892.980	28.087.900
Energy and tolls Use of power lines	60.277.015	39.790.847	-	-
Differences to recalculate by new decrees	54.395.014	33.121.996	40.892.980	28.087.900
Residential Rate equality	(821.272)	873.860	-	-
Energy meters (*)	34.348.493	29.747.219	-	-
provides revenues for works	3.708.392	1.442.613	-	-
Other	1.099.854	804.166	-	-
Other (current account used)	8.783.795	3.944.824	1.697.899	6.298.661
Total, gross	307.057.589	248.190.723	57.173.189	44.384.181
Impairment provision	(22.696.084)	(26.420.760)	-	-
Total, net	284.361.505	221.769.963	57.173.189	44.384.181

(*) Energy consumed and not charged to customers.

Main concepts of other accounts receivable:

Other accounts receivable	Current		Non Current	
	12-31-2022	12-31-2021	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Payment and credit agreements	28,691,284	7,311,383	13,060,174	2,814,197
Advances for imports and suppliers	13,376,044	13,530,385	-	4,606,685
Account receivable ongoing projects	8,529,365	5,080,528	-	-
Debtors material and services	12,080,409	7,188,973	36	70
Employees accounts	8,783,795	3,944,824	1,697,899	6,298,661
Debtors retail products and services	5,236,204	10,508,675	909,207	1,580,043
Receivables for public lighting	538,211	529,898	611,465	995,196
Other debtors	8,496,115	7,821,769	1,428	1,429
Total	85,731,427	55,916,435	16,280,209	16,296,281
Impairment provision	(7,816,129)	(6,390,381)	-	-
Total, net	77,915,298	49,526,054	16,280,209	16,296,281

The amounts referred to Differences to be settled by new decrees are as of December 31, 2022 and 2021, is as follows:

Differences to be settled	Current		Non current	
	12-31-2022	12-31-2021	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Undock and New Fare Receivable Estimates (1)	38,570,454	35,173,686	-	-
New decrees ETR y RGL (2)	(2,407,906)	(2,156,067)	-	-
VAD Stabilization (3)	-	-	32,962,815	17,336,972
Transmission valuation ITF (1)	16,866,706	-	7,930,166	10,750,928
Transmission decrees pending of issuance	1,365,759	104,377	-	-
Total	54,395,014	33,121,996	40,892,981	28,087,900

- 1) Items generated by differences between the prices paid to generators and the prices collected from customers, which to date have generated balances receivable from the system.
 - 2) Other concepts related to tariff additions or deductions, mainly referred to cutting and replacement activities, ETR to be incorporated in new decrees and RGL.
 - 3) Concept related to the added value of distribution established in Law No. 21,185, which indicates that the associated price levels will remain constant until October 2020 and the differences that occur with respect to having applied the correct indexation will be incorporated into the resulting rates. of the following fixation processes. Considering that these amounts, according to the decrees issued, and clarifications to them during this year, may accumulate until June 2023 and must be extinguished no later than December 2027, the Company does not expect to recover all of these amounts within the following 12 months, so they have been reclassified from current to non-current as of December 31, 2022.
 - 4) Concepts generated by valorization of transmission facilities according to the Final Technical Report (ITF) issued by the CNE.
 - 5) Corresponding to transmission decrees for issuing associated with the recognition of investment fees that have already entered into operation.
- a) The amount that best represents the maximum level of exposure to credit risk as of December 31, 2022 is ThCLP\$341,534,694 and as of December 31, 2021, it is ThCLP\$266,154,144.

- b) The Company and its electrical energy distribution subsidiaries, as stipulated in DFL4/2006, article 136 and 125, are bound to deliver the power supply within their concession area to the customers that request it. As of December 31, 2022, the Company and its subsidiaries distributed electrical energy to 964,991 customers, which generates a very high diversification of the credit portfolio. The composition of the clients is as follows:

Client Type	Quantity	Sales participation period %
Residential	891,559	50%
Commercial	50,068	24%
Industrial	4,637	6%
Other	35,816	20%
Total	982,080	100%

Regarding the sales made by the Company and its subsidiaries, there are two types, one involves sales of energy to end customers and the other involves other sales, which is a business of relatively minor importance, but is aimed at creating customer loyalty by offering a wider range of products, such as retail sales of products and services and sale of electrical materials and services (for residential customers) and construction of projects and lease of equipment (large customers and City Halls).

- c) As of December 31, 2022 and 2021 the analysis of past due and unpaid, but not impaired, trade receivables is as follows:

Debtors for past due and unpaid sales but not impaired	Current	
	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
With expiration less than three months	41,172,882	32,686,731
With expiration between three and six months	4,304,870	6,428,431
With expiration between six and twelve months	3,647,722	4,637,915
With expiration greater than twelve months	720,199	503,648
Total	49,845,673	44,256,725

Impairment of financial assets is measured based on the expiration date of the portfolio according to the following age tranches (in days):

Sections	EnergySales	Debtors for retail sale of products and services
Not expired	0.09%	0.27%
1 to 30	0.15%	0.60%
31 to 60	0.60%	3.40%
61 to 90	7.83%	28.67%
91 to 120	18.37%	47.34%
121 to 180	29.70%	63.92%
181 to 270	40.61%	69.72%
271 to 360	46.81%	72.72%
361 or more	93.65%	100.00%

For some significant customers, the Company and its subsidiaries assesses the risk of uncollectability based on past behavior and the seasonal nature of the cash flows or specific market conditions, so the provision may not result in the direct application of the indicated percentages.

The Company has applied the simplified expected loss model, and for calculation purposes, the renegotiation of vulnerable customers who have already requested it has been considered, as instructed by the authority. In June, an analysis of the debtor portfolio was carried out and it was considered that those clients (not considered vulnerable) who showed good behavior before the Pandemic would not show problems in renegotiating their debts or in paying them. Both the portfolio of vulnerable clients and that of clients with good behavior are considered to be in a tranche without delinquency and with 90% recoverability.

- d) As of December 31, 2022 and 2021, the stratification of the portfolio is as follows (the Company and its subsidiaries do not have a securitized portfolio):

Past-due stages	12-31-2022					
	Not renegotiated portfolio		Renegotiated portfolio		Total gross portfolio	
	Customers number	Gross amount ThCLP\$	Customers number	Gross amount ThCLP\$	Customers number	Gross amount ThCLP\$
Current	437,376	274,195,189	77,338	10,395,939	514,714	284,591,128
Between 1 and 30 days	106,448	17,084,377	28,177	7,175,841	134,625	24,260,218
Between 31 and 60 days	36,246	9,271,387	40,243	6,134,954	76,489	15,406,341
Between 61 and 90 days	9,809	2,603,608	14,908	2,122,934	24,717	4,726,542
Between 91 and 120 days	5,969	1,333,588	1,558	1,041,905	7,527	2,375,493
Between 121 and 150 days	4,443	984,849	-	-	4,443	984,849
Between 151 and 180 days	3,781	1,045,458	1,865	1,338,014	5,646	2,383,472
Between 181 and 210 days	2,839	702,377	-	-	2,839	702,377
Between 211 and 250 days	2,953	762,769	507	505,387	3,460	1,268,156
More than 250 days	157,174	25,562,467	2,786	1,969,735	159,960	27,532,202
Total	767,038	333,546,069	167,382	30,684,709	934,420	364,230,778

Past-due stages	12-31-2021					
	Not renegotiated portfolio		Renegotiated portfolio		Total gross portfolio	
	Customers number	Gross amount ThCLP\$	Customers number	Gross amount ThCLP\$	Customers number	Gross amount ThCLP\$
Current	506,486	220,548,206	7,010	3,660,548	513,496	224,208,754
Between 1 and 30 days	123,180	18,777,735	2,564	1,123,941	125,744	19,901,676
Between 31 and 60 days	51,573	9,728,327	1,737	646,406	53,310	10,374,733
Between 61 and 90 days	20,093	3,785,055	1,119	343,053	21,212	4,128,108
Between 91 and 120 days	17,744	4,202,362	1,112	381,703	18,856	4,584,065
Between 121 and 150 days	9,448	1,882,401	505	198,311	9,953	2,080,712
Between 151 and 180 days	6,621	1,271,421	1,047	355,124	7,668	1,626,545
Between 181 and 210 days	6,782	1,707,788	-	-	6,782	1,707,788
Between 211 and 250 days	6,573	1,081,483	825	282,367	7,398	1,363,850
More than 250 days	48,483	20,024,185	5,122	2,574,488	53,605	22,598,673
Total	796,983	283,008,963	21,041	9,565,941	818,024	292,574,904

- e) As of December 31, 2022 and 2021, the portfolio in legal collection and protested is as follows:

Portfolio protested and under judicial collection	12-31-2022		12-31-2021	
	Customers number	Amount ThCLP\$	Customers number	Amount ThCLP\$
Protested documents receivable	24	199,694	19	82,495
Documents receivable under judicial collection	1,322	8,461,769	852	6,464,258
Total	1,346	8,661,463	871	6,546,753

f) The detail of changes in the provision for debtor impairment is as follows:

Debtors by sales past due and unpaid, impaired	Current and Non Current	
	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Opening balance	26,420,760	16,977,183
Increases (decreases)	4,475,977	10,819,660
Amounts written off	(8,200,653)	(1,376,083)
Total Movements	(3,724,676)	9,443,577
Closing balance	22,696,084	26,420,760

g) The detail of provisions and write-offs in periods 2022 and 2021 is as follows:

Provision and Write-off	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Not renegotiated portfolio provision	4,631,877	9,319,715
Renegotiated portfolio provision	(155,900)	1,499,945
Write-offs of the year	(8,200,653)	(1,376,083)
Total	(3,724,676)	9,443,577

The carrying value of trade receivables represents a reasonable approximation of its fair value.

9. Balances and Transactions with Related Parties

9.1. Shareholders

The detail of the Company's majority shareholders as of December 31, 2022 is as follows:

Shareholders	Shares number		Total	Ownership
	Series A	Series B		
Inversiones Grupo Saesa Ltda.	60	79,573,672	79,573,732	99.9999%
Cóndor Holding SpA	40	-	40	0.0001%
Total	100	79,573,672	79,573,772	100.00%

9.2. Balances and transactions with related entities

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 payable over 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 Financial Statements (see note 35).

As of the date of these Consolidated 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

Taxpayer ID	Name Company	Country	Description of the transaction	Deadline for transaction	Nature of relationship	Currency	Current		Non Current	
							12-31-2022	12-31-2021	12-31-2022	12-31-2021
							ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
76.024.782-6	Cóndor Holding SpA	Chile	Expense recovery	Less than 90 days	Shareholder	CLP	2,263	2,263	-	-
77.611.649-1	Sociedad Transmisora Metropolitana SpA	Chile	Expense recovery	Less than 90 days	Common parent	CLP	151	-	-	-
Total							2,414	2,263	-	-

b) Accounts payable to related entities, current

Taxpayer ID	Name Company	Country	Description of the transaction	Deadline for transaction	Nature of relationship	Currency	Current		Non Current	
							12-31-2022	12-31-2021	12-31-2022	12-31-2021
							ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
76.024.782-0	Inversiones Grupo Saesa Ltda.	Chile	Expense recovery	Less than 90 days	Parent Company	CLP	1,524,368	1,524,509	-	-
76.024.782-0	Inversiones Grupo Saesa Ltda.	Chile	Current account loans (interest)	Less than 90 days	Parent Company	CLP	1,207,768	371,184	-	-
76.024.782-0	Inversiones Grupo Saesa Ltda.	Chile	Current account loans (principal)	More than 1 year	Parent Company	CLP	-	-	157,297,736	103,106,329
76.024.782-0	Inversiones Grupo Saesa Ltda.	Chile	Dividends	Less than 90 days	Parent Company	CLP	606,755	17,927,609	-	-
76.024.782-6	Cóndor Holding SpA	Chile	Dividends	Less than 90 days	Shareholder	CLP	339	429	-	-
6.443.633-3	Jorge Lesser García-Huidobro	Chile	Remuneración Director subsidiaries	Less than 90 days	Director	UF	5,847	-	-	-
6.443.633-3	Jorge Lesser García-Huidobro	Chile	Remuneración Director Parent Company	Less than 90 days	Director	UF	157	-	-	-
14.655.033-9	Iván Díaz-Molina	Chile	Remuneración Director subsidiaries	Less than 90 days	Director	UF	-	5,564	-	-
14.655.033-9	Iván Díaz-Molina	Chile	Remuneración Director Parent Company	Less than 90 days	Director	UF	-	138	-	-
Total							3,345,234	19,829,433	157,297,736	103,106,329

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

Taxpayer ID	Name Company	Nature of relationship	Description of the transaction	12-31-2022		12-31-2021	
				Transaction amount	Effect on P&L (charge)/Credit	Transaction amount	Effect on P&L (charge)/Credit
				ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
76.024.782-0	Inversiones Grupo Saesa Ltda.	Parent Company	Current Account Loan (Principal / Interest)	(54,191,407)	(10,936,389)	1,861,926	(2,073,814)
76.024.782-0	Inversiones Grupo Saesa Ltda.	Parent Company	Dividends	(17,320,854)	-	(24,651,104)	-

9.3. Key Management Personnel

The Company and its subsidiaries are managed by a Board of Directors made up of eight members, who hold their positions for two years and may be reelected.

The Company's Board of Directors was completely renewed by an Ordinary Shareholders' Meeting held on April 27, 2022, with the following Directors being elected for a two-year period: Jorge Lesser García – Huidobro, Iván Díaz – Molina, Juan Ignacio Parot Becker, Waldo Fortín Cabezas, Stacey Purcell, Ashley Munroe, Christopher Powell and Jonathan Reay.

In a meeting held on May 11, 2022, the Board of the Company proceed to elect as President of the Board and of the Company Mr. Jorge Lesser García-Huidobro and as Vice-president Mr. Iván Díaz-Molina.

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 December 31, 2022, the Board of Directors is composed of Mr. Jorge Lesser García – Huidobro, Iván Díaz – Molina, Juan Ignacio Parot Becker, Ashley Munroe, Jonathan Reay, Shama Naquashbandi, Stephen Best and Luz Granier.

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

The pending balances payable between the Company and its respective Directors by concept of Directors' Compensation, are as follows:

Director	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Iván Díaz-Molina	-	138
Jorge Lesser García-Huidobro	157	-
Total	157	138

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

b) Board of Directors fees

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 benefit corresponds to the payment of UF 5 (UF: inflation index-linked unit of account) to each Director of the Company, for the period May 2022 to the next Ordinary Shareholders' Meeting in 2023.

The Directors Messrs. Jonathan Reay, Juan Ignacio Parot Becker, Shama Naquashbandi, Stephen Best, Luz Granier and Ashley Munroe waived their fee for exercising the position of Director of the Company. Only the Directors Jorge Lesser García-Huidobro and Iván Díaz – Molina received their fee.

Remuneration paid to Directors as of December 31, 2022 and 2021, are as follows:

Director	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Iván Díaz-Molina	1,633	1,785
Jorge Lesser García-Huidobro	1,625	1,784
Total	3,258	3,569

During the periods 2022 and 2021, the Company has not made any payments to companies related to any of the Directors.

c) Compensation for key management personnel

The Company does not have any executive officers directly compensated by it.

10. Inventories

The detail of this item is as follows:

As of December 31, 2022

Classes of inventories	12-31-2022		
	Gross	Net realizable	Provision
	ThCLP\$	ThCLP\$	ThCLP\$
Operating and maintenance materials	58,224,914	56,844,607	1,380,307
In transit materials	1,086,030	1,086,030	-
Stocks of products and services for retail sales	201,543	22,213	179,330
Fuel	1,981,001	1,981,001	-
Total Classes of inventories	61,493,488	59,933,851	1,559,637

As of December 31, 2021:

Classes of inventories	12-31-2021		
	Gross	Net realizable	Provision
	ThCLP\$	ThCLP\$	ThCLP\$
Operating and maintenance materials	43,798,238	42,620,781	1,177,457
In transit materials	273,747	273,747	-
Stocks of products and services for retail sales	7,191,990	7,191,990	-
Fuel	1,553,101	1,553,101	-
Total Classes of inventories	52,817,076	51,639,619	1,177,457

There are no inventories furnished in guarantee for performance of obligations.

The effect on the result of the provision for obsolescence reached a charge of ThCLP\$382,180 for the year 2022 and a charge of ThCLP\$92,910 for the year 2021. No write-offs were made in both periods.

Inventories are stated at the lower of the weighted average acquisition cost and net realizable value.

The detail of inventories used and recognized as expenses is as follows:

Inventories used during the year by expense	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Raw materials and consumables used (*)	68,932,749	56,953,002
Other expenses by nature (**)	6,772,233	4,626,119
Total Inventories used during the year by expense	75,704,982	61,579,121

(*) See Note 24.

(**) Materials used for maintaining the electrical system.

The materials used in own projects from the inventory account as of December 31, 2022 amount to ThCLP\$48,861,786 (ThCLP\$42,392,116 in 2021), and the materials used in FNDR (National Fund of Regional Development) as of December 31, 2022 amount to ThCLP\$ 2,801,794 (ThCLP\$ 3,884,843 in 2021).

11. Current Tax Assets and Liabilities

The detail of current tax receivables as of December 31, 2022 and 2021 is as follows:

Current tax assets	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Recoverable income tax	4,399,009	1,937,788
Recoverable VAT credit, remanent (1)	15,903,004	15,003,527
VAT Tax debit to be recover (2)	-	1,337,928
Credit for absorbed earnings	5,967,944	-
Sence credit	335,868	274,250
Fixed active credit	61,158	108,692
Recoverable tax previous year	4,873,693	9,805,948
Total	31,540,676	28,468,133

- (1) Corresponds mainly to VAT tax credit for construction of major works of the subsidiaries STC, SATT, STS and Edelayen (the last also accumulates an amount originated from the specific diesel tax).
- (2) VAT tax debit paid in excess related to the returns to customers generated by the tariff decrees that retroactively adjusted the rate charged in 2011, 2012 and 2013.

The detail of the accounts payable for current taxes as of December 31, 2022 and 2021, is as follows:

Current tax liabilities	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Income tax (*)	9,647,965	6,538,206
VAT Tax Debit	8,208,338	7,295,116
Others	254,522	192,427
Total	18,110,825	14,025,749

12. Intangibles other than Goodwill

The detail of this item as of December 31, 2022 and 2021 and 2020 is as follows:

Intangible Assets, Net	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Identifiable Intangible Assets, Net	91,278,586	88,934,474
Easements	69,404,552	65,427,707
Water right	108,543	108,543
Software	15,820,850	17,286,707
Intangible Assets, related to customers	5,944,641	6,111,517

Intangible Assets, Gross	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Identifiable Intangible Assets Gross	104,321,029	98,614,996
Easements	69,645,092	65,620,360
Water right	108,543	108,543
Software	28,251,213	26,652,346
Intangible Assets, related to customers	6,316,181	6,233,747

Intangible Assets, Amortization	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Identifiable Intangible Assets, Amortization	(13,042,443)	(9,680,522)
Easements	(240,540)	(192,653)
Software	(12,430,363)	(9,365,639)
Intangible Assets, related to customers	(371,540)	(122,230)

The details and changes in intangible assets as of December 31, 2022 are as follows:

Intangibles assets other than Goodwill movement	Easements Net	Water right, Net	Software, Net	Intangible Assets, related to customers, Net	Total
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Opening balance 01-01-2022	65,427,707	108,543	17,286,707	6,111,517	88,934,474
Other (activation work in progress)	3,759,162	-	1,600,165	-	5,359,327
Withdrawals and transfers accumulated amortization	-	-	(1,528)	-	(1,528)
Increase (decrease) in foreign currency exchange Accumulated amortization	(1,639)	-	1,440	2,656	2,457
Amortization expense	(46,248)	-	(3,065,312)	(251,966)	(3,363,526)
Increase (decrease) in foreign currency exchange rate	265,570	-	(622)	82,434	347,382
Total movements	3,976,845	-	(1,465,857)	(166,876)	2,344,112
Closing balance 12-31-2022	69,404,552	108,543	15,820,850	5,944,641	91,278,586

The details and changes in intangible assets as of December 31, 2021 are as follows:

Intangibles assets other than Goodwill movement	Easements Net	Water right, Net	Software, Net	Intangible Assets, related to customers, Net	Total
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Opening balance 01-01-2021	59,040,263	108,543	385,948	-	59,534,754
Transfers (activation of works in progress)	3,798,258	-	18,781,650	6,233,747	28,813,655
Withdrawals and transfers accumulated amortization	(500)	-	(4,677)	-	(5,177)
Increase (decrease) in foreign currency exchange Accumulated amortization	(26,149)	-	(5,747)	-	(31,896)
Amortization expense	(40,627)	-	(1,878,105)	(122,230)	(2,040,962)
Increase (decrease) in foreign currency exchange rate	2,656,462	-	7,638	-	2,664,100
Total movements	6,387,444	-	16,900,759	6,111,517	29,399,720
Closing balance 12-31-2021	65,427,707	108,543	17,286,707	6,111,517	88,934,474

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.

