

# **SOCIEDAD DE TRANSMISIÓN AUSTRAL 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  
Sociedad de Transmisión Austral S.A.

We have audited the accompanying consolidated financial statements of Sociedad de Transmisión Austral S.A. and subsidiaries (hereinafter 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 Sociedad de Transmisión Austral 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 a matter – Subsidiary demerger**

As indicated in Note 1a), the 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**

**Corresponding to the years ended  
December 31, 2022 and 2021**

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

**Thousands of Chilean pesos – ThCLP\$**

**SOCIEDAD DE TRANSMISIÓN AUSTRAL 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\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	8,327,746	1,964,417
Other current financial assets	15	-	174,202
Other current non-financial assets	-	1,821,325	1,169,233
Trade and other receivables, current	7	42,600,438	24,155,689
Due from related companies, current	8	2,946,584	4,119,150
Current inventories	-	4,370,185	3,196,824
Current tax assets, current	9	13,492,349	7,922,831
Current assets other than non-current assets or disposal groups classified as held for sale or as held for distribution to owners		73,558,627	42,702,346
Non-current assets or groups of assets for disposal classified as held for sale or as held for distribution to owners	13	97,762,404	99,710,294
<b>TOTAL CURRENT ASSETS</b>		<b>171,321,031</b>	<b>142,412,640</b>
<b>NON-CURRENT ASSETS</b>			
Other non financial assets, non-current	-	198,742	32,960
Trade and other receivables, non-current	7	8,275,670	11,549,737
Trade and other receivables to related entities, non-current	8	5,173,122	4,188,484
Intangible assets other than goodwill	10	67,854,427	64,411,025
Goodwill	11	76,869,721	76,854,698
Property, plant and equipment	12	668,483,561	627,502,406
Rights for use assets	-	1,647,909	1,283,851
Deferred tax assets	14	28,817,322	29,110,771
<b>TOTAL NON-CURRENT ASSETS</b>		<b>857,320,474</b>	<b>814,933,932</b>
<b>TOTAL ASSETS</b>		<b>1,028,641,505</b>	<b>957,346,572</b>

**SOCIEDAD DE TRANSMISIÓN AUSTRAL S.A. AND SUBSIDIARIES**  
**Consolidated Statements of Financial Position, Classified**  
As of December 31, 2022 and 2021  
(In thousands of Chilean pesos - ThCLP\$)

EQUITY AND LIABILITIES	Nota	12-31-2022	12-31-2021
		M\$	M\$
<b>CURRENT LIABILITIES</b>			
Other financial liabilities, current	15	6,263,293	724,835
Lease liabilities, current	-	702,208	329,609
Trade accounts payable and other payables, current	16	34,810,329	24,137,477
Due to related companies, current	8	10,241,868	10,183,903
Other provisions, current	-	1,926,836	2,081,521
Current tax liabilities, current	9	10,670,130	1,478,961
Current accruals for employee benefits	-	2,858,518	767,047
Other non-financial liabilities, current	18	1,070,294	556,881
<b>Total current liabilities other than liabilities included in disposal groups of assets classified as held for sale</b>		<b>68,543,476</b>	<b>40,260,234</b>
Liabilities included in groups of assets for disposal classified as held for sale	13	33,161,661	29,276,287
<b>TOTAL CURRENT LIABILITIES</b>		<b>101,705,137</b>	<b>69,536,521</b>
<b>NON-CURRENT LIABILITIES</b>			
Other financial liabilities, non-current	15	436,006,829	125,340,559
Lease liabilities, non-current	-	1,655,543	1,482,146
Trade accounts payable and other accounts, non-current	16	20,634	330,482
Due to related companies, non-current	8	68,277,734	331,055,584
Deferred tax liability	14	51,110,610	55,872,726
Non-current accruals for employee benefits	-	2,679,890	1,921,240
Other non-financial liabilities, non-current	18	11,007,671	11,543,595
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>570,758,911</b>	<b>527,546,332</b>
<b>TOTAL LIABILITIES</b>		<b>672,464,048</b>	<b>597,082,853</b>
<b>EQUITY</b>			
Issued and paid-in capital	19	166,064,578	166,064,578
Retained earnings (Accumulated losses)	19	38,094,400	35,638,738
Other reserves	19	151,393,324	157,929,718
<b>Equity attributable to owners of controller</b>		<b>355,552,302</b>	<b>359,633,034</b>
Non-controlling interests	-	625,155	630,685
<b>TOTAL EQUITY</b>		<b>356,177,457</b>	<b>360,263,719</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,028,641,505</b>	<b>957,346,572</b>

**SOCIEDAD DE TRANSMISIÓN AUSTRAL 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\$
<b>Profit (loss)</b>			
Operating revenue	20	97,843,156	78,687,069
Other income	20	17,518,478	9,011,252
Raw materials and consumables used	-	(782,361)	(625,268)
Employee benefits expenses	21	(16,077,330)	(9,778,818)
Depreciation and amortization expense	22	(16,732,791)	(12,050,804)
Other expenses, by nature	23	(19,804,473)	(17,356,712)
Other income (losses)	-	136,642	18,780
Financial income	24	2,055,597	71,829
Financial expenses	24	(17,149,905)	(6,987,800)
Impairment of earnings and reversal of impairment losses (impairment losses) determined in accordance with IFRS 9	-	(33,257)	16,295
Foreign exchange differences	24	(1,945,796)	(2,311,573)
Profit and loss by adjustment unit	24	(14,890,134)	(6,895,880)
<b>Profit (loss) before tax</b>		<b>30,137,826</b>	<b>31,798,370</b>
Tax expenses (profits) from continued operations	14	(1,377,983)	(7,368,457)
<b>Profit (loss) from continued operations</b>		<b>28,759,843</b>	<b>24,429,913</b>
Profit (loss) from discontinued operations	13	6,807,016	(689,321)
<b>Profit (loss)</b>		<b>35,566,859</b>	<b>23,740,592</b>
<b>Profit (loss), attributable to:</b>			
Controlling interest	-	35,510,392	23,698,984
Non-controlling interest	-	56,467	41,608
<b>Profit (loss)</b>		<b>35,566,859</b>	<b>23,740,592</b>

**SOCIEDAD DE TRANSMISIÓN AUSTRAL 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\$)

Other comprehensive income	Note	01-01-2022 12-31-2022 ThCLP\$	01-01-2021 12-31-2021 ThCLP\$
<b>Profit (loss)</b>		<b>35,566,859</b>	<b>23,740,592</b>
<b>Other comprehensive income</b>			
<b>Component of other comprehensive income that will not be reclassified to profit or loss for the year, before tax</b>			
Other comprehensive income, before tax, actuarial income (loss) from defined benefit plans		(70,638)	464,179
Ownership interest in the other comprehensive income of associates and joint ventures accounted using equity method that will be reclassified to profit and loss for the period, before tax		134,139	32,999
<b>Other comprehensive income that will not be reclassified to profit and loss for the year, before tax</b>		<b>63,501</b>	<b>497,178</b>
<b>Components of other comprehensive income that will be reclassified to profit or loss for the year, before tax</b>			
<b>Exchange differences on translation</b>			
Losses (profit) from exchange differences, before tax		(6,494,968)	14,502,021
<b>Other comprehensive income, before tax, exchange differences on translation</b>		<b>(6,494,968)</b>	<b>14,502,021</b>
<b>Cash flow hedges</b>			
Profit (losses) from cash flow hedges, before tax		(154,197)	7,873
<b>Other comprehensive income, before tax, cash flow hedges</b>		<b>(154,197)</b>	<b>7,873</b>
<b>Other comprehensive income to be reclassified to income for the period, before tax</b>		<b>(6,649,165)</b>	<b>14,509,894</b>
<b>Other components of other comprehensive income, before income tax</b>		<b>(6,585,664)</b>	<b>15,007,072</b>
<b>Income taxes related to components of other comprehensive income that will not be reclassified to profit or loss for the period</b>			
Income tax related to remeasurements of defined benefit plans from other comprehensive income		19,072	(125,329)
<b>Income taxes related to components of other comprehensive income that will not be reclassified to profit or loss for the period</b>		<b>19,072</b>	<b>(125,329)</b>
<b>Income taxes related to components of other comprehensive income to be reclassified to the income statement for the period</b>			
Income taxes related to cash flow hedges in other comprehensive income		41,633	(2,126)
<b>Income taxes related to components of other comprehensive income to be reclassified to the income statement for the period</b>		<b>41,633</b>	<b>(2,126)</b>
<b>Other comprehensive income</b>		<b>(6,524,959)</b>	<b>14,879,617</b>
<b>Comprehensive income</b>		<b>29,041,900</b>	<b>38,620,209</b>
<b>Comprehensive income attributable to</b>			
Comprehensive income attributable to owners of controlling interest		28,973,998	38,052,261
Comprehensive income attributable to non-controlling interest		67,902	567,948
<b>Comprehensive income</b>		<b>29,041,900</b>	<b>38,620,209</b>



**SOCIEDAD DE TRANSMISIÓN AUSTRAL S.A. AND SUBSIDIARIES**  
**Consolidated Statements of Changes in Net Equity**  
For the years ended December 31, 2022 and 2021  
(In thousands of Chilean pesos - ThCLP\$)

Statements of changes in net equity	Issued capital	Foreign exchange translation differences reserve	Cash flow hedge reserve	Reserve of actuarial gains and losses on defined benefits plans	Other sundry reserves	Other reserves	Retained earnings (Accumulated losses)	Equity attributable to controlling interest	Non-Controlling interest	Total equity
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
<b>Opening balance 01-01-2022</b>	<b>166,064,578</b>	<b>23,100,268</b>	<b>112,564</b>	<b>(205,468)</b>	<b>134,922,354</b>	<b>157,929,718</b>	<b>35,638,738</b>	<b>359,633,034</b>	<b>630,685</b>	<b>360,263,719</b>
Increase (decrease) due to changes in accounting policies	-	-	-	-	-	-	-	-	-	-
<b>Restated opening balance as of 01-01-2022</b>	<b>166,064,578</b>	<b>23,100,268</b>	<b>112,564</b>	<b>(205,468)</b>	<b>134,922,354</b>	<b>157,929,718</b>	<b>35,638,738</b>	<b>359,633,034</b>	<b>630,685</b>	<b>360,263,719</b>
<b>Changes in equity</b>										
<b>Comprehensive income</b>										
Profit (loss)	-	-	-	-	-	-	35,510,392	35,510,392	56,467	35,566,859
Other comprehensive income	-	(6,494,968)	(112,564)	71,138	-	(6,536,394)	-	(6,536,394)	11,435	(6,524,959)
<b>Total Comprehensive income</b>	<b>-</b>	<b>(6,494,968)</b>	<b>(112,564)</b>	<b>71,138</b>	<b>-</b>	<b>(6,536,394)</b>	<b>35,510,392</b>	<b>28,973,998</b>	<b>67,902</b>	<b>29,041,900</b>
Issued capital	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	(33,054,730)	(33,054,730)	-	(33,054,730)
Increase (decrease) by other contributions of owners, equity	-	-	-	-	-	-	-	-	-	-
Increase (decrease) for other changes, equity	-	-	-	-	-	-	-	-	-	-
Other increases (decreases) in net equity	-	-	-	-	-	-	-	-	(73,432)	(73,432)
<b>Total changes in equity</b>	<b>-</b>	<b>(6,494,968)</b>	<b>(112,564)</b>	<b>71,138</b>	<b>-</b>	<b>(6,536,394)</b>	<b>2,455,662</b>	<b>(4,080,732)</b>	<b>(5,530)</b>	<b>(4,086,262)</b>
<b>Closing balance at 12-31-2022</b>	<b>166,064,578</b>	<b>16,605,300</b>	<b>-</b>	<b>(134,330)</b>	<b>134,922,354</b>	<b>151,393,324</b>	<b>38,094,400</b>	<b>355,552,302</b>	<b>625,155</b>	<b>356,177,457</b>

