



2023 Integrated Annual Report

Table of Contents

Reporting Entity	3
Chapter 1: About the Company	5
Line of Business.....	5
Property	6
Company's Incorporation	9
Chapter 2: Corporate Governance	11
Board of Directors.....	11
Composition of the Board of Directors	13
Ethics management and compliance	14
Whistleblower Hotline	15
Legal compliance.....	15
Board of Directors' Committee	16
Executive Team	16
Chapter 3: Our business.....	18
Description of business	18
Regulatory framework	19
National Transmission System charges	21
Projects and new business.....	22
New works	23
People	24
Relationship with suppliers and contractors.....	24
Supplier screening.....	26
Licenses, franchises, royalties and/or concessions	27
Chapter 4: Our Operation	29
Asset Management	29
Service quality indicators	30
Technology and innovation	31
Our customers	32
Stakeholders	32
Communities.....	32
Environment	34

Chapter 5: Financial Information	37
Debt	37
Revenues	37
Investment and financing policy	38
Dividend policy.....	38
Risk Factors	39
Appendices	41
CMF Indicators	44
SASB Indicators	55

Reporting Entity

Company's name	Transelec Concesiones S.A.
Registration Number in the Special Registry of Reporting Entities	406
Registered Office	Santiago, notwithstanding any agency, branch or office that the Company may establish elsewhere in the country or abroad.
Address	Orinoco 90, piso 14, Las Condes
Telephone	(56-2) 2246 7000
Taxpayer ID No.	76.524.463-3
Type of entity	Closely-held Shareholders' Corporation
E-mail	transelec@transelec.cl
Website	www.transelec.cl/empresas/

Local regulatory bodies for Transelec

(CMF 6.1 iv)

- Financial Market Commission
- Chilean National Power Grid Coordinator
- Chilean National Energy Commission
- Chilean Superintendency of Electricity and Fuels
- Chilean Internal Revenue Service
- Superintendency of the Environment

About the Company



Chapter 1: About the Company

Line of Business

(CMF 2.1, 6.1.i, ii)

We are a company that operates in the electric power transmission industry and we are part of the Transelec Group, one of the most important players in the electric power industry in Chile. Since we are part of the same group, we share our experience and knowledge in the design, development, and operation of energy projects all over Chile. As we are only present in the National System, we have a limited number of assets and regulated revenue.

The purpose of Transelec Concesiones S.A. is the exploitation and development of its own electrical systems for the transportation or transmission of electricity. In order to achieve this objective, we have the possibility to acquire and maintain concessions and permits, exercising all the rights and powers that Chilean legislation grants to companies in the electricity industry. As a Company, our growth depends on the government approving expansion projects.

1.023 kms

of transmission lines

4

substations

3.750 MVA

of transformation capacity

The activities of our Company include the transportation of energy through transmission lines and its transformation capacity through substations. This is done so that the generating and distributing plants, regardless of their type, can transport the electricity they produce and reach the centers of consumption.

The main competitors in the industry are the country's transmission and construction companies, which are mainly present in the National Electricity System.

As part of the Transelec Group, since 2022, we have had a corporate purpose that calls for "Connecting the energies of the future". To achieve this, we strive to be customer-focused, provide excellent service, be a leader in knowledge and technology, and be socially and environmentally responsible. In addition, our focus on continuous innovation and efficiency, and a strong commitment to creating value and making a positive impact on society remain at the heart of our decisions.

As part of the Transelec Group, Transelec Concesiones shares the mission, vision, purpose and values with the rest of the Group companies.

Mission

To be the leader in the electric power transmission business in Chile, adequately meeting the needs of the country and the requirements of our customers, through the development of efficient and quality solutions, the correct operation of the system and the maintenance of high standards of occupational health and safety. We aim to create sustainable value for our shareholders, build trusting relationships with our communities, and act with integrity and sustainability towards the environment.

Vision

To be recognized as a leader in knowledge and technology, with operational excellence, socially and environmentally responsible, helping the country and its customers to meet their transmission needs efficiently and creating value through a quality service.

Purpose

“Connecting the energies of the future” through service excellence, continuous innovation, and a solid commitment to making a positive impact on society. Caring for the environment and the well-being of our communities is an important part of our decision-making process.

Values

Excellence inspires us every day to be Chile’s leading power transmission company.

Respect for the people, the community and the environment is the foundation of all our personal and professional relationships.

Commitment to the Company’s achievements makes them our achievements as well.

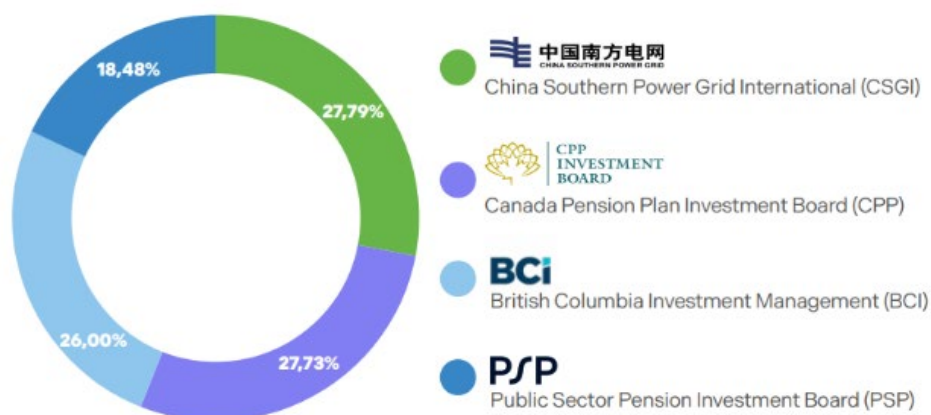
Integrity is the basis of all our actions and decisions.

Property

(CMF 2.3.1, 2.3.2, 2.3.3, 2.3.4 i, ii, iii a, c, 3.7 iii)

Our Company’s capital is divided into 1,000,000 ordinary shares without par value. Transelec Holdings Rentas Limitada holds 999,900 shares, while Rentas Eléctricas I Limitada holds 100 shares.

The ultimate shareholders of Transelec Concesiones are:



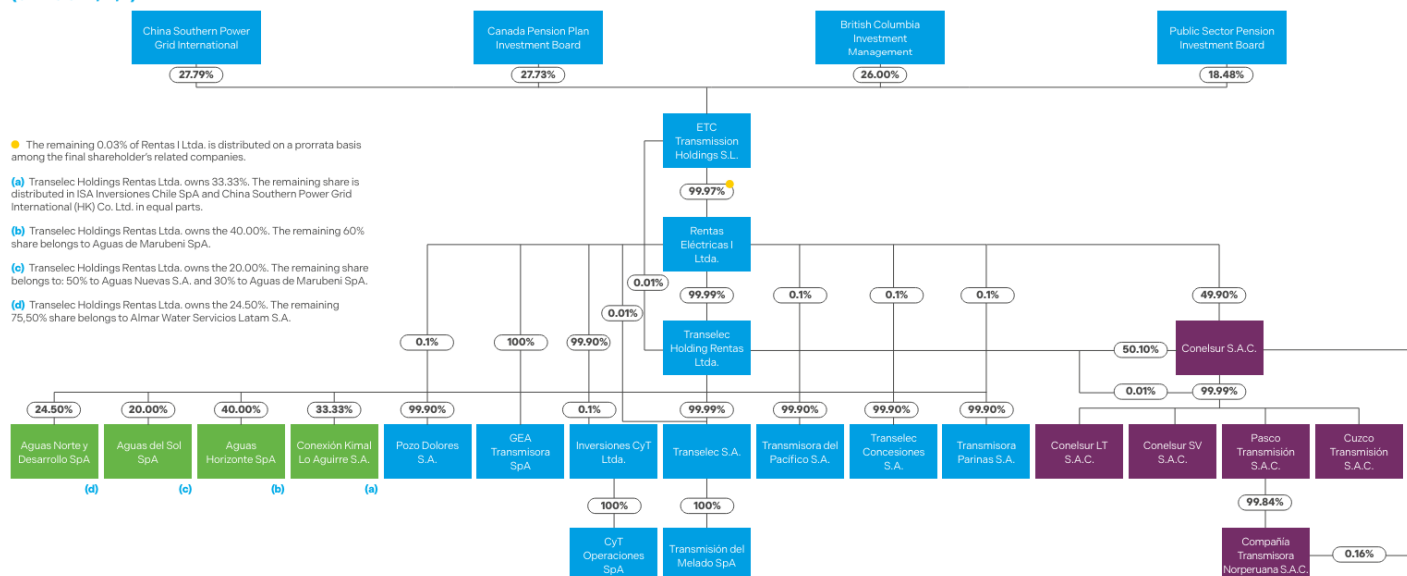
There is an ultimate parent company under the terms of the Securities Market Law. In the same line, we point out that there have been no significant changes in ownership during the last year.

Since the ultimate shareholders are foreign entities, all relevant information will be sent to them by e-mail in order to respond to their requests and their remote participation.

Note that Traselec Concesiones, through the services contracted with Traselec S.A., has a direct investor relations department whose purpose is to clarify any doubts regarding financial, economic, legal or other issues that may arise.

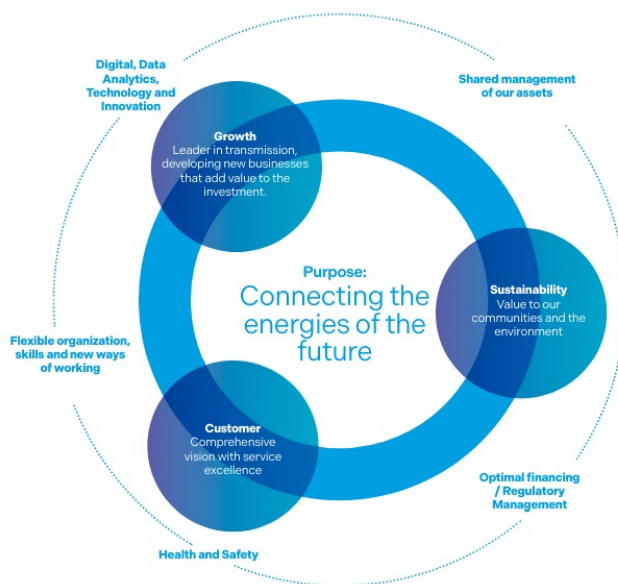
Structure of the Group

(CMF 6.5.1 v, vi, x)



As for the shareholder companies, there is no ownership percentage of spouses and/or relatives within the ownership interest.

As part of the Transelec Group, we share the same guidelines and objectives, so from 2023 we will be aligned with the Group's new strategy, based on three pillars, where customers, sustainability and growth are the strategic axes of our management. Under the objective of "Connecting the energies of the future", we have identified five cross-cutting enablers



Focus



Company's Incorporation

(CMF 2.2)

Transelec Concesiones S.A. was incorporated by the companies Transelec Holdings Rentas Limitada and Rentas Eléctricas I Limitada as a result of the award of the exploitation and execution rights of the work "Nueva Charrúa Substation, Sectioning of lines 2x500 kV Charrúa - Ancoa 1 and 2 and New line 2x220 kV Nueva Charrúa - Charrúa", which was part of the tender for the new works provided for in Exempt Decree No. 201 of 2014 issued by the Ministry of Energy.

The incorporation of Transelec Concesiones S.A. is evidenced via a public deed dated November 6, 2015, executed at the Notary's Office of Mr. Raúl Undurraga Laso in Santiago, an extract of which was registered on page 85,649, number 50,023, of the Trade Register of the Santiago Real Estate Registry of 2015 and published in the Official Gazette on November 14, 2015.

In addition, on March 9, 2016, the Superintendency of Securities and Insurance certified that Transelec Concesiones S.A. was registered in the Special Registry of Reporting Entities maintained by that Superintendency under number 406.

On February 17, 2017, Transelec Holdings Rentas Limitada and Rentas Eléctricas I Limitada sold to Transelec Concesiones S.A. the amount of 2,497,500 and 2,500 subscribed and paid shares, respectively, of the company Pichirropulli Transmisora de Energía S.A., which, according to the Register of Shareholders of such company, represents the entirety of the shares of Pichirropulli Transmisora de Energía S.A.

As a result of the aforementioned share purchase and sale agreement, all of Pichirropulli Transmisora de Energía S.A. shares were merged into Transelec Concesiones S.A., and the latter company was dissolved in accordance with the law.

On the same date, Transelec Holdings Rentas Limitada and Rentas Eléctricas I Limitada sold to Transelec Concesiones S.A., by means of two private share purchase and sale agreements, 4,995 and 5 subscribed and paid shares, respectively, in Interconexión Los Changos S.A., which, according to the said company's share register, represent all the shares of Interconexión Los Changos S.A.

As a result of the aforementioned share purchase and sale agreement, all of Transelec Concesiones S.A. shares were merged into Interconexión Los Changos S.A., and the latter company was dissolved in accordance with the law.

The ultimate shareholders of Transelec Group are: China Southern Power Grid International (CSGI), Canada Pension Plan (CPP), British Columbia Investment Management Corporation (BCI) and Public Sector Pension Investment (PSP). The Group benefits from the significant and extensive operational expertise of Transelec S.A., Chile's leading electricity transmission company, the experience of CSGI, the second largest electricity system operator in China, and the financial strength of Canadian pension funds.

Corporate governance



Chapter 2: Corporate Governance

Board of Directors

(CMF 3.1 i, ii, iv, vi, vii, 3.2 vii, viii, x, xi, xii a, b, d, 3.5, 3.6 x, 3.7 i)

Transelec Concesiones has entered into operation, maintenance, and management contracts with Transelec S.A. under which Transelec personnel are responsible for the management of Transelec Concesiones and the development of its projects. Ethical and management guidelines are also shared to ensure the proper functioning of corporate governance, such as the General Principles of Corporate Governance.

As mentioned above, Transelec Concesiones adheres to the strategic vision of Transelec S.A. and shares its three management pillars: Customers, Sustainability and Growth. This implies that every decision taken by the Corporate Governance considers environmental and social aspects. With regard to the latter, it should be noted that human rights issues have not been taken into account, which will be a challenge for the Company in the coming years.

Stakeholder engagement is key to the success and sustainability of the Group. Therefore, through Transelec S.A., we identify them and work to build strong relationships with our stakeholders to understand their needs and expectations. For more information on our stakeholders, please refer to Transelec S.A.'s 2023 Integrated Annual Report.

The Corporate Governance has three members of the Board of Directors, elected by the shareholders through an Ordinary Shareholders' Meeting. In addition, Directors will have a two-year term of office with the possibility of re-election for an indefinite period. In this area, it is the Board of Directors that approves the amount for the hiring of experts to provide financial statement advisory services.



The current Board of Directors was elected in September 2022 and will remain in office until 2023. With regard to the succession plan for the Chief Executive Officer, we follow the same guidelines as Transelec S.A., which can be consulted in Chapter 2 of the Company's 2023 Integrated Annual Report.

Matters related to ESG risks and opportunities (criteria used to assess the Company's performance and impact on environmental, social and governance issues) are dealt with by various committees of Transelec S.A., each of which meets on a weekly to monthly basis. These issues are addressed by the Executive Committee, Operations, Engineering, Occupational Health and Safety, and others. We constantly review the composition, frequency and functioning of Transelec S.A.'s committees, which deal with issues affecting the entire Group, to ensure the best performance of the Company and its functions. As we have no employees, and in accordance with Transelec S.A.'s organizational standards, we have not detected any organizational, social or cultural barriers within the Company. With regard to the frequency of the Board of Directors' meetings, they are subject to the requirements of the regulations, since all governance reviews and strategic decisions are taken by Transelec S.A. for the entire Group.


In order to secure the minutes and documents relevant to the Board of Directors, and to facilitate communication for signatures and document custody, we centralize such information by using private servers that store the minutes after each meeting. The Board of Directors visits the premises as required by the operation.

With regard to the succession plan for the Chief Executive Officer, we follow the same guidelines as Transelec S.A., which can be consulted in Chapter 2 of the Company's 2023 Integrated Annual Report. Setting a solid course for a sustainable future: Corporate Governance, Ethics, Compliance and Risk Management.

Transelec Concesiones does not adopt or comply with Corporate Governance codes issued by public or private entities. It is governed by the Corporate Governance Standards, Policies and Internal Regulations of Transelec S.A., which have been developed in such a way as to comply strictly with the legal regulations in force in Chile.