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.

13. Goodwill

The detail of goodwill as of December 31, 2022 and 2021, is as follows:

ID Number	Company	12-31-2022	12-31-2021
		ThCLP\$	ThCLP\$
90.021.000-0	Sociedad Austral de Electricidad S.A. (1)	124,944,061	124,944,061
91.715.000-1	Empresa Eléctrica de la Frontera S.A. (1)	23,990,168	23,990,168
96.956.660-5	Sociedad Austral de Electricidad S.A. (2)	49,471,945	49,471,945
96.986.780-K	Empresa Eléctrica de la Frontera S.A. (2)	33,039,292	33,039,292
77.122.643-4	Tolchén Transmisión SpA (3)	1,151,070	1,136,047
Total		232,596,536	232,581,513

- 1) Goodwill involving Sociedad Austral de Electricidad S.A., Tax ID 90.021.000-0, and Empresa Eléctrica de la Frontera S.A., Tax ID 91.715.000-1, corresponds to the overpayment in relation to the equity value originating in the purchase of shares of these companies in 2001. Subsequently, each of these purchased companies was taken over by its respective parent, which came to have the same name as the company acquired, recording goodwill in the same purchasing company.
- 2) The goodwill recognized by the companies Saesa, Tax ID 96.956.660-5, and Frontel, Tax ID 96.867.780-K, corresponds to the excess value paid in relation to the fair value of the assets acquired through Inversiones Eléctricas del Sur Dos Ltda. in July 2008. The restructuring of the companies resulted in a pushdown of the goodwill referred to in the above paragraph, which was finally incorporated into Saesa (formerly known as Los Lagos II) and Frontel (formerly known as Los Lagos III).

- 3) The goodwill related to Tolchén Transmission SpA, Tax ID 77.122.643-4, corresponds to the value paid in excess of the fair value of the assets acquired originating from the purchase of the shares held in July 2021.

The summary of the Statement of Financial Position of the acquired Company, including the allocation of the fair value assessed by the Company at the date of purchase is presented below (figures without incorporate the goodwill 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 (*)	22,741,035	1,613,358	24,354,393
				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	28,699,177	6,223,747	34,922,924

(*) 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)	28,282,037
Intangibles (Note 12)	6,233,747
Identifiable Liabilities	ThCLP\$
Trade payables	239,892
Deferred taxes	1,613,358
Others	227,221
Net assets identified	32,842,453
Purchase price	31,706,406
Goodwill generated in the acquisition	1,136,047

To estimate value in use, the Group prepares future cash flow projections based on the most recent budgets available. These budgets incorporate Management's best estimates of the income and costs of the Cash Generating Units, using sector projections, past experience and future expectations.

14. Property, plant and equipment

Below are the balances of the item as of December 31, 2022 and 2021:

Classes of Property, Plant and Equipment, Net	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Property, Plant and Equipment, Net	1,417,367,963	1,304,384,187
Land	23,953,952	22,774,539
Buildings	22,829,757	20,669,748
Plant and equipment	969,115,334	873,917,251
Information technology equipment	1,096,283	1,154,002
Fixed facilities and accesories	1,437,157	1,635,938
Motor vehicles	9,556,908	9,933,130
Construction in progress	368,989,080	356,939,632
Other property, plant and equipment	20,389,492	17,359,947

Classes of Property, Plant and Equipment, Gross	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Property, Plant and Equipment, Gross	1,794,901,021	1,644,690,179
Land	23,953,952	22,774,539
Buildings	33,331,868	30,241,729
Plant and equipment	1,308,406,364	1,180,010,127
Information technology equipment	7,629,436	7,863,916
Fixed facilities and accesories	5,000,292	4,946,371
Motor vehicles	15,074,703	14,270,603
Construction in progress	368,989,080	356,939,632
Other property, plant and equipment	32,515,326	27,643,262

Classes of Accumulated Depreciation and Impairment, Property, Plant and Equipment	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Total Accumulated Depreciation and Impairment Property, Plant and equipment	(377,533,058)	(340,305,992)
Buildings	(10,502,111)	(9,571,981)
Plant and equipment	(339,291,030)	(306,092,876)
Information technology equipment	(6,533,153)	(6,709,914)
Fixed facilities and accesories	(3,563,135)	(3,310,433)
Motor vehicles	(5,517,795)	(4,337,473)
Other property, plant and equipment	(12,125,834)	(10,283,315)

Following is the detail of property, plant and equipment as of December 31, 2022:

Movement, Property, Plant and Equipment	Land	Buildings, net	Plant and equipment, net	Information technology equipment, net	Fixed facilities and accessories, net	Motor vehicles, net	Constructions in progress	Other property, plant and equipment, net	Total
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Opening balance as of 01-01-2022	22,774,539	20,669,748	873,917,251	1,154,002	1,635,938	9,933,130	356,939,632	17,359,947	1,304,384,187
Additions	-	1,693,388	28,211,758	-	-	-	143,568,640	602	173,474,388
Transfers (work in progress capitalization)	1,193,964	2,372,853	114,823,473	265,363	426,416	1,637,566	(126,484,399)	5,764,764	-
Increase (decrease) through transfers from construction in progress, property, plant and equipment	-	(22,423)	(2,135,812)	(508,836)	(318,984)	(188,551)	3,669,249	(494,643)	-
Withdrawals gross value	(35,806)	(952,317)	(16,776,509)	(78,117)	(56,915)	(648,640)	(2,404,838)	(590,375)	(21,543,517)
Accumulated depreciation withdrawals and transfers	-	199,529	5,294,350	79,248	89,255	534,903	-	599,293	6,796,578
Increase (decrease) in foreign currency exchange accumulated depreciation	-	(246,421)	1,065,578	(6,298)	(12,019)	(70,000)	-	(24,957)	705,877
Depreciation expense	-	(883,237)	(39,582,582)	128,311	(329,938)	(1,645,219)	-	(2,416,854)	(44,729,519)
Increase (decrease) in foreign currency exchange	21,255	(1,363)	4,297,827	62,610	3,404	3,725	(6,299,204)	191,715	(1,720,031)
Total movements	1,179,413	2,160,009	95,198,083	(57,719)	(198,761)	(376,222)	12,049,448	3,029,545	112,983,776
Closing balance as of 12-31-2022	23,953,952	22,829,757	969,115,334	1,096,283	1,437,157	9,556,908	368,989,080	20,389,492	1,417,367,963

Following is the detail of property, plant and equipment as of December 31, 2021:

Movement, Property, Plant and Equipment	Land	Buildings, net	Plant and equipment, net	Information technology equipment, net	Fixed facilities and accessories, net	Motor vehicles, net	Constructions in progress	Other property, plant and equipment, net	Total
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Opening balance as of 01-01-2021	20,338,388	17,264,772	726,917,024	1,488,639	1,495,537	8,272,988	331,542,459	13,429,381	1,122,749,138
Additions	1,963,513	-	34,164,857	-	-	-	152,495,060	38,490	188,661,920
Transfers (work in progress capitalization)	951,968	4,022,946	171,362,276	229,442	623,947	3,786,991	(185,688,651)	4,719,017	7,936
Increase (decrease) through transfers from construction in progress, property, plant and equipment	-	-	(1,913,743)	35,776	5,257	6,955	803,670	1,062,085	-
Withdrawals gross value	(552,597)	(1,456,981)	(2,144,960)	(352,063)	(6,870)	(935,033)	-	(71,930)	(5,520,434)
Accumulated depreciation withdrawals and transfers	-	750,621	4,731,689	352,064	9,007	870,353	-	118,452	6,832,186
Increase (decrease) in foreign currency exchange accumulated depreciation	-	(199,161)	(8,073,066)	(8,824)	(53,800)	45,243	-	(261,625)	(8,551,233)
Depreciation expense	-	(745,002)	(33,304,414)	(602,443)	(326,990)	(1,531,836)	-	(1,918,286)	(38,428,971)
Increase (decrease) in foreign currency exchange	73,267	1,032,553	(19,822,412)	11,411	(110,150)	(582,481)	57,787,094	244,363	38,633,645
Total movements	2,436,151	3,404,976	145,000,227	(334,637)	140,401	1,660,192	25,397,173	3,930,566	181,635,049
Closing balance as of 12-31-2021	22,774,539	20,669,748	873,917,251	1,154,002	1,635,938	9,933,130	356,939,632	17,359,947	1,304,384,187

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 companies of the Saesa Group all 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 December 31, 2022 and 2021 is not significant. The Company and its subsidiaries do not have any significant amount of assets not in service or withdrawn from active use.
- The assets presented as property, plant and equipment do not have restrictions of any kind in favor of third parties, nor have they been provided as collateral.

15. Right of use assets and Lease liabilities

a) Right of use assets

Following is presented the balances of the item as of December 31, 2022 and 2021:

Right of use assets, Net	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Total right of use assets, Net	3,092,116	2,990,878
Land	1,287,422	1,323,840
Buildings and facilities	1,804,694	1,667,038

Right of use assets, Gross	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Total right of use assets, Gross	6,549,740	5,437,102
Land	1,600,813	1,514,877
Buildings and facilities	4,948,927	3,922,225

Amortization of assets for right of use	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Total Amortization of assets for right of use	(3,457,624)	(2,446,224)
Land	(313,391)	(191,037)
Buildings and facilities	(3,144,233)	(2,255,187)

The detail of the movement of the Rights of use associated with assets subject to IFRS 16 by asset class as of December 31, 2022 and 2021, is as follows:

Right of use assets movement	Land, net	Buildings and facilities, net	Total
	ThCLP\$	ThCLP\$	ThCLP\$
Opening balance as of 01-01-2021	1,323,840	1,667,038	2,990,878
Additions	21,248	1,098,765	1,120,013
Amortization expense	(122,354)	(889,048)	(1,011,402)
Others increase (decrease)	-	(240,020)	(240,020)
Increase (decrease) conversion differences	64,688	167,959	232,647
Total movement	(36,418)	137,656	101,238
Closing balance as of 12-31-2022	1,287,422	1,804,694	3,092,116

Right of use assets movement	Land, net	Buildings and facilities, net	Total
	ThCLP\$	ThCLP\$	ThCLP\$
Opening balance as of 01-01-2021	1,371,519	2,254,796	3,626,315
Additions	32,110	31,837	63,947
Amortization expense	(109,582)	(702,077)	(811,659)
Others increase (decrease)	-	(30,883)	(30,883)
Increase (decrease) conversion differences	29,793	113,365	143,158
Total movement	(47,679)	(587,758)	(635,437)
Closing balance as of 12-31-2021	1,323,840	1,667,038	2,990,878

b) Lease liabilities

Following is presented the balances of the item as of December 31, 2022 and 2021:

Liabilities for current and non-current leases	Current		Non-current	
	12-31-2022	12-31-2021	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Land	483,540	326,421	1,505,007	1,507,638
Buildings and facilities	962,737	592,854	945,025	1,180,671
Total	1,446,277	919,275	2,450,032	2,688,309

The breakdown by currency and maturities of lease liabilities as of December 31, 2022 and 2021, is as follows:

Taxpayer ID lessee	Entity name - lessee	Country	Currency	Lease related to	12-31-2022								
					Current			Non-current					
					Until 90 days	More than 90 days until 1 year	Total Current	More than 1 year to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	More than 4 years to 5 years	More than 5 years	Total Non-current
					ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
76.079.162-5	Sociedad Austral de Electricidad S.A.	Chile	UF	Buildings and facilities	94,483	287,396	381,879	247,327	105,685	-	-	-	353,012
76.079.162-5	Sociedad Austral de Electricidad S.A.	Chile	UF	Land	2,767	10,737	13,504	7,200	-	-	-	-	7,200
76.079.162-5	Sociedad Austral de Electricidad S.A.	Chile	CLP	Land	5,943	4,167	10,110	-	-	-	-	-	-
76.079.164-1	Empresa Eléctrica de la Frontera S.A.	Chile	UF	Buildings and facilities	67,916	207,006	274,922	261,870	102,992	3,315	-	-	368,177
76.079.164-1	Empresa Eléctrica de la Frontera S.A.	Chile	UF	Land	6,139	6,255	12,394	6,263	3,963	3,255	613	-	14,094
76.079.164-1	Empresa Eléctrica de la Frontera S.A.	Chile	CLP	Land	-	1,636	1,636	1,716	-	-	-	-	1,716
77.312.202-6	Sistema de Transmisión del Sur S.A.	Chile	UF	Buildings and facilities	15,810	48,579	64,389	67,538	46,851	-	-	-	114,389
77.312.202-6	Sistema de Transmisión del Sur S.A.	Chile	UF	Land	126,294	12,978	139,272	18,149	19,166	20,239	21,372	155,851	234,777
77.312.202-6	Sistema de Transmisión del Sur S.A.	Chile	USD	Land	236,939	27,953	264,892	38,592	40,158	41,789	43,485	964,574	1,128,598
88.272.600-2	Empresa Eléctrica de Aisen S.A.	Chile	UF	Buildings and facilities	2,905	11,236	14,141	11,853	-	-	-	-	11,853
88.272.600-2	Empresa Eléctrica de Aisen S.A.	Chile	CLP	Land	856	4,100	4,956	5,542	1,775	-	-	-	6,917
77.227.969-4	Saesa Inova Soluciones spa	Chile	UF	Buildings and facilities	7,496	23,031	30,527	32,090	-	-	-	-	32,090
76.430.374-2	Sistema de Transmisión del Norte S.A.	Chile	UF	Buildings and facilities	42,105	129,371	171,476	60,331	-	-	-	-	60,331
76.430.374-2	Sistema de Transmisión del Norte S.A.	Chile	CLP	Buildings and facilities	10,620	14,783	25,403	5,743	-	-	-	-	5,743
76.440.111-5	Sistema de Transmisión del Centro S.A.	Chile	UF	Land	10,571	87	10,658	122	129	136	144	4,231	4,742
76.429.813-6	Línea de Transmisión Cabo Leones S.A.	Chile	UF	Land	24,531	5,587	30,118	2,220	2,344	2,054	2,591	97,734	106,943
Total					655,375	796,962	1,446,277	765,588	323,063	70,788	68,205	1,222,390	2,450,032

Taxpayer ID lessee	Entity name - lessee	Country	Currency	Lease related to	12-31-2022								
					Current			Non-current					
					Until 90 days	More than 90 days until 1 year	Total Current	More than 1 year to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	More than 4 years to 5 years	More than 5 years	Total Non-current
					ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
76.079.162-5	Sociedad Austral de Electricidad S.A.	Chile	UF	Buildings and facilities	107,527	227,051	334,578	306,509	237,861	108,762	-	-	653,132
76.079.162-5	Sociedad Austral de Electricidad S.A.	Chile	UF	Land	2,562	1,725	4,287	1,880	1,972	2,068	-	-	5,920
76.079.162-5	Sociedad Austral de Electricidad S.A.	Chile	CLP	Land	5,185	12,062	17,247	8,284	-	-	-	-	8,284
76.079.164-1	Empresa Eléctrica de la Frontera S.A.	Chile	UF	Buildings and facilities	58,461	156,746	215,207	196,714	205,828	90,909	2,926	-	496,377
76.079.164-1	Empresa Eléctrica de la Frontera S.A.	Chile	UF	Land	2,380	625	3,005	5,145	5,358	793	37	403	11,737
76.079.164-1	Empresa Eléctrica de la Frontera S.A.	Chile	CLP	Land	-	-	-	1,560	1,636	1,716	-	-	4,912
77.312.202-6	Sistema de Transmisión del Sur S.A.	Chile	UF	Land	84,340	10,848	95,188	15,171	16,020	16,917	17,865	156,431	222,404
77.312.202-6	Sistema de Transmisión del Sur S.A.	Chile	USD	Land	151,812	26,511	178,323	36,602	38,088	39,634	41,243	994,904	1,150,471
88.272.600-2	Empresa Eléctrica de Aisen S.A.	Chile	UF	Buildings and facilities	2,473	9,455	11,928	12,428	10,021	-	-	-	22,449
88.272.600-2	Empresa Eléctrica de Aisen S.A.	Chile	CLP	Land	961	2,453	3,414	1,636	1,716	-	-	-	3,352
76.430.374-2	Sistema de Transmisión del Norte S.A.	Chile	UF	Buildings and facilities	3,477	2,341	5,818	-	-	-	-	-	-
76.430.374-2	Sistema de Transmisión del Norte S.A.	Chile	CLP	Buildings and facilities	6,238	19,105	25,343	8,713	-	-	-	-	8,713
76.440.111-5	Sistema de Transmisión del Centro S.A.	Chile	UF	Land	8,995	73	9,068	102	108	114	120	3,862	4,206
76.429.813-6	Línea de Transmisión Cabo Leones S.A.	Chile	UF	Land	14,562	3,237	15,899	1,854	1,960	2,069	2,185	88,182	96,352
Total					448,953	470,322	919,275	594,601	320,569	262,982	64,376	1,241,781	2,450,032

c) Short-term leases and low-value assets

In the Consolidated Statement of Comprehensive Income for the period ended December 31, 2022, an expense by ThCLP\$1,683,388 (ThCLP\$1,696,655 in 2021) is included, which corresponds to short-term leases and leases of underlying assets of low value, which are excepted from the application of IFRS 16.

As of December 31, 2022, the Company does not hold significant contracts in which it acts as lessor.

16. Income tax and deferred taxes

16.1. Income tax

- a) The detail of income tax expense recorded in the Consolidated Statement of Comprehensive Income for the years 2022 and 2021 is as follows:

	01-01-2022 12-31-2022	01-01-2021 12-31-2021
	ThCLP\$	ThCLP\$
Current income taxes		
Expense (profit) from current taxes	6,905,391	17,415,290
Adjustment by current taxes from prior years	555	6,762
Other current tax expense	2,207	4,081
Current tax expense, net, total	6,908,153	17,426,133
Deferred taxes		
Deferred tax expense (gain) relating to the origination and reversal of temporary differences	(18,865,958)	871,067
Deferred tax expense, net, total	(18,865,958)	871,067
Income tax expense	(11,957,805)	18,297,200
Income taxes related to other comprehensive income		
	01-01-2022 12-31-2022	01-01-2021 12-31-2021
	ThCLP\$	ThCLP\$
Income tax related to cash flow hedges of other comprehensive income	44,007	(182,713)
Income tax related to defined benefit plans of other comprehensive income	(164,021)	983,626
Income taxes related to components of other comprehensive income	(120,014)	800,913

- b) The reconciliation of the income tax that would result from applying the current tax rate to "Gain (Loss) Before Tax" as of December 31, 2022 and 2021 is as follows:

	01-01-2022 12-31-2022	01-01-2021 12-31-2021
	ThCLP\$	ThCLP\$
Accounting profit before tax	(10,123,047)	78,428,286
Total expense per gains taxes using the legal rate 27%	2,733,223	(21,175,637)
Tax effect of income from tax exempt ordinary income	2,738,624	5,838,009
Tax effect of non-deductible expenses for calculating tax profits (losses)	(4,608,167)	(3,871,817)
Effect related to conversion difference	3,980,069	47,183
Tax effect from changes in tax rates	786,909	(679,277)
Tax effect related to monetary update in tax assets and liabilities (Investments and Equity)	3,457,057	4,860,307
Other tax effects from reconciliation of accounting profits and tax (expense) income	2,870,090	(3,315,968)
Total adjustment to tax (expense) income using the statutory rate	9,224,582	2,878,437
Tax (expense) income using the effective rate	11,957,805	(18,297,200)
Effective tax rate	-118.12%	-23.33%

16.2. Deferred Taxes

a) The details of deferred taxes recorded as of December 31, 2022 and 2021 re as follows:

Temporary differences deferred tax assets	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Deferred taxes related to post-employment benefits	654,128	244,395
Deferred taxes related to provision for uncollectible accounts	6,121,255	7,127,593
Deferred taxes related to provision for vacations	799,248	717,687
Deferred taxes related to provision for obsolescence	421,103	317,912
Deferred taxes related to unearned income	2,972,494	3,349,506
Deferred taxes related to prepaid expenses	2,832,219	2,219,550
Deferred taxes related to tax losses	35,041,448	31,410,506
Deferred taxes related to provision for personnel benefits	2,134,947	1,535,542
Deferred taxes leased	218,096	167,728
Deferred taxes related to other provisions	393,005	63,492
Deferred taxes related to Diesel Specific Tax	2,244,372	2,135,488
Total temporary differences deferred tax assets	53,832,315	49,289,399

Temporary differences deferred tax liabilities	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Deferred taxes related to depreciation	85,162,565	96,838,829
Deferred taxes related to amortizations	1,605,053	1,650,110
Deferred taxes related to obligations for post-employment benefits	65,412	-
Deferred taxes related to prepaid expenses	960,806	934,100
Deferred taxes related to leases	962	1,219
Total Temporary differences Deferred tax liabilities	87,794,798	99,424,258

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

Temporary differences, net	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Deferred tax assets	53,832,315	49,289,399
Deferred tax liability	(87,794,798)	(99,424,258)
Total Temporary differences, net	(33,962,483)	(50,134,859)

b) Movements in the items "Deferred Taxes", of the Consolidated Statement of Financial Position as of December 31, 2022 and 2021, are as follows:

Deferred tax movements	Assets		Liabilities	
	12-31-2022	12-31-2021	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Opening balance	49,289,399	35,784,427	99,424,258	92,316,168
Increase (decrease) in deferred tax gains or losses	7,255,107	(955,441)	(11,610,851)	(84,374)
Increase (decrease) in deferred taxes in other comprehensive income	164,021	(983,626)	-	-
Increase (decrease) due to exchange difference	(2,876,212)	3,052,292	(18,609)	5,228,227
Other increase (decrease) (*)	-	12,391,747	-	1,964,237
Total movements	4,542,916	13,504,972	(11,629,460)	7,108,090
Closing balance	53,832,315	49,289,399	87,794,798	99,424,258

(*) Includes the deferred tax relate to the merger of the subsidiary STS and deferred taxes of tax losses, fixed assets and intangible, related to the purchase of Tolchén as of December 31, 2021.