**SOCIEDAD DE TRANSMISIÓN AUSTRAL S.A. AND SUBSIDIARIES**
**Consolidated Statements of Changes in Net Equity**

For the years ended December 31, 2022 and 2021

(In thousands of Chilean pesos – ThCLP\$)

Statements of changes in net equity	Issued capital	Foreign exchange translation differences reserve	Cash flow hedge reserve	Reserve of actuarial gains and losses on defined benefits plans	Other sundry reserves	Other reserves	Retained earnings (Accumulated losses)	Equity attributable to controlling interest	Non-Controlling Interests	Total equity
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
<b>Opening balance 01-01-2021</b>	<b>166,051,481</b>	<b>8,598,247</b>	<b>106,817</b>	<b>(50,977)</b>	<b>108,555,427</b>	<b>117,209,514</b>	<b>28,624,896</b>	<b>311,885,891</b>	<b>460,820</b>	<b>312,346,711</b>
Increase (decrease) due to changes in accounting policies	-	-	-	-	-	-	-	-	-	-
<b>Restated opening balance as of 01-01-2021</b>	<b>166,051,481</b>	<b>8,598,247</b>	<b>106,817</b>	<b>(50,977)</b>	<b>108,555,427</b>	<b>117,209,514</b>	<b>28,624,896</b>	<b>311,885,891</b>	<b>460,820</b>	<b>312,346,711</b>
<b>Changes in equity</b>										
<b>Comprehensive income</b>										
Profit (loss)	-	-	-	-	-	-	23,698,984	23,698,984	41,608	23,740,592
Other comprehensive income	-	14,502,021	5,747	(154,491)	-	14,353,277	-	14,353,277	526,340	14,879,617
<b>Total Comprehensive income</b>	<b>-</b>	<b>14,502,021</b>	<b>5,747</b>	<b>(154,491)</b>	<b>-</b>	<b>14,353,277</b>	<b>23,698,984</b>	<b>38,052,261</b>	<b>567,948</b>	<b>38,620,209</b>
Issued capital	13,097	-	-	-	-	-	-	13,097	-	13,097
Dividends	-	-	-	-	-	-	(16,685,142)	(16,685,142)	-	(16,685,142)
Increase (decrease) by other contributions of owners, equity	-	-	-	-	-	-	-	-	-	-
Increase (decrease) for other changes, equity	-	-	-	-	-	-	-	-	-	-
Other increases (decreases) in net equity	-	-	-	-	26,366,927	26,366,927	-	26,366,927	(398,083)	25,968,844
<b>Total changes in equity</b>	<b>13,097</b>	<b>14,502,021</b>	<b>5,747</b>	<b>(154,491)</b>	<b>26,366,927</b>	<b>40,720,204</b>	<b>7,013,842</b>	<b>47,747,143</b>	<b>169,865</b>	<b>47,917,008</b>
<b>Closing balance at 12-31-2021</b>	<b>166,064,578</b>	<b>23,100,268</b>	<b>112,564</b>	<b>(205,468)</b>	<b>134,922,354</b>	<b>157,929,718</b>	<b>35,638,738</b>	<b>359,633,034</b>	<b>630,685</b>	<b>360,263,719</b>

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

**SOCIEDAD DE TRANSMISIÓN AUSTRAL 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	Note	12-31-2022 ThCLP\$	12-31-2021 ThCLP\$
<b>Cash flows from (used in) operating activities</b>			
Types of proceeds for operating activities			
Proceeds from sales of goods and services	-	131,934,690	101,262,368
Other charges from operating activities	-	20,012	4,554,308
Types of payments in cash from operating activities			
Payments to suppliers for goods and services	-	(35,665,941)	(13,538,473)
Payments to and on behalf of employees	-	(14,856,119)	(10,316,120)
Other cash payments from operating activities	-	(9,037,334)	(3,852,288)
<b>Cash flows from (used in) operating activities</b>		<b>72,395,308</b>	<b>78,109,795</b>
Income tax paid (refund), classified as operating activities	-	(903,621)	(13,950,920)
Other inflows (outflows) of cash, classified as operating activities	-	-	(547,678)
<b>Cash flows from (used in) operating activities</b>		<b>71,491,687</b>	<b>63,611,197</b>
<b>Cash flows from (used in) investing activities</b>			
Cash flows from loss of control of subsidiaries or other businesses, classified as investing activities	-	-	(26,842,351)
Loans to related entities	-	-	(6,599,433)
Cash receipts from the sale of Purchase of property, plant and equipment, classified as investing activities	-	15,700	-
Purchase of property, plant and equipment, classified as investing activities	-	(60,802,699)	(52,692,593)
Payments from contracts of futures, forwards, options and financial swap, classified as investing activities	-	-	(1,206,750)
Cash receipts from futures contracts, forwards, options and financial swap, classified as investing activities	-	-	980,869
Receivables from related entities	-	-	2,160,677
Dividends received, classified as investing activities	-	314,099	-
Interest received, classified as investing activities	-	1,999,645	63,554
Other inflows (outflows) of cash, classified as investing activities	-	-	(537,988)
<b>Cash flows from (used in) investing activities</b>		<b>(58,473,255)</b>	<b>(84,674,015)</b>
<b>Cash flows from (used in) financing activities</b>			
Proceeds from share issuance	-	-	13,097
<b>Proceeds from loans classified as financing activities</b>	<b>6</b>	<b>305,226,312</b>	<b>10,000,000</b>
Proceeds from long-term borrowings	-	305,226,312	-
Proceeds from short-term borrowings	-	-	10,000,000
Loans from related entities	6	94,915,296	159,442,120
Loan repayments, classified as financing activities	6	(34,998,470)	(25,000,000)
Payments of lease liabilities	6	(251,506)	(37,159)
Loan repayments to related entities	6	(332,334,217)	(97,001,182)
Dividends paid, classified as financing activities	-	(28,260,413)	(16,223,326)
Interests paid, classified as financing activities	6	(17,152,302)	(9,672,596)
Other inflows (outflows) of cash, classified as financing activities	-	2,094,958	-
<b>Cash flows from (used in) financing activities</b>		<b>(10,760,342)</b>	<b>21,520,954</b>
<b>Net increase (decrease) in cash and cash equivalent, before the effect of the changes in the exchange rate</b>	<b>-</b>	<b>2,258,090</b>	<b>458,136</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>			
Effect of exchange rate changes on cash and cash equivalents	-	4,105,239	47,294
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>6,363,329</b>	<b>505,430</b>
Cash and cash equivalents at the beginning of the year	-	1,964,417	1,458,987
<b>Cash and cash equivalents at the end of the year</b>	<b>6</b>	<b>8,327,746</b>	<b>1,964,417</b>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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

### Notes to the Consolidated Financial Statements

As of December 31, 2022 and 2021

(In thousands of Chilean pesos – ThCLP\$)

#### 1. Information and business description

##### a) General Information

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

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

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

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

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

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

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

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

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

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

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

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

#### **b) Business information**

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

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

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

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

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

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

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

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

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

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

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

## **2. Summary of significant Accounting Policies**

### **2.1 Accounting policies**

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

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

These Consolidated 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 Periods covered

The current financial statements comprise the following:

- Consolidated classified statements of financial position of Sociedad de Transmisión Austral S.A. 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 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 the entities controlled by the Company (its subsidiaries). Control is achieved when the Company has:

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

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

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

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

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

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	Ownership Interest %			
					12-31-2022			12-31-2021
					Direct	Indirect	Total	Total
99.528.750-1	Sociedad Generadora Austral S.A.	SGA	Chile	US dollar	100.0000%	0.0000%	100.0000%	100.0000%
77.312.201-6	Sistema de Transmisión del Sur S.A.	STS	Chile	Chilean peso	99.9996%	0.0004%	100.0000%	100.0000%
77.708.654-5	Sagesa Generación S.A.	SAGESA	Chile	US dollar	99.9987%	0.1000%	99.9987%	0.0000%
76.186.388-6	Sagesa S.A.	SAGESA TX	Chile	US dollar	99.9987%	0.1000%	99.9987%	99.9987%
76.410.374-2	Sistema de Transmisión del Norte S.A.	STN	Chile	US dollar	100.0000%	0.0000%	100.0000%	100.0000%
76.440.111-5	Sistema de Transmisión del Centro S.A.	STC	Chile	US dollar	100.0000%	0.0000%	100.0000%	100.0000%
76.519.747-3	Sociedad Austral de Transmisión Troncal S.A.	SATT	Chile	US dollar	100.0000%	0.0000%	100.0000%	100.0000%
76.429.813-6	Línea de Transmisión Cabo Leones S.A.	Cabo Leones	Chile	US dollar	99.9900%	0.0100%	100.0000%	100.0000%
76.389.448-7	Toichén Transmisión SpA	Toichén	Chile	US dollar	100.0000%	0.0000%	100.0000%	100.0000%

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

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

## 2.6 Business combination

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

## 2.7 Functional and reporting currency

### a) Functional currency

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

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

Company	Abbreviated name	Functional currency
Sistema de Transmisión del Sur S.A.	STS	Chilean peso
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
Línea de Transmisión Cabo Leones S.A.	Cabo Leones	US dollar
Tolchén Transmisión SpA	Tolchén	US dollar

#### b) Reporting currency

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

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

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

## 2.8 Basis of conversion

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

Foreign and adjustable currency	Abbreviated name	12-31-2022	12-31-2021
		CLP\$	CLP\$
US dollar	USD	855.86	844.69
Unidad de Fomento	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 accumulated depreciation and accumulated impairment.

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

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

Costs for capitalized loans	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Costs for capitalized loans (see note 24)	4,180,301	3,588,806
Costs capitalization rate functional currency CLP	2.94%	1.94%
Costs capitalization rate functional currency USD	3.00%	3.00%

- Personnel costs directly related to work in progress as of December 31, 2022 and 2021 amounted to ThCLP\$2,076,575 and ThCLP\$2,413,884, respectively (see note 21).
- The future costs that the Company and its subsidiaries will have to incur in respect of the closure of their facilities are capitalized as part of the cost of the asset, at present value, and a related provision is recognized. Each year, the Company and its subsidiaries review their estimate of these future costs, by increasing or decreasing the value of the asset based on the results of this estimate.

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

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

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

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

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

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

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

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

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

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

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

## 2.11 Research and development costs

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

- Technically, it is possible to complete the production of the intangible asset so that it can be available for use or sale;
- Management intends to complete the intangible asset in question, to use or sell it;
- There is the ability to use or sell the intangible asset;

- It is possible to demonstrate the way in which the intangible asset will generate probable economic benefits in the future;
- There is availability of adequate technical, financial or other resources to complete the development and to use or sell the intangible asset; and
- It is possible to reliably assess the disbursement attributable to the intangible asset during its development.

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

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

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

## **2.12 Impairment of non-financial assets**

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

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

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

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

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

Based on the results of impairment tests, the Company and its subsidiaries consider that the assets' carrying value does not exceed their recoverable value as of 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 and its subsidiaries, if the interest rate implicit in the lease could not be easily determined. Lease payments included in the measurement of the liability include: i) fixed payments, less any lease incentive receivable; ii) variable lease payments that depend on an index or rate; iii) residual value guarantees; iv) exercise price of a purchase option; and v) penalties for lease term.

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

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

### **2.13.2 The Company acts as lessor:**

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

All other leases are classified as operating leases.

In the case of financial leases, on the beginning date, the Company recognizes in its Consolidated Statement of Financial Position the assets held in financial lease and presents them as an account receivable, for an amount equal to that of the net investment in the lease, calculated as the sum of the current value of the lease installments and the current value of any residual value accrued, discounted at the interest rate implicit in the lease. Subsequently, financial income is recognized throughout the term of the lease, based on a model that reflects a constant rate of return on the net financial investment made in the lease.