Composition of the Board of Directors

(CMF 3.2 i, ii, iii, iv, v, ix c, xi, xiii, 3.3)

		
Francisco Castro Crichton Taxpayer ID No.: 12.691.972-7 Chileno Civil Engineer Director Appointment date: April 2023	Arturo Le Blanc Cerda Taxpayer ID No.: 10.601.441-8 Chileno Lawyer CEO and Chairman Appointment date: April 2023	Jorge Vargas Romero Taxpayer ID No.: 12.691.972-7 Chileno Civil Engineer Director Appointment date: April 2023

We have no alternate directors.

Diversity on the Board of Directors

Segment	Board of Directors	No.	%
Gender	Men	3	100%
Nationality	Chilean	3	100%
Age group	41 to 50 years old	2	67%
	51 to 60 years old	1	33%
Years of service	Under 3 years	3	100%
Disability		0	0%

*The age and seniority groups are not complete according to NCG No. 461, as there are no directors in other groups.

There is no gender pay gap as there is no remuneration for the members of the Board of Directors and they are all of the same gender.

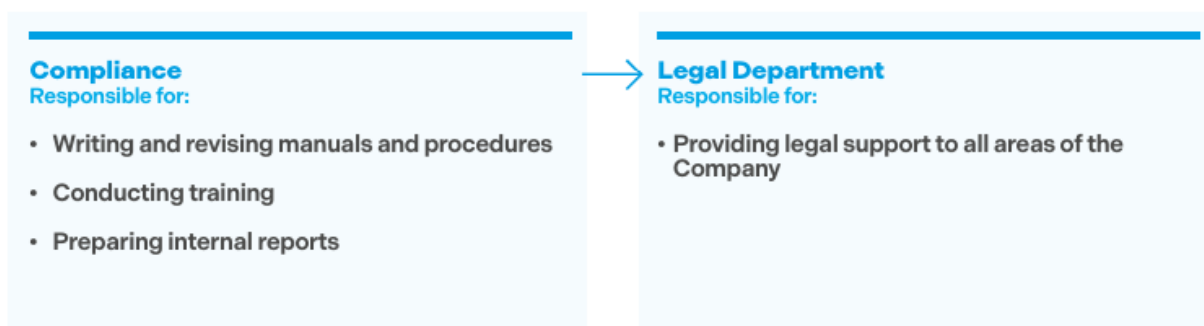
Like Transelec S.A., we have no policy for contracting consulting services, but rather a budget that is managed and used according to the needs and requirements detected by Transelec Concesiones's Board of Directors. During 2023, the Board of Directors used no external advisors and there were no alternate directors. Similarly, we point out that if it were necessary to hire consultants, this action would be managed by Transelec S.A. Likewise, we point out that we have no policy on director recruitment, but we expect to develop one soon.

With regard to the selection of directors, we have a procedure that takes into account a range of skills and abilities required for the position. Similarly, in order to ensure that our directors are well prepared and perform well, an induction process is carried out prior to their appointment, during which they study in depth the Company's regulations. This induction includes tools such as the Code of Ethics and Conduct, the Crime Prevention Model, the Integrated Report, the Corporate Risk Map, the Bylaws and the Internal Rules of Order, Hygiene and Safety, among others.

Ethics management and compliance

(CMF 3.1 iii, 3.6 vii, viii, xiii)

As in Transelec S.A., our commitment and compliance are based on an Integrity Model that aims to provide all employees with a clear framework that provides guidance and guidelines for the correct behavior of each employee.



The purpose of this Integrity Model is to provide employees with a clear framework to guide each employee's actions. This model is implemented from a proactive perspective, focusing on prevention and detection, and is structured through six documents and actions that give life to the Company's ethical culture:

- Protocol for Compliance Investigations (2016)
- Crime Prevention Model (2020)
- Code of Ethics and Conduct (2021)
- Antitrust Manual (2022)
- Crime Prevention Policy (2022)
- Antitrust Policy (2022)

In this way, we promote a set of values and principles that govern the working and professional relationships of everyone who interact with Transelec S.A. in their capacity as directors, managers and employees. They also guide our relationships with customers and suppliers.

Similarly, there are procedures for resolving ethical conflicts, raising complaints, training in relevant matters, orienting new employees, investigating, and conducting due diligence on suppliers and various counterparties with whom the Company intends to enter into contracts or business relationships. This includes service relationships, relationships with donees, issuance of reports, among others. The ultimate goal is to promote high ethical standards.

Whistleblower Hotline

(CMF 3.2 xii c)

We are committed to maintaining transparency and objectivity in everything we do. For this reason, we have an anonymous whistleblower hotline, managed by an independent external body, which is responsible for receiving complaints and informing the Company so that it can deal with them. This whistleblower hotline is available to our customers, suppliers, contractors, and employees. Internally, we use ongoing communication through mails and training to raise awareness of this hotline.

We are proud to say that for the reported period, we have not received any complaints about customer privacy violations or loss of customer data.

[Access to our whistleblower hotline.](#)

Legal compliance

(CMF 8.1.1, 8.1.3, 8.1.4. 8.1.5)

Clients

Within the framework of Law No. 19,496, the existence of a special law that governs aspects related to the Protection of Consumer Rights (Law 18,410) is stipulated. Indeed, the SEC has the power to apply sanctions and fines in case of regulatory non-compliance. Likewise, there is constant monitoring and alarms that seek to anticipate and detect situations of non-compliance and failures.

Environmental

We permanently ensure regulatory compliance. We point out that, during the reporting period, Transelec Concesiones did not receive sanctions in this regard.

Free competition

We do not have enforceable sanctions in this area.

Other

We do not have attacks on the regulation of Law 20,393.

Board of Directors' Committee

(CMF 3.3 i, ii, iii, iv, v, vi, vii)

Our Corporate Governance does not include a Board of Directors' Committee. In the event that such a committee is required, all matters pertaining to the Company are considered by the various committees of Transelec S.A.

Executive Team

(CMF 3.4 i, ii, iii, iv | 3.6 xi, xii)

Given the characteristics of the company, the only executive is the CEO, who in turn is a member of the Board of Directors. However, we point out that given the service contracts we have with Transelec S.A., all matters pertinent to the policies and guidelines related to people are treated under the same guidelines, managing the operation through said entity.

Segment	Senior Management	N°	%
Gender	Men	1	100%
Nationality	Chilean	1	100%
Age Range	41 through 50	1	100%
Seniority	Less than 3 years	1	100%
Disability		0	0%

Labor formality: Indefinite period

Work adaptability: ordinary day

There is no wage gap

Our business



Chapter 3: Our business

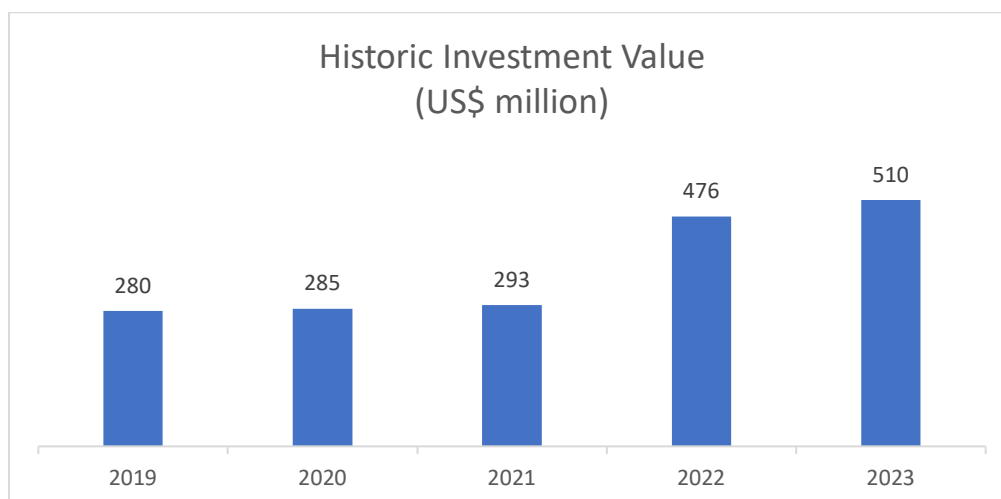
(CMF 6.2 i, ii, 6.4 i)

Description of business

Our service consists of transporting energy throughout the country from generation points to consumption centers. We make our facilities and assets available to the Chilean electricity system. This is achieved through the development and operation of infrastructure, mainly consisting of transmission lines and electrical substations.

In this way, we are integrated into the National Transmission System, through which we obtain the rights for the exploitation, execution and operation of new works tendered by the Chilean National Power Grid Coordinator. This allows us to have a regulated revenue scheme, as detailed below.

We are part of the group that operates 11,450 km of lines in Chile and 977 km of lines in Peru, of which 1,023 km of lines with a total transformation capacity of 3,750MV are part of Transelec Concesiones' assets. Our assets have an investment value (V.I.) of US\$510 million.



Regulatory framework

(CMF 6.1iii)

Regarding Chile's regulatory framework for the electricity industry, it is important to note that energy and electricity are the only products of the electricity market that end users receive. The latter identifies generation companies as product suppliers and transmission and distribution companies as service providers, as well as companies that provide complementary services and storage systems.

Objectives of electricity regulation in Chile:

Create a competitive market
Achieve price reduction
Increase efficiency

Institutional framework of the electricity sector

Policy

Chilean Ministry of Energy

Regulator

Chilean National Energy Commission (CNE)

Overseeing / Sanctioning Body

Chilean Superintendency of Electricity and Fuels

Coordinator

Chilean National Power Grid Coordinator

Dispute Resolution

Expert Panel

The regulatory framework that governs the operation of the transmission segment in Chile is based on the Decree with Force of Law No. 4, of 2006, of the Ministry of Economy, Development and Reconstruction. This Decree establishes the consolidated, coordinated, and systematized text of the Decree with Force of Law No. 1 on Mining of 1982, of the General Law of Electric Services, hereinafter and indistinctly referred to as the "General Law of Electricity Services" or "GLES". The GLES and its complementary regulations establish the norms for the proper operation of the electricity sector, which regulate the technical, safety, coordination, quality, informational and economic aspects of the operation that must be followed by any electric installation in the country, whether it be generating, transmitting, or distributing.



In 2004, Law 19.940, known as Short Law I, was enacted, amending the GLES. This law, among other things, guarantees the revenue stream of regulated facilities of the transmission companies from the date of its enactment.

The last important reform of the GLES is the enacted Law No. 20.936/2016 (Transmission Law), which establishes relevant amendments, including:

- A single National Coordinator of the Electricity System, independent of market participants, replacing the Economic Load Dispatch Centers.
- The redefinition of transmission systems, classifying them as National Transmission System (previously Trunk), Zonal Transmission Systems (previously Subtransmission), Dedicated Systems (previously Additional), and including two new segments: Transmission Systems for Development Poles and International Interconnection Systems.

The following events also took place during the year:

- The Critical Infrastructure Law, which designates power transmission as critical infrastructure, was published on February 3, 2023.
- The Ministry of Energy conducted a public consultation on the Electricity Transmission Regulation, which includes for the first time, the regulation on the recognition of electricity from stand-alone storage systems. The regulation is currently under review by the Chilean Controllershship Office.
- The Government presented to the Mining and Energy Commission of the Senate the Energy Transition Bill, which introduces changes affecting transmission, such as: the inclusion of works ordered by the Authority, the return of tenders for expansion works to the owners, among others. This Bill is currently before the Mining and Energy Commission.
- The Government presented the Price Stabilization Bill, which does not affect transmission.

National Transmission System charges

Revenue from existing facilities of the National, Zonal and Development Pole and Dedicated Transmission System used by users subject to price regulation are constituted by the Annual Value of Transmission by Tranche (VATT). This is calculated on the basis of the Annuity of the Investment Value (AVI), plus the Operation, Maintenance and Administration Costs (COMA), adjusted for income tax effects (AEIR), for each of the tranches that comprise these systems. Similarly, revenue from the use of dedicated transmission facilities by users subject to price regulation are constituted by the portion of the VATT attributable to such users.

Payment of transmission systems

The payment for the National, Zonal, and dedicated transmission systems used by users subject to price regulation is charged to the unregulated and regulated end users. For the payment of the transmission systems of the development poles, a single charge is established so that the corresponding collection compensates for the part of the facilities in the development poles not used by the existing generation; and the VATT not covered by said fee shall be borne by the generators that feed their production into the corresponding pole. In the case of the National Transmission System, Law No. 20.936/2016 established a transitional period, defined between 2019 and 2034, to gradually replace the old charge and payment regime with the new regime described above. In the case of the zonal transmission systems, the new charge and payment regime has been applied since January 1, 2018.

Payments for the use of facilities belonging to dedicated transmission systems, essentially intended to feed the production of generating plants into the system or to supply electricity to unregulated customers, are obtained on the basis of what is agreed in the private transport contracts concluded between these types of users and the owner of these facilities, and their price is normally determined by calculating the AVI + COMA determined by mutual agreement between the parties.

Tariff studies

The 2020-2023 tariff process for the national and zonal transmission systems started in 2017 with the first qualification process for transmission facilities, in accordance with Law No.20.936/2016. Following publication of the 2019 Transmission Facility Qualification and in accordance with the law, a committee in charge of awarding and supervising the Valuation Studies was formed, composed of representatives of the Ministry of Energy, the National Energy Commission, the companies that own the facilities of the National and Zonal Transmission Systems, the unregulated customers and the National Power Grid Coordinator. The consultants in charge of the evaluation study of the National Transmission System were Consorcio Synex Ingenieros Consultores Ltda, Estudios Energéticos Consultores S.A. and Equipos Servicios de Ingeniería S.A., and for the Zonal Transmission Systems the company SIGLA S.A., with both studies starting in 2019.

On March 2, 2022, the National Energy Commission issued the Final Technical Report of the Evaluation Studies of the National Transmission System and the Zonal Transmission System, which was corrected by the Authority on January 19, 2023. The Ministry of Energy sent to the Chilean Controllershship Office Decree No. 7T-2022, which contains the determination of the valuation of the National Transmission System and the Zonal Transmission System for the period 2020 - 2023. It was finally published in the Official Gazette on February 16, 2023, effective from that date and with retrospective effect on the tariffs from January 1, 2020.

In view of the retrospective effect as of 2020, the Company decided to record a provision for lower revenue, which allowed to better reflect the revenue that should have been received in that period. At year-end 2022, the information of Decree 7T was already available so that the specific calculations could be retrospectively incorporated and presented in the financial statements. During 2023, revenue was accrued according to the values of Decree 7T without any adjustments. On December 31, 2021, the National Energy Commission initiated the process for the valuation studies of the National Transmission System and the Zonal Transmission System to be effective for the period 2024 - 2027.

Projects and new business

(CMF 6.2 v)

The projects that are part of Transelec Concesiones are:

Nueva Charrúa Substation

- ↳ Sectioning of the 2x500 kV Charrúa - Ancoa 1 and 2 lines
- ↳ New 2x220 kV line Nueva Charrúa - Charrúa

2x220 kV Pichirropulli-Nueva Puerto Montt line

- ↳ Nueva Puerto Montt sectioning substation
- ↳ Sectioning of the 2x220 kV Rahue - Puerto Montt lines

New 2x500 kV 1500 MW line between Los Changos substation and Nueva Crucero Encuentro substation

- ↳ 2x750 MVA 500/220 kV autotransformer banks at Nueva Crucero Encuentro substation
- ↳ 750 MVA 500/220 kV autotransformer bank at Los Changos substation
- New 2x220 kV 1500 MW line between Los Changos substation and Kapatur substation



New works

(CMF 4.1, 4.2, 4.3)

Studies: No new works studies were developed during the period.

Awarding: During the period, the projects New Reactive Compensation Equipment in Entre Ríos (STATCOM AT) and Expansion in Kimal 500 kV (IM) Substation were awarded.

Commissioning:

Decree	Project	VI Ref (ThUS\$)	Commissioning
0201/2014	Nueva Charrúa Substation, Sectioning of the 2x500 kV Charrúa - Ancoa 1 and 2 lines and New 2x220 kV line Nueva Charrúa - Charrúa	81,914	July 20, 2012
0201/2014	2x500 kV Pichirropulli - Puerto Montt line, energized at 220 kV	81,519	May 31, 2022
0158/2015	New 2x220 kV 1500 MW line between Los Chagos substation and Kapatur substation New 2x500 kV 1,500 MW line between Los Chagos substation and Kimal substation, 2x750 MVA 500/220 kV Autotransformer Bank at Kimal substation, 500/220 kV Autotransformer Bank at Los Chagos substation.	174,000	November 20, 2017 December 6, 2019

Investment during 2023

Type of project	Actual investment (in millions of US\$)
New works	6.125
Roll-forward *	0.318
Total National System projects	6.443
(*) Corresponds to payments made in 2023 for projects commissioned in 2022 or earlier.	