Recovery of the deferred tax asset balances depends on obtaining sufficient tax profits in the future. The Group's Management considers that projections of future profits of the various companies making up the Group are sufficient to recover these assets.

All of the Groups' companies are domiciled in Chile, so the Local Regulations in force apply equally to all of them.

17. Other current and non-current Financial Liabilities

a) The detail of current and non-current balances as of December 31, 2022 and 2021, is as follows:

Classes of interest-bearing borrowings	Current		Non-current	
	12-31-2022	12-31-2021	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Bank borrowings	228,111	155,408,556	62,000,000	62,000,000
Bonds	17,510,646	10,671,095	1,081,789,751	697,303,419
Total	17,738,757	166,079,651	1,143,789,751	759,303,419

b) The breakdown by currency and maturity of the Obligations with Bank Institutions as of December 31, 2022 and 2021, is as follows:

Debt Company Name	Name of Creditor	Creditor ID Number	Type of currency	Nominal interest rate	Type of amortization	12-31-2022						
						Current			Non-current			
						Up to 90 days	More than 90 days up to 1 year	Total current	More than 1 year to 3 years	More than 3 years to 5 years	More than 5 years	Total Non current
						ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Empresa Eléctrica de la Frontera S.A.	Banco de Chile	97.004.000-5	CLP	1.50%	Upon expiration	60,417	-	60,417	10,000,000	-	-	10,000,000
Empresa Eléctrica de la Frontera S.A.	Banco de Chile	97.004.000-5	CLP	1.50%	Upon expiration	120,833	-	120,833	20,000,000	-	-	20,000,000
Empresa Eléctrica de la Frontera S.A.	Banco Itai	97.023.000-9	CLP	1.50%	Upon expiration	-	30,000	30,000	10,000,000	-	-	10,000,000
Inversiones Eléctricas del Sur S.A.	Banco BCI	97.006.000-6	CLP	0.10%	Upon expiration	-	16,861	16,861	22,000,000	-	-	22,000,000
Total						181,250	46,861	228,111	62,000,000	-	-	62,000,000

Debt Company Name	Name of Creditor	Creditor ID Number	Type of currency	Nominal interest rate	Type of amortization	12-31-2021						
						Current			Non-current			
						Up to 90 days	More than 90 days up to 1 year	Total current	More than 1 year to 3 years	More than 3 years to 5 years	More than 5 years	Total Non current
						ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Empresa Eléctrica de la Frontera S.A.	Banco de Chile	97.004.000-5	CLP	1.50%	Upon expiration	61,250	-	61,250	-	10,000,000	-	10,000,000
Empresa Eléctrica de la Frontera S.A.	Banco de Chile	97.004.000-5	CLP	1.50%	Upon expiration	122,500	-	122,500	-	20,000,000	-	20,000,000
Empresa Eléctrica de la Frontera S.A.	Banco Itai	97.023.000-9	CLP	1.50%	Upon expiration	-	30,000	30,000	-	10,000,000	-	10,000,000
Inversiones Eléctricas del Sur S.A.	Banco Estado	97.030.000-7	CLP	0.39%	Upon expiration	20,005,133	-	20,005,133	-	-	-	-
Inversiones Eléctricas del Sur S.A.	Banco Itai	97.023.000-9	CLP	0.42%	Upon expiration	15,020,800	-	15,020,800	-	-	-	-
Inversiones Eléctricas del Sur S.A.	Banco Scotiabank	97.018.000-1	CLP	0.36%	Upon expiration	30,031,950	-	30,031,950	-	-	-	-
Inversiones Eléctricas del Sur S.A.	Banco Scotiabank	97.018.000-1	CLP	0.36%	Upon expiration	10,013,017	-	10,013,017	-	-	-	-
Inversiones Eléctricas del Sur S.A.	Banco Scotiabank	97.018.000-1	CLP	0.36%	Upon expiration	15,019,525	-	15,019,525	-	-	-	-
Inversiones Eléctricas del Sur S.A.	Banco Scotiabank	97.018.000-1	CLP	0.36%	Upon expiration	20,033,133	-	20,033,133	-	-	-	-
Inversiones Eléctricas del Sur S.A.	Banco Scotiabank	97.018.000-1	CLP	0.38%	Upon expiration	10,011,290	-	10,011,290	-	-	-	-
Inversiones Eléctricas del Sur S.A.	Banco Scotiabank	97.018.000-1	CLP	0.36%	Upon expiration	10,011,833	-	10,011,833	-	-	-	-
Inversiones Eléctricas del Sur S.A.	Banco BCI	97.006.000-6	CLP	0.40%	Upon expiration	5,006,733	-	5,006,733	-	-	-	-
Inversiones Eléctricas del Sur S.A.	Banco BCI	97.006.000-6	CLP	0.10%	Upon expiration	16,862	-	16,862	22,000,000	-	-	22,000,000
Inversiones Eléctricas del Sur S.A.	Banco BCI	97.006.000-6	CLP	0.40%	Upon expiration	10,012,120	-	10,012,120	-	-	-	-
Inversiones Eléctricas del Sur S.A.	Banco de Chile	97.004.000-5	CLP	0.42%	Upon expiration	10,012,450	-	10,012,450	-	-	-	-
Total						155,376,556	30,000	155,406,556	22,000,000	40,000,000	-	62,000,000

Related to the bank borrowings subscribed, there is no guarantee included related which could commit to the Company.

- c) The breakdown by currency and maturity of the Obligations with the public Bonds as of December 31, 2022 and 2021, is as follows:

Name Company debtor	Segment country	Name of creditor	Type of currency	Type of amortization	Rate of nominal interest	Guarantee	12-31-2022									
							Current			Non-current						
							Up to 1 year			More than 1 year to 2 years		More than 2 years to 5 years		More than 5 years		
							Up to 90 days	More than 90 days to 2 years	Total current	More than 1 year to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	More than 4 years to 5 years	More than 5 years	Total Non current	
							ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	
Sociedad Austral de Electricidad S.A.	Chile	Bono Serie J / N° 665	UF	Semiannual	3.60%	Without guarantee	3,510,393	-	3,510,393	3,164,713	3,164,713	3,164,713	3,164,713	15,633,940	28,292,752	
Sociedad Austral de Electricidad S.A.	Chile	Bono Serie L / N° 397	UF	Semiannual	3.75%	Without guarantee	-	540,218	540,218	3,517,689	7,035,378	7,035,378	7,035,378	62,724,860	87,548,183	
Sociedad Austral de Electricidad S.A.	Chile	Bono Serie O / N° 742	UF	Semiannual	3.20%	Without guarantee	555,158	-	555,158	-	-	-	-	69,617,623	69,617,623	
Sistema de Transmisión del Sur S.A.	Chile	Bono Serie A / N° 763	UF	Semiannual	2.80%	Without guarantee	615,882	-	615,882	-	-	-	-	106,968,675	106,968,675	
Empresa Eléctrica de la Frontera S.A.	Chile	Bono Serie G / N° 663	UF	Semiannual	3.20%	Without guarantee	277,579	-	277,579	-	-	-	-	34,942,183	34,942,183	
Inversiones Eléctricas del Sur S.A.	Chile	Bono Serie E / N° 646	UF	Annual	4.00%	Without guarantee	-	2,737,059	2,737,059	-	-	-	-	139,692,453	139,692,453	
Inversiones Eléctricas del Sur S.A.	Chile	Bono Serie H / N° 762	UF	Annual	3.90%	Without guarantee	-	2,013,986	2,013,986	-	-	-	-	105,251,408	105,251,408	
Inversiones Eléctricas del Sur S.A.	Chile	Bono Serie I / N° 945	UF	Annual	1.90%	Without guarantee	-	1,613,150	1,613,150	-	-	-	-	180,638,280	180,638,280	
Sociedad de Transmisión Austral S.A.	Chile	STASCL 32	US dollar	Annual	0.30%	Without guarantee	-	5,647,411	5,647,411	-	-	-	-	329,038,154	329,038,154	
Total							4,958,822	12,551,824	17,510,646	6,682,402	10,200,091	10,200,091	10,200,091	1,044,507,076	1,081,789,751	

Name Company debtor	Segment country	Name of creditor	Type of currency	Type of amortization	Rate of nominal interest	Guarantee	12-31-2021										
							Current			Non-current							
							Current up to 1 year			More than 1 year to 2 years		More than 3 years to 5 years			More than 5 years		Total Non-current
							Up to 90 days	More than 90	Total current	More than 1 year to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	More than 4 years to 5 years	More than 5 years			
							ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$		
Sociedad Austral de Electricidad S.A.	Chile	Bono Serie J / N° 665	UF	Semiannual	3.60%	Without guarantee	1,717,762	1,408,717	1,326,479	2,817,434	2,817,434	2,817,434	2,817,434	16,437,038	27,706,774		
Sociedad Austral de Electricidad S.A.	Chile	Bono Serie L / N° 397	UF	Semiannual	3.75%	Without guarantee	-	476,840	476,840	7,043,586	7,043,586	7,043,586	7,043,586	48,359,238	76,533,652		
Sociedad Austral de Electricidad S.A.	Chile	Bono Serie O / N° 742	UF	Semiannual	3.20%	Without guarantee	-	490,026	490,026	-	-	-	-	61,390,634	61,390,634		
Sistema de Transmisión del Sur S.A.	Chile	Bono Serie A / N° 923	UF	Semiannual	2.80%	Without guarantee	-	724,835	724,835	-	-	-	-	125,340,559	125,340,559		
Empresa Eléctrica de la Frontera S.A.	Chile	Bono Serie G / N° 663	UF	Semiannual	3.20%	Without guarantee	246,013	-	245,013	-	-	-	-	30,815,212	30,815,212		
Inversiones Eléctricas del Sur S.A.	Chile	Bono Serie E / N° 646	UF	Annual	4.00%	Without guarantee	-	2,412,566	2,412,566	-	-	-	-	123,179,165	123,179,165		
Inversiones Eléctricas del Sur S.A.	Chile	Bono Serie H / N° 762	UF	Annual	3.90%	Without guarantee	-	1,776,112	1,776,112	-	-	-	-	92,865,251	92,865,251		
Inversiones Eléctricas del Sur S.A.	Chile	Bono Serie I / N° 945	UF	Annual	1.90%	Without guarantee	-	1,419,224	1,419,224	-	-	-	-	159,472,242	159,472,242		
Total							3,104,775	8,708,139	10,216,915	9,864,020	9,864,020	9,864,020	9,864,020	657,405,939	697,904,419		

In January 2022, the subsidiary STA placed international bonds in the US; These funds allowed all the transmission companies to prepay the intercompany loans they had mainly with the Company. The Company, upon receiving these funds from the transmission companies, prepaid the short-term bank loans.

- d) The following is a detail with the main information on the issuance and placement of the Bonds of the Company and its subsidiaries:

Name Company	Short Name	Bonus Contract/Registration No.	Representative of the bondholders	Date of writing	Date of last modification	Notary	Date of placement	Amount placed	Amount placed
								UF	USD
Inversiones Eléctricas del Sur S.A.	ELECTRICAS	Emisión de Línea Serie E / N° 646	Banco de Chile	10-07-2010	11-08-2010	José Musalem Saffie	11-25-2010	4,000,000	-
Inversiones Eléctricas del Sur S.A.	ELECTRICAS	Emisión de Línea Serie H / N° 762	Banco Bice	06-27-2013	08-23-2013	José Musalem Saffie	08-29-2013	3,000,000	-
Inversiones Eléctricas del Sur S.A.	ELECTRICAS	Emisión de Línea Serie I / N° 945	Banco de Chile	09-10-2018	06-18-2019	Roberto Antonio Cifuentes	07-11-2019	5,000,000	-
Sociedad Austral de Electricidad S.A.	SAESA	Emisión de Línea Serie J / N° 665	Banco de Chile	02-11-2012	09-22-2012	José Musalem Saffie	10-05-2011	1,000,000	-
Sociedad Austral de Electricidad S.A.	SAESA	Emisión de Línea Serie L / N° 397	Banco de Chile	07-29-2004	11-29-2012	José Musalem Saffie	12-20-2012	2,500,000	-
Sociedad Austral de Electricidad S.A.	SAESA	Emisión de Línea Serie O / N° 742	Banco de Chile	10-26-2012	09-29-2014	José Musalem Saffie	11-27-2014	2,000,000	-
Sistema de Transmisión del Sur S.A.	STS	Emisión de Línea Serie A / N° 923	Banco de Chile	09-10-2018	09-10-2018	Roberto Antonio Cifuentes	01-10-2019	4,000,000	-
Empresa Eléctrica de la Frontera S.A.	FRONTEL	Emisión de Línea Serie C / N° 663	Banco de Chile	11-02-2011	12-05-2014	José Musalem Saffie	04-06-2014	1,500,000	-
Empresa Eléctrica de la Frontera S.A.	FRONTEL	Emisión de Línea Serie G / N° 663	Banco de Chile	02-11-2011	09-15-2014	José Musalem Saffie	11-27-2014	1,000,000	-
Sociedad de Transmisión Austral S.A.	STA	144A / REG-5	UMB Bank	N.A.	N.A.	N.A.	21-01-2022	-	390,000,000

17.1. Derivative Instruments

The Company and its subsidiaries, following their financial risk management policy, may enter into derivative contracts to hedge their exposure to interest rate and currency variation (exchange rate).

Currency derivatives are used to determine the exchange rate of a currency in relation to the functional currency of the Company or its subsidiaries as a result of existing or future obligations. Interest rate derivatives are used to set or limit the variable interest rate of financial obligations.

The Company and its subsidiary STA, has been taken derivatives instruments as of December 31, 2022, corresponding to forwards

- a) The detail of the instruments as of December 31, 2022 and 2021, is as follows:

Name Company	Short Name	Coverage instrument	Hedged item	Hedged risk	Type of hedge	12-31-2022	12-31-2021
						ThCLP\$	ThCLP\$
Inversiones Eléctricas del Sur S.A.	ELECTRICAS	Forward (*)	UF Flow	Currency	Cash flow	-	333,695
Sociedad de Transmisión Austral S.A.	STA	Forward (*)	UF Flow	Currency	Cash flow	-	174,202
Total						-	507,897

(*) Presented in Other Non-current assets (see Note 7).

18. Trade and Other Accounts Payable

The details of this item as of December 31, 2022 and 2021 are as follows:

Trade Accounts Payable and Other Accounts Payable	Current		Non-current	
	12-31-2022	12-31-2021	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Trade accounts payable	215,640,563	178,271,828	20,634	330,482
Other accounts payable	16,507,716	15,548,849	-	-
Total trade accounts payable and other accounts payable	232,148,279	193,820,677	20,634	330,482

The detail of this item as of December 31, 2022 and 2021 is as follows:

Trade Accounts Payable and Other Accounts Payable	Current		Non-current	
	12-31-2022	12-31-2021	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Suppliers for purchase of energy and road tolls	149,272,865	110,871,977	20,634	330,482
Suppliers for purchase of fuel and gas	1,105,240	2,265,544	-	-
Payables for imports in transit	28,140,255	4,762,778	-	-
Payables for goods and services	37,122,203	60,371,529	-	-
Dividends payable to third parties	189,464	211,648	-	-
Trade payables to fiscal Institutions	914,577	727,707	-	-
Other accounts payable	15,403,675	14,609,494	-	-
Total Trade Accounts Payable and Other Accounts Payable	232,148,279	193,820,677	20,634	330,482

The detail of trade payables with payments up to date as of December 31, 2022 and 2021 is as follows:

Suppliers with update payment	12-31-2022			
	Goods	Services	Other	Total
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Up to 30 days	18,453,039	178,137,766	19,049,759	215,640,563
Between 31 and 60 days	-	-	-	-
Between 61 and 90 days	-	-	-	-
Between 91 and 120 days	-	-	-	-
Between 121 and 365 days	-	-	-	-
More than 365 days	-	-	-	-
Total	18,453,039	178,137,766	19,049,759	215,640,563

Suppliers with update payment	12-31-2021			
	Goods	Services	Other	Total
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Up to 30 days	19,006,132	143,070,429	16,195,267	178,271,828
Between 31 and 60 days	-	-	-	-
Between 61 and 90 days	-	-	-	-
Between 91 and 120 days	-	-	-	-
Between 121 and 365 days	-	-	-	-
More than 365 days	-	-	-	-
Total	19,006,132	143,070,429	16,195,267	178,271,828

In relation to the payment of suppliers, in general it is made within 30 days and it is also not subject to interest.

The detail of the main suppliers of Commercial accounts payable as of December 31, 2022 and 2021, is as follows:

Supplier's name	ID number	12-31-2022	
		ThCLP\$	%
Cam Chile S. A.	96.543.670-7	2.826.043	1,31%
Elecnor Chile S. A.	96.791.730-3	2.067.623	0,96%
Emec Montajes Electricos y Construcción Ltda.	76.048.740-6	1.647.530	0,76%
CENTELSA	Foreign Provider	1.491.599	0,69%
Zhongli Science And Techn	Foreign Provider	1.292.422	0,60%
HMV CHILE	59.172.470-3	1.116.403	0,52%
Efacec Chile S.A.	96.996.220-9	1.055.457	0,49%
Trilliant Networks Canada Inc.	Foreign Provider	987.312	0,46%
B. BOSCH S.A.	84.716.400-K	986.940	0,46%
Transformadores Tusan Ltda.	86.386.700-2	982.772	0,46%
Agencia de Aduana Hernan y Cristian Pizarro Ltda	86.165.600-4	978.804	0,45%
Telecomunicaciones y Electricidad S.A.	96.524.340-2	963.243	0,45%
Provisión Energía y Peajes (CEN) (*)		148.075.505	68,67%
Other suppliers		51.168.910	23,73%
Total		215.640.563	100,00%

Supplier's name	ID number	12-31-2021	
		ThCLP\$	%
Engie Energía Chile S.A.	88.006.900-4	4.401.430	2,47%
Gm Holdings S.A	76.240.103-7	2.085.724	1,17%
Centelsa	Foreign Provider	2.022.317	1,13%
Cobra Montajes, Servicios Y Agua Ltda.	76.156.521-4	1.777.777	1,00%
Transelec S. A.	76.555.400-4	1.391.984	0,78%
Enel Generacion Chile S.A	91.081.000-6	1.152.414	0,65%
Cam Chile S. A.	96.543.670-7	1.144.300	0,64%
Cge S.A.	76.411.321-7	1.053.732	0,59%
Zhongli Science And Techn	Foreign Provider	1.043.898	0,59%
Telecom Y Electricidad S.A.	96.524.340-2	1.033.815	0,58%
Elecnor Chile S. A.	96.791.730-3	1.007.981	0,57%
Cia Petroleo De Chile Cop	99.520.000-7	998.937	0,56%
Huemul Energia Spa	76.580.849-9	995.433	0,56%
Provisión Energía y Peajes (CEN) (*)		99.477.453	55,80%
Otros Proveedores		58.684.633	32,92%
Total		178.271.828	100,00%

(*) Energy and Tolls pending re-settlement and/or billing by the Electric System.