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

## **2.14 Financial instruments**

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

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

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

### **2.14.1 Financial assets**

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

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

#### **a) Classification and initial measurement of financial assets**

The classification and measurement criteria correspond to the following:

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

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

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and



- The Group may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

#### **b) Subsequent measurement of financial assets**

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

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

#### **c) Impairment of non-derivative financial assets**

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

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

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

The trade debtors are users of the transmission systems.

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

#### **2.14.2 Financial liabilities**

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

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

##### **a) Commercial accounts payable:**

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

b) Obligations with banks and financial institutions.

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

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

#### **2.14.3 Derivatives and hedge accounting**

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

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

#### **2.15 Inventories**

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

#### **2.16 Other non-financial liabilities**

This item includes the following:

##### **2.16.1 Deferred income**

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

##### **2.16.2 Construction in Progress for Third Parties**

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

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

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

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

## 2.17 Provisions

The obligations existing at the date of the Consolidated Financial Statements, arising as a result of past events, in the liquidation of which the Company and its subsidiaries expects to dispose of resources that imply economic benefits and in which there is uncertainty of the amount and moment of cancellation, are recorded in the Consolidated 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 period are charged to profit and loss in the respective year.

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

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

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

The Company and its subsidiaries use assumptions to determine the best estimate of these benefits. Such estimates, just like the assumptions, are established with the assistance of an external actuary. Such assumptions include an annual (nominal) discount rate of 4,73%, the expected increases in salaries and turnover rate, among others.

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

## **2.19 Classification of current and non-current balances**

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

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

## **2.20 Income and deferred taxes**

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

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

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

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

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

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

## **2.21 Recognition of income and expenses**

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

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

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

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

(i) Transmission:

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

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

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

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

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

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

(iv) Interest income:

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

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

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

## 2.22 Dividends

Dividends distributed to shareholders are recognized as a liability on an accrual basis at the end of the reporting year in the Consolidated 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 No. 18.046. The Shareholders' Meeting has the power to change the amount of the dividend to be distributed, which does not necessarily apply for future years.

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

## 2.23 Statement of cash flows

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

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

## 2.24 Reclassifications

For comparative purposes, some amounts have been reclassified in the Consolidated Financial Statements as of December 31, 2022.

## 2.25 New accounting pronouncements

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

Amendments to IFRS	Mandatory Application 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) Accounting pronouncements 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 Application Date
IFRS 17, Insurance Contracts	Annual periods beginning on or after January 1, 2023
Amendments to IFRS	Mandatory Application Date
Classification of Liabilities as Current or Non-Current (amendments to IAS 1)	Annual periods beginning on or after January 1, 2024
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 NIC 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 capacity equal to or greater than 200 MW, the actors of the electricity sector operate in coordination, and this coordination is in charge of the National Electrical Coordinator ("CEN").

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

#### 3.1 Generation of electricity

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

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

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

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

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

#### 3.2 Transmission

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

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

The information about tolls is public in all cases. The collection system of the transmission companies is the sum of a toll charged to the generation companies and to the final users. This system allows the companies that own the transmission facilities to recover and remunerate their investments in transmission assets and

collect the efficient costs associated with the operation of those assets. The amount of the transmission may be regulated by the Regulatory Authority, determined in Public Tenders, or by private contracts between the parties.

### 3.3 Regulatory framework

#### 3.3.1 General Aspects

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

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

#### 3.3.2 Transmission Law

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

The main changes proposed by this Law are:

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

The valuation decree for the period 2020-2023 is in the process of being approved by the Comptroller's Office, which is retroactive to January 2020.

In addition, the valuation process for the 2024-2027 period is being initiated. As of December 2022, the technical bases were subject to discrepancies in the Panel of Experts, which issued its opinion in September 2022.

- c) Total open access to installations of transmission systems of the electrical system and may be used by third parties under non-discriminatory technical and economic conditions among all users, through payment of the corresponding transmission system remuneration.
- d) Change in discount rates used to remunerate facility costs from a real annual fixed rate of 10% before taxes at a rate that considers the systematic risk of the companies' own activities in relation to the market, the rate risk free and the prize for market risk, with a floor of 7% real after tax.
- e) Strip Study: The State may establish that certain projects for new facilities may use this mechanism, which consists of delivering to the entity awarded the project a preliminary strip with the approval of the Council of Ministers for Sustainability, and the awarded entity must develop the specific layout within the preliminary strip and obtain the corresponding Resolution of Environmental Qualification for the project. Subsequently, easements are imposed by decree for the interest of the entire nation. With respect to the negotiation and payment of easements, the same current mechanisms are maintained.
- f) Law No. 20.936 established a new regulatory framework for the transmission service. The first valuation process under this new framework corresponds to the period 2020-2023. The studies were awarded to



different consultants (Synex: National and SUGLA: Zonal and Dedicated used by regulated) which were finalized in December 2020. The National Energy Commission ("CNE") published its final technical report ("ITF"), after receiving and analyzing observations to the preliminary version of the report. During the second half of 2021 the discrepancy stages were carried out in the Expert Panel by participants, users and interested institutions. The CNE published its Definitive Technical Report ("ITD") in March 2022, which will be the basis for the valuation decree. The decree is expected to be sent to the Comptroller's Office in the first half of 2022. The resulting values will be retroactive to January 2020.

### 3.3.3 Regulating, supervisory, and coordinating agencies

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

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

## 4. Risk management policy

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

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

### 4.1 Financial risk

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

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

The management of financial risks of the Company is performed so as to maintain a balance between cash flows from operating activities and requirements with respect to payment of financial liabilities. As of December 31, 2022, the Company and its subsidiaries had cash and cash equivalents in the amount of ThCLP\$8,327,746. Total borrowings were ThCLP\$442,270,122. Of the total financial liabilities, 1.4% is repayable within one year (related to interests of the bond), and 98,6% of the financial liabilities are repayable after more than 5 years (related to bonds).

#### **4.1.1 Exchange rate**

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

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

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

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

As of December 31, 2022, the Company and its affiliates do not maintain Forward derivative instruments.

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

#### **4.1.2 UF Variance**

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

##### **4.1.2.1 Sensitivity analysis**

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

As of December 31, 2022 and 2021, the result of the analysis showed that, according to the above condition, there is an increase in the liabilities of the Company in the amount of ThCLP\$526.665 and ThCLP\$619.835, respectively.

The impact on income or loss for the indicated analysis is the following for the years December 31, 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)	105,948,822	124,691,795	0.5%	526,665	619,835

#### 4.1.3 Interest rate risk

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

#### 4.1.4 Liquidity risk

Financial resources are obtained from own sources, traditional debt, instruments of public and private offering and capital contributions, always maintaining stable structures and ensuring optimization of the use of the most convenient products in the market. As of December 31, 2022, 100% of debt of the Group is structured with long-term maturities, with annual and/or half-yearly debt service (mainly interest) that are lower than projected flows in conservative scenarios, so as not to have risks of refinancing in the short or long term.

Following is the principal and interest maturity analysis as of December 31, 2022 and 2021:

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

  

Capital and Interest	12-31-2021								
	Current		Non current						
	Up to 90 days	More than 90 days up to 1 year	More than 1 year up to 2 years	More than 2 year up to 3 years	More than 3 year up to 4 years	More than 4 year up to 5 years	More than 5 year up to 10 years	More than 10 years	Total
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Bonds	-	3,447,025	3,447,025	3,447,025	3,447,025	3,447,025	17,235,126	166,193,082	200,663,333
Total	-	3,447,025	3,447,025	3,447,025	3,447,025	3,447,025	17,235,126	166,193,082	200,663,333
Percentage	0%	2%	2%	2%	2%	2%	9%	83%	100%

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

#### 4.1.5 Credit risk

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

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

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

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

Company Management is responsible for the information contained in these Consolidated 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 Company reviews the book value of their tangible and intangible assets to determine if there is any indication that the book value cannot be recovered. If such an indication exists, the recoverable value of the asset is estimated to determine the extent of the impairment. In the impairment assessment, assets that do not generate independent cash flow are grouped into a Cash Generating Unit ("CGU") to which the asset belongs. The recoverable amount of these assets or CGU, is measured as the greater value between its fair value (the value in use) and its book value. These assessments require the use of estimates and assumptions such as:
  - Revenues from transmission tolls: The value of transmission tolls (of the Regulated and Non-Regulated Transmission Systems) in accordance with the rate decrees (or existing contracts) and the possible impact of the regulation.
  - Investments in property, plant and equipment: The requirements of the new facilities to absorb the demand, as well as the regulatory requirements (example: Investment by Technical Standard) are considered in these projections. The Investment Plan is periodically updated to deal with the growth of the business.
  - Fixed costs: Fixed costs are projected taking into account the current base, the growth of sales, customers and investments. Both in relation to staffing (considering salary adjustments and the Chilean CPI), as well as other operation and maintenance costs, and the projected level of inflation.
  - Macroeconomic variables: The macroeconomic variables (inflation, exchange rate, among others) necessary to project the flows (sales rates and costs) are obtained from third-party reports.

- c) **Revenues and operating costs:** The Group considers as revenue, in addition to services billed in the period, an estimate for the services provided pending billing at the end of the period, considering that the metering is performed during the month according to a metering program. In addition, the costs associated with such revenues have been duly included as operating costs. It is also considered as part of the revenues and costs of the operation, the estimation of certain amounts of the Electricity System (among others, purchase and sale of energy and toll collection) that allow settlements between the different companies of the System for services already provided. These values will be reversed once the final settlements are issued by the responsible regulator and recorded in the general ledger.
- d) **Litigation and contingencies:** The final cost for claims and lawsuits could vary due to estimates based on different interpretations of the regulations, opinions and final evaluations of the amount of damages. Therefore, any change in the circumstances involved could have a significant effect on the amount of the provision recorded.

## 6. Cash and cash equivalents

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

Cash and cash equivalents	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Cash on hand	100	100
Bank balances	1,134,209	813,071
Other fixed income instruments	7,193,437	1,151,246
<b>Total cash and cash equivalents</b>	<b>8,327,746</b>	<b>1,964,417</b>

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

Company name	Abbreviated name	Financial institution name	Financial instrument name	Currency	Risk classification	Investment amount	
						12-31-2022	12-31-2021
						ThCLP\$	ThCLP\$
Sociedad de Transmisión Austral S.A.	STA	BCI Asset Management Administradora General de Fondos S.A.	Mutual funds	CLP	AA+fm/M1	2,477,298	-
Sociedad de Transmisión Austral S.A.	STA	BCI Asset Management Administradora General de Fondos S.A.	Mutual funds	USD	AA+fm/M1	856,303	-
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
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	-
<b>Total Other fixed income instruments</b>						<b>7,193,437</b>	<b>1,151,246</b>

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

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

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

Detail of cash and cash equivalent	Currency	12-31-2022	12-31-2021
		ThCLP\$	ThCLP\$
Amount of cash and cash equivalents	CLP	7,041,254	1,908,781
Amount of cash and cash equivalents	USD	1,286,492	55,636
<b>Total Detail by type of currency</b>		<b>8,327,746</b>	<b>1,964,417</b>

d) The following table details the changes in liabilities arising from financing activities of the Company, including those changes that represent cash flows and changes that do not represent cash flows as of 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		Interests paid	Loans	Related entities loans	Financial leases payments	Accrual interests	UF adjustment	Exchange adjustment	New financial leases	Transfers	Amortization	
		ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	
		ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	
Financial leases - Current		329,609	-	(17,178)	-	-	-	23,120	(16,736)	-	-	382,893	-	702,208
Financial leases - Non-current		1,482,146	-	-	-	-	(251,506)	-	62,699	-	387,714	(25,520)	-	1,655,543
Bonds		126,065,394	(34,998,470)	(11,210,228)	305,226,312	-	-	16,274,121	16,775,528	22,179,236	-	1,547,882	410,347	442,775,122
Current account loans, current		2,128,555	-	(5,924,896)	-	-	-	4,113,479	-	(84,946)	-	56,004	-	288,195
Current account loans, non-current		311,055,584	(132,314,177)	-	-	94,915,296	-	-	-	(13,515,404)	-	(11,943,445)	-	68,277,734
Total		461,061,288	(367,332,687)	(17,152,302)	305,226,312	94,915,296	(251,506)	20,440,720	16,821,991	8,576,409	387,714	(1,882,176)	410,347	513,193,801