The relationship of the projects to the ESG criteria is part of the requirements of the authorities at the time of award and of the internal guidelines we have defined in this regard.

People

(CMF 3.2 xiii f, 5)

An essential part of our business is to have employees who are committed to maintaining the same standards in all of the Group's projects. Transelec S.A. offers Transelec Concesiones the service of providing its personnel and experience, so we do not have our own personnel. As we do not have our own employees, we do not have a salary gap.

At Transelec Concesiones, we manage our projects by sharing policies and guidelines with Transelec S.A., a key partner with whom we maintain the same operating standards and without differentiating between assets. Human resources management is performed by Transelec S.A. on the basis of common guidelines, maintaining the same Diversity and Inclusion Policy, Subcontracting Policy and Safety Culture Model. Parental leave, training and benefits are managed by Transelec S.A. For this reason, we have no complaints regarding harassment at work or occupational safety.

For more information, please refer to Chapter 5 of the Transelec S.A. Integrated Annual Report: People as the driving force behind the development of our Company.

Subcontracting policy

(CMF 5.9)

As we have already mentioned, our processes are those of the Transelec Group. In this context, any contractor wishing to subcontract work or services must first obtain the Company's approval, specifying the subcontractor and the service to be provided. The Contractor must submit in writing the basis on which the subcontract is being granted, as well as the nature and scope of the work.

As soon as the contractor obtains the authorization to subcontract a part of the works or services, it becomes responsible for the obligations provided for in the contract and undertakes to comply with the requirements imposed by the Company pursuant to Law No. 20,123.

In addition, it must provide the detailed contractual documentation for each case, which must include at least: the contract (or the document replacing it), the scope, the start date and the end date.

Relationship with suppliers and contractors

(CMF 6.2 iii, 7.1 i, ii, iii, iv, v, 7.2)

In 2023, no changes were made to the procurement policy, but the general and special administrative bases were revised to update the framework of actions, responsibilities and relationships with suppliers and contractors.

The payment policy established for Transelec S.A. and Concesiones considers a term of 30 days. However, this is modified in the case of SMEs (Small and Medium Enterprises), in order to support them in their development, the Company has established a payment term of approximately seven days for all suppliers with such criteria, which is still in force today.

In terms of purchases in 2023, the supplier Ingeniería Agrosonda represents 81.79% of the purchases made.

Number of invoices paid in 2023

Suppliers	Range by days			Total
	≤ 30 days	31 to 60 days	60 days <	
Domestic	2,289	32	40	2,352
Foreign	9	5	4	18
Total	2,289	37	44	2,370

Amount of invoices paid in 2023

Suppliers	Range in millions of Chilean pesos			Total
	≤ 30 days	31 to 60 days	60 days <	
Domestic	11,263	1,108	1,437	13,808
Foreign	168,944	118,689	100,765	388,398
Total	180,207	119,797	102,202	402,206

Amount of interest for late payments in 2023

Suppliers	Range in millions of Chilean pesos			Total
	≤ 30 days	31 to 60 days	60 days <	
Domestic	N/A	N/A	N/A	0
Foreign	N/A	N/A	N/A	0
Total	0	0	0	0

Number of suppliers to which the paid invoices relate

Number of suppliers	Range by days			Total
	≤ 30 days	31 to 60 days	60 days <	
Domestic	23	23	112	158
Foreign	1	0	2	3
Total	24	23	114	161

We have no agreements registered in the Register of Exceptional Payment Period Agreements of the Chilean Ministry of Economy.

Supplier screening

We have a comprehensive supplier and contractor screening policy shared with Transelec S.A., which rates each supplier and contractor, whether for services, construction, or supplies, on a scale of 1 to 5 based on their performance in the following areas:

Technical Aspects (Services)

- Adherence to the agreed deadlines for the service
- Timely and quality delivery of documentation related to the service
- Quality of services and work
- Technical competence of personnel
- Optimal equipment/technological support/software for the development of the service/tools

Technical Aspects (Works)

- Quality of engineering
- Construction strategy
- Commissioning of works
- Technical competence of personnel

Safety and environmental aspects

- Compliance with TSG / applicable OHS / accreditation regulations
- Compliance with applicable surplus and waste disposal regulations
- Compliance with MA regulations
- Relationship with communities/landowners

Contractual Aspects

- Proactive and timely compliance with labor laws
- Compliance with awarded contract terms
- Compliance with the provision of financial guarantees
- Submission of additional documents in accordance with the awarded prices and with a level of detail that facilitates their review/approval
- Verification of financial soundness, compliance with payment obligations, etc.
- Supplies delivery times
- Compliance with delivery of Rev. 0 manufacturing drawings
- Compliance with agreed delivery times for supplies.

Supply Quality Aspects

- Quality of factory technical drawings/documents
- Quality of supplies, goods or equipment
- Transport conditions (safety, quality)
- Quality of technical service (FAT, PES, After Sales tests)
- Training of Transelec personnel

Number of suppliers screened

We did not screen suppliers against these criteria in 2023

Percentage of suppliers screened with respect to total

Domestic: 0%

Foreign: 0%

Total: 0%

Percentage of total purchases for the year that correspond to screened suppliers

We did not screen suppliers against these criteria in 2023.

During the reporting period, we used the Ariba platform for bidding and quoting services and works without using the contract management module, while continuing to use the contract management and document control portals:

- ➔ SGC platform (Contract Management System): Portal developed at the request of the VP of Engineering and Project Development for Transelec S.A. and used by the Contracts DM of Procurement Management. It maintains a list of contracts, guarantees, milestones, amounts, contractors and manages the records of approval of payment statements.
- ➔ Meridian: Document control tool through which Transelec Group and its contractors exchange correspondence, including letters, delivery notes (engineering documents, drawings, etc.), management reports, Gantt charts, warranties, etc. It is managed by the Cost Control and Document Control Department of the Transelec S.A. VP of Engineering, which assigns each incoming and outgoing document to the appropriate recipient.

Licenses, franchises, royalties and/or concessions

(CMF 6.2 vii)

Please note that we have no concessions, franchises or royalties. With regard to concessions, we point out that the transmission lines and substations of the entire Transelec Group, including the regulated projects of Transelec Concesiones, have been concessioned in accordance with the provisions of the General Law on Electricity Services, DFL no. 4 of 2006 (LGSE), by means of definitive concession decrees issued by the Ministry of Energy by decree of the President of the Republic, for an indefinite period, with the rights and obligations established in the aforementioned LGSE, and whose main purpose is to grant easements allowing the concessionaire to occupy the land necessary for the lines and substations.

Our operation



Chapter 4: Our Operation

In line with the strategic pillar of providing a quality service to our customers, a service contract has been signed with Transelec S.A., a company that, unlike us, has its own staff, contractors, technological resources and processes supported by sophisticated risk models. This key partner has this experience as a pillar supporting the high quality and security standards with which we provide our services on a daily basis. The aforementioned service contract provides for the operation and maintenance of the Company's assets.

The National Transmission Operation Center (CNOT) of Transelec S.A. plays a fundamental role in ensuring the service continuity. In 2014, its construction was completed with the highest safety standards, allowing Transelec S.A. to centralize the real-time operation of its facilities and, subsequently, those of Transelec Concesiones. In 2016, a competency management process for CNOT operators was established, a process that took into account an analysis of model skills. During 2020, thanks to the previous implementation of the Operator Training System (OTS), the improvement of the technical and behavioral performance of the operators was deepened in a controlled environment, through the simulation of extreme events and conditions that replicate the real characteristics of the system and its workplace. The consolidation of the operation between the backup and the main control center of the CNOT, together with the preparation of the personnel for the operation, allows us to be better prepared to face an emergency scenario without compromising the continuity of operations.

Asset Management

Delivering excellent service to our customers is one of our cornerstones, so ensuring the condition of our facilities and networks is paramount in our daily work. A well-maintained infrastructure is necessary to ensure the resilience of facilities in the face of climate disasters, emergencies, or other contingencies, and to guarantee continuity of service. This, in turn, impacts the stability, reliability and efficiency of the electric system

In 2021, Transelec S.A. started the project to implement the Asset Management System (AMS) based on ISO 55000. In 2023, this system consolidated by closing the gaps through an ISO 55001 audit.

Activities in 2023 focused mainly on consolidating and implementing new models and techniques, improving existing plans, updating processes and standards, with a special emphasis on incorporating a cross-cutting approach to the entire asset lifecycle.

Some of the actions to be carried out in 2023, aimed at asset management and developed in collaboration with Transelec S.A., are as follows:

- Improving the measures and action plans for the maintenance of high-impact points
- Exploring new methods and innovative technologies for maintenance and preventive actions
- Improving our renovation processes and operating costs
- Maintaining the value of our services
- Creating opportunities to address climate change resilience
- Digital innovation in asset management

For more information on specific actions related to asset management, please refer to Chapter 3 of Transelec S.A.'s 2023 Integrated Annual Report: Focused on our customers, we provide specialized and critical services with clear and long-term arrangements.



Service quality indicators

Quality of service is another strategic pillar of Transelec Concesiones. This implies a commitment to provide a high-quality service, with high standards of safety and maintenance. Operational results and asset management must be a true reflection of our commitment to our customers.

The evolution of the network topology and changes in quality standards, coupled with increasingly demanding customer requirements, challenge us to continuously improve our performance and our ability to respond to incidents.

Measuring quality of service reflects the impact of the performance of our assets and the way we operate on the end customer. The indicators that allow us to monitor this are:

- **HIE:** High Impact Events are all those interruptions of service to the end customer that exceed 1 hour in duration, regardless of the number of customers.
- **USE:** Unserved Energy reflects the sum of the impact of the different interruptions of electricity supply to the end customer, measured in MWh, and is a variable used by the Superintendency of Electricity and Fuels to calculate compensation on a regular basis.

	2022	2023
HIE (number of events)	0	0
USE (MWh)	0	0

Technology and innovation (CMF 3.1 v)

Through Traselec S.A., Traselec Concesiones is part of the effort to improve the use of technology and digital innovation to generate solutions that improve service. Through the Innovation and Technology Management of Traselec S.A., all assets are part of the technological upgrades that will be implemented during 2023.

"Centinela" cable monitoring device

For years, we have been developing and deploying an intelligent monitoring technology that has become an important part of our operations. This solution was developed within our innovation portfolio together with the Argentinean startup Sentsense. These are intelligent monitoring devices that are key to support cable theft prevention, maintenance and operational continuity plans.

These solar-powered devices are installed along power lines to collect geo-referenced data thanks to their various sensors. Their network connection allows us to receive this data in a centralized manner.

This year, the "Centinelas" accurately detected 100% of the thefts on the lines equipped with this technology. We currently have more than 120

[Watch video](#)

Vegetation management platform

This year we launched the Vegetation Platform, a system that uses satellite imagery geospatially analyzed with Artificial Intelligence (AI) to calculate vegetation growth and alert us to areas in need of maintenance. With this new technology, we can constantly monitor the vegetation around our facility and manage pruning only when necessary, reducing risk to our assets and saving maintenance resources.

[See post on LinkedIn](#)

Virtual reality training and certification

This year, we implemented virtual reality risk behavior certification for both our employees and contractors. This solution allows us to ensure, in a simple and fun way, that we have the necessary behavioral competencies in our field work. The solution has been deployed in one specific site with promising results and is expected to be rolled out to the rest of the sites by 2024.

Digital culture

This year was marked by significant cultural management. Several workshops on agile methodologies, digital prototyping and artificial intelligence were developed within the organization. We also participated for the first time in the C³ ranking of creativity and innovation, where, in addition to the assessment of our culture, we were awarded the prize in the Open Innovation category.

In November 2023, we received the "Open Innovation" award in the 10th C³

Upgrade/Migration from SAP ERP to S4 HANA Cloud

We completed the migration of SAP to the S4 Hana version in the cloud, which eliminates the risk of obsolescence and availability. SAP S4 Hana is a transactional business tool that facilitates the resolution of development, integration, and analysis needs. All our own employees have been trained in the various SAP modules, and capsules, presentations and simulations are available to anyone who wishes to access them. An information campaign was carried out for two months via the intranet, e-mails, videos and notes, with a participation rate of more than 90%

Completion of the "GO" operational management application upgrade and cloud migration.

The GO (Operational Management) platform is the system used to program all the work to be carried out on the Company's facilities.

All the work carried out on the transmission network is programmed in this system in a process that takes about two weeks and involves the technical staff in the field, the operational staff, safety personnel, and the contractor who carries out the work, all in order to protect the risks to people, equipment, the system and the environment.

The process of modernizing applications to improve their compatibility and scalability with public cloud environments, and then migrating them to the cloud, is an important part of our digital transformation. This provides us with a number of benefits, such as increased operational efficiency, guaranteed business continuity, cost reduction, and greater flexibility and agility. All of this is done while always prioritizing data security and availability.

Our customers

(CMF 6.2.iv)

Our customers are the generation and distribution companies to whom we owe a reliable supply of electricity. Part of the corporate strategy that we share with Transelec S.A. places the customer at the center as a fundamental pillar of our management. Through this strategy, we seek to identify:

- Customer category
- Define and implement a segmented strategy
- Review the customer service model for each customer, with the goal of further improving satisfaction across our customer portfolio.

We strive to increase customer understanding to generate customer satisfaction and loyalty. Working according to the customer's needs requires a great deal of teamwork and a cultural change, which we have been working hard on since the strategic definition.

Customers representing 10% of purchases:

Customer	12-31-2023	12-31-2023
	ThUS\$	%
Enel Group	14,940	38%
CGE Group	6,689	17%
Colbún Group	6,810	17%
Engie Group	4,921	12%
AES Andes Group	4,903	12%
Other	1,302	3%
Total	39,565	
Concentration % for the main customers	97%	

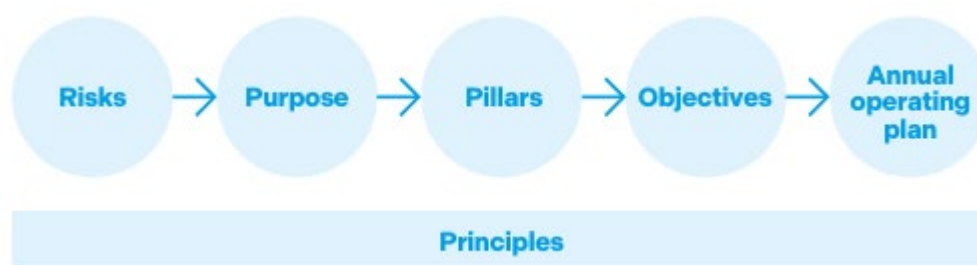
Stakeholders

Communities

(CMF 3.6 ii.e, 6.1. v, 6.3)

The recently published Community Relations Strategy, entitled "Communities and Social Value", is transversal to the entire Transelec Group and reinforces our commitment to the communities surrounding our projects.

This strategy stems from our concern about the need to project ourselves in a changing social environment and to continue to build a close and transparent relationship with those with whom we are connected in the territories. We know that building a relationship of trust with our neighbors is at the heart of our relationship with our communities, fostering mutual understanding and allowing us to get to know the community in which we operate better, addressing social challenges together with responsibility and empathy. The design of this Strategy included interviews with key stakeholders and a review of standards, culminating in general guidelines that helped us create a conceptual model that allowed us to identify risks and opportunities:



The review and adaptation of this process led to the design of the Social Investment Model, which defines four areas that will guide social investment for the new cycle: Community Energy; Adaptation and Resilience; Local Development and Infrastructure; and Promoting Local Culture. For each area of focus, action plans have been defined for the years 2024-2027. We manage and execute the programs with neighbors in each area where we operate. We do this through various forums such as bi-weekly working meetings, citizen participation processes and social investment projects.

All projects are designed and developed in a participatory manner with the community, supported by specialized consultants and in the field with the directors of the different organizations that participate in the roundtable. In addition, we implement cross-cutting community development programs that allow us to respond to the concerns and needs that we identify as common to the different communities. As a result, the programs and projects we carry out are very diverse, depending on the realities of the places where we are present.