19. Financial instruments

19.1. Financial instruments by category

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

a) Financial assets

Financial assets	12-31-2022			
	Financial assets at amortized cost	Assets at fair value through profit or loss	Hedge derivatives	Total
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Cash and cash equivalent	11,160,953	83,150,253	-	94,311,206
Trade debtors and other accounts receivable current and non-current assets	341,534,694	-	-	341,534,694
Account receivables from related parties, current and non-current	2,414	-	-	2,414
Other non-current financial assets	4,493,660	-	-	4,493,660
Total financial assets	357,191,721	83,150,253	-	440,341,974

Financial assets	12-31-2021			
	Financial assets at amortized cost	Assets at fair value through profit or loss	Hedge derivatives	Total
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Cash and cash equivalent	8,313,231	14,548,397	-	22,861,628
Other current financial assets	-	-	507,897	507,897
Trade debtors and other accounts receivable current and non-current assets	266,154,144	-	-	266,154,144
Account receivables from related parties, current and non-current	2,263	-	-	2,263
Other non-current financial assets	5,609,183	-	-	5,609,183
Total financial assets	280,078,821	14,548,397	507,897	295,135,115

b) Financial liabilities

Financial liabilities	12-31-2022		
	Financial liabilities at amortized cost	Hedge derivatives	Total
	ThCLP\$	ThCLP\$	ThCLP\$
Other current and non-current financial liabilities	1,161,528,508	-	1,161,528,508
Current and non-current lease liabilities	3,896,309	-	3,896,309
Trade and other payables, current and non-current	232,168,913	-	232,168,913
Trade payables to related parties, current and non-current	160,642,970	-	160,642,970
Total financial liabilities	1,558,236,700	-	1,558,236,700

Financial liabilities	12-31-2021		
	Financial liabilities at amortized cost	Hedge derivatives	Total
	ThCLP\$	ThCLP\$	ThCLP\$
Other current and non-current financial liabilities	925,383,070	-	925,383,070
Current and non-current lease liabilities	3,607,584	-	3,607,584
Trade and other payables, current and non-current	194,151,159	-	194,151,159
Linked to current, non-current, and related entities Accounts payable	122,935,762	-	122,935,762
Total financial liabilities	1,246,077,575	-	1,246,077,575

19.2. 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 Consolidated Statement of Financial Position.

Financial assets	12-31-2022	
	Carrying Value	Fair Value
	ThCLP\$	ThCLP\$
Financial assets held at amortized cost		
Cash on hand	4,396,980	4,396,980
Balance in banks	6,763,973	6,763,973
Trade debtors and other current accounts receivable	341,534,694	341,534,694

Financial liabilities	12-31-2022	
	Carrying Value	Fair Value
	ThCLP\$	ThCLP\$
Financial liabilities held at amortized cost		
Other current financial liabilities (bank debt)	228,111	228,111
Other current and non-current financial liabilities (bonds)	1,099,300,397	1,095,965,522
Other non-current financial liabilities (bank debt)	62,000,000	62,000,000
Current and non-current lease liabilities	3,896,309	3,896,309
Trade and other payables, current and non-current	232,168,913	232,168,913

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, do not present a formal market where they are traded. According to the above, the valuation at cost or amortized cost is a good approximation of the Fair Value.
- The Fair Value of the Bonds and the Bank Debt 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:

The recognition of fair value in the Consolidated Financial Statements is carried out according to the following levels:

- Level 1: Corresponds to measurement methods at Fair Value through market shares (without adjustments) in the assets market and considering the same Valued Assets and Liabilities.
- Level 2: Corresponds to measurement methods at Fair Value through market quotations data, not included in Level 1, that are observable for Valued Assets and Liabilities, either directly (prices) or indirectly (derived from prices).
- Level 3: Corresponds to fair value measurement methodologies using valuation techniques, which include data on Valued Assets and Liabilities, which are not based on observable market data.

20. Provisions

20.1 Other current provisions

a) The details of this item as of December 31, 2022 and 2021 are as follows:

Other current provisions	Current	
	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Other provisions (*)	6,854,492	8,434,860
Total	6,854,492	8,434,860

(*) Corresponds to fines and lawsuit provisions.

b) The movement of provisions during the periods 2022 and 2021 is as follows:

Movements Other current provisions	For legal claims	Total
	ThCLP\$	ThCLP\$
Opening balance as of 01-01-2022	8,434,860	8,434,860
Additional provisions	2,535,402	2,535,402
Provision not used	(3,416,088)	(3,416,088)
Increase in existing provisions	(506,286)	(506,286)
Provision used	(193,396)	(193,396)
Total movements in provisions	(1,580,368)	(1,580,368)
Closing balance as of 12-31-2022	6,854,492	6,854,492

Movements Other current provisions	For legal claims	Total
	ThCLP\$	ThCLP\$
Opening balance as of 01-01-2021	8,121,205	8,121,205
Additional provisions	2,993,137	2,993,137
Provision not used	(1,908,330)	(1,908,330)
Increase in existing provisions	114,277	114,277
Provision used	(885,429)	(885,429)
Total movements in provisions	313,655	313,655
Closing balance as of 12-31-2021	8,434,860	8,434,860

20.2 Current Provisions for Employee Benefits

a) The details of this item as of December 31, 2022 and 2021, is as follows:

Current provisions for employee benefits	Current	
	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Employee vacations (vacation cost)	2,963,211	2,660,473
Provision for annual benefits	12,049,787	7,673,440
Total	15,012,998	10,333,913

b) The movement of provisions during the years 2022 and 2021 is as follows:

Movements Current provisions for benefits to employees	For employee vacations	For annual benefits	Total
	ThCLP\$	ThCLP\$	ThCLP\$
Opening balance as of 01-01-2022	2,660,473	7,673,440	10,333,913
Increase (decrease) in existing provisions	2,672,679	12,450,150	15,122,829
Provision used	(2,369,941)	(8,073,803)	(10,443,744)
Total movements in provisions	302,738	4,376,347	4,679,085
Opening balance as of 12-31-2022	2,963,211	12,049,787	15,012,998

Movements Current provisions for benefits to employees	For employee vacations	For annual benefits	Total
	ThCLP\$	ThCLP\$	ThCLP\$
Opening balance as of 01-01-2021	2,270,865	8,372,565	10,643,430
Increase (decrease) in existing provisions	2,394,741	9,674,298	12,069,039
Provision used	(2,005,133)	(10,373,423)	(12,378,556)
Total movements in provisions	389,608	(699,125)	(309,517)
Opening balance as of 12-31-2021	2,660,473	7,673,440	10,333,913

20.3 Non-Current Provisions for Employee Benefits

a) Defined benefits plan:

Severance indemnities: The worker receives a proportion of his base salary (0.9) for each year of permanence at the date of his retirement. This benefit is payable once the employee has served for at least 10 years.

The breakdown of non-current provisions as of December 31, 2022 and 2021 is as follows:

Non-current provisions, severance indemnities	Non-Current	
	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Severance indemnity provision	18,204,096	14,204,873
Total	18,204,096	14,204,873

Future disbursements

According to the available estimate, the expected disbursements to meet the defined benefit plans this year amount to ThCLP\$ 1,462,429.

Timing of commitments

The weighted average timing of the Obligations for the Company and its subsidiaries corresponds to 10.52 years and the expected flow of benefits for the next 10 and more years is as follows:

YEARS	Amount
	ThCLP\$
1	1,462,429
2	1,153,642
3	966,042
4	942,271
5	937,015
6 to 10	6,479,679

b) The movement of non-current provisions occurred during the periods 2022 and 2021, is as follows:

Movements Non-current provisions for employee benefits	Total
	ThCLP\$
Opening balance as of 01-01-2022	14,204,873
Interest cost	2,280,697
Cost of service for the year	1,646,035
Prior years cost	107,260
Payments of the year	(642,253)
Actuarial variance	607,484
Total movement	3,999,223
Closing balance as of 12-31-2022	18,204,096

Movements Non-current provisions for employee benefits	Total
	ThCLP\$
Opening balance as of 01-01-2021	16,851,375
Interest cost	1,149,726
Cost of service for the year	1,230,566
Payments of the year	(979,918)
Actuarial variance	(4,046,876)
Total movement	(2,646,502)
Closing balance as of 12-31-2021	14,204,873

c) The amounts recorded in comprehensive income are as follows:

Total expense recognized in the statement of comprehensive income	01-01-2022 12-31-2022	01-01-2021 12-31-2021
	ThCLP\$	ThCLP\$
Interests costs	2.280.697	1.149.726
Cost of service for the period	1.646.035	1.230.566
Total Expense recognized in the income statement	3.926.732	2.380.292
Pérdida actuarial neta por plan de beneficios definidos	607.484	(4.046.876)
Total Expense recognized in the statement of comprehensive income	4.534.216	(1.666.584)

d) Actuarial assumptions used as of December 31, 2022.

Discount rate (nominal)	4.73%
Expected Rate of Salary Increments (Nominal)	4.50%
Mortality tables	CB H 2014 / RV M 2014
Rotation rate	2.00%
Retirement age	65 H / 60 M

e) Sensitivities

Discount rate sensitivity

As of December 31, 2022, the sensitivity of the amount of the actuarial liability for severance indemnities of 1 percentage point in the discount rate produces the following effects:

Sensitivity of the discount rate	Decrease of 1%	Increase of 1%
	ThCLP\$	ThCLP\$
Effect in obligations for defined benefits increase/(decrease) of liability	2,055,876	(1,739,744)

Expected rate of salary increase sensitivity

As of December 31, 2022, the sensitivity of the amount of the actuarial liability, for severance indemnities, of 1 percentage point in the expected rate of salary increase generates the following effects:

Sensitivity of the expected salary increase	Decrease of 1%	Increase of 1%
	ThCLP\$	ThCLP\$
Effect in obligations for defined benefits (decrease) / increase of liability	(1,683,741)	1,953,361

20.4 Legal Proceedings and Fines

At the date of preparation of these Consolidated Financial Statements, the most significant legal proceedings and fines are as follows:

20.4.1 Legal proceedings

The current legal proceedings of the Company and its subsidiaries are as follows:

Name Company	Court	Role No.	Origin	Procedural Stage	Processing Stage	Amount ThCLPS
Sociedad Austral de Electricidad S.A.	2nd Civil Court of Valdivia	C-3785-2019	Compensation for damages	Wekster Luis whit SAESA	Pending second instance	70,221
Sociedad Austral de Electricidad S.A.	2nd Civil Court of Osorno	C-4628-2019	Compensation for damages Fire	Stange whit SAESA	Pending first instance	35,110
Sociedad Austral de Electricidad S.A.	Court of First Instance of Castro	C-2783-2019	Compensation for damages Accident	Alvarado whit SAESA	Pending first instance	35,110
Sociedad Austral de Electricidad S.A.	Court of First Instance of Castro	C-814-2020	Compensation for damages	Miranda Johanna with SAESA	Pending first instance	35,110
Sociedad Austral de Electricidad S.A.	Court of First Instance of Anisud	C-470-2020	Compensation for damages	Hernández José with SAESA	Pending first instance	35,110
Sociedad Austral de Electricidad S.A.	1st Civil Court of Chillán	C-1985-2021	Demand compensation for damages	Camus A. Martín et al with Jara David, Soc. Com. Kevin I I. SAESA and Ingeniosa	Pending first instance	70,221
Sociedad Austral de Electricidad S.A.	3rd Environmental Court of Valdivia	D-2-2020	Environmental damage from fire Choshuenco, Panguipulli.	Forestal S.A. with SAESA	Pending first instance	70,221
Sociedad Austral de Electricidad S.A.	16th Civil Court of Temuco	C-4547-2022	Demand compensation for damages	Posting transfer San Felipe S.A. with SAESA	Pending first instance	35,110
Sociedad Austral de Electricidad S.A.	Labor Court Santiago	D-5576-2022	Labor	subsidiary Oteiza Jhonattan and another with Soc. Imelisa and SAESA	Pending first instance	178,835
Empresa Eléctrica de la Frontera S.A.	Court of First Instance and Guarantee Curacauth	C-124-2018	Indigenous Law Restitution of land and compensation for damages.	Vielma and another with Frontel	Pending first instance	60,000
Empresa Eléctrica de la Frontera S.A.	1st Civil Court of Osorno	C-449-2019	Demand compensation for damages.	Cruces and another with Frontel	Pending first instance	35,110
Empresa Eléctrica de la Frontera S.A.	Local Police Court of Bulnes	97-2019	Consumer	Soc. Medica e Inv. Trivica with Frontel	Pending first instance	55,000
Empresa Eléctrica de la Frontera S.A.	2nd Civil Court of Temuco	C-5119-2019	Compensation damages Fire	Figueroa Ramón with Frontel	Pending first instance	70,221
Empresa Eléctrica de la Frontera S.A.	1st Civil Court of Temuco	C-5343-2019	Compensation for damages	Kaiser W. Juan with Frontel	Pending first instance	70,221
Empresa Eléctrica de la Frontera S.A.	Court of First Instance of Victoria	C-1051-2019	Compensation for damages	Regie Maria with Frontel	Pending first instance	70,221
Empresa Eléctrica de la Frontera S.A.	Court of First Instance of Nacimiento	C-149-2019	Tort liability	Catalán with Frontel	Pending first instance	95,000
Empresa Eléctrica de la Frontera S.A.	1st Civil Court of Osorno	C-2078-2020	Compensation for damages.	Serv. y Asesorías Marítimas y Terrestres Ltda. whit Frontel.	Pending first instance	35,110
Empresa Eléctrica de la Frontera S.A.	Court of First Instance of Lautaro	C-330-2020	Compensation for damages	Ruiz and another with Frontel	Pending first instance	35,110
Empresa Eléctrica de la Frontera S.A.	Court of First Instance of Lautaro	C-331-2020	Compensation for damages	Comercial Pueblo Ltda. with Frontel	Pending first instance	35,110
Empresa Eléctrica de la Frontera S.A.	1st Labor Court Santiago	O-889-2020	Claim Compensation Damages Work accident.	Vaga with Contreras Hermanos Ingeniería Eléctrica Ltda., Frontel and other	Pending second instance	35,110
Empresa Eléctrica de la Frontera S.A.	1st Civil Court of Temuco	C-288-2021	Compensation damages Fire	Rivera Fortunato and another with Frontel	Pending first instance	35,110
Empresa Eléctrica de la Frontera S.A.	Court of First Instance of Calleja	C-118-2021	Demand compensation for damages.	Mulvey V. Diego with Frontel	Pending first instance	70,221
Empresa Eléctrica de la Frontera S.A.	2nd Civil Court of Osorno	C-1310-2020	Demand compensation damages Fire	Collio Eladio and another with Frontel	Pending first instance	70,221
Empresa Eléctrica de la Frontera S.A.	Local Police Court of Los Alamos	1069-2021	Infringement complaint Consumer Law	Bernal E. Cristian with Frontel	Pending first instance	70,221
Empresa Eléctrica de la Frontera S.A.	1st Civil Court of Temuco	C-289-2021	Demand compensation for damages Fire	Sucessión E. Ballotta and another with Frontel	Pending first instance	35,110
Empresa Eléctrica de la Frontera S.A.	1st Civil Court of Osorno	C-2981-2020	Demand compensation for fire damages.	Bastias Sergio and another with Frontel	Pending first instance	35,110
Empresa Eléctrica de la Frontera S.A.	First Local Police Court of Osorno	2730-2022	Consumer Law	Meneses A. Teresa with Frontel	Pending first instance	39,750
Empresa Eléctrica de la Frontera S.A.	1st Civil Court of Temuco	C-786-2022	Compensation for damages Fire.	Bosques Cautín with Frontel	Pending first instance	70,221
Empresa Eléctrica de la Frontera S.A.	2nd Civil Court of Temuco	C-1686-2022	Compensation for damages Fire.	Salamanca Carmen with Forestal Mininco and Frontel	Pending first instance	87,777
Empresa Eléctrica de la Frontera S.A.	Court of First Instance of Traiguén	C-352-2022	Demand for the Indigenous Law, Compensation for posting damages	Huircaman Morales Cornelio with Frontel	Pending first instance	42,133
Empresa Eléctrica de Aisén S.A.	2nd Labor Court Santiago	O-4476-2022	Consumer Law	Subsidiarías Reandes Adolfo with Obras Especiales Chile and Edelaysen	Pending first instance	70,000
Compañía Eléctrica Osorno S.A.	2nd Civil Court of Osorno	C-2240-2020	Compensation for damages Osorno.	Fuentealba with Municipalidad Osorno and Luz Osorno	Pending first instance	35,110
Sistema de Transmisión del Sur S.A.	1st Civil Court of Osorno	C-501-2021	Compensation damages	Vidal Héctor with STS	Pending first instance	70,221
Sistema de Transmisión del Sur S.A.	Arbitration and Mediation Center	4623-2021	Arbitration Trial	Cobra Montajes Servicios and Agua Ltda. with STS	Pending first instance	1,500,000
Sociedad de Transmisión del Norte	Labor Court of Antofagasta	D-1232-2022	Subsidiary Labor	Araya Oscar with STN and Corp. Nac. del Cobre	Pending first instance	25,347
Other lawsuits pending of execution						399,711
Empresa Eléctrica de la Frontera S.A.	Supreme Court	RIT N° GR-12-00003-2021	Appeals on the merits against the final judgment of second instance that resolved the appeals filed by the parties against the final judgment of first instance that partially upheld the tax claim filed against liquidations No. 47 and No. 48, Income AT 2016 (FRONTEL with SII)	Frontel with SII	Both FRONTEL and the SII filed appeals on the merits against the ruling handed down by the Court of Appeals of Puerto Montt, which were declared admissible for processing. Currently, the appeals are being processed before the Supreme Court, pending the hearing of the case and that the arguments of the parties are verified.	104,910
Empresa Eléctrica de la Frontera S.A.	Supreme Court	RIT N° GR-12-00003-2021	Casation appeals in the merits against the second instance judgment that resolves the appeal filed by the SII against the final first instance judgment that partially accepts the tax claim filed against Resolution No. 144, Renta AT 2017.	Frontel with SII	Both FRONTEL and the SII filed appeals on the merits against the ruling handed down by the Court of Appeals of Puerto Montt, which were declared admissible for processing. Currently, the appeals are being processed before the Supreme Court, pending the hearing of the case and that the arguments of the parties are verified.	171,768
Sistema de Transmisión del Sur S.A.	Supreme Court	RIT GR-12-00015-2020	Casation in the merits against the second instance ruling that confirmed the first instance ruling that resolves the tax claim filed against Resolution Ex. No. 77320310406, VAT March and April 2017.	STS with SII	The final judgment of the first instance rejected the tax claim in its entirety. STS filed an appeal against said ruling, which was rejected by the Puerto Montt Court of Appeals, confirming the first instance ruling. Subsequently, STS filed a casation appeal on the merits before the Supreme Court, which has already passed its admissibility examination and is pending a table so that the arguments of the parties can be heard.	285,363

As of December 31, 2022, the Company and its subsidiaries have made provisions for those contingencies that could generate an obligation. The provision is made taking into account the best information available on the date of issue of these Consolidated Financial Statements, including most of the events and circumstances involved in their valuation. It should be noted that the Company and its subsidiaries have insurance coverage for non-contractual civil liability proceedings (fire, death, injuries, damages to third parties, among others) with deductibles that fluctuate from UF 0 to UF 2,000.

For cases in which Management and the lawyers of the Company and its subsidiaries have estimated that favorable results will be obtained, or that the results are uncertain, and the lawsuits are pending, no provisions have been established.