Changes in liabilities arising from financing activities	12-31-2020	Cash flows						Changes other than cash						12-31-2021
		Loan repayment		Interests paid	Loans	Related entities loans	Financial leases payments	Accrual interests	UF adjustment	Exchange adjustment	New financial leases	Transfers	Amortization	
		ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	
		ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	
Short term loans		15,000,628	(25,000,000)	(5,950)	10,000,000	-	-	4,312	-	-	-	-	-	329,609
Financial leases - Current		196,664	-	-	-	-	-	20,551	10,693	-	82,622	19,079	-	1,482,146
Financial leases - Non-current		1,355,567	-	(2,863)	-	-	(37,158)	2,863	58,494	-	113,856	(8,612)	-	1,482,146
Bonds		118,226,109	-	(3,316,109)	-	-	-	3,322,299	7,875,377	-	-	-	(42,282)	126,065,394
Current account loans, current		2,128,555	-	(6,347,674)	-	-	-	6,014,727	-	332,947	-	-	-	2,128,555
Current account loans, non-current		211,603,402	(97,003,182)	-	-	159,442,120	-	-	-	40,973,259	-	16,017,985	-	331,055,584
Total		348,511,935	(122,001,182)	(16,672,156)	10,000,000	159,442,120	(37,158)	9,364,752	7,944,564	41,306,205	136,478	16,048,452	(42,282)	461,061,288

## 7. Trade and other receivables

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

Trade and other accounts receivables, gross	Current		Non current	
	12-31-2022	12-31-2021	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Trade debtors, gross	38,680,150	23,668,235	7,930,166	10,750,928
Other accounts receivable, gross	4,671,367	1,204,294	345,504	798,809
<b>Total</b>	<b>43,351,517</b>	<b>24,872,529</b>	<b>8,275,670</b>	<b>11,549,737</b>

Trade and other accounts receivables, net	Current		Non current	
	12-31-2022	12-31-2021	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Trade debtors, net	37,929,071	22,951,395	7,930,166	10,750,928
Other accounts receivable, net	4,671,367	1,204,294	345,504	798,809
<b>Total</b>	<b>42,600,438</b>	<b>24,155,689</b>	<b>8,275,670</b>	<b>11,549,737</b>

Provision for impairment of trade and other accounts receivable	Current		Non current	
	12-31-2022	12-31-2021	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Trade accounts receivable	751,079	716,840	-	-
<b>Total</b>	<b>751,079</b>	<b>716,840</b>	<b>-</b>	<b>-</b>

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

Trade and other accounts receivables, gross	Current		Non current	
	12-31-2022	12-31-2021	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
<b>Billed</b>	<b>10,501,186</b>	<b>8,191,932</b>	<b>-</b>	<b>-</b>
Energy and tolls	7,685,577	7,554,136	-	-
Imports and suppliers advances	2,690,516	409,498	-	-
Account receivable ongoing projects	124,540	112,065	-	-
Debtors material and services	553	116,233	-	-
<b>Not billed or provisioned</b>	<b>31,376,817</b>	<b>16,389,558</b>	<b>7,930,166</b>	<b>10,750,928</b>
Energy and tolls use of electric lines	12,762,108	16,009,723	-	-
Differences to recalculate by new decrees (*)	18,232,465	104,377	7,930,166	10,750,928
Other	382,244	275,458	-	-
<b>Other (Employees current account)</b>	<b>1,473,514</b>	<b>291,039</b>	<b>345,504</b>	<b>798,809</b>
<b>Total, gross</b>	<b>43,351,517</b>	<b>24,872,529</b>	<b>8,275,670</b>	<b>11,549,737</b>
Impairment provision	(751,079)	(716,840)	-	-
<b>Total, net</b>	<b>42,600,438</b>	<b>24,155,689</b>	<b>8,275,670</b>	<b>11,549,737</b>

The amounts referred to differences to recalculate by new decrees as of December 31, 2022 and 2021, are detailed below:

Differences to recalculate	Current		Non current	
	12-31-2022	12-31-2021	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Transmission valuation ITF (1)	16,866,706	-	7,930,166	10,750,928
Transmission decrees pending of issuance	1,365,759	104,377	-	-
<b>Total</b>	<b>18,232,465</b>	<b>104,377</b>	<b>7,930,166</b>	<b>10,750,928</b>

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

Main concepts of other accounts receivable:

Other accounts receivable	Current		Non current	
	12-31-2022	12-31-2021	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Advances for imports and suppliers	2,690,516	409,498	-	-
Account receivable ongoing projects	124,540	112,065	-	-
Debtors material and services	553	116,233	-	-
Employee current accounts	1,473,514	291,039	345,504	798,809
Other debtors	382,244	275,459	-	-
<b>Total</b>	<b>4,671,367</b>	<b>1,204,294</b>	<b>345,504</b>	<b>798,809</b>
Impairment provision	-	-	-	-
<b>Total, Net</b>	<b>4,671,367</b>	<b>1,204,294</b>	<b>345,504</b>	<b>798,809</b>

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

## 8. Balances and Transactions with Related Parties

### 8.1 Shareholders

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

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

### 8.2 Balances and transactions with related parties

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

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

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

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

At 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 and non-current:

Taxpayer ID	Company	Country	Description of the transaction	Deadline for transaction	Nature of relationship	Currency	Current		Non current	
							12-31-2022 ThCLPS	12-31-2021 ThCLPS	12-31-2022 ThCLPS	12-31-2021 ThCLPS
96.531.500-4	Compañía Eléctrica Osorno S.A.	Chile	Expense recovery	Less than 90 days	Common parent	CLP	219,450	352,411	-	-
76.073.162-5	Sociedad Austral de Electricidad S.A.	Chile	Energy sale	Less than 90 days	Common parent	CLP	147,703	1,750,211	-	-
76.073.162-5	Sociedad Austral de Electricidad S.A.	Chile	Tolls	Less than 90 days	Common parent	CLP	2,014,446	-	-	-
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Chile	Current account loans (interest)	Less than 90 days	Common parent	CLP	94,634	-	-	-
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Chile	Current account loans (capital)	More than 1 year	Common parent	CLP	-	-	4,745,192	4,188,484
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Chile	Expense recovery	Less than 90 days	Common parent	CLP	3,259	85,108	-	-
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Chile	Energy sale	Less than 90 days	Common parent	CLP	135,041	146,914	-	-
96.531.500-4	Compañía Eléctrica Osorno S.A.	Chile	Energy and tolls	Less than 90 days	Common parent	CLP	22,868	1,395,487	-	-
88.272.600-2	Empresa Eléctrica de Aisen S.A.	Chile	Expense recovery	Less than 90 days	Common parent	CLP	307,470	385,350	-	-
77.227.565-K	Saesa Inova Soluciones SpA	Chile	Expense recovery	Less than 90 days	Common parent	CLP	5	3,066	-	-
77.227.565-K	Saesa Inova Soluciones SpA	Chile	Current account loans (interest)	Less than 90 days	Common parent	CLP	1,105	-	-	-
77.227.565-K	Saesa Inova Soluciones SpA	Chile	Current account loans (capital)	More than 1 year	Common parent	USD	-	-	427,930	-
77.227.557-9	Saesa Gestión y Logística SpA	Chile	Expense recovery	Less than 90 days	Common parent	CLP	603	603	-	-
<b>Total</b>							<b>3,946,584</b>	<b>4,119,150</b>	<b>5,173,122</b>	<b>4,188,484</b>



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

Taxpayer ID	Company	Country	Description of the transaction	Deadline for transaction	Nature of the relationship	Currency	Current		Non current	
							12-31-2022	12-31-2021	12-31-2022	12-31-2021
							ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Chile	Current account loans (interest)	Less than 90 days	Common parent	CLP	195,121	2,094,262	-	-
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Chile	Current account loans (capital)	More than 1 year	Common parent	CLP	-	-	29,764,035	321,463,657
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Chile	Expense recovery	Less than 90 days	Common parent	CLP	129,077	563	-	-
76.024.782-0	Inversiones Grupo Saesa Ltda.	Chile	Current account loans (interest)	Less than 90 days	Common parent	CLP	93,075	-	-	-
76.024.782-0	Inversiones Grupo Saesa Ltda.	Chile	Current account loans (capital)	More than 1 year	Common parent	CLP	-	-	38,513,699	-
76.073.162-5	Sociedad Austral de Electricidad S.A.	Chile	Current account loans (interest)	Less than 90 days	Common parent	CLP	-	34,293	-	-
76.073.162-5	Sociedad Austral de Electricidad S.A.	Chile	Current account loans (capital)	More than 1 year	Common parent	CLP	-	-	-	9,591,927
76.073.162-5	Sociedad Austral de Electricidad S.A.	Chile	Tolls	Less than 90 days	Common parent	CLP	-	1,567,856	-	-
76.073.162-5	Sociedad Austral de Electricidad S.A.	Chile	Expense recovery	Less than 90 days	Common parent	CLP	1,101,174	2,280,285	-	-
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Chile	Dividends	Less than 90 days	Common parent	CLP	5,926	4,763	-	-
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Chile	Tolls	Less than 90 days	Common parent	CLP	-	2,573,949	-	-
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Chile	Expense recovery	Less than 90 days	Common parent	CLP	196,850	-	-	-
96.531.500-4	Compañía Eléctrica Osorno S.A.	Chile	Expense recovery	Less than 90 days	Common parent	CLP	6,934	18,000	-	-
88.272.600-2	Empresa Eléctrica de Aisén S.A.	Chile	Expense recovery	Less than 90 days	Common parent	CLP	18	-	-	-
77.227.565-K	Saesa Innova Soluciones SpA	Chile	Expense recovery	Less than 90 days	Common parent	CLP	115,017	4,288	-	-
77.227.557-9	Saesa Gestión y Logística SpA	Chile	Expense recovery	Less than 90 days	Common parent	CLP	12,726	34,607	-	-
76.024.782-0	Inversiones Grupo Saesa Ltda.	Chile	Dividends	Less than 90 days	Common parent	CLP	7,056	4,966	-	-
76.024.782-0	Cóndor Holding SpA	Chile	Dividends	Less than 90 days	Common parent	CLP	228	159	-	-
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Chile	Dividends	Less than 90 days	Common parent	CLP	8,378,352	1,565,224	-	-
14.655.033-9	Iván Díaz-Molina	Chile	Remuneration Director	Less than 90 days	Common parent	UF	-	344	-	-
6.443.633-3	Jorge Lesser García-Huidobro	Chile	Remuneration Director	Less than 90 days	Common parent	UF	314	344	-	-
Total							10,241,868	10,183,903	68,277,734	331,055,584

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

Taxpayer ID	Company	Nature of relationship	Description of the transaction	12-31-2022		12-31-2021	
				Transaction amount	Effect of P&L (charge) credit	Transaction amount	Effect of P&L (charge) credit
				ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Parent	Loans on current account (capital/interest)	291,699,622	(4,913,181)	109,860,254	(6,646,976)
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Common parent	Loans on current account (capital/interest)	556,708	610,887	(822,849)	-
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Common parent	Tolls	490,696	490,696	4,287,016	4,287,016
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Common parent	Expense recovery	(278,699)	-	-	-
76.073.164-1	Empresa Eléctrica de la Frontera S.A.	Common parent	Energy sale	1,036,767	1,036,767	-	-
76.073.162-5	Sociedad Austral de Electricidad S.A.	Common parent	Energy sale	11,475,673	11,475,673	-	-
76.073.162-5	Sociedad Austral de Electricidad S.A.	Common parent	Loans on current account (capital/interest)	-	-	(3,566,057)	(379,680)
76.073.162-5	Sociedad Austral de Electricidad S.A.	Common parent	Expense recovery	1,046,150	-	-	-
76.073.162-5	Sociedad Austral de Electricidad S.A.	Common parent	Tolls	12,452,586	12,452,586	15,253,116	15,253,116
96.531.500-4	Compañía Eléctrica Osorno S.A.	Common parent	Expense recovery	11,066	-	-	-
96.531.500-4	Compañía Eléctrica Osorno S.A.	Common parent	Tolls	1,266,700	1,266,700	938,540	938,540
88.272.600-2	Empresa Eléctrica de Aisén S.A.	Common parent	Expense recovery	(77,880)	-	-	-
77.227.565-K	Saesa Innova Soluciones SpA	Common parent	Expense recovery	(113,790)	-	-	-
77.227.557-9	Saesa Gestión y Logística SpA	Common parent	Expense recovery	21,881	-	-	-
76.022.072-8	Inversiones Eléctricas del Sur S.A.	Parent	Dividends	(6,813,128)	-	(924,983)	-

**8.3 Board of Directors and Key Management Personnel**

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

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

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

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

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

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

As of December 31, 2022 and 2021, there are no pending balances payable between the Company and its respective Directors by concept of Directors' Compensation.