For more information on our Social Investment Model, cross-cutting social action programs and budgetary investments in social organizations, please refer to Chapter 4 of Transelec S.A.'s 2023 Integrated Annual Report: Building Connections: Strengthening community through social value and protection of our planet.

Regarding the relationship with other stakeholders, since we are affiliates (Transelec S.A. and Transelec Concesiones), we share the dialogue and the relationship with each of them.

- ❖ Shareholders and Board of Directors
- ❖ The financial community (banks, investors, risk rating agencies, etc.)
- ❖ Employees
- ❖ Guild associations
- ❖ Authorities
- ❖ Communities
- ❖ Customers
- ❖ Suppliers and contractors

Environment

(CMF 8.1.3)

Our business, energy transmission, plays a vital role in society and has the potential to impact the environment, given that our high-voltage lines traverse various territories and ecosystems. We are responsible for identifying and permanently managing our environmental impacts in accordance with environmental regulations, through a preventive culture and clear environmental management guidelines.

To implement this approach, we have implemented an Environmental Management System (EMS), a cross-functional framework across the Transelec Group. This system enables us to identify and prioritize significant environmental aspects, as well as define control measures, regardless of project type. The main lines of this EMS are as follows:

1. Risk-based management
2. Continuous improvement
3. Learning

Our operations are subject to Law No. 19,300 (1994) on General Principles for the Environment ("Environmental Law"), as amended. The Environmental Law requires the owners of new projects or modifications of high-voltage transmission lines and electrical substations to submit to the Environmental Impact Assessment System ("SEIA") and file Environmental Impact Studies ("EIA") or Environmental Impact Statements ("EIS"), as appropriate, so that such projects may be evaluated and environmentally qualified by the respective Environmental Assessment Commissions and, as a final result, have an Environmental Qualification Resolution. All projects and their modifications are submitted to the SEIA through an EIA or EIS, as appropriate, in accordance with the requirements of the Environmental Law as amended in 2010 and the corresponding regulations issued in 2013.

In addition, all projects that have entered the system have been monitored in accordance with the measures imposed by the environmental authority in their respective approvals, which are embodied in the Environmental Qualification Resolution (RCA) of each project. This includes, from its entry into service in 2021, the supervision of the Superintendence of the Environment, subject to its sanctioning capacity, and the decisions of the Environmental Courts in case of controversies.

One of the challenges in environmental matters is the project “New Transmission Line 2x500 kV Pichirropulli- Tineo”, which entered into service in 2022. One of our responsibilities is to respect the exact schedules and definitions of vegetation cutting. During 2023, we had to work with Conaf on correction and reforestation plans for two cases where due diligence regarding vegetation was not followed. At the time of writing, both processes are still awaiting final approval from Conaf.

Notwithstanding the above, during 2023, the same transmission line was subject to a scheduled audit of different RCA, which had a favorable outcome, being in full compliance with the standard. The environmental aspects that were audited included: the installation of flight deterrents, the implementation of the soil compensation plan, the monitoring of injured birds, the implementation of the rescue of flora specimens prior to the cutting of native forest, and finally, the implementation of the rescue and relocation of amphibians. At the same time, we are pleased to announce that in the Changos-Kimal, Charrúa-Ancoa and Nueva Charrúa-Charrúa transmission lines, we received no sanctions or fines during the year 2023.

Financial information



Chapter 5: Financial Information

Debt

Our Company is financed under a Project O structure, for which a contract was signed on December 21, 2018 with the following banks:

- Bank of Tokyo-Mitsubishi UFJ (MUFG)
- KfW IPEX-Bank (KfW)
- Export Development Canada (EDC).

In January 2020, Bank of China acquired part of MUFG's interest and is now one of the four banks that are part of the financing.

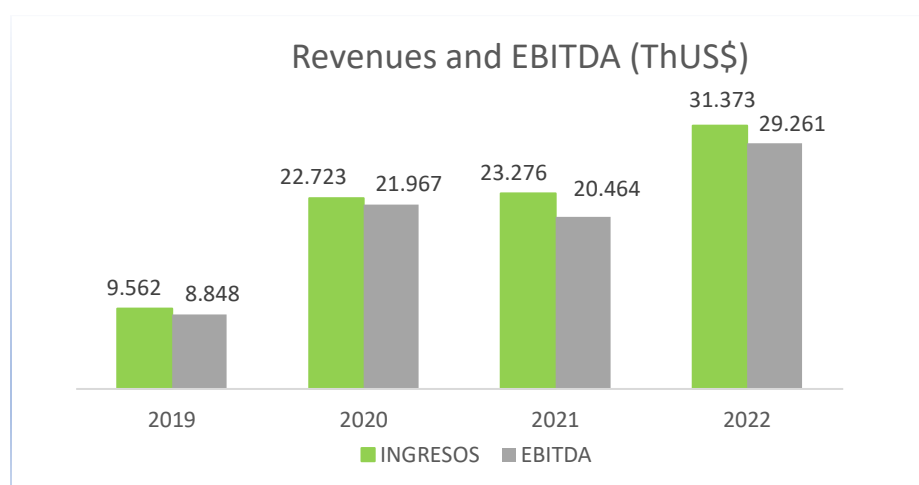
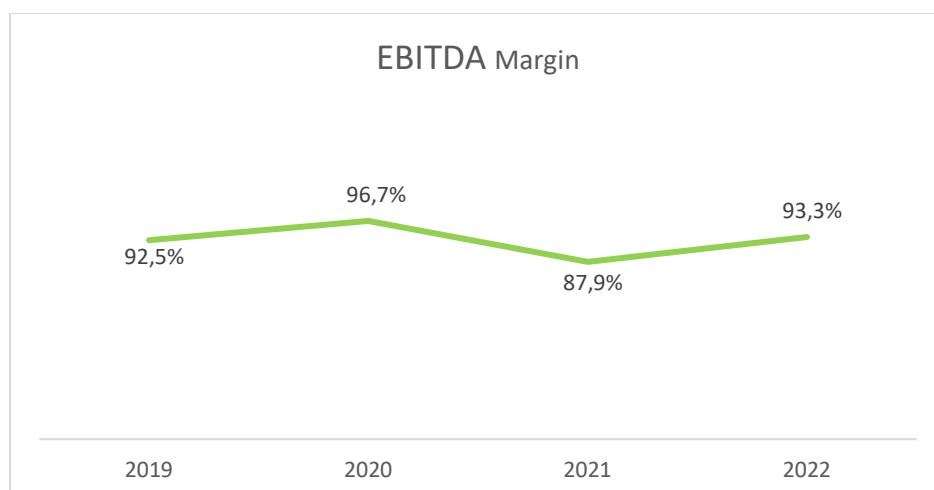
As of December 31, 2023, the loan amount is approximately US\$307 million.

The contract allows for financing of the Company's new construction projects: Nueva Charrúa substation, Pichirropulli - Nueva Puerto Montt, Los Changos - Nuevo Crucero Encuentro, and Los Changos Kapatur transmission lines.

Revenues

The electricity industry in Chile is undergoing significant regulatory changes, established in 2004, which are favorable for both revenue stability and margins. The remuneration regime established by Law No. 90,936 (2016) further enhances this stability. As a regulated business, we have a clear understanding of our tariffs, which are defined by law every four years (National and Zonal segments). This provides a high level of certainty and low risk in the calculation of our revenues and margins. The tariffs allow us to earn revenue based on our installed capacity (take or pay) and guarantee fixed revenues for 20 years from the start of operation of new system expansions. After this 20-year period, revenue is generated by a tariff that is set every four years.

As of December 31, 2023, Transelec Concesiones recorded an EBITDA of US\$37,477, representing a 28% increase over 2022 (US\$29,261). The increase in EBITDA was primarily driven by the indexation effect of regulated revenues and the commencement of operations of the "2x500 kV Pichirropulli - Nueva Puerto Montt Line" project in May 2022.



Investment and financing policy

We have no investment and financing policies.

Dividend policy

On April 29, 2016, the Ordinary Shareholders' Meeting of the Company was held. At this meeting, it was agreed that, in accordance with the provisions of Article 79 of the Companies Act, at least 30% of the net profit of each year will be distributed. This policy will remain in effect until amended by the Company's Board of Directors and reported at a new Ordinary Shareholders' Meeting. As of the date of this Annual Report, this policy has not been modified.

Risk Factors

(CMF 3.1 iii, 3.6 i, ii, iii, iv, v, vi, vii, viii, ix, xiii)

The risk management strategy at Transelec is comprehensive and applies to the entire Company. Our risk management team is dedicated to identifying and mitigating risks. They collaborate with the entire organization to create a comprehensive Risk Matrix, which includes approximately 100 risk factors and their respective probabilities and impacts. The matrix includes controls to mitigate their impact and "champions" or individuals responsible for implementing action plans based on the controls. The principles contained in COSO ERM and ISO 31,000, together with other existing models, have been adopted as the Risk Management methodology.

The Internal Audit Department of Transelec S.A. performs regular internal process audits based on the Risk Matrix. Also, the Compliance Officer develops the Corporate Compliance Program, prepares and reviews policies, establishes training programs, remaining independent and reporting investigations to Transelec S.A.'s Audit Committee.

For a number of years, the risk matrix analysis has been supplemented with information on the causes and consequences of each risk factor. This is to provide a more complete view of the causes and effects of the identified risks. The impact and quantification of the risks are determined on the basis of expert criteria, i.e. what has happened in the past and what is gathered in multidisciplinary workshops held within Transelec.

Transelec Concesiones's main risks

- Electrical arcing generated by the Company
- Forest fires caused by third parties
- Cybersecurity
- Business environment and new lines of business
- Climate Change
- Violent/terrorist events
- Regulatory and legal changes

For more information, please refer to page 33 in the Appendices.

Appendices



Appendices

For details about the subsidiaries of the Traselec Group, visit the 2023 Integrated Report, page 111.

Description of the main risks and opportunities

(CMF CMF 3.6 ii, a,b,c,d,e, iii, 6.2 viii)

Due to the nature of our business, we have not identified any risks that relate to the health and safety of consumers.

Other risks considered by the CMF are described below:

Risks / Opportunities 1	Electrical arcing from transmission lines
Risk description/mitigation 1	<p>At high ambient temperatures, there is a possibility of electrical arcing from power lines. These can ignite surrounding combustible materials as the conductor approaches the ground due to material expansion. This could result in fires that could damage the lines themselves, the structures they support, or third-party property.</p> <p>In order to prevent these fires, we perform permanent vegetation cutting and pruning operations under the lines and in their safety strips, activities that increase during the summer season. Patrols have also been improved through innovations in artificial intelligence. In addition, firewalls can be built to prevent the spread of fire. These measures are further reinforced by educational initiatives targeting property owners and human groups that construct near or below the lines.</p> <p>The objective is to raise awareness about the potential risks associated with these activities. This information is also disseminated to local authorities and institutions such as CONAF (Chilean National Forest Corporation). Finally, it should be verified that the properties through which the lines pass are always accessible to maintenance crews.</p>
Risks / Opportunities 2	Forest fires caused by third parties
Risk description/mitigation 2	<p>The burning of grasslands or other agricultural elements, along with the presence of high ambient temperatures and wind, can easily spread fires that occur near transmission lines, with the potential to damage them and/or their structures.</p>
Risks / Opportunities 3	Opposition to Operation of Facilities
Risk description/mitigation 3	<p>Traselec Concesiones interacts with numerous communities in the course of its operations. As a result, certain communities may oppose the operation of its facilities and the development of new facilities or projects.</p>

Risks / Opportunities 4	Environmental risks associated with the operations, such as:
<p>Risk description/mitigation 4</p>	<ul style="list-style-type: none"> · Noise pollution from equipment operated in substations. · Noise from transmission lines. · Oil spills from equipment. · Environmental contamination during development or construction of new facilities. <p>We have conducted studies to determine the impact of climate change on facility operations, as well as ways to optimize the design of new projects and address impacts such as:</p> <ul style="list-style-type: none"> · Rising temperatures. · Droughts. · Increased intensity of natural phenomena. <p>Environmental permits are managed by Sustainability and Project Development. These are managed by approaching the authorities and communities adjacent to the projects to ensure early management and compliance with conditions for optimal permitting.</p>

Risks / Opportunities 5	Tax Risks
<p>Risk description/mitigation 5</p>	<p>Traselec's tax sub-management team is part of the Comptrollership department (Vice-Presidency of Finance).</p> <p>One of the most important functions of such sub-management is to ensure that the Group companies comply in a timely manner with the requirements for the tax filing and payment (income tax, VAT, withholding tax, etc.), as well as to respond in a clear and timely manner to the requests of the Chilean Internal Revenue Service, the General Treasury of Chile, municipalities and other entities in charge of tax audits.</p> <p>From a risk management perspective, the Tax Department maintains a tax risk matrix that is updated on a quarterly basis. In this matrix, each risk is individualized and classified according to its likelihood of occurrence and its impact on the Group. Based on this classification, each risk is prioritized and specific mitigation plans are managed. With respect to routine tasks, tax assessment processes are reviewed and validated by either the Senior Tax Analyst or the Deputy Tax Manager before proceeding with tax filing and payment management.</p> <p>With respect to business development and financing processes, there are defined procedures to ensure the involvement of the tax team in the analysis and evaluation of investment projects.</p> <p>In addition, the company has formal bodies for reviewing tax regulations and updates. The Tax Committee is a forum in which all members of the team participate and in which changes and updates in tax matters are discussed, as well as changes in the tax auditor's criteria and interpretation of regulations.</p>

Information security risks related to the privacy of client information.

Although we have mapped our risks, we declare that we have not identified any risks to the security of information, since Transelec does not manage large databases containing information on its customers.

Risks related to free competition

Due to its size in relation to other companies in the industry, Transelec is subject to in-depth inspections by the authority responsible for ensuring free competition in the industry. Bids for the construction and operation of new regulated transmission projects are highly competitive and involve international companies.

CMF Indicators

Indicator	Sub-indicator	Chapter	Page
1.Content	1.Table of contents		
	2.1 Mission, vision, purpose and values	Chapter 1: About Traselec Concesiones	
	2.2 Historical information	Chapter 1: About Traselec Concesiones	
	2.3.1 Oversight situation	Chapter 1: About Traselec Concesiones	
	2.3.2 Significant changes in ownership or control	Chapter 1: About Traselec Concesiones	
	2.3.3 Identification of majority shareholders or partners	Chapter 1: About Traselec Concesiones	
	2.3.4 i. Description of series of shares	Chapter 1: About Traselec Concesiones	
	2.3.4.ii.Dividend policy	Chapter 1: About Traselec Concesiones	
	2.3.4 iii.a Statistical information: Dividends	Chapter 1: About Traselec Concesiones	
	2.3.4 iii.b Statistical information: Stock transactions	Not applicable	
	2.3.4 iii.c Statistical information: Number of shareholders	Chapter 1: About Traselec Concesiones	
2.Identity Profile	2.3.5 Other securities: information regarding the characteristics and rights of other securities issued by the entity		Traselec Concesiones does not have shares to trade on the stock market.
3.Corporate Governance	3.1.i) Indicate how the entity seeks to ensure and evaluate the proper functioning of its corporate governance.	Chapter 2: Corporate Governance	
	3.1.ii) Indicate how the entity integrates a sustainability approach in its business, in particular environmental, social and human rights matters, in the different evaluation processes and strategic	Chapter 2: Corporate Governance	Refer to Integrated Report 2023 Traselec S.A