20.4.2 Fines

The fines imposed on the Company and its subsidiaries still pending resolution are as follows:

Business name	No. Exempt Resolution	Resolution date	Organism	Concept	Status	Amount ThCLP\$
Fines pending resolution from previous years						
Empresa Eléctrica de Aisen S.A.	12,389	17-2-2016	SEC	Quality of service	Replenishment resource	11,936
Empresa Eléctrica de la Frontera S.A.	34,867	3-09-2021	SEC	Do not take readings March and April 2020	Claim of Illegality	11,936
Empresa Eléctrica de la Frontera S.A.	7,512	27-09-2019	SAG	Cut approx. 20 trees of Quillay Sector Mirihue Alto	File Illegality Claim	1,790
Compañía Eléctrica Osorno S.A.	299	4-02-2013	VIALIDAD	Do not require permission to cross	Pending Appeal for Replenishment - Decay AA	8,952
Compañía Eléctrica Osorno S.A.	14,660	4-08-2016	SEC	Quality of service	Replenishment resource	11,936
Sociedad Austral de Electricidad S.A.	954	8-05-2014	VIALIDAD	Lack of permission.	Exceptions	23,873
Sociedad Austral de Electricidad S.A.	1,428	23-06-2015	VIALIDAD	Lack of permission.	Exceptions	17,904
Sociedad Austral de Electricidad S.A.	27,023	2-01-2019	SEC	Failure to comply with pruning obligations Tenglo Island accident.	Replenishment resource	59,683
Sociedad Austral de Electricidad S.A.	32,376	14-04-2020	SEC	Failure to comply with maintenance obligations.	Replenishment resource	29,841
Sociedad Austral de Electricidad S.A.	34,854	2-09-2021	SEC	Do not take readings March and April 2020	Claim of Illegality	5,968
Sistema de Transmisión del Sur S.A.	13,740	31-05-2016	SEC	Lack of maintenance.	Pending Replacement	59,683

Business name	No. Exempt Resolution	Resolution date	Organism	Concept	Status	Amount ThCLP\$
Fines charged in 2022						
Empresa Eléctrica de Aisen S.A.	13,595	1-09-2022	SEC	Quality of service	Replenishment resource	196,954
Empresa Eléctrica de la Frontera S.A.	11,965	26-04-2022	SEC	Saidi January to December 2020	Replenishment resource	180,243
Empresa Eléctrica de la Frontera S.A.	11,966	26-04-2022	SEC	Saidi January to December 2020	Replenishment resource	47,746
Empresa Eléctrica de la Frontera S.A.	15,242	12-12-2022	SEC	Make charges for connection of clients in BT Rural Sector Mirador Mulchen	Replenishment resource	47,746
Compañía Eléctrica Osorno S.A.	11,968	26-04-2022	SEC	Saidi January to December 2020	Replenishment resource	52,521
Sociedad Austral de Electricidad S.A.	11,967	26-04-2022	SEC	Saidi January to December 2020	Replenishment resource	47,746
Sociedad Austral de Electricidad S.A.	8356/ 51-2	30-09-2022	DIR. TRABAJO	Do not show the required documentation. Workers Luis Ramirez y Emilio Huenumil	Reconsideration	5,176
Sociedad Austral de Transmisión Troncal S.A.	955	12-09-2022	BIENES NAC	Failure to comply with obligations contained in the onerous Concession contract S/E Kimal	Claim pending for resolution	47,970
Sistema de Transmisión del Sur S.A.	12,268	18-05-2022	SEC	Lack of maintenance.	Reduce fine to 5000 UTM. Illegality Claim Pending	223,811

The amount recognized for provisions in the Consolidated Financial Statements is, in Management's opinion, the best estimate of the disbursement necessary to settle the present obligation, taking into account the risks and uncertainties surrounding the events and circumstances concurrent to its valuation.

In cases where the Administration and the Company's and its affiliates' lawyers have estimated that favorable results will be obtained or that the results are uncertain and fines are pending, no provisions have been established in this regard.

21. Other Non-Financial Liabilities

The details of this item as of December 31, 2022 and 2021 are as follows:

Other Non-financial liabilities	Current		Non Current	
	12-31-2022	12-31-2021	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Government subsidies (FNDR Works)	34,687,370	36,208,778	-	-
Other works of third parties	17,631,576	11,033,821	-	-
Prepaid income for tolls sale	386,445	386,445	7,821,915	8,216,315
Other non-financial non-current liabilities (*)	-	-	3,529,924	3,681,224
Total Other Non-financial liabilities	52,705,391	47,629,044	11,351,839	11,897,539

Government grants are mainly FNDR (State Fund for Regional Development) contributions aimed at financing social electricity projects, net of the costs incurred by the Company and its subsidiaries and are recorded as described in Note 2.16.2.

(*) Includes the option to purchase share of Tolchén acquired by the subsidiary STA from Inversiones Bosquemar Ltda. by ThCLP\$ 3,062,160 as of December 31, 2022 and ThCLP\$3,209,854 as of December 31, 2021.

The detail of the anticipated revenue from the sale of tolls as of December 31, 2022 and 2021 is as follows:

Clients	Projects	Settlement date	Current		Non Current	
			12-31-2022	12-31-2021	12-31-2022	12-31-2021
			ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Hidroensur, Hidronalca e Hidropalmar (*)	Line section 220 kV Antillanca-Barro Blanco	06-01-2042	91.929	91.929	1.700.696	1.792.625
Hidroensur, Hidronalca e Hidropalmar (*)	S/E Antillanca	06-01-2042	83.571	83.571	1.546.053	1.629.623
Hidroensur, Hidronalca e Hidropalmar (*)	Line section 110 kV Aihuapi – Antillanca.	06-01-2042	23.102	23.102	896.025	944.004
Hidroensur, Hidronalca e Hidropalmar (*)	Licán - Pilmaiquén	12-01-2043	27.537	27.537	557.397	584.934
Hidroensur, Hidronalca e Hidropalmar (*)	Line section 110 kV S/E Río Bonito - Aihuapi	08-01-2042	47.223	47.223	413.400	435.745
Hidroensur, Hidronalca e Hidropalmar (*)	Correntoso - Capullo	06-01-2045	16.371	16.371	368.108	384.480
Hidroensur, Hidronalca e Hidropalmar (*)	Casualidad - Licán	11-01-2046	14.852	14.852	366.029	380.881
Hidroensur, Hidronalca e Hidropalmar (*)	S/E Río Bonito y Paño Aihuapi	08-01-2042	17.397	17.397	325.291	342.688
Hidroensur, Hidronalca, Hidropalmar, Hidro Ensenada e Hidrobonito (*)	Other projects	-	48.796	48.796	1.158.974	1.207.770
Parque Eólico Cabo Leones I.S.A. (*)	Warehouse extension GIS	12-31-2047	-	-	149.012	152.989
Iberréolico Cabo Leones II S.A. (*)	Warehouse extension GIS	12-31-2047	-	-	149.012	152.989
Eólica La Esperanza S.A. (**)	Connection and toll Parque Eólico La Esperanza a Subestación Negrete	03-31-2036	15.667	15.667	191.918	207.587
Total Clients			386.445	386.445	7.821.915	8.216.315

(*) The amortization is 30 years from start-up for each section.

(**) The amortization is 20 years from start-up for each section.

22. Equity

22.1 Net equity of the Company

22.1.1 Subscribed and Paid-in Capital

As of December 31, 2022 and 2021, the issued capital of Inversiones Eléctricas del Sur S.A. amounts to ThCLP\$385,906,755. The capital is represented by 100 A series shares and 79,573,672 B series shares fully subscribed and paid-in.

The A series shares have all the rights that the current regulations confer on ordinary shares. On the other hand, B series 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).

22.1.2 Dividends

At the Ordinary Shareholders' Meeting on April 27, 2022, the payment of a final dividend of \$638.87840974 per share was approved, with a charge to the profits for the year ended on December 31, 2021, which meant a total payment of ThCLP\$50,837,965. The aforementioned dividends were paid as of May 27, 2022.

At the Ordinary Shareholders' Meeting on April 30, 2021, the payment of a final dividend of \$534.6208377655 per share was approved, with a charge to the profits for the year ended on December 31, 2020, which meant a total payment of ThCLP\$42,541,797. The aforementioned dividends were paid as of May 28, 2021.

22.1.3 Other Reserves

The details of other reserves as of December 31, 2022 are as follows:

Movements Other reserves	Balance as of 01-01-2022	Reserves translation differences	Cash flow hedge reserve	Reserve for actuarial gains or losses in defined benefit plans	Other sundry reserves	Balance as of 12-31-2022
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Reserves for translation differences, net of deferred taxes	26,076,411	(6,498,839)	-	-	-	19,577,572
Reserves of coverage joint business, net of tax	126,340	-	(125,356)	-	-	984
Reserve of actuarial gains or losses in defined benefit plans, net of deferred taxes	(322,963)	-	-	(440,024)	-	(762,987)
Other various reserves (*)	22,093,394	-	-	-	122,306	22,215,700
Merger effect STS and Sagesa (proforma)	9,870	-	-	-	-	9,870
Merger effect subsidiaries 05.31.2011 (**)	19,506,605	-	-	-	-	19,506,605
Total	67,489,657	(6,498,839)	(125,356)	(440,024)	122,306	60,547,744

(*) Other sundry reserves of ThCLP\$22,215,700 is made up of ThCLP\$8,506,366, which is the capital revaluation paid for 2009 (period of transition to IFRS), as specified in Circular N°456 of the Chilean Stock and Exchange Commission (CMF), credit by ThCLP\$585,683 as a result of the purchase from Eléctrica Puntilla S.A. of 49.9% of the shares it owned in the Sociedad Sistema de Transmisión del Centro S.A. ("STC") by Inversiones Los Lagos IV Limitada, ThCLP\$11,873,639 due to the effect of the merger of STS with Saesa Transmisión S.A. and Frontel Transmisión S.A., ThCLP\$122,306 as effect of ownership in STA as a result of shares pending of payments, and ThCLP\$2,300,552, as a result of the absorption of its subsidiary Inversiones Eléctricas del Sur Dos Ltda. on December 5, 2008. The last operation was treated as a unification of interests, since they were companies under common control.

(*) 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 (New STS). This merger gave rise to a tax gain that gave rise to a deferred tax asset of ThCLP\$12,017 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.

(**) The effect of merger of ThCLP\$19,506,605 originates from the merger of the subsidiaries (Former Saesa and Former Frontel). Product of the above and according to current tax regulations, were originated tax benefits which implied higher deferred tax assets of ThCLP\$19,749,955, the difference for ThCLP\$243,350, corresponds to the adjustment of participation of the Company in Saesa and Frontel due to the exchange of shares as a result of the merger materialized on May 31, 2011.

The details of other reserves as of December 31, 2021 are as follows:

Movements Other reserves	Balance as of 01-01-2021	Reserves translation differences	Cash flow hedge reserve	Reserve for actuarial gains or losses in defined benefit plans	Other sundry reserves	Balance as of 12-31-2021
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Reserves for translation differences, net of deferred taxes	11,717,258	14,359,153	-	-	-	26,076,411
Reserves of coverage joint business, net of tax	259	-	-	-	-	259
Cash flow hedge reserve, net of tax	107,741	-	18,340	-	-	126,081
Reserve of actuarial gains or losses in defined benefit plans, net of deferred taxes	(3,260,642)	-	-	2,937,679	-	(322,963)
Other various reserves	10,221,235	-	-	-	11,872,159	22,093,394
Merger effect STS and Sagesa (proforma)	9,870	-	-	-	-	9,870
Merger effect subsidiaries 05.31.2011 (*)	19,506,605	-	-	-	-	19,506,605
Total	38,302,326	14,359,153	18,340	2,937,679	11,872,159	67,489,657

22.1.4 Translation Differences

The detail of the subsidiaries and related companies that present translation differences net of taxes as of December 31, 2022 and 2021 is as follows:

Reserve of exchange differences in conversions		12-31-2022	12-31-2021
		ThCLP\$	ThCLP\$
Sociedad Generadora Austral S.A.	SGA	3,680,025	3,961,254
Sagesa Generación S.A.	SAGESA	5,127,857	10,659,899
Sistema de Transmisión del Centro S.A.	STC	3,115,485	2,733,511
Sistema de Transmisión del Norte S.A.	STN	4,929,716	5,490,604
Sociedad Austral de Transmisión Troncal S.A.	SATT	3,182,857	3,545,417
Línea de Transmisión Cabo Leones S.A.	CABO LEONES	525,715	527,182
Sociedad de Transmisión Austral S.A.	STA	(1,180,864)	(962,361)
Tolchén Transmisión SpA	TOLCHÉN	196,781	120,905
Total Reserves for exchange differences on conversions		19,577,572	26,076,411

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

22.1.5 Retained Earnings

The balance of retained earnings as of December 31, 2022 is as follows:

Movements Accumulated gains (losses)	Acumulated distributable earnings	Adjustments for first adoption not realized	Total
	ThCLP\$	ThCLP\$	ThCLP\$
Opening balance as of 01-01-2021	100,785,693	373,036	101,158,729
Gain attributable to owners of the controlling interest	59,809,370	-	59,809,370
Reverse provision and payment of dividend prior year	42,541,797	-	42,541,797
Dividend payment prior year	(42,541,797)	-	(42,541,797)
Provision minimum dividend of the year	(17,942,811)	-	(17,942,811)
Total movements	41,866,559	-	41,866,559
Closing balance as of 12-31-2021	142,652,252	373,036	143,025,288

The distributable profit for the period January-June 2022, in accordance with the Company's policy, corresponds to the profit attributable to the controlling interest in 2022, that is, ThCLP\$1,988,959.

The balance of retained earnings as of December 31, 2021 is as follows:

Movements Accumulated gains (losses)	Accumulated distributable earnings	Adjustments for first adoption not realized	Total
	ThCLP\$	ThCLP\$	ThCLP\$
Opening balance as of 01-01-2021	100,785,693	373,036	101,158,729
Gain attributable to owners of the controlling interest	59,809,370	-	59,809,370
Reverse provision and payment of dividend prior year	42,541,797	-	42,541,797
Dividend payment prior year	(42,541,797)	-	(42,541,797)
Provision minimum dividend of the year	(17,942,811)	-	(17,942,811)
Total movements	41,866,559	-	41,866,559
Closing balance as of 06-30-2021	142,652,252	373,036	143,025,288

The distributable profit for the year 2021, in accordance with the Company's policy, corresponds to the profit attributable to the controlling interest in 2021, that is, ThCLP\$59,809,370.

22.2 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.

22.3 Restrictions on the Disposal of Funds

Pursuant to the bond issue contracts held by the Company, sending cash flows to its shareholders is conditioned upon compliance with the financial restrictions mentioned in Note 33 together with the necessary flows in a special reserve account to the payment of their financial obligations for the next 12 months. In virtue of the foregoing, the Administration aims to perform the payment operations to its shareholders in the periods that make the use of resources more efficient in order to reduce the associated financial costs.

As of December 31, 2022 and 2021 the special reserve account does not have a balance.

22.4 Equity of Non-Controlling Interests

Details by company of the effects caused by non-controlling interests in equity as of December 31, 2022 and 2021 and of the effects on income of the non-controlling interests as of December 31, 2022 and 2021 are as follows:

Taxpayer ID	Company	Short name	% Ownership		Subsidiary equity		Non-controlling interest	
			12-31-2022	12-31-2021	12-31-2022	12-31-2021	12-31-2022	12-31-2021
			%	%	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
88.272.600-2	Empresa Eléctrica de Aisén S.A.	EDELAYSEN	6.762675%	6.762675%	86,181,359	90,845,329	5,828,164	6,143,573
77.708.654-5	Sagesa Generación S.A.	SAGESA	0.001334%	0.001334%	42,940,920	41,782,901	573	557
76.073.162-5	Sociedad Austral de Electricidad S.A.	SAESA	0.083632%	0.083632%	266,076,951	285,347,134	222,525	238,641
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	FRONTEL	0.626256%	0.626256%	165,187,036	158,387,204	1,034,494	991,909
77.122.643-4	Sociedad de Transmisión Austral S.A.	STA	0.030642%	0.064503%	355,552,302	359,633,034	108,948	231,974
77.312.201-6	Sistema de Transmisión del Sur S.A.	STS	0.141435%	0.141435%	253,001,895	256,664,587	357,834	363,014
Total							7,552,538	7,969,668

Taxpayer ID	Company	Short name	% Ownership		Subsidiary equity		Non-controlling interest	
			01-01-2022 12-31-2022	01-01-2021 12-31-2021	01-01-2022 12-31-2022	01-01-2021 12-31-2021	01-01-2022 12-31-2022	01-01-2021 12-31-2021
			%	%	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
88.272.600-2	Empresa Eléctrica de Aisén S.A.	EDELAYSEN	6.762675%	6.762675%	(4,057,284)	2,916,360	(274,381)	197,223
77.708.654-5	Sagesa Generación S.A.	SAGESA	0.001334%	0.001334%	6,631,896	713,624	88	10
76.073.162-5	Sociedad Austral de Electricidad S.A.	SAESA	0.083632%	0.083632%	(5,670,457)	19,192,830	(4,742)	16,051
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	FRONTEL	0.626256%	0.626256%	13,500,830	12,669,021	84,549	79,340
77.312.201-6	Saesa Transmisión S.A.	SAESA TX	0.083632%	0.083632%	-	-	-	-
77.307.979-K	Frontel Transmisión S.A.	FRONTEL TX	0.626256%	0.626256%	-	-	-	-
77.122.643-4	Sociedad de Transmisión Austral S.A.	STA	0.030642%	0.064503%	35,510,392	5,827,855	10,880	3,759
77.312.201-6	Sistema de Transmisión del Sur S.A.	STS	0.141435%	0.141435%	20,790,149	17,911,726	29,405	25,333
Total							(154,201)	321,716

23. Revenue

The details of this item of the Consolidated Statement of Comprehensive Income as of December 31, 2022 and 2021 are as follows:

Revenues from ordinary activities

	01-01-2022 12-31-2022	01-01-2021 12-31-2021
	ThCLP\$	ThCLP\$
Sale of energy	692,727,526	581,147,130
Distribution	488,928,128	428,599,456
Residential	248,684,226	208,635,004
Commercial	117,856,052	106,897,333
Industrial	39,547,567	37,797,323
Other	82,840,283	75,269,796
Transmission	98,640,594	79,407,273
Generation and commercialization	105,158,804	73,140,401
Other income	13,416,248	8,653,841
Support	657,688	484,881
Meter lease	1,031,784	900,585
change for late payment	10,069,119	5,797,620
Other	1,657,657	1,470,755
Total revenue from Ordinary Activities	706,143,774	589,800,971

(*) The detail of Other revenues is the following:

	01-01-2022 12-31-2022	01-01-2021 12-31-2021
	ThCLP\$	ThCLP\$
Other revenue of distribution ordinary activities		
Agriculture	22,431,335	22,039,353
Transport	11,107	175,086
City halls	24,388,038	19,995,469
Public lightning	17,630,427	17,125,988
Other	18,379,376	15,933,900
Total other revenue from distribution ordinary activities	82,840,283	75,269,796

Other revenue

	01-01-2022 12-31-2022	01-01-2021 12-31-2021
	ThCLP\$	ThCLP\$
Constructions and works to third parties	24,915,956	26,002,405
sale of material and equipment	37,054,520	29,216,363
Leases	2,482,456	2,805,645
Interests credits and loans	504,876	376,548
Income for detail sale of products and services	5,830,493	17,245,230
Demand management revenues and mobile equipment	1,116,516	1,200,154
Other income	4,878,015	3,482,695
Total other revenue	76,782,832	80,329,040

Following is the classification of ordinary income and other income as of December 31, 2022 and 2021, according to the classification established by IFRS 15:

	01-01-2022 12-31-2022	01-01-2021 12-31-2021
	ThCLP\$	ThCLP\$
Revenue recognized over time		
Sale of energy distribution	488.928.128	428.599.456
Transmission	98.640.594	79.407.273
Generation and Commercialization	105.158.804	73.140.401
Other income	13.416.248	8.653.841
Total revenue recognized over time	706.143.774	589.800.971
Total revenue from Ordinary Activities	706.143.774	589.800.971

Other revenue	01-01-2022 12-31-2022	01-01-2021 12-31-2021
	ThCLP\$	ThCLP\$
Revenue recognized over time		
Constructions and works to third parties	24.915.956	26.002.405
Interests credits and loans	504.876	376.548
Leases	2.482.456	2.805.645
Demand management revenues and mobile equipment	1.116.516	1.200.154
Other income	4.878.015	3.482.695
Total revenue recognized over time	33.897.819	33.867.447
Recognition of revenue at a point in time		
Sale of material and equipment	37.054.520	29.216.363
Income for detail sale of products and services	5.830.493	17.245.230
Total revenue recognized at a point in time	42.885.013	46.461.593
Total other revenue	76.782.832	80.329.040