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

**b) Compensation of the Board of Directors**

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

The Directors are not compensated for carrying out their roles.

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

**c) Compensation for key management personnel**

The Company has no executive officers directly compensated by it.

**9. Current Tax Assets and Liabilities**

The details of current tax assets as of December 31, 2022 and 2021 are as follows:

Current tax assets	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Recoverable income tax	-	7,429
Recoverable VAT credit, remanent (1)	9,062,424	7,584,246
Credit for absorbed earnings	1,859,681	-
Sence Credit	52,518	33,493
Fixed asset credit	-	348
Recoverable tax previous year	2,517,726	297,315
<b>Total</b>	<b>13,492,349</b>	<b>7,922,831</b>

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

The details of deferred tax liabilities as of December 31, 2022 and 2021 is as follows:

Current tax liabilities	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Income tax	9,304,216	823,507
VAT tax debit	1,316,200	620,090
Other	49,714	35,364
<b>Total</b>	<b>10,670,130</b>	<b>1,478,961</b>

**10. Intangibles other than Goodwill**

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

Intangible assets, net	12-31-2022	12-31-2021
ThCLP\$	ThCLP\$	ThCLP\$
<b>Total identifiable intangible assets. Net</b>	<b>67,854,427</b>	<b>64,411,025</b>
Easements	61,650,895	57,920,856
Software	258,891	378,652
Intangible assets related with clients	5,944,641	6,111,517

Identifiable intangible assets, gross	12-31-2022	12-31-2021
ThCLP\$	ThCLP\$	ThCLP\$
<b>Total identifiable intangible assets, gross</b>	<b>68,855,286</b>	<b>64,963,849</b>
Easements	61,891,435	58,113,509
Software	647,670	616,593
Intangible assets related with clients	6,316,181	6,233,747

Total identifiable intangible assets, amortization	12-31-2022	12-31-2021
ThCLP\$	ThCLP\$	ThCLP\$
<b>Total identifiable intangible assets, amortization</b>	<b>(1,000,859)</b>	<b>(552,824)</b>
Easements	(240,540)	(192,653)
Software	(388,779)	(237,941)
Intangible assets related with clients	(371,540)	(122,230)

The breakdown and movements of intangible assets other than goodwill as of December 31, 2022 and 2021 are as follows:

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

Movement of intangibles assets other than Goodwill	Easements, net	Software, net	Intangible assets related to customers, net	Total
ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Opening balance as of 01-01-2021	51,610,246	377,051	-	51,987,297
Transfers (capitalization work in progress)	3,755,022	135,865	-	3,890,887
Withdrawals, gross	(500)	-	-	(500)
Increase (decrease) in foreign currency exchange, accumulated amortization	(26,149)	(33)	-	(26,182)
Amortization expense	(40,627)	(134,499)	(122,230)	(297,356)
Assets provided by "Tolchén Transmisión SpA"	-	-	6,233,747	6,233,747
Increase (decrease) in foreign currency exchange rate	2,622,864	268	-	2,623,132
<b>Total movements</b>	<b>6,310,610</b>	<b>1,601</b>	<b>6,111,517</b>	<b>12,423,728</b>
Closing balance at 12-31-2021	57,920,856	378,652	6,111,517	64,411,025

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

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

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

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

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

## 11. Goodwill

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

Taxpayer ID	Company	12-31-2022	12-31-2021
		ThCLP\$	ThCLP\$
90.021.000-0	Sociedad Austral de Electricidad S.A.	64,000,000	64,000,000
91.715.000-1	Empresa Eléctrica de la Frontera S.A.	2,109,123	2,109,123
96.956.660-5	Sociedad Austral de Electricidad S.A.	7,883,969	7,883,969
96.986.780-K	Empresa Eléctrica de la Frontera S.A.	1,725,559	1,725,559
77.122.643-4	Tolchén Transmisión SpA	1,151,070	1,136,047
<b>Total</b>		<b>76,869,721</b>	<b>76,854,698</b>

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

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

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

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

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

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

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

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

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

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

**12. Property, plant and equipment**

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

Classes of Property, Plant and Equipment, net	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
<b>Total Property, Plant and Equipment, net</b>	<b>668,483,561</b>	<b>627,502,406</b>
Land	11,005,688	9,914,615
Buildings	8,937,527	6,585,065
Plant and equipment	459,025,628	403,033,327
Information technology equipment	439,879	150,510
Fixtures and fittings	344,928	389,833
Motor vehicles	2,770,054	2,380,556
Construction in progress	180,104,191	201,735,637
Other property, plant and equipment	5,855,666	3,312,863

Classes of Property, Plant and Equipment, gross	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
<b>Total Property, Plant and Equipment, gross</b>	<b>776,963,740</b>	<b>719,290,829</b>
Land	11,005,688	9,914,615
Buildings	10,959,208	8,107,094
Plant and equipment	561,318,510	490,053,224
Information technology equipment	1,270,707	951,269
Fixtures and fittings	716,238	708,128
Motor vehicles	3,478,339	2,755,948
Construction in progress	180,104,191	201,735,637
Other property, plant and equipment	8,110,859	5,064,914

Classes of Accumulated Depreciation and Impairment, Property, Plant and Equipment	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
<b>Classes of Accumulated Depreciation and Impairment, Property, Plant and Equipment</b>	<b>(108,480,179)</b>	<b>(91,788,423)</b>
Buildings	(2,021,681)	(1,522,029)
Plant and equipment	(102,292,882)	(87,019,897)
Information technology equipment	(830,828)	(800,759)
Fixtures and fittings	(371,310)	(318,295)
Motor vehicles	(708,285)	(375,392)
Other property, plant and equipment	(2,255,193)	(1,752,051)

The following is the detail of property, plant and equipment as of December 31, 2022 and 2021:

Movement Property, plant and equipment	Land	Buildings, net	Plant and equipment, net	Information technology equipment, net	Fixtures and fittings, net	Motor vehicles, net	Construction in progress, net	Other Property, plant and equipment, net	Total
	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS
<b>Opening balance as of 01-01-2022</b>	<b>9,914,615</b>	<b>6,585,065</b>	<b>403,033,327</b>	<b>150,510</b>	<b>389,833</b>	<b>2,380,556</b>	<b>201,725,627</b>	<b>3,312,863</b>	<b>627,502,406</b>
Additions	-	1,692,388	(1,692,388)	-	-	-	54,415,531	-	54,415,531
Transfers (capitalization work in progress)	1,083,189	1,012,875	63,211,509	260,578	6,459	776,946	(69,181,303)	2,829,747	-
Withdrawals, gross	(798)	-	-	(2,687)	(536)	(77,629)	-	-	(81,630)
Withdrawals and transfers accumulated depreciation	-	-	170,397	3,821	535	65,639	-	-	240,392
Increase (decrease) in foreign currency exchange accumulated depreciation	-	(209,451)	(692,089)	(3,735)	(4,742)	(63,014)	-	(24,497)	(997,528)
Depreciation expense	-	(290,201)	(14,751,293)	(30,155)	(48,808)	(335,518)	-	(478,644)	(15,934,619)
Increase (decrease) in foreign currency exchange rate	8,682	145,851	9,747,165	61,547	2,187	23,054	(6,865,674)	216,197	3,339,009
<b>Total movements</b>	<b>1,091,073</b>	<b>2,352,462</b>	<b>55,992,301</b>	<b>289,368</b>	<b>(44,905)</b>	<b>389,498</b>	<b>(21,611,446)</b>	<b>2,542,803</b>	<b>40,981,155</b>
<b>Closing balance at 12-31-2022</b>	<b>11,005,688</b>	<b>8,937,527</b>	<b>459,025,628</b>	<b>439,878</b>	<b>344,928</b>	<b>2,770,054</b>	<b>180,104,191</b>	<b>5,855,666</b>	<b>668,483,561</b>

  

Movement Property, plant and equipment	Land	Buildings, net	Plant and equipment, net	Information technology equipment, net	Fixtures and fittings, net	Motor vehicles, net	Construction in progress, net	Other Property, plant and equipment, net	Total
	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS	ThCLPS
<b>Opening balance as of 01-01-2021</b>	<b>7,602,427</b>	<b>3,976,352</b>	<b>310,776,368</b>	<b>133,631</b>	<b>362,483</b>	<b>1,513,306</b>	<b>150,411,245</b>	<b>1,938,139</b>	<b>512,928,353</b>
Additions	-	-	-	-	-	-	79,008,347	-	81,001,760
Transfers (capitalization work in progress)	179,797	2,390,399	113,076,557	59,409	264,916	1,628,276	(119,384,909)	3,785,651	-
Withdrawals, gross	(39,174)	-	(2,254)	-	-	(19,526)	-	-	(61,354)
Withdrawals and transfers accumulated depreciation	-	-	99	-	-	9,589	-	-	9,688
Depreciation expense	-	(180,033)	(10,861,597)	(42,898)	(44,984)	(169,603)	-	(347,425)	(11,646,540)
Assets provided by "Tolchén Transmisión SpA"	-	-	25,043,379	-	-	-	-	-	25,043,379
Increase (decrease) in foreign currency exchange rate	7,652	404,447	(34,997,225)	366	(352,582)	(581,086)	55,651,050	(63,500)	20,229,120
<b>Total movements</b>	<b>2,111,788</b>	<b>2,614,713</b>	<b>92,256,958</b>	<b>16,877</b>	<b>27,350</b>	<b>867,250</b>	<b>15,304,392</b>	<b>1,374,724</b>	<b>114,574,053</b>
<b>Closing balance at 12-31-2021</b>	<b>9,914,615</b>	<b>6,585,065</b>	<b>403,033,327</b>	<b>150,510</b>	<b>389,833</b>	<b>2,380,556</b>	<b>201,725,627</b>	<b>3,312,863</b>	<b>627,502,406</b>

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

#### Additional Information on Property, Plant and Equipment

- Depreciation of property, plant and equipment is presented in the item "Expenses for Depreciation and Amortization of Operating Income".
- The Company and its subsidiaries have risk insurance coverage for their property, plant and equipment (power stations, substations, constructions, contents and inventories), except for the power transmission lines and power grid. The above insurance coverage is effective for 12 to 14 months.
- The amount of property, plant and equipment fully depreciated as of 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.