	definitions, and how the entity defines the units or persons responsible for these matters.		Annexes, page 22
	3.1.iii) Indicate how the entity detects and manage conflicts of interest, conduct that could affect free and fair competition, and how corruption, money laundering, and financing of terrorism are prevented.	Chapter 2: Corporate Governance	
	3.1.iv) Indicate how the entity takes care of and address the interests of their main stakeholders, at least identifying them and pointing out the entity's activities that have a direct impact on those groups.	Chapter 3: Our Business	
	3.1.v) Indicate how the entity promotes and facilitates innovation, and whether they allocate corporate resources to Research and Development.	Chapter 4: Our Operation	
	3.1.vi) Indicate how the entity detects and reduces organizational, social, or cultural barriers that may be inhibiting the diversity of capabilities, conditions, experiences and visions that, without these barriers, would have occurred naturally in the organization.	Chapter 2: Corporate Governance	
3. Corporate Governance	3.1.vii) Indicate how the entity identifies the diversity of skills, knowledge, conditions, experiences, and visions that all those who perform functions at different levels of the organization should have, and what are the hiring policies preserving that diversity.	Chapter 2: Corporate Governance	
	3.1 (Organizational chart) Indicate the units or bodies that are relevant to the entity's business.		
	3.2.i. Identification of the Board of Directors	Chapter 2: Corporate Governance	
	3.2.i. Identification of the Board of Directors - Other Directors 2023 (Alternate Directors)	Chapter 2: Corporate Governance	
	3.2.ii. Remuneration of the Board of Directors	Chapter 2: Corporate Governance	
	3.2.iii. Contracted consulting services	Chapter 2: Corporate Governance	
	3.2.iv. Knowledge matrix	Chapter 2: Corporate Governance	
	3.2.v. Procedures or mechanism for new members	Chapter 2: Corporate Governance	
	3.2.vi. The frequency with which it meets with the risk management, internal audit, and corporate social responsibility functions, or persons responsible for equivalent functions, and with the external auditor	Chapter 2: Corporate Governance	

	responsible for auditing the financial statements, including the main topics discussed at these meetings and whether the CEO or other senior executives attend.		
	3.2.vii. A description of how and with what frequency environmental and social issues are reported on, including with respect to climate change, and whether these issues are included in the discussion and approval of, among other things, strategic decisions, business plans, or budgets.	Chapter 2: Corporate Governance	
	3.2.viii. Visit to the facilities.	Chapter 2: Corporate Governance	
	3.2.ix.a Identify the areas in which its members can be trained, strengthened, and continue to improve (indicate which areas)	Chapter 2: Corporate Governance	
	3.2.ix.b. Detection and reduction of organizational, social or cultural barriers that may be inhibiting the natural diversity of capabilities, visions, characteristics and conditions	Chapter 2: Corporate Governance	
	3.2.ix. c. Whether to consider hiring the advice of an external expert to evaluate the performance and functioning of the Board of Directors	Chapter 2: Corporate Governance	
	3.2.x. Regular meetings.	Chapter 2: Corporate Governance	
	3.2.xi. Changes in internal training and operation.	Chapter 2: Corporate Governance	
	3.2.xii.a. Minutes and documents.	Chapter 2: Corporate Governance	
	3.2.xii.b. Minutes or documents.	Chapter 2: Corporate Governance	
3. Corporate Governance	3.2.xii.c. Whistleblower system or hotline.	Chapter 4: Finance	
	3.2.xii.d. Final text of the minutes of each meeting.	Chapter 2: Corporate Governance	
	3.2.xiii. Composition of the Board of Directors a. Board of Directors separated by men and women, distinguishing between regular and alternate directors.	Chapter 2: Corporate Governance	
	3.2.xiii. Composition of the Board of Directors b. Board of Directors separated by men and women,	Chapter 2: Corporate Governance	

	nationality, distinguishing between regular and alternate directors.		
	3.2.xiii. Composition of the Board of Directors c. Board of Directors separated by age range (under 30; between 30 and 40; between 41 and 50; between 51 and 60; between 61 and 70, and over 70) broken down by men, women, regular and alternate directors.	Chapter 2: Corporate Governance	
	3.2.xiii. Composition of the Board of Directors d. Board of Directors separated by seniority (less than 3 years; between 3 and 6; more than 6 and less than 9; between 9 and 12, and more than 23 years) separated by men and women, distinguishing between regular and alternate directors.	Chapter 2: Corporate Governance	
	3.2.xiii. Composition of the Board of Directors e. Directors with disabilities, separated by men and women, distinguishing between regular and alternate directors.	Chapter 2: Corporate Governance	
	3.2.xiii. Composition of the Board of Directors f. Pay gap by gender as a function of mean and median* (see indicator 5.4.2 for calculation).	Chapter 2: Corporate Governance Chapter 3: Our Business	
	3.3.i. Role and function of the Directors' Committee.	Chapter 2: Corporate Governance	
	3.3.ii. Members of the Directors' Committee.	Chapter 2: Corporate Governance	
	3.3.Other directors (if applicable).	Chapter 2: Corporate Governance	
	3.3.iii. Remuneration of the board of directors' committee	Chapter 2: Corporate Governance	
	3.3.iv. Main activities of the Directors' Committee.	Chapter 2: Corporate Governance	
	3.3.v. Consulting services contracted by the Directors' Committee.	Chapter 2: Corporate Governance	
	3.3.vi. Main activities of the Directors' Committee.	Chapter 2: Corporate Governance	
	3.3.vii. Frequency of reporting to the Board of Directors.	Chapter 2: Corporate Governance	

	3.4.i. Identification of Executives.	Chapter 2: Corporate Governance	
	3.4.ii . Executive Remuneration.	Chapter 2: Corporate Governance	
	3.4.iii . Executive Benefits / Compensation Plans.	Chapter 2: Corporate Governance	
	3.4.iv. Ownership.	Chapter 2: Corporate Governance	
	3.5 Adherence to national or international codes.	Chapter 2: Corporate Governance	
	3.6.i. Guidelines.	Chapter 4: Finance	
	3.6.ii. Risks and opportunities - a. Risks and opportunities inherent to the entity's activities and those associated with events that may affect it through its subsidiaries, associates, suppliers, or the market in general, including environmental, social, and human rights risks. In particular with respect to climate change, those physical risks and transition risks in the short, medium, and long term, as well as the opportunities in the same term.	Chapter 4: Finance Appendices	
3. Corporate Governance	3.6.ii. Risks and Opportunities - b. Information Security Risks.	Chapter 5: Finance Appendices	
	3.6.ii. Risks and opportunities - c. Risks related to free competition.	Chapter 5: Financial Information Appendices	
	3.6.ii. Risks and opportunities - d. Risks related to consumer health and safety.	Chapter 5: Financial Information Appendices	
	3.6.ii. Risks and opportunities - e. Other risks and opportunities arising from the impacts that the entity and its operations generate directly or indirectly on the environment or society.	Chapter 4: Our Operation	
	3.6.iii. Risk identification.	Chapter 5: Financial Information Appendices	

	3.6.iv. Detection, evaluation, management and monitoring of these risks.	Chapter 5: Financial Information	
	3.6.v. Risk management unit in charge of risk detection, quantification, monitoring and communication.	Chapter 5: Financial Information	
	3.6.vi. Effectiveness and compliance.	Chapter 2: Corporate Governance	
	3.6.vii. Code of Ethics or Conduct.	Chapter 2: Corporate Governance	
	3.6.viii. Information dissemination and training programs on risk management policies.	Chapter 5: Financial Information	
	3.6.ix. Whistleblower Hotline.	Chapter 2: Corporate Governance	
	3.6.x. Succession plan.	Chapter 2: Corporate Governance	
	3.6.xi. Board review of executive pay structures and compensation and severance policies.	Chapter 2: Corporate Governance	
	3.6.xii. Additional review of executive pay structures and compensation and severance policies.	Chapter 2: Corporate Governance	
	3.6.xiii. Crime Prevention Model.	Chapter 2: Corporate Governance	
	3.7.i. Relationship with stakeholders.		
	3.7.ii. Communication with stakeholders.		
	3.7.iii. Procedure for the election of the Board of Directors.	Chapter 2: Corporate Governance	
	3.7.iv. Procedures for remote shareholder participation.	Chapter 2: Corporate Governance	
4.Estrategia	4.1 Time horizons.	Chapter 3: Our Business	
	4.2.a) The Company's strategic objectives and a general description of the planning that has been put in place to achieve these objectives. Explicit mention should be made of the strategy with respect to	Chapter 3: Our Business	

	environmental (in particular climate change), social and human rights issues, and how these issues form part of, inform or promote the Company's corporate governance.		
4.Estrategia	4.2.b) Strategic commitments to the Sustainable Development Goals (SDGs) or equivalents. Also indicate if there are policies related to generating a positive impact on various objectives of social interest such as human rights, poverty eradication, education, health and nutrition, among others.	Chapter 3: Our Business	
	4.3. Investment Plan.	Chapter 3: Our Business	
5.Personas	5.1.1 Number of people by gender.	Chapter 3: Our Business	<p>Applies only to the CEO, since we do not have staff.</p> <p>We declare that during 2023 there were no complaints of workplace or sexual harassment, just as we have 0 cases of work accidents, fatalities due to work accidents, occupational diseases or days lost due to accidents.</p> <p>No training was developed during 2023.</p>
	5.1.2 Number of people by nationality.	Chapter 3: Our Business	
	5.1.3 Number of people by age group.	Chapter 3: Our Business	
	5.1.4 Labor seniority.	Chapter 3: Our Business	
	5.1.5 Number of persons with disabilities.	Chapter 3: Our Business	
	5.2 Labor formality.	Chapter 3: Our Business	
	5.3 Workplace adaptability.	Chapter 3: Our Business	
	5.4.1 Equity policy.	Chapter 3: Our Business	
	5.4.2 Pay gap.	Chapter 3: Our Business	
	5.5 Workplace and sexual harassment.	Chapter 3: Our Business	
	5.6 Occupational safety.	Chapter 3: Our Business	
	5.7 Maternity leave.	Chapter 3: Our Business	
	5.8.i. Total amount invested in training.	Chapter 3: Our Business	
	5.8.ii. Number of trained personnel.	Chapter 3: Our Business	
	5.8.iii. Number of personnel trained per average number of hours.	Chapter 3: Our Business	
	5.8.iv. Training topics.	Chapter 3: Our Business	
	5.8.Beneficios.	Chapter 3: Our Business	

	5.9 Subcontracting policy.	Chapter 3: Our Business	
6.Business Model	6.1.i. The nature of the products and/or services.	Chapter 1: About Traselec Concesiones	
	6.1.ii. Competition.	Chapter 1: About Traselec Concesiones	
	6.1.iii. Legal or Regulatory Framework.	Chapter 3: Our Business	
	6.1.iv. Domestic or foreign regulatory entities.	Back cover	
	6.1.v. Main stakeholders.	Chapter 4: Our Operation	
	6.1.vi. Membership in guilds, associations or organizations.		
	6.2.i. Goods, products and/or services.	Chapter 3: Our Business	
	6.2.ii. Sales channels and distribution methods.	Chapter 3: Our Business	
	6.2.iii. Number of suppliers accounting for 10% of purchases.	Chapter 3: Our Business	
	6.2.iv. Number of customers accounting for 10% of purchases.	Chapter 4: Our Operation	
	6.2.v. Main brands.	Chapter 3: Our Business	
	6.2.vi. Patents.	Not applicable	Traselec Concesiones has no patents
	6.2.vii. Licenses, franchises, royalties and/or concessions.	Not applicable	Traselec Concesiones has no licenses, franchises or royalties
6.Business Model	6.2.viii. External factors (legal, commercial, social, others).	Chapter 3: Our Business Appendices	
	6.3. Stakeholders.	Chapter 4: Our Operation	
	6.4.i. Characteristics of the main properties.	Chapter 3: Our Business	
	6.4.ii. Concession areas and/or land (Companies extracting natural and renewable resources).	Not applicable	
	6.4.iii.a) Ownership of facilities used for resource extraction companies, indicate concession areas and/or land owned.	Not applicable	

	6.4.iii.b) Ownership of facilities used; indicate for the abovementioned cases if the entity owns the reported facilities	Not applicable	
	6.5.1.i. Individualization, domicile and legal nature.	Not applicable	Please refer to Transelec S.A. Annual Report, Appendices, pages 111-115
	6.5.1.ii. Subscribed and paid-in capital.	Not applicable	Please refer to Transelec S.A. Annual Report, Appendices, pages 111-115
	6.5.1.iii. Line of business and clear indication of the activity or activities performed.	Not applicable	Please refer to Transelec S.A. Annual Report, Appendices, pages 111-115
	6.5.1.iv. Name(s) and surname(s) of the director(s), administrator(s), if any, and CEO.	Not applicable	Please refer to Transelec S.A. Annual Report, Appendices, pages 111-115
	6.5.1.v. Current ownership percentage of the parent company or investor in the subsidiary or associate and changes during the last year.	Not applicable	Please refer to Transelec S.A. Annual Report, Appendices, pages 111-115
	6.5.1.vi. Percentage of investment in each subsidiary or associate over total individual assets of the parent company.	Not applicable	Please refer to Transelec S.A. Annual Report, Appendices, pages 111-115
	6.5.1.vii. Name and surname of the Director, CEO or senior executives of the parent company or investing entity holding positions in the subsidiary.	Not applicable	Please refer to Transelec S.A. Annual Report, Appendices, pages 111-115
	6.5.1.viii. Description of business relationships with subsidiaries during the year and future linkage.	Not applicable	Please refer to Transelec S.A. Annual Report, Appendices, pages 111-115
	6.5.1.ix. List of acts and contracts with subsidiaries or associates that influence operations.	Not applicable	Please refer to Transelec S.A. Annual Report,

			Appendices, pages 111-115
	6.5.1.x. Schematic table showing the direct and indirect ownership relationships between the parent company, subsidiaries or associates and between them.	Not applicable	Please refer to Transelec S.A. Annual Report, Appendices, pages 111-115
	6.5.2.i. Investments in other companies: Individualization of them and their legal nature.	Not applicable	Please refer to Transelec S.A. Annual Report, Appendices, pages 111-115
	6.5.2.ii. Investments in other companies: Ownership percentage.	Not applicable	Please refer to Transelec S.A. Annual Report, Appendices, pages 111-115
	6.5.2.iii. Investments in other companies: Description of the main activities they perform.	Not applicable	Please refer to Transelec S.A. Annual Report, Appendices, pages 111-115
	6.5.2.iv. Investments in other companies: Percentage of the Company's total individual assets represented by these investments.	Not applicable	Please refer to Transelec S.A. Annual Report, Appendices, pages 111-115
7.Proveedores	7.1(1) Supplier payment policy.	Chapter 3: Our Business	
7.Proveedores	7.1.i. Number of invoices paid.	Chapter 3: Our Business	
	7.1.ii. Total amount of invoices paid (millions of Chilean pesos).	Chapter 3: Our Business	
	7.1.iii. Total amount of interest on overdue invoices (millions of Chilean pesos).	Chapter 3: Our Business	
	7.1.iv. Number of suppliers with respect to paid invoices.	Chapter 3: Our Business	
	7.1.v. Number of agreements registered in the Register of Agreements with Exceptional Payment Periods.	Chapter 3: Our Business	
	7.2 Supplier screening - Policy.	Chapter 3: Our Business	
	7.2 Supplier evaluation - Screened suppliers.	Chapter 3: Our Business	
8.Indicadores	8.1.1 In relation to customers.		
	8.1.2 Regarding its employees.		Please refer to Transelec S.A.

			Annual Report, Appendices, pages 136
	<p>8.1.3 Environmental. Describe the compliance models or programs that include information on the definition of its environmental obligations, the established compliance modality, the implementation period of the compliance behavior, the responsible unit, the environmental risk matrix and all relevant background information related to the understanding of such obligation and its compliance. If the Company does not have such models or programs, it shall clearly state this fact and provide the reasons.</p> <p>In addition, the number of sanctions imposed by the Public Register of Sanctions of the Superintendence of the Environment or equivalent body in foreign jurisdictions, the total amount of fines, and the number of compliance programs approved, compliance programs satisfactorily implemented, remediation plans for environmental damage presented, and remediation plans for environmental damage satisfactorily implemented must be reported.</p>	Chapter 4: Our Operation	
	8.1.4 Antitrust.		
	8.1.5 Other: It should be reported whether the Company has procedures in place to prevent and detect violations of Law No. 20,393, which establishes the criminal liability of legal entities. In addition, the number of sanctions imposed in this area and the amount in Chilean pesos of these sanctions should be reported.		
9. Relevant or significant events.	9. Relevant or significant events.		
10. Shareholder comments.	10. Shareholder and directors' committee comments.		
11. Financial Statements.	11. Financial Statements.		

SASB Indicators

Given the nature of the Company, all SASB indicators are calculated transversally through the Transelec Group without differentiating between subsidiaries. For more information, visit the 2023 Integrated Report of Transelec S.A.