24. Raw Materials and Consumables Used

The detail of this item in the Consolidated Statement of Comprehensive Income as of December 31, 2022 and 2021 is as follows:

	01-01-2022 12-31-2022	01-01-2021 12-31-2021
	ThCLP\$	ThCLP\$
Purchase of energy and tolls	367,811,129	309,032,571
Fuels for generation, materials and services consumed	68,932,749	56,953,002
Total raw materials and consumables used	436,743,878	365,985,573

25. Expenses for Benefits to Employees

The detail of this item in the Consolidated Statement of Comprehensive Income as of December 31, 2022 and 2021 is as follows:

	01-01-2022 12-31-2022	01-01-2021 12-31-2021
	ThCLP\$	ThCLP\$
Wages and remunerations	62,886,467	55,611,586
Other benefits to employees short term	7,784,160	6,351,382
Expenses for benefits post employment, defined benefits plans	5,539,205	3,642,035
Activation employee cost	(6,650,334)	(8,393,497)
Total Expenses for employee benefits	69,559,498	57,211,506

26. Expense for depreciation and amortization

The detail of this item in the Consolidated Statement of Comprehensive Income as of December 31, 2022 and 2021 is as follows:

	01-01-2022 12-31-2022	01-01-2021 12-31-2021
	ThCLP\$	ThCLP\$
Depreciation of Property, Plant and Equipment	44,729,519	38,428,971
Amortizations of intangibles	3,363,526	2,040,962
Amortizations of right of use assets	1,011,402	811,659
Total depreciation and amortization expense	49,104,447	41,281,592

27. Impairment Gain (loss)

The detail of this item in the Consolidated Statement of Comprehensive Income as of December 31, 2022 and 2021 is as follows:

Impairment Profit (loss)	01-01-2022 12-31-2022	01-01-2021 12-31-2021
	ThCLP\$	ThCLP\$
Impairment gains and impairment loss reversal (impairment losses) determined according to NIIF 9	4,306,944	10,760,616
Total Impairment gain (loss)	4,306,944	10,760,616

28. Other expenses by nature

The detail of this item in the Consolidated Statement of Comprehensive Income as of December 31, 2022 and 2021 is as follows:

	01-01-2022 12-31-2022	01-01-2021 12-31-2021
	ThCLP\$	ThCLP\$
Operations and maintenance of electrical system	36,995,383	27,740,380
Generation system	5,851,434	4,973,527
Meters maintenance, commercial cycle	16,372,178	14,182,915
Operation vehicles, travel and expenses	4,703,366	3,293,888
Rental of machinery, equipment and facilities	387,408	679,979
Provisions and write offs	404,439	362,703
Administrative expenses and other services provided	23,325,928	19,424,344
Expenses for construction work to third parties	16,390,851	17,478,517
Other expenses by nature	4,539,392	3,576,546
Total Other expenses by nature	108,970,379	91,712,799

29. Financial Results

The details of financial income and expenses as of December 31, 2022 and 2021 are as follows:

Financial Result	01-01-2022 12-31-2022	01-01-2021 12-31-2022
	Th CLP\$	Th CLP\$
Income from cash and cash equivalents	6,108,165	137,953
Total Financial Income	6,108,165	137,953
Bank Loans Expenses	(1,425,341)	(2,013,801)
Bond expenses	(36,605,253)	(21,310,779)
Other Financial expenses	(12,207,527)	(4,570,004)
Activation Financial Expenses	5,656,526	5,290,732
Total Financial Costs	(44,581,595)	(22,603,852)
Result of indexed units	(89,980,359)	(41,617,910)
Positive	71,442,234	42,474,528
Negative	(69,752,243)	(6,604,543)
Foreing exchange gains (losses)	1,689,991	35,869,985
Total Financial Result	(126,763,798)	(28,213,824)

30. Other gains (losses)

The detail of this item in the Consolidated Statement of Comprehensive Income as of December 31, 2022 and 2021 is as follows:

Other gain (losses)	01-01-2022 12-31-2022	01-01-2021 12-31-2021
	Th CLP\$	Th CLP\$
Income by sale of fixed assets	21,219,603	4,887,412
Losses by sale of fixed assets	(18,668,391)	(1,409,840)
Other income/ expenses	(151,921)	(13,387)
Total Other Gains/ Losses	2,399,291	3,464,185

(*) Includes revenues and expenses of the subsidiary Sagesa S.A., related to the sale of power plants to the distribution Companies

31. Segment Reporting

In accordance with the definition provided in IFRS 8, which establishes the standards to be reported regarding operating segments and disclosures related to products and services, "Operating Segments" are recognized as all those activities carried out by the business from which it can obtain income and incur expenses associated with ordinary activities, the results of which are regularly reviewed by the Administration for operational decision-making and for which sufficient and differentiated financial information is available to manage and evaluate business performance.

Likewise, the Group recognizes, manages and evaluates the performance of its operations by the following business segments:

- Generation
- Transmission
- Distribution
- Commercialization
- Other

Indicators used by Management to measure the performance and assign resources to each segment are directly related to the margin of each activity and its EBITDA.

Description of types of products and services that provide the ordinary income of each segment to be reported:

- **Generation Segment:** The Group participates in the electricity generation activity in Chile through its subsidiary Edelayson and in the Hornopirén and Cochamó Systems whose operation and exploitation is in the hands of the subsidiary SAGESA. Therefore, this segment includes all the results from activities related to electricity generation systems through participation in Large Customer Markets, Wholesale Markets and -Distribution Companies. (See note 3.1).
- **Transmission Segment:** This segment involves the transmission or electricity transportation systems" that comprise 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. (See note 3.2).
- **Distribution Segment:** The companies dedicated to electricity distribution operate under the concession system, which define the territories in which each company is designed to serve regulated customers under a maximum rate regime, combined with an efficient business model, set by the regulatory authority. This segment will include the results obtained from: Sales to Regulated Customers, Sales to Free Customers or toll collection and Other Services Associated with Distribution (See note 3.3).
- **Commercialization Segment:** Corresponds to all revenue generated through its subsidiary SGA, which includes those contracts that the company maintains with customers for the purchase and sale of energy. Income from electricity sales is recorded based on the energy supplied, whether it is invoiced or estimated at the date of presentation of the Financial Statements and is recognized over time.
- **Other segment:** Corresponds to all revenue and expenses associated with the marketing and/or sale of products and services that are not contained in the Generation, Transmission, Distribution and Marketing segments described above; and that, failing that, are not part of the main line of business of the companies and for which differentiated financial information is available.

General information over results, assets, equity and liabilities

STATEMENT OF COMPREHENSIVE INCOME	Distribution		Transmission		Generation		Comercialization		Other		Consolidated	
	01-01-2022 12-31-2022	01-01-2021 12-31-2021	01-01-2022 12-31-2022	01-01-2021 12-31-2021	01-01-2022 12-31-2022	01-01-2021 12-31-2021	01-01-2022 12-31-2022	01-01-2021 12-31-2021	01-01-2022 12-31-2022	01-01-2021 12-31-2021	01-01-2022 12-31-2022	01-01-2021 12-31-2021
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Profit/ Loss												
Revenue from Ordinary Activities	478,775,975	424,833,415	97,843,156	78,687,069	51,504,839	34,768,306	78,001,815	51,511,977	17,989	204	706,143,774	589,800,971
Other Revenue	40,085,264	50,389,949	17,518,478	9,011,252	1,287,437	1,696,408	569,799	55,079	17,321,854	19,176,352	76,782,832	80,329,040
Raw materials and consumables used	(311,873,048)	(282,691,370)	(782,361)	(625,268)	(41,876,263)	(21,183,809)	(76,532,852)	(49,484,521)	(5,679,354)	(12,000,605)	(436,743,878)	(365,985,573)
Employee benefits expenses	(48,294,504)	(44,874,841)	(16,077,330)	(9,778,818)	(840,970)	(992,653)	(339,576)	(119,616)	(4,007,118)	(1,445,578)	(69,559,498)	(57,211,506)
Depreciation and amortization expense	(29,647,056)	(26,888,838)	(16,732,791)	(12,050,804)	(2,691,423)	(2,341,950)	-	-	(33,177)	-	(49,104,447)	(41,281,592)
Other expenses, by nature	(78,171,853)	(70,580,322)	(19,804,474)	(17,356,712)	(7,401,309)	(6,268,505)	(408,006)	(279,324)	(3,184,737)	2,772,064	(108,970,379)	(91,712,799)
Other gains (losses)	213,283	3,429,376	136,642	18,780	2,049,366	16,029	-	-	-	-	2,399,291	3,464,185
Financial income	1,403,432	108,032	2,009,426	10,522	51,474	1,658	1,640,421	10,872	1,003,412	6,869	6,108,165	137,953
Financial costs	(24,209,887)	(7,678,075)	(17,103,734)	(6,926,493)	(1,274,687)	(1,370,397)	(1,658)	(19,247)	(1,991,629)	(6,609,640)	(44,581,595)	(22,603,852)
Impairment of gains and reversal of impairment losses (impairment losses) determined in accordance with IFRS 9	(3,439,819)	(9,698,655)	(33,257)	16,295	(1,470)	9,811	(17,566)	(119,224)	(814,832)	(968,843)	(4,306,944)	(10,760,616)
Share in the profits (losses) of associates and joint ventures accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences	(1,478,116)	2,358,249	(1,945,794)	(2,311,571)	(484,089)	(1,999,869)	145,085	(1,211,525)	5,452,905	39,034,701	1,689,991	35,869,985
Profit and loss for indexed units	(26,727,626)	(12,530,800)	(14,890,134)	(6,895,880)	1,951,830	866,003	122,885	27,016	(50,437,314)	(23,084,249)	(89,980,359)	(41,617,910)
Profit (loss), before tax	(3,363,955)	26,176,120	30,137,827	31,798,372	2,274,735	3,201,032	3,180,347	371,487	(42,352,001)	16,881,275	(10,123,047)	78,428,286
Tax income (expense) on discontinued operations	9,114,369	(6,317,376)	(1,377,983)	(7,368,457)	603,904	646,788	(775,091)	(235,466)	4,392,606	(5,022,689)	11,957,805	(18,297,200)
Profit (loss) from discontinued operations	5,750,414	19,858,744	28,759,844	24,429,915	2,878,639	3,847,820	2,405,256	136,021	(37,959,395)	11,858,586	1,834,758	60,131,086
Gain (loss) from discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-
Profit (loss)	5,750,414	19,858,744	28,759,844	24,429,915	2,878,639	3,847,820	2,405,256	136,021	(37,959,395)	11,858,586	1,834,758	60,131,086
Comprehensive income (loss)												
Comprehensive income (loss) attributable to owners of the parent	5,750,414	19,858,744	28,759,844	24,429,915	2,878,639	3,847,820	2,405,256	136,021	(37,959,395)	11,858,586	1,718,803	60,009,995
Profit (loss), attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	115,955	121,091
Comprehensive (loss) income	5,750,414	19,858,744	28,759,844	24,429,915	2,878,639	3,847,820	2,405,256	136,021	(37,959,395)	11,858,586	1,834,758	60,131,086

Statement of Financial Position	Distribution		Transmission		Generation		Comercialization		Other		Consolidated	
	12-31-2022	12-31-2021	12-31-2022	12-31-2021	12-31-2022	12-31-2021	12-31-2022	12-31-2021	12-31-2022	12-31-2021	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
ASSETS												
Current assets	327,015,688	243,740,859	65,055,062	35,775,961	14,651,418	9,913,622	39,407,288	17,564,613	27,621,731	21,177,727	473,751,187	328,172,782
Non current assets	885,988,887	799,876,821	851,185,549	792,112,623	113,036,443	142,383,044	619,804	4,782,224	9,218,712	(10,908,315)	1,860,049,395	1,728,246,397
TOTAL ASSETS	1,213,004,575	1,043,617,680	916,240,611	827,888,584	127,687,861	152,296,666	40,027,092	22,346,837	36,840,443	10,269,412	2,333,800,582	2,056,419,179
LIABILITIES												
Current liabilities	245,304,180	233,195,502	59,055,810	37,312,577	5,825,711	6,872,722	31,634,446	15,902,330	5,542,106	167,789,471	347,362,253	461,072,602
Non-current liabilities	590,305,391	419,404,596	551,613,317	478,372,850	24,692,610	59,475,215	727,594	166,846	253,569,974	33,535,702	1,420,908,886	990,955,209
TOTAL PASIVOS	835,609,571	652,600,098	610,669,127	515,685,427	30,518,321	66,347,937	32,362,040	16,069,176	259,112,080	201,325,173	1,768,271,139	1,452,027,811
EQUITY												
Equity attributable to the owners of the parent company	202,424,601	236,788,666	311,578,227	312,286,096	36,309,025	41,069,277	7,665,052	6,277,661	-	-	557,976,905	596,421,700
Non - controlling interests	5,848,771	6,162,929	625,155	630,685	-	-	-	-	1,078,612	1,176,054	7,552,538	7,969,668
TOTAL EQUITY	208,273,372	242,951,595	312,203,382	312,916,781	36,309,025	41,069,277	7,665,052	6,277,661	1,078,612	1,176,054	565,529,443	604,391,368
TOTAL EQUITY AND LIABILITIES	1,043,882,943	895,551,693	922,872,509	828,602,208	66,827,346	107,417,214	40,027,092	22,346,837	260,190,692	202,501,227	2,333,800,582	2,056,419,179

32. Environment

The details of environmental costs as of December 31, 2022 and 2021 are as follows:

Concept of the disbursement	Cost Concept	12-31-2022	12-31-2021
		ThCLP\$	ThCLP\$
Environmental consulting	Cost	11,593	27,567
Management plan assessment	Investment	76,651	37,616
Waste management	Cost	282,836	115,302
Other environmental expenses	Cost	3,073	786
Investment projects	Investment	590,470	911,923
Reforestation	Investment	214,343	84,948
Total		1,178,966	1,178,142

There are no future commitments involving significant environmental costs for the Company and its subsidiaries, other than those that could be generated by the items specified above.

33. Guarantees Pledged to Third Parties, Other Non-Current Financial Assets

33.1. Guarantees Pledged to Third Parties

The guarantees pledged to third parties involve the construction of projects for third parties or projects under the FNDR (State Fund for Regional Development) for supplying isolated sectors with electricity.

Guarantees awarded as of December 31, 2022 are as follows:

Relation	Assets involved			2023	2024	2025	2026
	Type of guarantee	Currency	Total				
			ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Guarantees construction work	Performance Bond	CLP	59,806,921	37,650,563	13,706,785	8,449,573	-
Guarantees construction work	Performance Bond	UF	6,932,399	3,965,128	1,811,852	561,798	593,621
Guarantees construction work	Performance Bond	USD	22,704,111	18,451,926	1,621,268	2,630,917	-
TOTAL			89,443,431	60,067,617	17,139,905	11,642,288	593,621

34. Sureties Obtained from Third Parties

As of December 31, 2022 the Company and its subsidiaries have received guarantees from clients, suppliers and contractors guaranteeing, primarily, performance of the power supply contract, works to be performed and advance payments by ThCLP\$32,347,301 (ThCLP\$25,292,616 in 2021).

35. Commitments and Restrictions

The Company's bond issue contracts impose additional obligations on the Company in addition to the payment obligations, including financial indicators of various types during the term of these contracts, which are customary for this type of financing.

The Company and its subsidiaries must report quarterly on compliance with these obligations. As of December 31, 2022, the Company is in compliance with all the financial indicators required in said contracts.

The main restrictions to which the Company has been obligated on the occasion of the issue of Bonds or the contracting of credits are described below:

Series E Bonds

- Maintain, at the end of each quarter, a Net Financial Debt ratio of less than 6.75 times EBITDA, which will be measured on the Financial Statements of the Company.

For these purposes, "Net Financial Debt" will be understood as the difference between Total Financial Debt which corresponds to Other Current Financial Liabilities in the item Current Liabilities, plus Other No-Current Financial Liabilities in the item Non-Current Liabilities, less Total Cash, which is Cash and Cash Equivalents and time deposits that are older than 90 days considered in the item Other Current Financial Assets less "Hedge Assets", which is the addition of the items Financial Asset Hedge Derivatives that are included in the Notes to the Company's Financial Statements; all of them accounts or items included the Company's Financial Statements, and as "EBITDA" the addition of the last 12 months of the items Revenue plus Other Income by Nature, less the absolute value of Raw Materials and Operating Supplies Used, less the absolute value of Employee Benefit Expenses, less the absolute value of Other Expenses by Nature.

For the purpose of calculating the aforementioned indicator EBITDA and only if the Cumulative Inflation, as defined below, is equal to, or greater than, 5.0%, an "Adjustment Factor" will be added to EBITDA. The Adjustment Factor will be the result of multiplying the EBITDA by 50% of the Cumulative Inflation. "Cumulative Inflation" is understood as the change in the Consumer Price Index published by the Chilean National Institute of Statistics between the thirteenth month and the first month prior to the date of close of the Company's Financial Statements. If the Chilean National Institute of Statistics adds, substitutes or eliminates the Consumer Price Index, this index will be replaced by the new indicator defined by the Chilean National Institute of Statistics or the competent authority, the objective of which is measure the change in the price level of the Chilean economy between two periods of time. As of December 31, 2022, this indicator is 6.13.

- Maintain, at the end of each quarter, an EBITDA ratio over Net Financial Expenses of more than 2.0 based on the figures in the Financial Statements of the Company.

For these purposes, "Net Financial Expenses" will be understood as the addition of the last 12 months of the absolute value of the item Financial Costs plus Capitalization of Financial Expenses of Financial Costs less the addition of the last 12 months of the item Financial Income, all of them accounts or items that are included in the Notes to Company's the Financial Statements; and as "EBITDA" the addition of the last 12 months of the items Revenue plus Other Income by Nature, less the absolute value of Raw Materials and Operating Supplies Used, less the absolute value of Employee Benefit Expenses, less the absolute value of Other Expenses by Nature. As of December 31, 2022, this indicator is 3.70.

- Sale of essential assets: Do not sell, assign or transfer Essential Assets in such a way that the direct or indirect distribution capacity of the Company and its subsidiaries decreases from 1,400 GWh per calendar year. Between the 12 previous mobile months; January 2022 – December 2022, the Company distributed 4,289 GWh. In order to compare the evolution of this year, it is indicated that the Company has distributed 3,986 GWh for the 12 mobile months (January 2021 – December 2021). Additionally, in 2022 the Company has not sold, assigned and / or transferred essential assets, therefore it complies with this restriction.

As of December 31, 2022 the Company complies with the aforementioned covenants.

Series H Bonds

- Maintain, at the end of each quarter, a Net Financial Debt ratio of less than 6.75 times Adjusted and Consolidated EBITDA, which will be measured on the Issuer's Financial Statements.

For these purposes, "Net Financial Debt" will be understood as the difference between Total Financial Debt which corresponds to Other Current Financial Liabilities in the item Current Liabilities, plus Other No-Current Financial Liabilities in the item Non-Current Liabilities, less Total Cash, which is Cash and Cash Equivalents and

time deposits that are older than 90 days considered in the item Other Current Financial Assets less "Hedge Assets", which are the addition of the items Financial Instruments that are included in the item Other Current Financial Assets and Other Non-Current Financial Assets that are included in the Notes to the Issuer's Financial Statements; all of these accounts or items included in the Issuer's Financial Statements. For purposes of this clause, and clause number Four which follows is "Adjusted Consolidated EBITDA" is understood as the sum of the last twelve months of Operating Revenue plus Other Revenue by Nature minus the absolute value of Raw Materials and Consumables Used minus the absolute value of Employee Benefits Expenses minus the absolute value of Other Expenses by Nature, all the above multiplied by the sum of one plus fifty percent of Cumulative Inflation. As of December 31, 2022, this indicator is 6.13.

- Maintain, at the end of each quarter, a ratio of Adjusted Consolidated EBITDA over Net Financial Expenses of more than 2.0 based on the figures in the Issuer's Financial Statements.

For the purposes of this clause, "Net Financial Expenses" means the sum of the last twelve months of the absolute value of the item Financial Costs plus Activation Financial Expenses of Financial Costs less the sum of the last twelve months of the item Financial Income, all accounts or items that are found in the Notes to the Financial Statements of the Issuer, all of the above multiplied by the sum of one plus fifty percent of the Accumulated Inflation. As of December 31, 2022, this indicator is 3.70.

As of December 31, 2022, the Company complies with the aforementioned covenants.