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

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

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

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

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

ASSETS	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	12,541,398	435,221
Other current non-financial assets	374,163	493,320
Trade and other receivables, current	29,146,659	16,790,617
Current inventories	2,292,219	1,408,710
Current tax assets, current	564,092	468,215
<b>TOTAL CURRENT ASSETS</b>	<b>44,918,531</b>	<b>19,596,083</b>
<b>NON-CURRENT ASSETS</b>		
Other financial assets, non-current	1,700,084	5,609,183
Other non financial assets, non-current	14,722	38,056
Trade and other receivables, current	1,960	4,707,505
Intangible assets other than goodwill	230,748	235,160
Property, plant and equipment	46,531,965	61,631,127
Deferred tax assets	4,364,394	7,893,180
<b>TOTAL NON-CURRENT ASSETS</b>	<b>52,843,873</b>	<b>80,114,211</b>
<b>TOTAL ASSETS</b>	<b>97,762,404</b>	<b>99,710,294</b>
LIABILITIES	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
<b>CURRENT LIABILITIES</b>		
Trade accounts payable and other payables	26,340,263	17,987,344
Current tax liabilities, current	223,118	125,365
Current accruals for employee benefits	116,523	316,394
Other non-financial liabilities, current	207,149	378,602
<b>TOTAL CURRENT LIABILITIES</b>	<b>26,887,053</b>	<b>18,807,705</b>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liability	6,180,060	10,222,925
Non-current accruals for employee benefits	93,617	245,038
Other non-financial liabilities, non-current	931	619
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>6,274,608</b>	<b>10,468,582</b>
<b>TOTAL LIABILITIES</b>	<b>33,161,661</b>	<b>29,276,287</b>



b) The detail of the results of discontinued operations as of December 31, 2022 and 2021, is as follows:

STATEMENT OF COMPREHENSIVE INCOME	01-01-2022 12-31-2022	01-01-2021 12-31-2021
	ThCLP\$	ThCLP\$
<b>Profit (loss)</b>		
Revenue from ordinary activities	89,792,819	58,668,094
Other income	1,857,236	1,751,487
Raw materials and consumables used	(79,396,653)	(49,529,636)
Employee benefits expenses	(1,180,546)	(1,112,269)
Depreciation and amortization expense	(2,691,423)	(2,341,950)
Other expenses, by nature	(5,584,821)	(4,747,496)
Other income (losses)	2,049,366	16,029
Financial income	1,722,691	37,205
Financial expenses	(1,307,141)	(1,414,319)
Impairment of earnings and reversal of impairment losses (impairment losses) determined in accordance with IFRS 9	(19,036)	(109,413)
Exchange differences	(339,004)	(3,211,395)
Profit and loss by adjustment unit	2,074,715	893,020
<b>Profit (loss) before tax</b>	<b>6,978,203</b>	<b>(1,100,643)</b>
Tax expenses (profits) from continued operations	(171,187)	411,322
<b>Profit (loss) from continued operations</b>	<b>6,807,016</b>	<b>(689,321)</b>

c) The cash flow from discontinued operations as of December 31, 2022 and 2021, is as follows:

STATEMENT OF CASH FLOWS	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
<b>Cash flows from (used in) operating activities</b>		
<b>Types of proceeds for operating activities</b>		
Proceeds from sales of goods and services	155,911,414	67,115,778
Other charges from operating activities	14,397	26
<b>Types of payments in cash from operating activities</b>		
Payments to suppliers for goods and services	(120,005,356)	(64,475,417)
Payments to and on behalf of employees	(1,104,510)	(679,445)
Other cash payments from operating activities	(2,041,956)	(693,361)
<b>Cash flows from (used in) operating activities</b>	<b>32,773,989</b>	<b>1,267,581</b>
Income tax paid (refund), classified as operating activities	(456,980)	(243,382)
<b>Cash flows from (used in) operating activities</b>	<b>32,317,009</b>	<b>1,024,199</b>
<b>Cash flows from (used in) investing activities</b>		
Loans to related entities	(3,944,550)	(5,615,000)
Purchase of property, plant and equipment, classified as investing activities	(7,791,042)	(7,575,057)
Receivables from related entities	21,647,050	11,146,633
Interest received, classified as investing activities	1,812,000	611,247
<b>Cash flows from (used in) investing activities</b>	<b>11,723,458</b>	<b>(1,432,177)</b>
<b>Cash flows from (used in) financing activities</b>		
Loans from related entities	23,396,627	19,425,000
Loan repayments to related entities	(53,723,975)	(16,536,096)
Dividends paid, classified as financing activities	(314,413)	(1,389,077)
Interests paid, classified as financing activities	(1,315,972)	(1,318,480)
<b>Cash flows from (used in) financing activities</b>	<b>(31,957,733)</b>	<b>181,347</b>
<b>Net increase (decrease) in cash and cash equivalent, before the effect of the changes in the exchange rate</b>	<b>12,082,734</b>	<b>(226,631)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>		
Effect of exchange rate changes on cash and cash equivalents	23,443	(28,800)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>12,106,177</b>	<b>(255,431)</b>
Cash and cash equivalents at beginning of the period	435,221	690,652
<b>Cash and cash equivalents at end of the period</b>	<b>12,541,398</b>	<b>435,221</b>

## 14. Income tax and deferred taxes

### 14.1 Income tax

- a) The detail of income tax expense recorded in the Consolidated Statement of Comprehensive Income as of December 31, 2022 and 2021 is as follows:

Expenses (profits) from income taxes	01-01-2022 12-31-2022	01-01-2021 12-31-2021
	ThCLP\$	ThCLP\$
<b>Current income taxes</b>		
Expense (profit) from current taxes	8,624,763	5,586,451
Other expense from current taxes	-	459
Other current tax expense	1,517	553
<b>Total Current income taxes, net</b>	<b>8,626,280</b>	<b>5,587,463</b>
<b>Deferred taxes</b>		
Deferred tax expense (income) relating to the origination and reversal of temporary differences	(7,248,297)	1,780,994
<b>Total deferred tax expense (income), net</b>	<b>(7,248,297)</b>	<b>1,780,994</b>
<b>Total expense (income) from for income taxes</b>	<b>1,377,983</b>	<b>7,368,457</b>

- 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:

Reconciliation of accounting profit multiplied by applicable tax rates	01-01-2022 12-31-2022	01-01-2021 12-31-2021
	ThCLP\$	ThCLP\$
<b>Profit (loss) before tax</b>	<b>30,137,826</b>	<b>31,798,370</b>
<b>Total Income (expense) per gains taxes using the legal rate 27%</b>	<b>(8,137,213)</b>	<b>(8,585,560)</b>
Tax effect of income from tax exempt ordinary income	584,756	1,514,134
Tax effect of non-deductible expenses for calculating tax profits (losses)	(1,564,815)	(848,689)
Effect for exchange difference	2,260,477	1,700,218
Tax effect from changes in tax rates	39,366	(190,499)
Tax price-level restatement (investments and equity)	2,468,341	2,445,455
Other tax effects from reconciliation of accounting profits and tax (expense) income	2,971,105	(3,403,516)
<b>Total adjustment to tax (expense) income using the statutory rate</b>	<b>6,759,230</b>	<b>1,217,103</b>
<b>Tax (expense) income using the effective rate</b>	<b>(1,377,983)</b>	<b>(7,368,457)</b>
<b>Effective tax rate</b>	<b>4.57%</b>	<b>23.17%</b>

## 14.2 Deferred taxes

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

Temporary differences Deferred tax assets	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Deferred taxes related to obligations for post-employment benefits	115,332	72,350
Deferred taxes related to provision for uncollectible accounts	202,714	193,547
Deferred taxes related to vacation provision	183,316	105,656
Deferred taxes related to obsolescence provision	8,126	8,532
Deferred taxes related to anticipated income	2,212,027	2,318,515
Deferred taxes related to prepaid expenses	1,128,208	648,542
Deferred taxes related to tax losses	24,292,569	25,500,611
Deferred taxes related to employee benefits provision	100,897	71,293
Deferred taxes related to leases	191,659	142,532
Deferred taxes related to other provisions	382,474	49,193
<b>Total Temporary differences Deferred tax assets</b>	<b>28,817,322</b>	<b>29,110,771</b>

Temporary differences Deferred tax assets	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$
Deferred taxes related to depreciations	49,099,109	53,944,898
Deferred taxes related to amortizations	1,605,053	1,650,110
Deferred taxes related to prepaid expenses	344,913	277,718
Deferred taxes related to obligations for post-employment benefits	61,535	-
<b>Total Temporary differences Deferred tax liabilities</b>	<b>51,110,610</b>	<b>55,872,726</b>

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	28,817,322	29,110,771
Deferred tax liabilities	(51,110,610)	(55,872,726)
<b>Total temporary differences, net</b>	<b>(22,293,288)</b>	<b>(26,761,955)</b>

b) Movements in the items “Deferred taxes”, of the Consolidated Statements of Financial Position as of December 31, 2022 and 2021, are as follows:

Deferred taxes movement	Assets		Liabilities	
	12-31-2022	12-31-2021	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Opening balance	29,110,771	17,853,471	55,872,726	52,194,012
Increase (decrease) for deferred taxes in profit or loss	2,402,508	8,412,655	(4,845,789)	10,193,650
Increase (decrease) for deferred taxes in other comprehensive income	19,072	(125,329)	-	-
Increase (decrease) due to exchange difference	(2,715,029)	2,969,974	83,673	4,083,952
Other increases (decreases)	-	-	-	(10,598,888)
<b>Total movements</b>	<b>(293,449)</b>	<b>11,257,300</b>	<b>(4,762,116)</b>	<b>3,678,714</b>
<b>Final balance</b>	<b>28,817,322</b>	<b>29,110,771</b>	<b>51,110,610</b>	<b>55,872,726</b>

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

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

## 15. Other financial assets and liabilities, current

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

Other financial liabilities, current and non current	Current		Non current	
	12-31-2022	12-31-2021	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Bonds	6,263,293	724,835	436,006,829	125,340,559
<b>Total</b>	<b>6,263,293</b>	<b>724,835</b>	<b>436,006,829</b>	<b>125,340,559</b>

b) The breakdown by currencies and maturities of the Obligations with the public Bonds as of December 31, 2022 and 2021, is as follows:

Name debtor company	Country	Type of debt	Type of currency	Type of amortization	Nominal interest rate	Guarantee	12-31-2022									
							Current			Non current						
							Up to 1 year	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			
							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	
							ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Sociedad de Transmisión Austral S.A.	Chile	STASOL 32	USD	Annual	0.25%	No guarantee	-	5,647,411	5,647,411	-	-	-	-	-	329,008,154	329,008,154
Sistema de Transmisión del Sur S.A.	Chile	Bond Series A / N° 923	UF	Half-yearly	2.80%	No guarantee	615,882	-	615,882	-	-	-	-	-	106,968,675	106,968,675
<b>Total</b>							<b>615,882</b>	<b>5,647,411</b>	<b>6,263,293</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>436,006,829</b>	<b>436,006,829</b>

  

Name debtor company	Country	Type of debt	Type of currency	Type of amortization	Nominal interest rate	Guarantee	12-31-2021									
							Current			Non current						
							Up to 1 year	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			
							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	
							ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Sistema de Transmisión del Sur S.A.	Chile	Bond Series A / N° 923	UF	Half-yearly	2.80%	No guarantee	-	724,835	724,835	-	-	-	-	-	125,340,559	125,340,559
<b>Total</b>							<b>-</b>	<b>724,835</b>	<b>724,835</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>125,340,559</b>	<b>125,340,559</b>

## 15.1 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. These instruments normally correspond to Cross Currency Swaps.

a) The amounts recorded as of December 31, 2022 and 2021 are as follows:

Company	Abbreviated name	Hedge instrument	Hedged underlying	Covered risk	Type of hedge	12-31-2022	12-31-2021
						ThCLP\$	ThCLP\$
Sociedad de Transmisión Austral S.A.	STA	Forward (*)	UF cash flow	Currency	Cash flow	-	174,202
<b>Total</b>						<b>-</b>	<b>174,202</b>

(\*) Presented in the account Other financial assets current

## 16. Trade and Other Accounts Payable

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

Trade accounts payable and other payables	Current		Non current	
	12-31-2022	12-31-2021	12-31-2022	12-31-2021
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Trade accounts payable	32,583,348	22,145,845	20,634	330,482
Other accounts payable	2,226,981	1,991,632	-	-
<b>Total trade and other accounts payables</b>	<b>34,810,329</b>	<b>24,137,477</b>	<b>20,634</b>	<b>330,482</b>

**17. Financial instruments****17.1 Financial instruments by category**

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

**a) Financial assets**

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

Financial assets	12-31-2021			
	At amortized cost	At fair value with changes in income or loss	Hedge derivative	Total
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Cash and cash equivalents	813,171	1,151,246	-	1,964,417
Other current financial assets	-	-	174,202	174,202
Trade and other accounts receivable, current and non-current	35,705,426	-	-	35,705,426
Due from related entities, current and non-current	8,307,634	-	-	8,307,634
<b>Total financial assets</b>	<b>44,826,231</b>	<b>1,151,246</b>	<b>174,202</b>	<b>46,151,679</b>

**b) Financial liabilities**

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

Financial liabilities	12-31-2021		
	At amortized cost	Hedge derivative	Total
	ThCLP\$	ThCLP\$	ThCLP\$
Other financial liabilities, current and non current	126,065,394	-	126,065,394
Lease liabilities, current and non-current	1,811,755	-	1,811,755
Trade and other accounts payable, current and non-current	24,467,959	-	24,467,959
Due to related entities, current and non-current	341,239,487	-	341,239,487
<b>Total financial liabilities</b>	<b>493,584,595</b>	<b>-</b>	<b>493,584,595</b>

## 17.2 Fair value of financial instruments

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

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

Financial assets	12-31-2022	
	Carrying value	Fair value
	ThCLP\$	ThCLP\$
<b>Investments held at amortized cost</b>		
Cash on hand	100	100
Bank balances	1,134,209	1,134,209
Trade and other accounts receivable, current and non-current	50,876,108	50,876,108

Financial liabilities	12-31-2021	
	Carrying value	Fair value
	ThCLP\$	ThCLP\$
<b>Financial liabilities held at amortized cost</b>		
Other financial liabilities, current and non current (bonds)	442,270,122	436,245,010
Lease liabilities, current and non-current	2,357,751	2,357,751
Trade and other accounts payable, current and non-current	34,830,963	34,830,963

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

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

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

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

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

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**18. Other Non-Financial Liabilities**

The details of this item as of as of December 31, 2022 and 2021 is 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\$
Other works of third parties	683,849	170,436	-	-
Prepaid income for tolls sale	386,445	386,445	7,821,915	8,216,315
Other non financial liabilities (*)	-	-	3,185,756	3,327,280
<b>Total other non-financial liabilities</b>	<b>1,070,294</b>	<b>556,881</b>	<b>11,007,671</b>	<b>11,543,595</b>

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

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

Clients	Settlement date	Current		Non current	
		12-31-2022	12-31-2021	12-31-2022	12-31-2021
		ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Hidroenersur, Hidronalcas and Hidropalmar	06-01-2042	91,929	91,929	1,700,696	1,792,625
Hidroenersur, Hidronalcas and Hidropalmar	06-01-2042	83,571	83,571	1,546,053	1,629,623
Hidroenersur, Hidronalcas and Hidropalmar	06-01-2042	23,102	23,102	896,025	944,004
Hidroenersur, Hidronalcas and Hidropalmar	12-01-2043	27,537	27,537	557,397	584,934
Hidroenersur, Hidronalcas and Hidropalmar	08-01-2042	47,223	47,223	413,400	435,745
Hidroenersur, Hidronalcas and Hidropalmar	06-01-2045	16,371	16,371	368,108	384,480
Hidroenersur, Hidronalcas and Hidropalmar	11-01-2046	14,852	14,852	366,029	380,881
Hidroenersur, Hidronalcas and Hidropalmar	08-01-2042	17,397	17,397	325,291	342,688
Hidroenersur, Hidronalcas, Hidropalmar, Hidro Ensenada and Hidrobonito	-	48,796	48,796	1,158,974	1,207,770
Parque Eólico Cabo Leones I.S.A.	12-31-2047	-	-	149,012	152,989
Iberególica Cabo Leones II S.A.	12-31-2047	-	-	149,012	152,989
Eólica La Esperanza S.A.	03-31-2036	15,667	15,667	191,918	207,587
<b>Total Clients</b>		<b>386,445</b>	<b>386,445</b>	<b>7,821,915</b>	<b>8,216,315</b>

**19. Equity****19.1 Net equity of the Company****19.1.1 Subscribed and Paid-in Capital**

As of December 31, 2022, the issued capital of the Company amounts to ThCLP\$166.064.578. The capital is represented by 620.093.318 series A shares (all subscribed and paid) and 38.352.069.948.752 series B shares, of which 12.990.630.008 are subscribed and pending payment (12.401.271.096 Grupo Saesa and 589.358.912 other non-controlling interest).

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

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

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

### 19.1.2 Other reserves

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

Movements other reserves	Opening balance as of 01-01-2022	Reserves for translation differences	Reserve for cash flows hedge	Reserve for actuarial gains or losses in defined benefit plans	Other sundry reserves	Closing balance at 12-31-2022
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Reserves for translation differences, net of deferred taxes	23,100,268	(6,494,968)	-	-	-	16,605,300
Cash flows hedge reserves, net of taxes	112,564	-	(112,564)	-	-	-
Reserves of actuarial gains or losses in defined benefit plans, net of deferred taxes	(205,468)	-	-	71,138	-	(134,330)
Other various reserves (*)	134,922,354	-	-	-	-	134,922,354
<b>Total</b>	<b>157,929,718</b>	<b>(6,494,968)</b>	<b>(112,564)</b>	<b>71,138</b>	<b>-</b>	<b>151,393,324</b>

Movements other reserves	Opening balance as of 01-01-2021	Reserves for translation differences	Reserve for cash flows hedge	Reserve for actuarial gains or losses in defined benefit plans	Other sundry reserves	Closing balance at 12-31-2021
	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Reserves for translation differences, net of deferred taxes	8,598,247	14,502,021	-	-	-	23,100,268
Cash flows hedge reserves, net of taxes	106,817	-	5,747	-	-	112,564
Reserves of actuarial gains or losses in defined benefit plans, net of deferred taxes	(50,977)	-	-	(154,491)	-	(205,468)
Other sundry reserves	108,555,427	-	-	-	26,366,927	134,922,354
<b>Total</b>	<b>117,209,514</b>	<b>14,502,021</b>	<b>5,747</b>	<b>(154,491)</b>	<b>26,366,927</b>	<b>157,929,718</b>

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

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

### 19.1.3 Translation Differences

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

Reserves for translation differences		12-31-2022	12-31-2021
		ThCLP\$	ThCLP\$
Sociedad Generadora Austral S.A.	SGA	3,190,023	3,471,058
Sagesa S.A.	SAGESA	5,609,349	11,137,551
Sistema de Transmisión del Centro S.A.	STC	3,117,143	2,735,052
Sistema de Transmisión del Norte S.A.	STN	4,933,731	5,494,743
Sociedad Austral de Transmisión Troncal S.A.	SATT	3,184,335	3,547,006
Línea de Transmisión Cabo Leones S.A.	Cabo Leones	525,471	526,937
Sociedad de Transmisión Austral S.A.	STA	(4,151,633)	(3,933,062)
Tolchén Transmisión SpA	Tolchén	196,882	120,983
<b>Total Reserves for translation differences</b>		<b>16,605,301</b>	<b>23,100,268</b>

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



#### 19.1.4 Retained Earnings

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

Movement Retained earnings (Accumulated deficit)	Accumulated distributable net earnings	Total
	ThCLP\$	ThCLP\$
Opening balance as of 01-01-2022	35,638,738	35,638,738
Gain attributable to owners of the controlling interest	35,510,392	35,510,392
Reversal of provision and dividend payment previous year	1,566,079	1,566,079
Dividend paid prior year	(26,240,119)	(26,240,119)
Provision minimum dividend for the year	(8,380,690)	(8,380,690)
<b>Total movements</b>	<b>2,455,662</b>	<b>2,455,662</b>
<b>Closing balance at 12-31-2022</b>	<b>38,094,400</b>	<b>38,094,400</b>

Movement Retained earnings (Accumulated deficit)	Accumulated distributable net earnings	Total
	ThCLP\$	ThCLP\$
Opening balance as of 01-01-2021	28,624,896	28,624,896
Gain attributable to owners of the controlling interest	23,698,984	23,698,984
Reversal of provision and dividend payment previous year	2,492,047	2,492,047
Dividend paid prior year	(17,611,110)	(17,611,110)
Provision minimum dividend for the year	(1,566,079)	(1,566,079)
<b>Total movements</b>	<b>7,013,842</b>	<b>7,013,842</b>
<b>Closing balance at 12-31-2021</b>	<b>35,638,738</b>	<b>35,638,738</b>

#### 19.2 Capital management

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

#### 19.3 Restrictions on the Disposal of Funds

As of December 31, 2022, the Company and its subsidiaries do not present restriction with the cash flow delivery to the shareholders.

**20. Revenue from ordinary activities and other income**

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

Revenue from ordinary activities	01-01-2022 12-31-2022	01-01-2021 12-31-2021
	ThCLP\$	ThCLP\$
<b>Revenue recognition over time</b>		
Transmission	97,843,156	78,687,069
<b>Total revenue recognition over time</b>	<b>97,843,156</b>	<b>78,687,069</b>
<b>Total revenue from ordinary activities</b>	<b>97,843,156</b>	<b>78,687,069</b>
<b>Other income</b>	<b>01-01-2022 12-31-2022</b>	<b>01-01-2021 12-31-2021</b>
	ThCLP\$	ThCLP\$
<b>Recognition of revenue at a point in time</b>		
Construction of works and works to third parties	3,267,619	1,892,692
Leases	13,835	25,586
Credits and loans interests	4,000	153,588
Demand management revenues and mobile equipment	42,915	(902)
Other revenues	97,322	77,158
<b>Total revenue recognition at a point in time</b>	<b>3,425,691</b>	<b>2,148,122</b>
<b>Recognition of revenue at a point in time</b>		
Sale of material and equipment	14,092,787	6,863,130
<b>Total revenue recognized at a point in time</b>	<b>14,092,787</b>	<b>6,863,130</b>
<b>Total other revenues</b>	<b>17,518,478</b>	<b>9,011,252</b>

**21. Expenses for Benefits to Employees**

The details of this item of the income statement accounts as of December 31, 2022 and 2021 is as follows:

Employee benefits expenses	01-01-2022 12-31-2022	01-01-2021 12-31-2021
	ThCLP\$	ThCLP\$
Wages and remunerations	15,130,108	10,199,947
Other benefits to employees, short-term	2,143,161	1,388,152
Expenses for post employment benefits, defined benefit plans	880,636	604,603
Capitalization employee expenses	(2,076,575)	(2,413,884)
<b>Total employee benefits expenses</b>	<b>16,077,330</b>	<b>9,778,818</b>