Indicator	Description	Observation
IF-EU-000.A	Number of: (1) residential, (2) commercial and (3) industrial clients served	Total clients (final): 7,639,179
IF-EU-000.B	Total electricity supplied to: (1) residential customers, (2) commercial customers, (3) industrial customers, (4) all other retail customers, and (5) wholesale customers	
IF-EU-000.C	Length of transmission and distribution lines	1,023 kms
IF-EU-000.D	Total electricity generated, percentage by main energy source, percentage in regulated markets	It does not apply to transmission companies, therefore, it does not apply to Transelec Concesiones S.A.
IF-EU-000.E	Total electricity purchased wholesale	It does not apply to our company
IF-EU-110a.1	1) Scope 1 gross global emissions, percentage covered by (2) emission limitation regulations and (3) emission reporting regulations	Total emissions scope 1: 8,568
IF-EU-110a.2	Gross global greenhouse gas (GHG) emissions associated with electric power delivered to retail customers, resulting from owned power generation and purchased power. Considering a Global Warming Potential (GWP) over a 100-year time horizon from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (2014).	Total emissions scope 2: 328.603
IF-EU-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	As Transelec Group we contribute to the process of decarbonization of the national energy matrix, making available the system of transmission lines that allow the injection of clean and renewable energy sources that support the replacement of fossil fuels (which contain coal), whose combustion releases

		pollutants. and greenhouse gases
IF-EU-110a.4	Number of customers served in markets subject to renewable portfolio standards (RPS); and (2) percentage fulfillment of RPS target by market	
IF-EU-120a.1	Air emissions of the following pollutants: NOx (excluding N2O), (2) SOx, (3) particulate matter (PM10), (4) lead (Pb), and (5) mercury (Hg); percentage of each in or near areas of dense population	For the year 2023 we made measurements of contaminants, however, we have not crossed these with densely populated areas.
IF-EU-140 a.1	Total water withdrawn, total water consumed, percentage of each in regions with high or extremely high baseline water stress	We point out that the equipment used is not yet prepared to systematize the location of water extraction and label them according to areas of water stress, yet. This represents an opportunity to improve the traceability and accuracy of our data.
IF-EU-140 a.2	Number of incidents of non- compliance associated with water quality permits, standards, and regulations	0
IF-EU-140 a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Although currently at Grupo Traselec we do not have a specific strategy for water resource management, we work on initiatives that seek efficiency. For this, we have piloted a more efficient washing of the lines and equipment, which has allowed us to reduce the use of said resource by 41% in the first test. Currently, we are working on testing this pilot in other projects, in order to make better use of water, and improve the certainty of effectiveness.
IF-EU-150a.1	Amount of waste generated by coal combustion (RCC), percentage recycled	Does not apply. No coal is burned in our operations.

IF-EU-150a.2	Total number of coal combustion waste (RCC) impoundments, broken down by risk potential classification and structural integrity assessment	Does not apply. We do not have coal waste impoundments in our operations.
IF-EU 240 a.1	Average retail electricity rates for residential, commercial, and industrial customers	We do not have this data in KWh. We have the data through revenues (billions of pesos). Our Company is a regulated business, which is why rates are regulated by law and defined every four years for most of our revenues (National and Zonal segments). The rates allow us to obtain income based on our installed capacity (take or pay) and guarantee 20 years of fixed income from the entry into operation of new system expansion works. After this 20-year period, income comes from a rate that is set every four years. The other rates correspond to free clients with bilateral contracts.
IF-EU-240a.2	Typical monthly electricity bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity supplied each month	Not applicable since this indicator corresponds to reporting to distribution companies.
IF-EU-240a.3	Number of power outages for residential customers due to non-payment, percentage reconnected within 30 days	Not applicable since this indicator corresponds to reporting to distribution companies.
IF-EU 240a.4	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	During the year 2023, as the Traselec Group we had a total of 365 Mwh of unsupplied energy, 124 Mwh from regulated clients and 241 Mwh from dedicated clients, which represents a slight increase compared to the previous year. We are constantly working to reduce the non-supplied energy indicator to

		zero. For this, year after year, we seek continuous improvement in the operational field.
IF-EU-320a.1.	Total recordable incident rate (TRIR), fatality rate, and near miss frequency rate (NMFR)	Not applicable, since we do not have workers.
IF-EU-420a.1.	Percentage of electric utility revenues from rate structures that are decoupled and contain a lost revenue adjustment mechanism (LRAM)	100%
IF-EU-420a.2.	Percentage of electricity load served by smart grid technology	Not applicable, since we are an energy transmission company.
IF-EU-420a.3.	Customer electricity savings from efficiency measures by market	Not applicable, since we are an energy transmission company.
IF-EU-540a.1	Total number of nuclear power units, broken down by the “Stock Matrix” column of the United States Nuclear Regulatory Commission (NRC)	It does not apply, since we are an energy transmission company with no link to nuclear energy.
IF-EU-540a.2	Description of initiatives to manage nuclear safety and emergency preparedness	It does not apply, since we are an energy transmission company with no link to nuclear energy.
IF-EU-550a.1	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	0
IF-EU-550a.2.	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	1) SAIDI: 0 2) we do not measure SAIFI 3) we do not measure CAIDI

TRANSELEC CONCESIONES S.A.

Financial statements for the years ended
December 31, 2023 and 2022
and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Board of Directors of
Transelec Concesiones S.A.

Opinion

We have audited of the financial statements of Transelec Concesiones S.A. (the "Company's"), which compromise the statements of financial position as of December 31, 2023 and 2022 and the corresponding statements of comprehensive income, changes in equity and cash flows for the years ending in those dates and the related notes to the financial statements.

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

Basis for opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures in response to such risks. Such procedures include examination, on a test basis, of evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of the internal control relevant to an audit in order to design audit procedures that are appropriate in the circumstances, but without the purpose of expressing an opinion on the effectiveness of the Company's internal control. Consequently, we express no such kind of opinion.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of the significant accounting estimates made by Management, as well as we evaluate the appropriateness of the general presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events that, considered in the aggregate, raise substantial doubt about the Company's ability to continue as a going concern for at least, but not limited to, twelve months from the end of the reporting period.

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

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

Deloitte.

March 28, 2024
Santiago, Chile

Financial Statements

TRANSELEC CONCESIONES S.A.

Santiago, Chile

As of December 31, 2023 and 2022

Financial Statements

TRANSELEC CONCESIONES S.A.

Santiago, Chile

As of December 31, 2023 and 2022

(Translation of the Financial Statements originally issued in Spanish)

US\$: US Dollars
THUS\$: Thousands of US Dollars
\$: Chilean Pesos
UF : Unidad de Fomento or UF, is an inflation- indexed, Chilean-peso
denominated monetary unit. The UF is set daily in advance based on the changes in the
Chilean Consumer Price Index (CPI) of the previous months.

INDEX

Page

FINANCIAL STATEMENTS

CLASSIFIED STATEMENTS OF FINANCIAL POSITION	1
STATEMENTS OF COMPREHENSIVE INCOME BY FUNCTION	3
STATEMENTS OF CHANGES IN NET EQUITY	5
STATEMENTS OF CASH FLOWS	6
NOTES TO THE FINANCIAL STATEMENTS.....	7
 Note 1 - GENERAL INFORMATION	7
Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	8
Note 3 - RISK MANAGEMENT POLICY	25
Note 4 - ESTIMATES AND JUDGMENTS OR CRITICAL CRITERIA USED BY MANAGEMENT	28
Note 5 - CASH AND CASH EQUIVALENTS.....	29
Note 6 - TRADE AND OTHER RECEIVABLES	29
Note 7 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES	31
Note 8 - OTHER NON-FINANCIAL ASSETS.....	33
Note 9 - INTANGIBLE ASSETS OTHER THAN GOODWILL.....	33
Note 10 - PROPERTY, PLANT AND EQUIPMENT	35
Note 11 – OTHER FINANCIAL ASSETS	37
Note 12 - DEFERRED TAXES	38
Note 13 - TRADE AND OTHER PAYABLES	39
Note 14 - OTHER FINANCIAL LIABILITIES	40
Note 15 - DERIVATE INSTRUMENTS	43
Note 16 - FINANCIAL INSTRUMENTS.....	46
Note 17 - NET EQUITY	48
Note 18 - REVENUE	49
Note 19 - RELEVANT INCOME STATEMENT ACCOUNTS	50
Note 20 - INCOME TAX RESULT	51
Note 21 - ENVIRONMENT	52
Note 22 - LAWSUITS AND CONTINGENCIES	52
Note 23 – SANCTIONS.....	52
Note 24 - SUBSEQUENT EVENTS	52

CLASSIFIED STATEMENTS OF FINANCIAL POSITION
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

ASSETS		12-31-2023	12-31-2022
		ThUS\$	ThUS\$
CURRENT ASSETS			
Cash and cash equivalents	5	66,399	48,784
Other financial assets, current	11-15	7,763	8,202
Other current non-financial assets	8	5,350	9,479
Trade and other receivables	6	6,133	15,718
Total current assets		85,645	82,183
NON-CURRENT ASSETS			
Other financial assets, non-current	11-15	26,522	30,022
Intangible assets other than goodwill	9	32,411	29,270
Property, plant and equipment	10	346,120	347,647
Total non-current assets		405,053	406,939
Total assets		490,698	489,122

CLASSIFIED STATEMENTS OF FINANCIAL POSITION
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

LIABILITIES		12-31-2023	12-31-2022
		ThUS\$	ThUS\$
CURRENT LIABILITIES			
Other financial liabilities, current	14	8,882	7,228
Trade and other payables	13	12,511	7,767
Accounts payable to related companies, current	7	34,701	20,961
Other non-financial liabilities, current		729	476
Total current liabilities		56,823	36,432
NON-CURRENT LIABILITIES			
Other financial liabilities, non-current	14	307,031	292,078
Accounts payable to related companies, non-current	7	55,404	93,662
Deferred tax liabilities	12	17,739	15,688
Total non-current liabilities		380,174	401,428
Total liabilities		436,997	437,860
EQUITY			
Issued capital	17	5,000	5,000
Accumulated gains		24,016	18,655
Other reserves	17	24,685	27,607
Total equity		53,701	51,262
Total Equity and Liabilities		490,698	489,122

STATEMENTS OF COMPREHENSIVE INCOME BY FUNCTION
TRANSELEC CONCESIONES S.A.
For the year ended December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

STATEMENTS OF COMPREHENSIVE INCOME BY FUNCTION	Note	01-01-2023	01-01-2022
		12-31-2023	12-31-2022
		ThUS\$	ThUS\$
Revenue	18	39,565	31,373
Cost of sales	19	(7,960)	(5,195)
Gross profit		31,605	26,178
Administrative expenses	19	(2,037)	(2,062)
Other income (losses)		(51)	(49)
Financial income	19	4,877	2,650
Financial expenses	19	(23,116)	(14,910)
Foreign exchange differences	19	(2,785)	993
Profit Before Income Taxes		8,493	12,800
Income tax expense	20	(3,132)	(3,480)
Profit from continuing operations		5,361	9,320
Profit from discontinued operations		-	-
PROFIT		5,361	9,320

The accompanying notes 1 to 24 are an integral part of these financial statements

STATEMENTS OF COMPREHENSIVE INCOME BY FUNCTION
TRANSELEC CONCESIONES S.A.
For the year ended December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

STATEMENT OF COMPREHENSIVE INCOME	Note	01-01-2023	01-01-2022
		12-31-2023	12-31-2022
		ThUS\$	ThUS\$
Profit (loss)		5,361	9,320
Components of other comprehensive income that will be reclassified to the profit of the period, before taxes			
Cash flow hedges			
Income (losses) taxes related to cash flow hedges		(4,003)	74,881
Total other comprehensive income that will be reclassified to income for the period, before taxes		(4,003)	74,881
Income taxes related to components of other comprehensive income that will be reclassified to the income of the year			
Income taxes related to cash flow hedges	12	1,081	(20,218)
Total income tax related to components of other comprehensive income that will be reclassified to the income of the year		1,081	(20,218)
Total other comprehensive income		(2,922)	54,663
Total comprehensive income and expense		2,439	63,983

The accompanying notes 1 to 24 are an integral part of these financial statements

STATEMENTS OF CHANGES IN NET EQUITY
TRANSELEC CONCESIONES S.A.
For the year ended December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))

(Translation of financial statements originally issued in Spanish-See Note 2.1)

Movements	Note	Issued capital	Reserve for cash flow hedges	Total reserves	Gain Accumulated	Total equity
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance as of 01-01-2023		5,000	27,607	27,607	18,655	51,262
Changes in equity						
Comprehensive income						
Profit (loss)		-	-	-	5,361	5,361
Other comprehensive income		-	(2,922)	(2,922)	-	(2,922)
Total comprehensive income		-	(2,922)	(2,922)	5,361	2,439
Total increase (decrease) in equity		-	(2,922)	(2,922)	5,361	2,439
Equity at the end of 12-31-2023	17	5,000	24,685	24,685	24,016	53,701

Movements	Note	Issued capital	Reserve for cash flow hedges	Total reserves	Gain Accumulated	Total equity
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance as of 01-01-2022		5,000	(27,056)	(27,056)	9,335	(12,721)
Changes in equity						
Comprehensive income						
Profit (loss)		-	-	-	9,320	9,320
Other comprehensive income		-	54,663	54,663	-	54,663
Total comprehensive income		-	54,663	54,663	9,320	63,983
Total increase (decrease) in equity		-	54,663	54,663	9,320	63,983
Equity at the end of 12-31-2022	17	5,000	27,607	27,607	18,655	51,262

The accompanying notes 1 to 24 are an integral part of these financial statements

STATEMENT OF CASH FLOWS
TRANSELEC CONCESIONES S.A.
For the year ended December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Statement of Cash Flows – Direct method	Note	01-01-2023	01-01-2022
		12-31-2023	12-31-2022
		ThUS\$	ThUS\$
Net cash flows provided by (used in) operating activities			
Classes of collections from operating activities:			
Cash receipts from sales of goods and services		68,918	30,011
Cash receipts for interest		9,152	-
Classes of payments from operating activities:			
Payments to suppliers for goods and services		(3,091)	(1,950)
Other payments for operating activities		(4,710)	(2,377)
Interest paid	14	(8,099)	(3,183)
Interest paid to related entities	7	(1,505)	(5,705)
Administrative services paid to related entities	7	(4,011)	(1,873)
Net cash flows provided by operating activities		56,654	14,923
Cash flows provided by (used in) investing activities			
Acquisitions of property, plant and equipment and intangible assets		(7,833)	(19,195)
Net cash flows used in investing activities		(7,833)	(19,195)
Cash flows provided by (used in) financing activities			
Proceed from bank loans	14	24,014	118,056
Payments of loans	14	(23,654)	(6,011)
Payments for loans from related entities	7	(29,755)	(103,966)
Collections received from (payments made to) related companies		-	6,000
Net cash flows (used in) provided by financing activities		(29,395)	14,079
Net increase in Cash and Cash Equivalents, before exchange effect		19,426	9,807
Effect of the variation of the exchange rate in Cash and cash equivalents			
Effect of the variation of the exchange rate in Cash and cash equivalents		(1,811)	477
Net increase (decrease) in Cash and Cash Equivalents		17,615	10,284
Cash and Cash Equivalents, at the beginning of the year	5	48,784	38,500
Cash and Cash Equivalents, at the end of the year	5	66,399	48,784

The accompanying notes 1 to 24 are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 1 - GENERAL INFORMATION

Transelec Concesiones S.A. was incorporated by means of public deed on November 6, 2015. The corporate capital amounts to US\$ 1,000 divided into 10,000 nominative, single series, no par value shares, which were subscribed and paid in as follows: a) Transelec Holdings Rentas Limitada subscribes and pays in 9,990 shares, for a total of US\$ 999; and b) Rentas Eléctricas I Limitada, subscribes and pays in 10 shares, for a total of US\$1.

As per a public deed dated June 13, 2018, Transelec Concesiones S.A. increased its capital from US\$1,000 divided into 10,000 shares, to US\$5,000,000 divided into 5,000,000 nominative, single series, no par value shares. This capital increase was subscribed and paid in such a way that Transelec Holding Rentas Limitada and Rentas Eléctricas I Limitada maintained their ownership percentages as established in the Company's by-laws.

On February 17, 2017, the Company purchased 99.9% of the shares of Pichirropulli Transmisora de Energía S.A. and Interconexión Los Changos S.A. As a result, the Company became owner of 100% of the shares in the aforementioned companies.

On March 09, 2016, the Company was listed under number 406 in the Securities Registry of the Commission for the Financial Market (CMF in its Spanish acronym) and is subject to its supervision.

Its registered office is located at Orinoco N°90, Floor 14, district of Las Condes, Santiago, Chile.