Series J Bonds

It consists of the Bond Line Issuance Agreement between Inversiones Eléctricas del Sur S.A. and Banco Chile as representative of the bondholders, which consists of a Public Deed granted by the Santiago Notary of Don Roberto Cifuentes Allel on September 10, 2018, Directory No. 8,808-2018, Complementary Public Deed dated 7 of June 2019 and Modification of Public Deed dated June 18, 2019, Directory No. 6,269-2019, both in the same Notary. The bond issue under the Series J Bond Line Issuance Agreement was registered in the Securities Registry of the Commission for the Financial Market under number 945.

On July 11, 2019, the Company placed the Series J bonds, most of the funds were used to prepay long-term debt held by the Company (Series D Bonds); the placement was for a total amount of UF 5,000,000, with the following main restrictions:

- Maintain, at the end of each quarter, a Net Financial Debt ratio of less than 6.75 times Adjusted and Consolidated EBITDA, which will be measured on the Issuer's Financial Statements.

For the purposes of this clause, "Net Financial Debt" shall be understood as the difference between the Total Financial Debt, which corresponds to Other Current Financial Liabilities, from the Current Liabilities item, plus Other Non-Current Financial Liabilities, of the Non-Current Liabilities item, less Total Cash, which corresponds to the Cash and Cash Equivalents item and term deposits that have a duration greater than ninety days considered in the Other Current Financial Assets item less the "Hedge Assets" that corresponds to the sum of the items "Hedging Derivatives" of Other Current Financial Assets and Other Non-Current Financial Assets that are found in the Notes to the Financial Statements; accounts or items all contained in the Financial Statements. For the purposes of this number and number Three below, "Consolidated Adjusted EBITDA" shall be understood as the sum of the last twelve months of the items Income from Ordinary Activities plus Other Income minus the absolute value of Raw Materials and Consumables Used less the absolute value of Employee Benefit Expenses less the absolute value of Other Expenses by Nature, all of the above multiplied by the sum of one plus fifty percent of the Accumulated Inflation. "Accumulated Inflation" shall be understood as the variation in the Consumer Price Index published by the National Statistics Institute between the thirteenth month prior and the first month prior to the closing date of the Financial Statements. In the event that the National Statistics Institute adds, replaces or eliminates the Consumer Price Index, it will be replaced by the new indicator defined by the National Statistics Institute or by the authority that is competent and whose objective is to measure the variation in the price level of the Chilean economy between two time periods. The calculation, items, values and limits will be clearly disclosed in the Notes to the Financial Statements. As of December 31, 2022, this indicator is 6.13.

- Maintain, at the end of each quarter, a ratio of Adjusted Consolidated EBITDA over Net Financial Expenses of more than 2.0 based on the figures in the Issuer's Financial Statements.

For the purposes of this clause, "Net Financial Expenses" shall be understood as the sum of the last twelve months of the absolute value of the item Financial Costs plus Activation Financial Expenses of Financial Costs less the sum of the last twelve months of the item Financial Income. The calculation, items, values and limits will be clearly disclosed in the Notes to the Financial Statements. As of December 31, 2022, this indicator is 3.95.

As of December 31, 2022, the Company complies with the aforementioned covenants.

Working Capital Credit Facility Agreement

During June 2021, the Company and its subsidiaries, signed the renewal of the working capital line contract with Banco Scotiabank.

The following main conditions for the Company were imposed from the current contract:

- Maintain, at the end of each quarter, a Net Financial Debt/ ratio of less than 6.75 times Adjusted and Consolidated EBITDA, which will be measured on the Issuer's Financial Statements. As of December 31, 2022, this indicator is 6.13.
- Maintain, at the end of each quarter, a ratio of Adjusted Consolidated EBITDA over Net Financial Expenses of more than 2.0 based on the figures in the Issuer's Financial Statements. As of December 31, 2022, this indicator is 3.95.
- Sale of essential assets: Do not sell, assign or transfer Essential Assets in such a way that the direct or indirect distribution capacity of the Company and its subsidiaries decreases from 1,400 GWh per calendar year. Between the 12 previous mobile months; January 2022 – December 2022, the Company distributed 4,289 GWh. In order to compare the evolution of this year, it is indicated that the Company has distributed 3,986 GWh for the 12 mobile months (January 2021 – December 2021). Additionally, in 2022 the Company has not sold, assigned and / or transferred essential assets, therefore it complies with this restriction.

As of December 31, 2022, the Company complies with the aforementioned covenants stipulated in its financial contracts.

Subsidiary Saesa

Due to the restructuring process contemplated by the Group, for the purposes of calculating the commitments and restrictions of the subsidiary Sociedad Austral de Electricidad S.A., the consolidation and calculations were made considering the assets transferred as an integral part of the Company until the moment of the effective transfer.

Following is the description of the main restrictions which the Subsidiary is forced as a result of the issuance of bonds or the contracts of debt.

Series J Bonds

- Maintain, at the end of each quarter, a Net Financial Debt ratio of less than 3.50 times EBITDA, which will be measured on the Issuer's Financial Statements.

For these purposes, "Net Financial Debt" will be understood as the difference between Total Financial Debt which corresponds to Other Current Financial Liabilities in the item Current Liabilities, plus Other Non-Current Financial Liabilities in the item Non-Current Liabilities, less Total Cash, which is Cash and Cash Equivalents and time deposits that are older than 90 days considered in the item Other Current Financial Assets less "Hedge Assets", which is the addition of the items Financial Instruments that are included in the item Other Current Financial Assets and Other Non-Current Financial Assets that are included in the

Notes to the Issuer's Financial Statements; all of them accounts or items included the Issuer's Financial Statements, and as "EBITDA" the addition of the last 12 months of the items Revenue plus Other Income by Nature, less the absolute value of Raw Materials and Operating Supplies Used, less the absolute value of Employee Benefit Expenses, less the absolute value of Other Expenses by Nature.

For the purpose of calculating the aforementioned indicator EBITDA and only if the Cumulative Inflation, as defined below, is equal to or greater than, 5.0%, an "Adjustment Factor" will be added to EBITDA. The Adjustment Factor will be the result of multiplying the EBITDA by 50% of the Cumulative Inflation. "Cumulative Inflation" is understood as the change in the Consumer Price Index published by the Chilean National Institute of Statistics between the thirteenth month and the first month prior to the date of the Issuer's Financial Statements. If the Chilean National Institute of Statistics adds, substitutes or eliminates the Consumer Price Index, this index will be replaced by the new indicator defined by the Chilean National Institute of Statistics or the competent authority, the objective of which is measure the change in the price level of the Chilean economy between two periods of time. As of December 31, 2022, this indicator is 2.69.

- Maintain, at the end of each quarter, an EBITDA ratio over Net Financial Expenses of more than 2.5 based on the figures in the Issuer's Financial Statements.

For these purposes, "Net Financial Expenses" will be understood as the addition of the last 12 months of the item Financial Costs plus Capitalization of Financial Expenses less the addition of the last 12 months of the item Financial Income, all of them accounts or items that are included in the Notes to the Issuer's Financial Statements; and as "EBITDA" the addition of the last 12 months of the items Revenue plus Other Income by Nature, less the absolute value of Raw Materials and Operating Supplies Used, less the absolute value of Employee Benefit Expenses, less the absolute value of Other Expenses by Nature. . As of December 31, 2022, this indicator is 2.59.

As of December 31, 2022, the Company complies with the aforementioned covenants.

Series L Bonds

- Maintain, at the end of each quarter, a Net Financial Debt ratio of less than 3.5 times EBITDA, which will be measured on the Financial Statements of the Company.

For these purposes, "Net Financial Debt" will be understood as the difference between Total Financial Debt which corresponds to Other Current Financial Liabilities in the item Current Liabilities, plus Other No-Current Financial Liabilities in the item Non-Current Liabilities, less Total Cash, which is Cash and Cash Equivalents and time deposits that are older than 90 days considered in the item Other Current Financial Assets less "Hedge Assets", which is the addition of the items Financial Asset Hedge Derivatives that are included in the Notes to the Company's Financial Statements; all of them accounts or items included the Company's Financial Statements, and as "EBITDA" the addition of the last 12 months of the items Revenue plus Other Income by Nature, less the absolute value of Raw Materials and Operating Supplies Used, less the absolute value of Employee Benefit Expenses, less the absolute value of Other Expenses by Nature.

For the purpose of calculating the aforementioned indicator EBITDA and only if the Cumulative Inflation, as defined below, is equal to, or greater than, 5.0%, an "Adjustment Factor" will be added to EBITDA. The Adjustment Factor will be the result of multiplying the EBITDA by 50% of the Cumulative Inflation. "Cumulative Inflation" is understood as the change in the Consumer Price Index published by the Chilean National Institute of Statistics between the thirteenth month and the first month prior to the date of the Issuer's Financial Statements. If the Chilean National Institute of Statistics adds, substitutes or eliminates the Consumer Price Index, this index will be replaced by the new indicator defined by the Chilean National Institute of Statistics or the competent authority, the objective of which is measure the change in the price level of the Chilean economy between two periods of time. As of December 31, 2022, this indicator is 2.69.

- Maintain, at the end of each quarter, an EBITDA ratio over Net Financial Expenses of more than 2.5 based on the figures in the Financial Statements of the Company.

For these purposes, “Net Financial Expenses” will be understood as the addition of the last 12 months of the item Financial Costs plus Capitalization of Financial Expenses less the addition of the last 12 months of the item Financial Income, all of them accounts or items that are included in the Notes to Company's the Financial Statements; and as “EBITDA” the addition of the last 12 months of the items Revenue plus Other Income by Nature, less the absolute value of Raw Materials and Operating Supplies Used, less the absolute value of Employee Benefit Expenses, less the absolute value of Other Expenses by Nature. As of December 31, 2022, this indicator is 2.59.

As of December 31, 2022, the Company complies with the aforementioned covenants.

Series O Bonds

- Maintain, at the end of each quarter, a Net Financial Debt ratio/ Adjusted consolidated EBITDA not exceeding 3.5, which will be measured on the Financial Statements of the Company.

For these purposes, “Net Financial Debt” will be understood as the difference between Total Financial Debt which corresponds to Other Current Financial Liabilities in the item Current Liabilities, plus Other No-Current Financial Liabilities in the item Non-Current Liabilities, less Total Cash, which is Cash and Cash Equivalents and time deposits that are older than 90 days considered in the item Other Current Financial Assets less “Hedge Assets”, which is the addition of the items Financial Asset Hedge Derivatives that are included in the Notes to the Company's Financial Statements; all of them accounts or items included the Issuer's Financial Statements, and as “adjusted consolidated EBITDA” the addition of the last 12 months of the items Revenue plus Other Income by Nature, less the absolute value of Raw Materials and Operating Supplies Used, less the absolute value of Employee Benefit Expenses, less the absolute value of Other Expenses by Nature, all of the above, multiplied by the addition of one plus the 50% of the Cumulative Inflation. “Cumulative Inflation” will be understood as the variation presented by the Consumer Price Index published by the National Institute of Statistics between the thirteenth previous month and the first month preceding the closing date of the Financial Statements of the Company. In the event that the National Institute of Statistics adds, replaces or eliminates the Index of Consumer Prices, this will be replaced by the new indicator defined by the National Institute of Statistics or the authority which is competent and whose objective is to measure the variation in the price level of the Chilean economy between two periods. As of December 31, 2022, this indicator is 2.69.

- Maintain at the end of each quarter, a consolidated adjusted EBITDA / Net Financial Expenses higher to 2.5, calculated on the figures of the Financial Statements of the Company. For these purposes, it will be understood as “Net Financial Expenses” the addition of the last 12 months of the absolute value of the item Financial Costs plus Financial Expenses Activation of Financial costs minus the addition of the last 12 months of item Financial Income, all accounts or items that are in the Notes to the Financial Statements of the Company, all of the above, multiplied by the addition of one plus the 50% of the “cumulative inflation”. As of December 31, 2022, this indicator is 2.59.

As of December 31, 2022, the Company complies with the aforementioned covenants.

Working Capital Credit Facility Agreement

During June 2021, the Company and its subsidiaries, signed the renewal of the working capital line contract with Banco Scotiabank. The following main conditions for Saesa were imposed from the current contract:

- Maintain, at the end of each quarter, a Net Financial Debt/ ratio of less than 3.5 times Adjusted and Consolidated EBITDA, which will be measured on the Issuer's Financial Statements. As of December 31, 2022, this indicator is 2.69.
- Sale of essential assets: Do not sell, assign or transfer Essential Assets in such a way that the direct or indirect distribution capacity of the Company and its subsidiaries decreases from 1,000 GWh per calendar year. Between the 12 mobile months; January 2022 – December 2022, the Company and its subsidiaries distributed 3,086 GWh. In order to compare the evolution of this year, it is indicated that the Company has distributed 2,861 GWh for the previous 12 mobile months (January 2021 – December 2021).

Additionally, in 2022 the Company has not sold, assigned and / or transferred essential assets, therefore it complies with this restriction.

As of December 31, 2022, the Company complies with the aforementioned covenants stipulated in its financial contracts.

Frontel Subsidiary

Following is the description of the main restrictions which the subsidiary is forced as a result of the issuance of Bonds or contract of credits.

Series G Bonds

- Maintain at the end of each quarter, a consolidated adjusted EBITDA / Net Financial Expenses higher to 3.5, calculated on the figures of the Financial Statements of the Company.

For these purposes, "Net Financial Debt" will be understood as the difference between Total Financial Debt which corresponds to Other Current Financial Liabilities in the item Current Liabilities, plus Other No-Current Financial Liabilities in the item Non-Current Liabilities, less Total Cash, which is Cash and Cash Equivalents and time deposits that are older than 90 days considered in the item Other Current Financial Assets less "Hedge Assets", which is the addition of the items Financial Instruments that are included in the item Other Current Financial Assets and Other Non-Current Financial Assets that are included in the Notes to the Issuer's Financial Statements; all of them accounts or items included the Issuer's Financial Statements, and as "EBITDA" the addition of the last 12 months of the items Revenue plus Other Income by Nature, less the absolute value of Raw Materials and Operating Supplies Used, less the absolute value of Employee Benefit Expenses, less the absolute value of Other Expenses by Nature, all the above multiplied by the sum of one plus fifty percent of Cumulative Inflation. "Cumulative Inflation" is understood as the change in the Consumer Price Index published by the Chilean National Institute of Statistics between the thirteenth month and the first month prior to the date of the Company's Financial Statements. If the Chilean National Institute of Statistics adds, substitutes or eliminates the Consumer Price Index, this index will be replaced by the new indicator defined by the Chilean National Institute of Statistics or the competent authority, the objective of which is measure the change in the price level of the Chilean economy between two periods of time. As of December 31, 2022, this indicator is 1.88.

- Maintain at the end of each quarter, a consolidated adjusted EBITDA / Net Financial Expenses higher to 2.5, calculated on the figures of the Financial Statements of the Company. For these purposes, it will be understood as "Net Financial Expenses" the addition of the last 12 months of the absolute value of the item Financial Costs plus Financial Expenses Activation of Financial costs minus the addition of the last 12 months of item Financial Income, all accounts or items that are in the Notes to the Financial Statements of the Company, all of the above, multiplied by the addition of one plus the 50% of the "cumulative inflation". As of December 31, 2022, this indicator is 4.91.

As of December 31, 2022, the Company complies with the aforementioned covenants.

Working Capital Credit Facility Agreement

During June 2021, the Company and its subsidiaries, signed the renewal of the working capital line contract with Banco Scotiabank. The following main conditions for Frontel were imposed from the current contract:

- Maintain, at the end of each quarter, a Net Financial Debt/ ratio of less than 3.5 times Adjusted and Consolidated EBITDA, which will be measured on the Issuer's Financial Statements. As of December 31, 2022, this indicator is 1.88.
- Sale of essential assets: Do not sell, assign or transfer Essential Assets in such a way that the direct or indirect distribution capacity of the Company and its subsidiaries decreases from 400 GWh per calendar year. Between the 12 mobile months; January 2022 – December 2022, the Company and its subsidiaries distributed 1,203 GWh. In order to compare the evolution of this year, it is indicated that the Company has distributed 1,125 GWh for the previous 12 mobile months (January 2021 – December 2021).

Additionally, in 2022 the Company has not sold, assigned and / or transferred essential assets, therefore it complies with this restriction.

As of December 31, 2022, the Company complies with the aforementioned covenants stipulated in its financial contracts.

Subsidiary STS

a) Issuance of Bonds and covenants

The main restrictions to which the Company has been bound due to the issuance of Bonds or the contracting of credits are described below:

Serie A Bond

It consists of the Bond Line Issuance Agreement signed between Sistema de Transmisión del Sur S.A. and Banco de Chile, as a representative of the bondholders, which consists of a public deed dated September 10, 2018, granted in Notaría Cifuentes by Mr. Roberto Antonio Cifuentes Allel. The issuance of bonds under the Series A Bond Line Issuance Agreement was registered in the Securities Register of the Commission for the Financial Market under number 923 dated December 12, 2018.

On January 10, 2019, the Company placed the Series A bonds, for a total amount of UF 4,000,000, with the following main restrictions:

- Maintain at the end of each quarter, a consolidated adjusted EBITDA / Net Financial Expenses not exceeding 6.75, which will be measured on the Financial Statements of the Company.

For these purposes, "Net Financial Debt" will be understood as the difference between Total Financial Debt which corresponds to Other Current Financial Liabilities in the item Current Liabilities, plus Other Non-Current Financial Liabilities in the item Non-Current Liabilities, less Total Cash, which is Cash and Cash Equivalents and time deposits that are older than 90 days considered in the item Other Current Financial Assets less "Hedge Assets", which is the addition of the items Financial Instruments that are included in the item Other Current Financial Assets and Other Non-Current Financial Assets that are included in the Notes to the Issuer's Financial Statements; all of them accounts or items included the Issuer's Financial Statements, and as "EBITDA" the addition of the last 12 months of the items Revenue plus Other Income by Nature, less the absolute value of Raw Materials and Operating Supplies Used, less the absolute value of Employee Benefit Expenses, less the absolute value of Other Expenses by Nature, all the above multiplied by the sum of one plus fifty percent of Cumulative Inflation. "Cumulative Inflation" is understood as the change in the Consumer Price Index published by the Chilean National Institute of Statistics between the thirteenth month and the first month prior to the date of the Company's Financial Statements. If the Chilean National Institute of Statistics adds, substitutes or eliminates the Consumer Price Index, this index will be replaced by the new indicator defined by the Chilean National Institute of Statistics or the competent authority, the objective of which is measure the change in the price level of the Chilean economy between two periods of time. As of December 31, 2022, this indicator is 2.02.

- Maintain at the end of each quarter, a consolidated adjusted EBITDA / Net Financial Expenses higher to 2.0, calculated on the figures of the Financial Statements of the Company. For these purposes, it will be understood as "Net Financial Expenses" the addition of the last 12 months of the absolute value of the item Financial Costs plus Financial Expenses Activation of Financial costs minus the addition of the last 12 months of item Financial Income, all accounts or items that are in the Notes to the Financial Statements of the Company, all of the above, multiplied by the addition of one plus the 50% of the "cumulative inflation". As of December 31, 2022, this indicator is 6.99.
- Sale of essential assets: Do not sell, assign or transfer Essential Assets in such a way that the installed capacity of joint transmission of the Issuer and its Subsidiaries is less than 1,100 MVA. As of December 31, 2022, the installed transmission capacity was 2,715 MVA, so it complies with this restriction.

As of December 31, 2022, the Company complies with the aforementioned covenants stipulated in its financial contracts.

Working Capital Credit Facility Agreement

During June 2021, the Company and its subsidiaries, signed the renewal of the working capital line contract with Banco Scotiabank. The following main conditions for the Company were imposed to STS from the current contract:

- Maintain, at the end of each quarter, a Net Financial Debt/ ratio of less than 6.75 times Adjusted and Consolidated EBITDA, which will be measured on the Issuer's Financial Statements. As of December 31, 2022, this indicator is 2.02.
- Maintain, at the end of each quarter, a ratio of Adjusted Consolidated EBITDA over Net Financial Expenses of more than 2.0 based on the figures in the Issuer's Financial Statements. As of December 31, 2022, this indicator is 6.99.
- Sale of essential assets: Do not sell, assign or transfer Essential Assets in such a way that the installed transmission capacity of the Company and its subsidiaries decreases from 1,100 MVA. As of December 31, 2022, the Company's installed transmission capacity was 2.715 MVA, therefore it complies with this restriction.