**22. Expense for depreciation and amortization**

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

Depreciation and amortization expense	01-01-2022 12-31-2022	01-01-2021 12-31-2021
	ThCLP\$	ThCLP\$
Depreciation of property, plant and equipment	15,934,619	11,646,540
Amortization of intangibles	448,964	297,356
Amortization for right of use assets	349,208	106,908
<b>Total depreciation and amortization expense</b>	<b>16,732,791</b>	<b>12,050,804</b>

**23. Other expenses by nature**

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

Other expenses, by nature	01-01-2022 12-31-2022	01-01-2021 12-31-2021
	ThCLP\$	ThCLP\$
Shared services	4,050,225	5,065,412
Operations and maintenance of electrical system	8,296,422	5,706,304
Operation vehicles, travel and expenses	1,738,981	1,429,320
Rental of machinery, equipment and facilities	284,539	471,183
Provisions and write offs	153,277	(5,955)
Administrative expenses and other services provided	3,785,150	3,772,057
Expenses for construction work to third parties	909,496	261,750
Other expenses by nature	586,383	656,641
<b>Total Other expenses by nature</b>	<b>19,804,473</b>	<b>17,356,712</b>

**24. Financial Results**

The detail of the financial income and expenses as of December 31, 2022 and 2021, is as follows:

Financial income (loss)	01-01-2022 12-31-2022	01-01-2021 12-31-2022
	ThCLP\$	ThCLP\$
Income from cash and cash equivalents	2,009,426	10,522
Other financial income	46,171	61,307
<b>Financial income</b>	<b>2,055,597</b>	<b>71,829</b>
Bank loans expenses	-	(4,312)
Bond expenses	(16,684,468)	(3,280,017)
Other financial expenses	(4,645,738)	(7,292,277)
Capitalization financial expenses	4,180,301	3,588,806
<b>Financial expenses</b>	<b>(17,149,905)</b>	<b>(6,987,800)</b>
<b>Profit (loss) per indexed unit</b>	<b>(14,890,134)</b>	<b>(6,895,880)</b>
Positive	22,339,172	731,460
Negative	(24,284,968)	(3,043,033)
<b>Profit (loss) from exchange differences</b>	<b>(1,945,796)</b>	<b>(2,311,573)</b>
<b>Total financial income (loss)</b>	<b>(31,930,238)</b>	<b>(16,123,424)</b>

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

## 25. Guarantees Pledged to Third Parties

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

Relationship	Committed assets		Total ThCLP\$	2023	2024	2025	2026
	Type of guarantee	Currency		ThCLP\$	ThCLP\$	ThCLP\$	ThCLP\$
Guarantees construction work	Performance bond	CLP	1,483,751	207,719	1,224,896	51,136	-
Guarantees construction work	Performance bond	UF	3,561,924	954,458	1,452,047	561,798	593,621
Guarantees construction work	Performance bond	USD	13,326,805	9,074,620	1,621,268	2,630,917	-
<b>Total</b>			<b>18,372,480</b>	<b>10,236,797</b>	<b>4,298,211</b>	<b>3,243,851</b>	<b>593,621</b>

## 26. Sureties Obtained from Third Parties

As of December 31, 2022 and 2021, the Company and its subsidiaries has received guarantees from clients, suppliers and contractors guaranteeing, primarily, performance under power supply contracts, works to be performed and advance payments for ThCLP\$15,034,977 and ThCLP\$9,376,458, respectively.

## 27. Commitments and Restrictions

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

STS must report quarterly on compliance with these ratios. As of December 31, 2022, STS is in compliance with all the financial ratios required in those contracts and complies with the aforementioned covenants.

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

As of December 31, 2022 and 2021, the subsidiary STS complies with the covenants stipulated in their financial contracts.

STA bonds do not maintain any financial covenants.

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

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

Taxpayer ID	Company	Country	Nature of relationship	Currency	12-31-2021						
					Current assets ThCLP\$	Non-current assets ThCLP\$	Current liabilities ThCLP\$	Non-current liabilities ThCLP\$	Ordinary income ThCLP\$	Net income (loss) ThCLP\$	Comprehensive income ThCLP\$
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	18,548,097
99.528.750-1	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	71,893,889	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	Sagesa S.A.	Chile	Subsidiary	USD	8,957,855	98,153,296	5,853,034	59,475,216	17,422,538	713,624	6,943,152
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	(1,108,081)

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

## 29. Additional Information on Financial Debt

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

### a) Bonds

Debtor entity			Creditor entity		Bond Contract/ Registration number	Type of currency	Effective interest rate	Nominal interest rate	12-31-2022									
Register ID	Company	Country	Creditor	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 year up to 3 years	More than 3 year up to 4 years	More than 4 year up to 5 years	More than 5 years	Total non-current	
																		ThCLP\$
77.122.843-4	Sociedad de Transmisión Austral S.A.	Chile	UMB BANK, NATIONAL ASSOCIATION	Chile	Bond STA	USD	4.26%	4.26%	6,675,708	6,675,708	13,351,416	13,351,416	13,351,416	13,351,416	395,866,772	447,272,436		
77.112.201-6	Sistema de Transmisión del Sur S.A.	Chile	Banco de Chile	Chile	Issue of Line Series A / N° 923	LP	2.74%	2.74%	35,289,203	2,528,888	38,218,091	2,528,888	2,528,888	2,528,888	352,927,383	366,645,934		
Total									41,964,911	9,204,596	51,569,507	16,280,304	16,280,304	16,280,304	16,280,304	548,794,155	613,918,370	

  

Debtor entity			Creditor entity		Bond Contract/ Registration number	Type of currency	Effective interest rate	Nominal interest rate	12-31-2021									
Register ID	Company	Country	Creditor	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 year up to 3 years	More than 3 year up to 4 years	More than 4 year up to 5 years	More than 5 years	Total non-current	
																		ThCLP\$
77.112.201-6	Sistema de Transmisión del Sur S.A.	Chile	Banco de Chile	Chile	Issue of Line Series A / N° 923	LP	2.80%	2.80%	-	3,309,764	3,309,764	3,309,764	3,309,764	3,309,764	3,309,764	377,778,938	384,017,962	
Total									-	3,309,764	3,309,764	3,309,764	3,309,764	3,309,764	3,309,764	377,778,938	384,017,962	

## 30. Foreign Currency

CURRENT ASSETS	Currency of origin	12-31-2022 ThCLP\$	12-31-2021 ThCLP\$
Cash and cash equivalents	CLP	7,041,254	1,908,781
Cash and cash equivalents	USD	1,286,492	55,636
Other current financial assets	UF	-	174,202
Other current non-financial assets	CLP	1,821,325	1,169,233
Trade and other receivables, current	CLP	42,531,173	24,118,650
Trade and other receivables, current	UF	69,265	37,039
Due from related companies, current	CLP	2,743,307	3,251,833
Due from related companies, current	USD	108,643	867,317
Due from related companies, current	UF	94,634	-
Current inventories	CLP	4,370,185	3,196,824
Current tax assets, current	CLP	13,492,349	7,922,831
<b>TOTAL CURRENT ASSETS</b>		<b>73,558,627</b>	<b>42,702,346</b>
Non-current assets or groups of assets for disposal classified as held for sale or as held for distribution to owners	CLP	97,659,691	95,062,307
	USD	102,713	4,612,098
	UF	-	35,889
<b>TOTAL CURRENT ASSETS</b>	CLP	169,659,284	136,630,459
	USD	1,497,848	5,535,051
	UF	163,899	247,130
		<b>171,321,031</b>	<b>142,412,640</b>

  

NON-CURRENT ASSETS	Currency of origin	12-31-2022 ThCLP\$	12-31-2021 ThCLP\$
Other non financial assets, non-current	CLP	198,742	32,960
Trade and other receivables, current	CLP	7,930,167	11,402,970
Trade and other receivables, current	UF	345,503	146,767
Trade and other receivables to related entities, non current	CLP	-	4,188,484
Trade and other receivables to related entities, non current	USD	427,930	-
Trade and other receivables to related entities, non current	UF	4,745,192	-
Intangible assets other than goodwill	CLP	67,854,427	64,411,025
Goodwill	CLP	75,718,651	76,854,698
Goodwill	USD	1,151,070	-
Property, plant and equipment	CLP	668,483,561	627,502,406
Rights for use assets	CLP	1,647,909	1,283,851
Deferred tax assets	CLP	28,817,322	29,110,771
<b>TOTAL NON-CURRENT ASSETS</b>		<b>857,320,474</b>	<b>814,933,932</b>
<b>TOTAL NON-CURRENT ASSETS</b>	CLP	850,650,779	814,787,165
	USD	1,579,000	-
	UF	5,090,695	146,767
		<b>857,320,474</b>	<b>814,933,932</b>

  

<b>TOTAL ASSETS</b>	CLP	1,020,310,063	951,417,624
	USD	3,076,848	5,535,051
	UF	5,254,594	393,897
		<b>1,028,641,505</b>	<b>957,346,572</b>

CURRENT LIABILITIES	Currency of origin	12-31-2022	12-31-2021
		ThCLP\$	ThCLP\$
Other financial liabilities, current	USD	5,647,411	-
Other financial liabilities, current	UF	615,882	724,835
Lease liabilities, current	CLP	25,403	329,609
Lease liabilities, current	USD	264,892	-
Lease liabilities, current	UF	411,913	-
Trade accounts payable and other payables	CLP	34,810,329	24,137,477
Due to related companies, current	CLP	9,953,358	3,306,915
Due to related companies, current	USD	288,196	6,876,576
Due to related companies, current	UF	314	412
Other provisions, current	CLP	1,926,836	2,081,521
Current tax liabilities, current	CLP	10,670,130	1,478,961
Current accruals for employee benefits	CLP	2,858,518	767,047
Other non-financial liabilities, current	CLP	1,070,294	556,881
<b>TOTAL CURRENT LIABILITIES</b>		<b>68,543,476</b>	<b>40,260,234</b>
Liabilities included in groups of assets for disposal classified as held for sale	CLP	33,161,661	29,276,287
	USD	-	-
	UF	-	-
<b>TOTAL CURRENT LIABILITIES</b>	CLP	94,476,529	61,934,698
	USD	6,200,499	6,876,576
	UF	1,028,109	725,247
		<b>101,705,137</b>	<b>69,536,521</b>

  

NON-CURRENT LIABILITIES	Currency of origin	12-31-2022	12-31-2021
		ThCLP\$	ThCLP\$
Other financial liabilities, non current	USD	329,038,154	-
Other financial liabilities, non current	USD	106,968,675	125,340,559
Other liabilities, non current	UF	5,743	1,482,146
Lease liabilities, non-current	CLP	1,128,598	-
Lease liabilities, non-current	USD	521,202	-
Lease liabilities, non-current	UF	20,634	330,482
Trade and other accounts payable, non current	CLP	42,311,787	304,294,615
Due to related companies, non-current	CLP	25,965,947	26,760,969
Deferred tax liability	CLP	51,110,610	55,872,726
Non-current accruals for employee benefits	CLP	2,679,890	1,921,240
Other non-financial liabilities, non-current	CLP	11,007,671	11,543,595
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>570,758,911</b>	<b>527,546,332</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>	CLP	107,136,335	375,444,804
	USD	356,132,699	26,760,969
	UF	107,489,877	125,340,559
		<b>570,758,911</b>	<b>527,546,332</b>

  

<b>TOTAL LIABILITIES</b>	CLP	201,612,864	437,379,502
	USD	362,333,198	33,637,545
	UF	108,517,986	126,065,806
		<b>672,464,048</b>	<b>597,082,853</b>

### **31. Sanctions**

During the year ended December 31, 2022, no sanctions have been applied to the Company and its subsidiaries by the Chilean Security and Exchange Commission (Comisión para el Mercado Financiero – CMF).

### **32. Subsequent events**

At the Extraordinary Shareholders' Meeting of Sociedad de Transmisión Austral S.A. held on January 3, 2023, the demerger 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 demerger of SAGESA S.A.).

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

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