The Company has the exclusive objective of operating and developing electricity systems owned by the Company or by third parties designed to transport or transmit electricity and may, for these purposes, obtain, acquire and use the respective concessions and permits and exercise all of the rights and powers that current legislation confers on electric companies. Its line of business includes: commercializing the transport capacity of lines and transformation capacity of substations and equipment associated with them so that generating plants, both Chilean and foreign, may transmit the electricity they produce to their consumption centers; providing engineering or management consulting services related to the company's line of business; and developing other business and industrial activities to use electricity transmission facilities. The Company may act directly or through subsidiaries or affiliates, both in Chile and abroad.

The Company is controlled directly by Transelec Holdings Rentas Limitada and indirectly by Rentas Eléctricas I Limitada.

The Financial Statements of the Company for the period ended as of December 31, 2023, were approved by the Company's Board of Directors in the Session number 46 on March 28, 2024.

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies applied in preparing the Financial Statements are detailed below. These policies have been based on IFRS in effect as of December 31, 2023 and have been applied uniformly for the periods presented.

2.1 Basis of preparation of the Financial Statements.

These Financial Statements consist of the statements of financial position as of December 31, 2023 and 2022, the comprehensive income of its operations for year ended December 31, 2023 and 2022, changes in equity and cash flows for the year ended December 31, 2023 and 2022 and have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and the presentation rules of the Commission for the Financial Market (CMF in its Spanish Acronym), which are not in conflict with IFRS.

These Financial Statements have been prepared from the accounting records maintained by the Company and the figures in these Financial Statements and their notes are expressed in thousands of United States dollars.

In preparing these Financial Statements, certain critical accounting estimates have been used to quantify some assets, liabilities, income and expenses. In conformity with IFRS, Management was also required to exercise judgment in applying the Company's accounting policies. Areas involving a greater degree of judgment or complexity or areas in which assumptions and estimates are significant for these Financial Statements are described in Note 4.

The information contained in these Financial Statements is the responsibility of the Company's management.

The accounting policies adopted in the preparation of the Financial Statements are consistent with those applied in the preparation of the annual Financial Statements of the Company for the year ended December 31, 2022.

During the year ended December 31, 2023, no accounting changes were recorded that affect the Financial Statements.

For the convenience of the readers outside of Chile, the Financial Statements and their accompanying notes have been translated from Spanish into English.

As of December 31, 2023, the Company has made the following reclassifications to the Financial Statements with respect to December 31, 2022:

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation of the Financial Statements. (continued)

Reclassification of Statement of Cash flows

As of December 31, 2023, a portion of principal payments on debt will be classified as cash flows provided by financing activities. As of December 31, 2022, this item is included in net cash flows provided by operating activities.

Statement of Cash Flows – Direct method	Disclosed in Financial Statement as of	Disclosed in this Financial Statement as of
	12-31-2022	12-31-2022
	ThUS	ThUS
Net cash flows provided by operating activities	12,095	14,923
Net cash flows provided by financing activities	16,907	14,079

2.2 New accounting pronouncements

The following new amendments to IFRS has been adopted in these Financial Statements.

IFRS	New standards, amendments and interpretations	Mandatory Effective Date
IFRS 17	Insurance Contracts	January 1 2023
IAS 1 and IFRS- Practice Statement 2	Disclosure of Accounting Policies	January 1 2023
IAS 8	Definition of Accounting Estimates	January 1, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
IAS 12	International Tax Reform – Pillar Two Model Rules	January 1, 2023

The Company has evaluated that the application of these amendments does not have a significant effect on the amounts reported in these Financial Statements and will evaluate their impact on future transactions or contracts.

The standards and interpretations, as well as the improvements and amendments to IFRS, which have been issued but are not yet effective at the date of these Financial Statements, are detailed below.

2.2.1 Enhancements and Modifications

The enhancements and modifications to IFRS, which have been issued but are not yet effective at the date of these Financial Statements, are detailed below:

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 New accounting pronouncements (continued)

2.2.1 Enhancements and Modifications (continued)

Amendments	Enhancements and Modifications	Mandatory Effective Date
IAS 1	Classification of Liabilities as Current or Non-Current	January 1, 2024
IFRS16	Lease Liability in a Sale and Leaseback	January 1, 2024
IAS 1	Non-current Liabilities with Covenants	January 1, 2024
IAS 7 -IFRS 7	Supplier Finance Arrangements	January 1, 2024
IAS 21	Lack of Exchangeability	January 1, 2025
SASB	Amendments to the SASB standards to enhance their international applicability	January 1, 2025

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2024, Early application is permitted.

The Company's Management anticipates that the application of this regulation will not have a significant impact on the Financial Statements.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognize a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognized by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognized a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 New accounting pronouncements (continued)

2.2.1 Enhancements and Modifications (continued)

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) (continued)

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

The Company's Management anticipates that the application of this regulation will not have a significant impact on the Financial Statements.

Non-current Liabilities with Covenants (Amendments to IAS 1)

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments are applied retrospectively in accordance with IAS 8 for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted.

The Company's Management anticipates that the application of this regulation will not have a significant impact on the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 New accounting pronouncements (continued)

2.2.1 Enhancements and Modifications (continued)

Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7)

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements: (i) the terms and conditions of supplier financing arrangements; (ii) the carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements; (iii) the carrying amount, and associated line items for which the suppliers have already received payment from the finance providers; (iv) the ranges of due dates; and (iv) information on liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2024, with early application permitted.

The Company's Management anticipates that the application of this regulation will not have a significant impact on the Financial Statements.

Lack of Exchangeability (Amendments to IAS 21)

In August 2023, the IASB has published amendments to IAS 21 that specify how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not.

Applying the amendments, a currency is exchangeable when an entity is able to exchange that currency for the other currency through market or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose. However, a currency is not exchangeable into the other currency if an entity can only obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose.

When a currency is not exchangeable at the measurement date, an entity is required to estimate the spot exchange rate as the rate that would have applied to an orderly exchange transaction at the measurement date between market participants under prevailing economic conditions. In that case, an entity is required to disclose information that enables users of its financial statements to evaluate how the currency's lack of exchangeability affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are applied prospectively for annual periods beginning on or after January 1, 2025. Earlier application is permitted.

The Company's Management anticipates that the application of this regulation will not have a significant impact on the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 New accounting pronouncements (continued)

2.2.1 Enhancements and Modifications (continued)

Amendments to the SASB standards to enhance their international applicability

On December 19, 2023, the International Sustainability Standards Board (ISSB) issued amendments to the Sustainability Accounting Standards Board (SASB) standards to enhance their international applicability.

When the ISSB inherited the SASB standards, it found that a small subset of the standards incorporated references to specific jurisdictional laws and regulations that may be globally inapplicable, introduce regional bias, increase application costs, and decrease the comparability and decision-usefulness of the resulting disclosures. The ISSB has therefore developed a methodology for enhancing the international applicability of the SASB standards and SASB standards taxonomy updates without substantially altering the standards' structure or intent. This methodology has been applied to the relevant SASB standards.

With the amendments published, the ISSB intends to make the SASB standards more internationally applicable and GAAP-agnostic. The amendments remove and replace jurisdiction-specific references and definitions, without substantially altering industries, topics or metrics.

The amendments are effective for annual periods beginning on or after January 1, 2025. Earlier application is permitted.

The Company's Management anticipates that the application of this regulation will not have a significant impact on the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Foreign currency translation

2.3.1 Functional and presentation currency

The Company has determined that its functional currency is the United States dollar (US\$). These Financial Statements are presented in United States dollars.

2.3.2 Transactions and balances

Transactions carried out by each company in a currency other than its functional currency are recorded using the exchange rates in effect as of the date of each transaction. During the period, any differences that arise between the exchange rate recorded in accounting and the rate prevailing as of the date of collection or payment are recorded as exchange differences in the income statement. Likewise, as of each period end, balances receivable or payable in a currency other than each company's functional currency are converted using the period-end exchange rate. Losses and gains in foreign currency arising from settling these transactions and from converting monetary assets and liabilities denominated in foreign currency using period-end exchange rates are recorded in the income statement, except when they should be deferred in equity, such as the case of cash flow hedge strategies.

2.3.3 Exchange rates

As of each year end, assets and liabilities in foreign currency and UF have been converted to United States dollars, using the following exchange rates:

Currency or indexing unit	US dollars per unit	
	12-31-2023	12-31-2022
Unidad de fomento	41.9434	41.0242
Chilean peso	0.0011	0.0012

2.4 Financial reporting by operating segments

The Company manages its operations and presents information in the Financial Statements based on a single operating segment, Electricity transmission.

The source of the revenues that generates the company and its assets are located in Chile.

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Property, plant and equipment

Property, plant and equipment are valued at acquisition cost, net of its corresponding accumulated depreciation and any impairment losses it may have experienced. In addition to the price paid to acquire each item, the cost also includes, where appropriate, the following items:

- (a) All costs directly related to placing the asset in the location and condition that enables it to be used in the manner intended by management.
- (b) Borrowing costs incurred during the construction period that are directly attributable to the acquisition, construction or production of qualified assets, which require a substantial period of time before being ready for use are capitalized. The interest rate used is that of the specific financing or, if none exists, the average financing rate of the company carrying out the investment.
- (c) Future disbursements that Transelec Concesiones S.A. must make to close its facilities are incorporated into the value of the asset at present value, recording the corresponding provision in the accounting. On an annual basis both existence of such obligations, as well as estimate of future disbursements are reviewed, 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.

Expansion, modernization and improvement costs that represent an increase in productivity, capacity or efficiency or an extension of useful life are capitalized as a greater cost of the corresponding assets. Replacement or overhauls of whole components that increase the asset's useful life, or its economic capacity, are recorded as an increase in value for the respective assets, derecognizing the replaced or overhauled components. Expenditures for periodic maintenance (preventive or required) and repair are recognized directly as an expense for the period in which they are incurred.

Property, plant and equipment, net of its residual value, is depreciated by distributing the cost of its different components on a straight-line basis over its estimated useful life, which is the period during which the companies expect to use them. The useful lives and residual values of fixed assets are reviewed on a yearly basis. The land has an indefinite useful life and is not depreciated.

The following table details the ranges of useful lives periods applied to principal classes of assets and used to determine depreciation expense:

Items	Range of estimated useful life in years	
	Minimun	Maximun
Constructions and infrastructure	20	50
Machinery and Equipment	15	40
Other assets	3	15

The depreciation of these assets is recorded in the Statement of Income under the categories of Cost of Sales and Administrative Expenses.

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Intangible assets

2.6.1 Rights of way

The rights of way are stated at historical cost. These rights have no defined useful life and, therefore, are not amortized. However, these indefinite useful lives are reviewed during each reporting year to determine if they remain indefinite. These assets are tested for impairment at each year end or at any moment if there are indicators of impairment.

2.6.2 Computer software

Purchased software licenses are capitalized based on the costs incurred to purchase them and prepare them for use. These costs are amortized on a straight-line basis over their estimated useful lives that range from three to five years.

Expenses for developing or maintaining computer software are expensed when incurred. Costs directly related to creating unique, identifiable computer software controlled by the Company that is likely to generate economic benefits in excess of its costs during more than one year are recognized as intangible assets, and its amortization is included in the Statement of Income under Costs of sales and administrative expenses.

2.7 Impairment of non-financial assets

Assets with an indefinite useful life, such as rights of way, are not depreciated or amortized and are tested annually for impairment. Assets subject to depreciation or amortization can sometimes be evidence of changes whenever a change or event occurs in circumstances that indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the difference between the asset's carrying amount and its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use, which is defined as the present value of the estimated future cash flows.

Impairment losses from continuing operations are recognized in the statement of income in the expenses categories in accordance with the function of the impaired assets.

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Impairment of non-financial assets (continued)

Non-financial assets other than goodwill that could have suffered an impairment loss are reviewed at each reporting date for possible reversal of the impairment, in which case the reversal may not exceed the amount originally impaired less accumulated depreciation. Reversals are included in the income statement.

Impairment testing of intangible assets with indefinite useful lives is performed at November 30 of each year.

2.8 Financial Instruments

A financial instrument is any contract that generates, at the same time, a financial asset in an entity and a financial liability or an equity instrument in other entity.

1) Non-derivatives financial assets

The Company classifies its non-derivatives financial assets into the following categories:

a) Amortized cost:

In this category are classified the financial assets within the business model of the Company whose objective is to hold financial assets in order to collect contractual cash flows, which are generated on specified dates and are made up of principal and interest (SPPI criterion).

Financial assets that meet the conditions established in IFRS 9, to be valued at amortized cost are: accounts receivable, loans and cash equivalents. These assets are recorded at amortized cost, which is fair value at the initial recognition, less repayments of principal, plus uncollected accrued interest, calculated using the effective interest rate method. The effective interest rate is the discount rate that exactly matches the estimated cash flows to be received or paid over the expected useful life of the financial instrument (or when appropriate in a shorter period of time), with the net carrying amount of the financial asset or financial liability.

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial Instruments (continued)

1) Non-derivatives financial assets (continued)

b) Fair value through other comprehensive income (Equity):

For financial assets within the Company's business model whose objective is both to collect contractual cash flows which are generated at specific times and consist of principal and interest (SPPI criterion) and to sell the asset.

These financial assets are recognized into the financial statement at their fair value when it can be feasible determined. Changes in its fair value, net of tax effect, are recorded in the statement of comprehensive income in the item other comprehensive income, until the disposal of such entries is generated, moment when the accumulated amount in this item is charged fully into profit or loss of the period. If the fair value is lower than the acquisition cost, and if there is objective evidence that the financial assets have an impairment that is not considered temporary, the difference has to be recorded as a loss of the period.

c) Fair value through profit or loss

For financial assets that were defined as such at the moment of their initial recognition and those that are not measured at amortized cost or fair value through other comprehensive income.

These are measured in the statement of financial position at their fair value and the changes on its fair value are recorded directly in profit or loss when occurred. Purchases or sales of financial assets are recorded at the date of the transaction.

2) Cash and cash equivalents

Cash and cash equivalents include cash on hand and in banks, time deposits and other short-term investments with maturities in less than 180 days as of the investment date, and which are highly liquid readily convertible to cash, and which are subject to an insignificant risk of changes in value. The balance of this account does not differ from that presented in the statement of cash flows. There is no restricted cash.

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial Instruments (continued)

3) Impairment of financial assets

According to IFRS 9, the Company applies the impairment model based of expected credit losses. This model is used on the financial assets measured at amortized cost or fair value through other comprehensive income, except for the investments in equity instruments. The Company uses a simplify scope for account receivables, contractual assets and account receivables for leasing in order to ensure that any impairment recorded is made in reference to the expected losses for all the life of the asset.

4) Non-derivatives financial liabilities

Financial liabilities are initially recognized at their fair value, net of direct transactions costs. For its subsequent measurement, these liabilities are measured at amortized cost using the effective interest rate method. For the fair value of debt calculation, it has been performed using the discounted cash flows method according to the interest rate curves available in the market depending on the payment currency.

5) Derivatives and Hedge activities

The Company selectively uses derivative and non-derivative instruments, to manage its exposure to exchange rate risk (See Note 15).

Derivatives instrument used by the Company are mainly related to hedge the interest rate/exchange rate risks. Derivatives instruments are recorded at its fair value at the date of statement of financial position. If the fair value of the derivative instrument is positive, it is recorded into the "Other financial assets" item and in case that the fair value of the derivative instrument is negative it is recorded into the "Other financial liabilities" item. Changes in the fair value of the derivative instruments are recorded into profit or loss unless the derivative had been designated as a hedge instrument and comply with all the requirement stated in IFRS in order to use hedge accounting. Regarding to hedge accounting, the Company is still under the IAS 39 scope. The different types of hedge accounting are:

5.1) Fair value hedge: Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, along with any change in the fair value of the hedged asset or liability that is attributable to the hedged risk. The Company has not used fair value hedges during the periods presented.

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial Instruments (continued)

5) Derivatives and Hedge activities (continued)

5.2) Cash Flow Hedge: Changes in the fair value of the effective portion of derivatives are recorded in equity account "Reserve for cash flow hedges". The cumulative loss or gain in this account is transferred to the income statement to the extent that the underlying item impacts the income statement because of the hedged risk, netting the effect in the same income statement account. Gains or losses from the ineffective portion of the hedge are recorded directly in the income statement. A hedge is considered highly effective when changes in the fair value or the cash flows of the underlying item directly attributable to the hedged risk are offset by changes in the fair value or the cash flows of the hedging instrument, with effectiveness ranging from 80% to 125%.