As of December 31, 2022, the Company complies with the covenants stipulated in their financial contracts.

STA Subsidiary

On January 21, 2022, the subsidiary STA issued bonds in international markets in USD currency under format 144A/REG-S for a total amount of USD 390,000,000 with a bullet amortization rate and a 10-year term. Said placement was under a corporate format without guarantees or covenants of any nature (unsecured notes).

STA currently, together with related companies of the Group, has a signed contract for a Working Capital line for a total amount of UF 1,000,000, available at all events, and freely available until June 2024, with spread agreed maximums.

36. Summarized Financial Information of the Group Subsidiaries

The summarized financial information of subsidiaries that make up the Group as of December 31, 2022 and 2021, is as follows:

Taxpayer ID	NAME	Country of Origin	Nature of relationship	Currency	12-31-2022						
					Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenue from ordinary activities	Net profit/(loss)	Total 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
88.272.600-2	Empresa Eléctrica de Aisén S.A.	Chile	Subsidiary	CLP	35,240,592	105,823,880	19,744,888	35,138,225	42,806,709	(4,057,284)	(4,080,698)
96.531.500-4	Compañía Eléctrica Osorno S.A.	Chile	Subsidiary	CLP	11,363,986	35,265,640	11,413,313	15,517,740	26,614,660	4,039,359	4,031,699
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
76.186.389-6	Saesa 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
76.073.162-5	Sociedad Austral de Electricidad S.A.	Chile	Subsidiary	CLP	251,848,824	605,360,102	167,152,357	418,130,847	353,125,197	(5,940,613)	(6,106,949)
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Chile	Subsidiary	CLP	92,134,424	336,216,901	90,989,744	172,174,545	193,404,278	13,500,830	13,383,886
77.122.643-4	Sociedad de Transmisión Austral S.A.	Chile	Subsidiary	USD	171,321,031	857,320,474	101,705,137	570,758,911	97,843,156	28,759,843	22,234,885
77.227.557-9	Saesa Gestión y Logística SpA	Chile	Subsidiary	CLP	655,603	9,248	134,281	498,999	-	48,896	48,896
77.227.565-K	Saesa Innova Soluciones SpA	Chile	Subsidiary	CLP	17,159,011	10,708,060	10,100,048	17,827,493	-	(152,518)	(152,518)
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	Tolchén Transmisión SpA	Chile	Subsidiary	USD	689,488	29,687,127	330,449	27,561,626	2,871,163	734,798	810,697

						12-31-2021						
Taxpayer ID	NAME	Country of Origin	Nature of relationship	Currency	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenue from ordinary activities	Net profit/(loss)	Total comprehensive income	
					Th\$ CLP	Th\$ CLP	Th\$ CLP	Th\$ CLP	Th\$ CLP	Th\$ CLP	Th\$ CLP	
77.312.201-6	Sistema de Transmisión del Sur S.A.	Chile	Subsidiary	CLP	24,341,811	492,933,204	34,641,981	225,968,447	56,830,434	17,911,726	18,170,133	
88.272.600-2	Empresa Eléctrica de Aisen S.A.	Chile	Subsidiary	CLP	24,953,096	95,223,866	17,357,968	11,973,665	27,749,965	2,916,360	2,864,807	
96.331.500-4	Compañía Eléctrica Osorno S.A.	Chile	Subsidiary	CLP	8,626,818	29,320,139	12,415,392	7,027,190	23,093,907	3,251,387	3,326,170	
99.526.750-1	Sociedad Generadora Austral S.A.	Chile	Subsidiary	USD	17,564,612	4,782,223	15,902,327	166,846	51,511,977	136,022	1,529,459	
76.410.374-2	Sistema de Transmisión del Norte S.A.	Chile	Subsidiary	USD	8,041,240	58,405,974	3,021,018	34,147,750	7,473,688	1,892,316	6,062,085	
76.440.111-5	Sistema de Transmisión del Centro S.A.	Chile	Subsidiary	USD	310,869	71,893,888	802,155	41,765,670	3,568,060	(30,653)	4,700,562	
76.519.747-3	Sociedad Austral de Transmisión Troncal S.A.	Chile	Subsidiary	USD	9,397,381	111,870,610	8,206,610	88,461,809	5,357,968	2,471,609	5,853,742	
76.186.388-6	Saesa S.A.	Chile	Subsidiary	USD	9,378,835	120,136,777	6,381,772	81,550,581	21,664,210	713,777	6,943,364	
76.073.162-5	Sociedad Austral de Electricidad S.A.	Chile	Subsidiary	CLP	173,533,990	542,515,451	148,012,027	276,527,351	309,391,521	19,393,455	20,980,909	
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Chile	Subsidiary	CLP	95,222,361	303,172,660	97,130,575	142,877,242	167,211,362	12,669,021	13,443,106	
77.122.643-4	Sociedad de Transmisión Austral S.A.	Chile	Subsidiary	USD	62,298,429	895,048,143	50,067,939	538,014,914	137,355,163	23,740,592	45,311,799	
77.227.557-9	Saesa Gestión y Logística SpA	Chile	Subsidiary	CLP	468,648	12,598	95,470	390,000	-	(5,224)	(5,224)	
77.227.565-K	Saesa Innova Soluciones SpA	Chile	Subsidiary	CLP	11,118,433	99,650	7,448,349	3,705,000	-	91,048	91,048	
76.429.813-6	Línea de Transmisión Cabo Leones S.A.	Chile	Subsidiary	USD	1,040,447	45,004,789	1,148,205	41,294,807	4,241,672	1,539,120	2,137,441	
76.389.448-7	Tolchén Transmisión SpA	Chile	Subsidiary	USD	622,764	29,213,909	465,310	27,794,512	1,215,247	1,091,864	(1,168,081)	

37. Additional Information on Financial Debt

Estimates of cash flows not discounted by type of financial debt are presented below:

a) Bank loans

Summary of Loans by currency and maturities

Debtor Company Name					Creditor entity		Currency	Effective interest rate	Nominal interest rate	12-31-2022									
Taxpayer ID	NAME	Debtor Company Country	Creditor	Creditor Company Country	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 years up to 3 years	More than 3 years up to 4 years	More than 4 years up to 5 years	More than 5 years	Total Non-Current			
					Th\$ CLP	Th\$ CLP	Th\$ CLP	Th\$ CLP	Th\$ CLP	Th\$ CLP	Th\$ CLP	Th\$ CLP	Th\$ CLP	Th\$ CLP	Th\$ CLP				
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Chile	Banco ITAU	Chile	CLP	0.13%	0.13%	-	152,083	152,083	10,075,833	-	-	-	10,075,833				
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Chile	Banco Chile	Chile	CLP	0.13%	0.13%	155,467	151,667	306,933	20,304,167	-	-	-	20,511,100				
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Chile	Banco de Chile	Chile	CLP	0.13%	0.13%	75,833	75,833	151,667	10,152,083	-	-	-	10,313,983				
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Chile	Banco BCI	Chile	CLP	0.13%	0.13%	-	256,425	256,425	25,128,564	-	-	-	25,384,989				
Totales								227,500	636,008	863,508	40,786,508	22,128,564	-	-	62,917,072				

Debtor Company Name			Creditor entity			Effective interest rate	Nominal interest rate	12-31-2021							
Taxpayer ID	NAME	Debtor Company Country	Creditor	Creditor Company Country	Currency			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 years up to 3 years	More than 3 years up to 4 years	More than 4 years up to 5 years	More than 5 years
								Th\$ CLP	Th\$ CLP	Th\$ CLP	Th\$ CLP	Th\$ CLP	Th\$ CLP	Th\$ CLP	Th\$ CLP
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Chile	Banco ITAU	Chile	CLP	0.13%	0.13%	-	152,083	152,083	10,075,833	-	-	-	10,227,917
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Chile	Banco Chile	Chile	CLP	0.13%	0.13%	154,167	153,667	306,833	303,333	20,304,167	-	-	20,607,500
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Chile	Banco Chile	Chile	CLP	0.13%	0.13%	77,083	75,833	152,917	151,667	-	-	-	10,303,750
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Chile	Banco Estado	Chile	CLP	0.39%	0.39%	20,077,000	-	20,077,000	-	-	-	-	-
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Chile	Banco Chile	Chile	CLP	0.42%	0.42%	10,055,333	-	10,055,333	-	-	-	-	-
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Chile	Banco ITAU	Chile	CLP	0.42%	0.42%	15,079,040	-	15,079,040	-	-	-	-	-
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Chile	BCI	Chile	CLP	0.30%	0.10%	-	256,425	256,425	256,425	22,128,564	-	-	22,384,988
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Chile	BCI	Chile	CLP	0.40%	0.40%	5,025,587	-	5,025,587	-	-	-	-	-
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Chile	BCI	Chile	CLP	0.40%	0.40%	30,048,827	-	30,048,827	-	-	-	-	-
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Chile	Scotiabank	Chile	CLP	0.36%	0.36%	30,143,000	-	30,143,000	-	-	-	-	-
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Chile	Scotiabank	Chile	CLP	0.36%	0.36%	15,069,225	-	15,069,225	-	-	-	-	-
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Chile	Scotiabank	Chile	CLP	0.36%	0.36%	10,046,150	-	10,046,150	-	-	-	-	-
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Chile	Scotiabank	Chile	CLP	0.36%	0.36%	20,106,500	-	20,106,500	-	-	-	-	-
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Chile	Scotiabank	Chile	CLP	0.38%	0.38%	10,050,000	-	10,050,000	-	-	-	-	-
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Chile	Scotiabank	Chile	CLP	0.36%	0.36%	10,044,967	-	10,044,967	-	-	-	-	-
Total								155,576,979	636,008	156,612,887	863,508	62,660,647	-	-	63,524,155

b) Bonds

Summary of Bonds by Currency and Maturities

Debtor Company Name			Creditor entity			Currency	Effective interest rate	Nominal interest rate	12-31-2022							
Taxpayer ID	NAME	Debtor Company Country	Creditor	Creditor Company Country	Bond Contract / Registration Number				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 years up to 3 years	More than 3 years up to 4 years	More than 4 years up to 5 years	Total Non-Current
								Th\$CLP	Th\$CLP	Th\$CLP	Th\$CLP	Th\$CLP	Th\$CLP	Th\$CLP	Th\$CLP	
76.073.162-5	Sociedad Austral de Electricidad S.A.	Chile	Banco de Chile	Chile	Line Insurance Series J / N° 807	USD	3.67%	3.40%	2,185,433	4,382,395	4,188,471	6,076,179	3,940,085	3,846,793	17,328,124	
76.073.162-5	Sociedad Austral de Electricidad S.A.	Chile	Banco de Chile	Chile	Line Insurance Series J / N° 807	USD	3.94%	3.70%	-	11,186,957	10,975,833	10,175,883	10,277,511	9,880,029	53,686,046	
76.073.162-5	Sociedad Austral de Electricidad S.A.	Chile	Banco de Chile	Chile	Line Insurance Series J / N° 792	USD	3.30%	3.20%	1,114,706	11,186,957	12,301,663	2,239,499	2,239,499	96,395,167	95,393,799	
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Chile	Banco de Chile	Chile	Line Insurance Series J / N° 763	USD	3.30%	3.20%	327,323	1,114,706	1,114,706	4,381,281	4,179,944	4,078,027	26,088,089	
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Chile	Banco BCI	Chile	Line Insurance Series J / N° 7485	USD	3.88%	3.90%	-	4,107,985	4,107,985	4,107,985	4,107,985	4,107,985	129,080,847	
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Chile	Banco de Chile	Chile	Line Insurance Series J / N° 7485	USD	4.00%	4.00%	-	5,617,757	5,617,757	5,617,757	5,617,757	5,617,757	157,261,180	
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Chile	Banco de Chile	Chile	Line Insurance Series J / N° 7485	USD	1.70%	1.60%	-	3,105,543	3,105,543	3,105,543	3,105,543	3,105,543	232,208,133	
77.312.201-6	Sistema de Transmisión del Sur S.A.	Chile	Banco de Chile	Chile	Line Insurance Series J / N° 7485	USD	2.80%	2.80%	35,289,303	2,108,888	38,398,191	2,108,888	2,108,888	2,108,888	152,027,383	
77.122.643-4	Sociedad de Transmisión Austral S.A.	Uruguay	LINE SAES NATIONAL ASSOCIATION	Uruguay	UDA MOND	USD	4.20%	4.20%	6,475,708	13,351,416	13,351,416	13,351,416	13,351,416	393,866,772	417,275,436	

Debtor Company Name		Creditor entity		Currency	Effective interest rate	Nominal interest rate	12-31-2021									
Taxpayer ID	NAME	Debtor Company Country	Creditor				Creditor Company Country	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 years up to 3 years	More than 3 years up to 4 years	More than 4 years up to 5 years	Total Non-Current	
							Th\$CLP	Th\$CLP	Th\$CLP	Th\$CLP	Th\$CLP	Th\$CLP	Th\$CLP	Th\$CLP	Th\$CLP	
76.073.162-5	Sociedad Austral de Electricidad S.A.	Chile	Banco de Chile	Chile	USD	3.67%	3.40%	2,185,433	2,186,196	4,371,629	3,797,029	3,687,078	3,196,547	3,496,054	18,864,945	35,415,099
76.073.162-5	Sociedad Austral de Electricidad S.A.	Chile	Banco de Chile	Chile	USD	3.94%	3.70%	-	2,878,683	2,878,683	9,856,864	9,185,165	9,185,165	9,075,787	36,175,684	94,858,902
76.073.162-5	Sociedad Austral de Electricidad S.A.	Chile	Banco de Chile	Chile	USD	3.30%	3.20%	1,114,706	11,186,957	12,301,663	2,239,499	2,239,499	2,239,499	96,395,167	95,393,799	95,393,799
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Chile	Banco de Chile	Chile	USD	3.30%	3.20%	327,323	327,323	1,114,706	1,114,706	4,381,281	4,179,944	4,078,027	26,088,089	26,088,089
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Chile	Banco BCI	Chile	USD	3.88%	3.90%	-	4,107,985	4,107,985	4,107,985	4,107,985	4,107,985	4,107,985	129,080,847	146,412,787
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Chile	Banco de Chile	Chile	USD	4.00%	4.00%	-	5,617,757	5,617,757	5,617,757	5,617,757	5,617,757	5,617,757	157,261,180	179,748,218
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Chile	Banco de Chile	Chile	USD	1.70%	1.60%	-	3,105,543	3,105,543	3,105,543	3,105,543	3,105,543	3,105,543	205,109,180	218,714,713
76.022.072-8	Estadística de Transmisiones del Sur S.A.	Chile	Banco de Chile	Chile	USD	3.88%	3.90%	-	4,107,985	4,107,985	4,107,985	4,107,985	4,107,985	4,107,985	129,080,847	146,412,787

38. Foreign Currency

CURRENT ASSETS	Currency Foreing	12-31-2022	12-31-2021
		Th\$ CLP	Th\$ CLP
Cash and Cash Equivalent	CLP	36,833,065	21,403,818
Cash and Cash Equivalent	USD	57,478,141	1,457,810
Other financial assets, current	CLP	-	333,695
Other financial assets, current	UF	-	174,202
Other non-financial assets, current	CLP	3,601,535	2,923,279
Trade and Other Receivables, current	CLP	283,647,379	220,827,623
Trade and Other Receivables, current	UF	714,126	942,340
Accounts receivable from related entities, current	CLP	2,414	2,263
Current inventories	CLP	59,933,851	51,639,619
Current tax assets	CLP	31,540,676	28,468,133
TOTAL CURRENT ASSETS		473,751,187	328,172,782
TOTAL CURRENT ASSETS	CLP	415,558,920	325,598,430
	USD	57,478,141	1,457,810
	UF	714,126	1,116,542
		473,751,187	328,172,782
NON-CURRENT ASSETS	Currency Foreing	12-31-2022	12-31-2021
		Th\$ CLP	Th\$ CLP
Other financial assets, non current	CLP	4,493,660	5,609,183
Other non-financial assets, non current	CLP	215,030	72,582
Trade and Other Receivables, non-current	CLP	55,477,955	37,215,508
Trade and Other Receivables, non-current	USD	-	4,606,685
Trade and Other Receivables, non-current	UF	1,695,234	2,561,988
Intangible assets other than goodwill	CLP	91,278,586	88,934,474
Goodwill	CLP	231,445,466	231,445,466
Goodwill	USD	1,151,070	1,136,047
Property, plant and equipment	CLP	1,417,367,963	1,304,384,187
Right of Use, Assets	CLP	3,092,116	2,990,878
Deferred Tax Assets	CLP	53,832,315	49,289,399
TOTAL NON-CURRENT ASSETS		1,860,049,395	1,728,246,397
TOTAL NON-CURRENT ASSETS	CLP	1,857,203,091	1,719,941,677
	USD	1,151,070	5,742,732
	UF	1,695,234	2,561,988
		1,860,049,395	1,728,246,397
TOTAL ASSETS	CLP	2,272,762,011	2,045,540,107
	USD	58,629,211	7,200,542
	UF	2,409,360	3,678,530
		2,333,800,582	2,056,419,179

CURRENT LIABILITIES	Currency Foreing	12-31-2022	12-31-2021
		Th\$ CLP	Th\$ CLP
Other current financial liabilities	CLP	211.250	155.367.709
Other current financial liabilities	USD	5.647.411	40.847
Other current financial liabilities	UF	11.880.096	10.671.095
Lease liabilities current	CLP	42.105	45.984
Lease liabilities current	USD	264.892	178.323
Lease liabilities current	UF	1.139.280	694.968
Trade accounts payable and other payables	CLP	232.148.279	193.820.677
Accounts payable to related entities, current	CLP	3.339.230	19.823.731
Accounts payable to related entities, current	UF	6.004	5.702
Other provisions, current	CLP	6.854.492	8.434.860
Current tax liabilities, current	CLP	18.110.825	14.025.749
Current provisions for employee benefits	CLP	15.012.998	10.333.913
Other current non-financial liabilities	CLP	52.705.391	47.629.044
TOTAL CURRENT LIABILITIES		347.362.253	461.072.602
TOTAL CURRENT LIABILITIES	CLP	328.424.570	449.481.667
	USD	5.912.303	219.170
	UF	13.025.380	11.371.765
		347.362.253	461.072.602

NON-CURRENT LIABILITIES	Currency Foreing	12-31-2022	12-31-2021
		Th\$ CLP	Th\$ CLP
Other non-current financial liabilities	CLP	487.582.141	62.000.000
Other non-current financial liabilities	USD	329.038.154	-
Other non-current financial liabilities	UF	327.169.456	697.303.419
Lease liabilities, non-current	CLP	14.376	25.261
Lease liabilities, non-current	USD	1.128.598	1.150.471
Lease liabilities, non-current	UF	1.307.058	1.512.577
Trade accounts payable and other payables, non-current	CLP	20.634	330.482
Accounts payable to related entities, non-current	CLP	157.297.736	103.106.329
Deferred tax liability	CLP	87.794.798	99.424.258
Non-current provisions for employee benefits	CLP	18.204.096	14.204.873
Other non-current non-financial liabilities	CLP	11.351.839	11.897.539
TOTAL NON-CURRENT LIABILITIES		1.420.908.886	990.955.209
TOTAL NON-CURRENT LIABILITIES	CLP	762.265.620	290.988.742
	USD	330.166.752	1.150.471
	UF	328.476.514	698.815.996
		1.420.908.886	990.955.209

TOTAL LIABILITIES	CLP	1.090.690.190	740.470.409
	USD	336.079.055	1.369.641
	UF	341.501.894	710.187.761
		1.768.271.139	1.452.027.811

39. Sanctions

During the period ended December 31, 2022 no sanctions have been applied to the Company and its subsidiaries by the Financial Market Commission (CMF), former Superintendence of Securities and Insurance.

In relation to the sanctions applied by other authorities to their subsidiaries, the relevant sanctions are found in Note 20.4 b) Fines.

40. Subsequent events

At the Extraordinary Shareholders' Meeting of the subsidiary Sociedad de Transmisión Austral S.A. held on January 3, 2023, the demerge of said company into two companies was agreed: (a) the successor, which maintained the company name; and (b) a new company called STA II S.A. to which was assigned the ownership that Sociedad de Transmisión Austral S.A. held at Sociedad Generadora Austral S.A. and in SAGESA Generación S.A. (company incorporated on December 30, 2022 as a result of the demerge of SAGESA S.A.).

In the period from January 1, 2023 and the date of issuance of these Consolidated Financial Statements there have been no other significant events that affect them.