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedged item expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity is retained and is recognized when the forecasted transaction is ultimately recognized in the income statement.

5.3) Net Investment Hedge: Hedges of net investments in foreign operations are accounted for on a similar basis to cash flow hedges. Foreign currency translation originated by a net investment in a foreign entity and derived from the hedge transaction should be registered in equity reserve under the item "Other reserves" until the investment's disposal.

Gains or losses relating to the ineffective portion are recognized immediately in the income statement in the line item "Other gains (losses)".

The Company has not used hedges of a net investment in a foreign operation in the periods presented in these financial statements.

At the inception of the transaction, the Company documents the relationship existing between the hedge instruments and the hedged items, as well as its risk management objectives and its strategy for handling various hedge transactions. The Company also documents its assessment, both at inception and subsequently on an ongoing basis, of the effectiveness of the hedge instruments in offsetting movements in the fair values or cash flows of the hedged items. A derivative is presented as a non-current asset or liability if its maturity is greater than 12 months and it is not expected to be realized within 12 months. The other derivatives are presented as current assets or current liabilities.

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial Instruments (continued)

6) Embedded derivatives

Derivatives embedded in other financial instruments contracts or other contracts are treated as derivatives when their risks and characteristics are not closely related to the host contracts and the host contracts are not measured at fair value through profit and loss. In the case that they are not closely related, they are recorded separately, and any changes in value are recognized in the income statement. In the periods presented in these Financial Statements, the Company did not identify any contracts that met the conditions for embedded derivatives.

7) Derecognition of financial assets and liabilities

Financial assets are derecognized when:

- a) The contractual rights to receive cash flows from the financial asset expire or have been transferred or, if the contractual rights are retained, the Company has assumed a contractual obligation to pay these cash flows to one or more recipients.
- b) The entity transfers substantially all the risks and rewards of ownership or, if the entity neither transfers nor retains substantially all these, when the entity does not retain the control of the asset.

Financial liabilities are derecognized when the company's obligations are fulfilled, canceled or have expired. The difference between the book value of the derecognized financial liability and the consideration paid and payable, including any asset transferred other than cash or liability assumed, is recognized in profit or loss.

8) Offsetting of financial assets and liabilities

The Company offsets financial assets and liabilities, and the net amount is presented in the statement of financial position only when:

- a) There is a legally binding right to offset recognized amounts; and
- b) The company intends to settle them on a net basis, or to simultaneously realize the asset and settle the liability.

The right of offset may only be legally enforceable in the normal course of business, or in the event of default, or in the event of insolvency or bankruptcy, of any one or all the counterparties.

2.9 Inventories

Inventories are valued at acquisition cost using the weighted average price or net realizable value if this is lower.

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Paid-in capital

Paid-in capital is represented by one class of ordinary shares with one vote per share. Incremental costs directly attributable to new share issuances are presented in equity as a deduction, net of taxes, from issuance proceeds.

2.11 Income tax and deferred taxes

The result for income tax for the year is determined as the sum of the current tax arising from the application of the tax rate on taxable income, after allowed deductions, plus the change in assets and liabilities for deferred taxes and tax credits, both for tax losses and other deductions. Differences between the carrying value and tax base of assets and liabilities generate deferred tax asset and liability balances, which are calculated using tax rates expected to be in effect when the assets are realized, and the liabilities are settled.

Current taxes and changes in deferred tax assets and liabilities not from business combinations are recorded in income or in net equity accounts in the statement of financial position, depending on where the gains or losses originating them were recorded.

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

The carrying amount of deferred income tax assets is reviewed at each reporting date of the financial statement and written off to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. The unrecognized deferred tax assets are also reviewed at each closing date and are recognized to the extent that it is probable that future taxable profits allow the deferred tax asset to be recovered.

Deferred tax liabilities are recognized for all temporary differences, except those derived from the initial recognition of goodwill and those that arose from valuing investments in subsidiaries, associates and jointly controlled companies in which Transelec Concesiones S.A. can control their reversal and where it is likely that they are not reversed in the foreseeable future.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

2.12 Provisions

Provisions for environmental restoration, asset retirement, restructuring costs, onerous contracts, lawsuits and other contingencies are recognized when:

- The Company has a present obligation, whether legal or constructive, as a result of past events;
- It is probable that a disbursement will be necessary to settle the obligation;
- The amount can be estimated reliably.

Provisions are measured at the present value of management's best estimate of the expenditures required to settle the obligation. The discount rate used to determine the present value reflects current market assessments, at the balance sheet date, of the time value of money and the specific risk associated with the particular liability, if applicable. Increases in provisions due to the passage of time are recognized in interest expense.

As of the date of issuance of these Financial Statements, Transelec Concesiones S.A. has no obligation to establish provision for environmental restoration.

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Classification of current and non-current balances

In the statement of financial position, balances are classified based on maturity, i.e. current balances mature in no more than twelve months and non-current balances in more than twelve months.

In case the Company have any obligations that mature in less than twelve months but can be refinanced over the long term at the Company's discretion, through unconditionally available credit agreements with long-term maturities, such obligations may be classified as non-current liabilities.

2.14 Distribution of dividends

The dividends payable to the Company's shareholders are recognized as a liability in the Financial Statements in the period in which they are approved by the shareholders.

Company records a provision at the end of each year for the 30% of the profit of the year, in accordance with Law N° 18,046. Notwithstanding, due to the restrictions imposed by the financing contracts, the company has not recorded a provision for this concept.

2.15 Revenue recognition in Contracts with Customers

The legal framework that governs the electrical transmission activity in Chile is regulated by DFL No. 4/2006, which establishes the Consolidated, Coordinated and Systematized Text of the Decree with Force of Law No. 1, of Mining, of 1982, General Law of Electric Services (DFL(M) No. 1/1982) and its subsequent amendments thereto, including Law 19,940 (call also the "Short Law I"), enacted on March 13, 2004, Law 20,018 (also call "Short Law II"), enacted on 19 May 2005, Law 20,257 (Generation with Non-Conventional Renewable Sources of Energy) enacted on April 1, 2008 and Law 20,936 (Transmission Law) enacted on July 11, 2016.

These rules are complemented by the various regulations defined in the Law, among them: the General Law of Electric Services of 1997 (Supreme Decree No. 327/1997 of the Ministry of Mining), the Coordination and Operation of the Electric System regulation (Supreme Decree No. 125/2017 of the Ministry of Energy), the Transmission Systems and Transmission Planning regulation (Supreme Decree No. 37/2019 of the Ministry of Energy), and the Qualification, Valuation, Pricing and Remuneration of the Transmission regulation (Supreme Decree No. 10/2019 of the Ministry of Energy).

In detail, the Law 20,936 created an Independent Coordinator Body for the National Electric System to replace the previous Load Economical Dispatch Centers and establishes a new Electric Transmission System where the facilities of the Trunk system, Sub-transmission and Additional system, introduced by Short Law I, were replaced by the National Transmission System, Zonal, Dedicated Transmission System, Development Poles and International Interconnection.

The law establishes that the remuneration of the transmission works will correspond to the Annual Value of Transmission per Tranche (VATT in its Spanish acronym), Facilities of the Dedicated segment, or whose origin was by agreement between private parties, set the VATT through bilateral contracts, while for facilities of the National, Zonal and Dedicated segment used by regulated customers, the VATT is determined in a regulated manner in the law (to date there are no facilities in the Poles of Development and International Interconnection segment). In this way, the Company basically distinguishes between two types of contracts with customers, one of them of a regulated nature and the other of a contractual nature. The first one is subject to regulated rates, while the second one is related to contractual agreements with the users of the transmission facilities.

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Revenue recognition in Contracts with Customers (continued)

In this context, the regulated income of a work will depend on whether it is the result of a bidding process or a centralized valuation process. Thus, the revenue of the new works corresponds to the VATT awarded in the bidding process for the exploitation rights; the VATT of the expansion works of existing facilities is determined based on the value of the investment awarded in the bidding processes for the construction rights, while the VATT of the rest of the works is determined based on the efficient valuation of the facilities every four years.

The centralized valuation process determines, for all existing facilities subject to price review, the investment value (VI in its Spanish acronym) of the facilities associated with an efficient process of management, acquisition, construction, assembly and commissioning. From this VI, the Annuity of the Investment Value is determined considering a discount rate defined in the regulations whose value can vary with a minimum of 7% and a maximum of 10% after taxes. To the AVI is added the Operation, Maintenance and Administration Costs (COMA in its Spanish acronym) associated with the operation of an efficient company.

In this way, the total income generated by the use of the Company's facilities for both types of revenues, regulated and contractual, includes these two components: i) the annuity of the investment value (AVI in its Spanish acronym), plus ii) the operation, maintenance and administration costs (COMA in its Spanish acronym). Where these values are the results of bilateral contracts or regulated processes.

Finally, the revenue recognized by the company, and which it has the right to collect from its clients, corresponds to the VATT determined as the indexed values of the AVI and COMA that make up such VATT. The law establishes these charges as integral components in rendering of transmission services. Therefore, due to these services are substantially the same and they have the same pattern of transference to customers, in other words, both services are satisfied over time with a similar progress measurement, the Company has determined that there is a unique performance obligation, and it is satisfied over a period of time, therefore revenues are recognized on the same time basis.

Revenues from both regulatory and contractual arrangements are recognized and billed on a monthly basis, using values stipulated in the contracts or those resulting from regulated tariffs.

The transmission service is generally billed during the months after the month in which the service was provided, and therefore the revenue recognized each month corresponds to the transmission service delivered, but not billed in such month.

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 3 - RISK MANAGEMENT POLICY

3.1 Financial Risk

Transelec is exposed to the following risks as a result of the financial instruments it holds: market risk stemming from interest rates, exchange rates and other prices that impact market values of financial instruments, credit risk and liquidity risk. The following paragraphs describe these risks and how they are managed.

3.1.1 Market risk

Market risk is defined for these purposes as the risk of changes in the fair value or future cash flows of a financial instrument as a result of changes in market prices. Market risk includes the risk of changes in interest and exchange rates, inflation rates and variations in market prices due to factors other than interest or exchange rates such as commodity prices or credit spread, among others.

The Company's policy regulates investments and indebtedness, in an attempt to limit the impact of changes in the value of currencies and interest rates on the Company's net results by:

- (a) Investing cash surpluses in instruments maturing within no more than 180 days.
- (b) Entering into forwards contracts and other instruments to maintain a balanced foreign exchange position.
- (c) Entering into long-term fixed rate indebtedness thus limiting risk from variable interest rates.

3.1.1.1 Interest Risk

Significant changes in fair values and future cash flows of financial instruments that can be directly attributable to interest rate risks include changes in the net income proceeds from financial instruments whose cash flows are determined in reference to floating interest rates and changes in the value of financial instruments with fixed cash flows.

Currently, Transelec Concesiones S.A. has a direct exposure to this type of risk because on December 21, 2018, a variable rate financing agreement was signed; for this reason, Transelec Concesiones S.A. has entered into several 3-Month Libor Interest Rate Swaps, which cover 100% of the expected debt balance. The following table shows the main terms, at the aggregate level, of the contracts:

Closing date	Start date	Maturity date	Currency	Notional (asset leg)	floating rate (asset leg)	Notional (liability leg)	floating rate (liability leg)	Frecuency
01-07-2019	12-28-2018	06-15-2045	USD	326,678,633	Term SOFR 3M	326,678,633	2.25%	Quarterly

Note that the notional amount of this derivative increases and decreases according to the estimate of the debt structure that the financing would have.

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 3 - RISK MANAGEMENT POLICY (continued)

3.1.1.2 Exchange Rate Risk

Currently, Transelec Concesiones S.A.'s only exposure to foreign exchange risk arises from the capital expenditure commitments it will have to incur for the core projects under construction.

As a result, there is currently a Capex hedging policy to help hedge the exchange rate risk of any capital expenditure in a currency other than the US dollar.

Any other type of exposure to exchange rate risk will be managed through an approved policy that contemplates fully covering the net balance sheet exposure, which is made through various instruments such as: positions in US dollars / Chilean pesos, forward contracts and swaps.

3.1.2 Sensitivity analysis

The following chart shows the sensitivity analysis of various items to a 10% increase or decrease in exchange rates (US Dollar) and their effect on income or equity. This exchange rate sensitivity (10%) is used to internally report the Company's foreign exchange risk to key management personnel and represents management's valuation of the possible change in foreign currencies. The sensitivity analysis includes asset and liability balances in currencies other than the Company's functional currency. A positive number indicates an increase in income or other comprehensive income. A positive percentage implies a weakening of the Dollar with respect to the foreign currency; a negative percentage implies a strengthening of the Dollar with respect to the foreign currency.

Entry (Currency)	Position	Net income		Position	OCI	
	Long/ (short)	Change (-10%)	Change (+10%)	Long/ (short)	Change (-10%)	Change (+10%)
Cash (US\$)	3,094	(281)	344	-	-	-
Time deposits (US\$)	58,696	(5,336)	6,522	-	-	-
VAT credit S/T (US\$)	454	(41)	50	-	-	-
Inter-Co Loan (US\$)	(154)	14	(17)	-	-	-
Accounts receivable (US\$)	1,073	(98)	119	-	-	-
Accounts payable to Suppliers (US\$)	(320)	29	(36)	-	-	-
Total	62,843	(5,713)	6,982	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 3 - RISK MANAGEMENT POLICY (CONTINUED)

3.1.3 Credit Risk

With respect to credit risk related to accounts receivable from the electricity transmission activity, this risk is historically very low in the industry given the nature of business of the Company's customers and the short-term period of collection of receivables from clients, which leads to a situation in which clients do not accumulate very significant amounts.

However, revenues are highly concentrated in major customers as shown in the following table:

Client	12-31-2023	12-31-2022
	ThUS\$	THUS\$
Enel Group	14,940	8,449
CGE Group	6,689	3,068
Colbún Group	6,810	2,850
Engie (E-CL) Group	4,921	2,340
AES Gener Group	4,903	3,624
Other	1,302	11,042
Total	39,565	31,373
% Concentration of the main clients	96.71%	64.80%

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 4 - ESTIMATES AND JUDGMENTS OR CRITICAL CRITERIA USED BY MANAGEMENT

The estimates and criteria used by the Company are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered reasonable based on the circumstances.

The Company performs estimates and assumptions about the future. The resulting accounting estimates, per definition, will rarely be equal to the actual outcomes. Estimates and assumptions with a significant risk to the Company are detailed below:

- The estimates of recoverable values of assets and goodwill to determine potential existence of impairment losses;
- The useful lives and residual values of properties, plants and equipment and intangible assets;
- The hypothesis used to calculate the fair value of the financial instruments;
- The actuarial assumptions used to calculate obligations with employees;
- The future fiscal results for purposes of determining the recoverability of deferred tax assets,
- Contingent assets and liabilities,
- Determination of existence and classification of financial or operating leases based on the transfer of risks and rewards of the leased assets (IFRS16), considerate the following:
 - Identification of whether a contract (or part of a contract) includes a lease.
 - Estimate the lease term.
 - Determine if it is reasonably true that it is an extension or termination option will be exercised.
 - Determination of the appropriate rate to discount lease payments

Although the estimates mentioned above were made according to the best information available at the date of issuance of these Financial Statements, it is possible that future events oblige to modify them (upside or downside) in further periods, those modifications to each estimate will be recorded prospectively and recognized on those respective Financial Statements

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 5 - CASH AND CASH EQUIVALENTS

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

Cash and cash equivalents	12-31-2023	12-31-2022
	ThUS\$	ThUS\$
Cash and banks	4,098	9,584
Time deposits	62,301	39,200
Total	66,399	48,784

Cash and cash equivalents included in the statement of financial position as of December 31, 2023 and 2022 does not differ from those presented in the statement of cash flows.

(b) The detail of balance of cash and cash equivalents by type of currency is as follows:

Detail	Currency	12-31-2023	12-31-2022
		ThUS\$	ThUS\$
Cash and cash equivalents	United States dollars	4,609	8,468
Cash and cash equivalents	Chilean pesos	61,790	40,316
Total		66,399	48,784

Fair values do not differ significantly from book values due to the short-term maturity of these instruments and there are no restrictions.

Note 6 - TRADE AND OTHER RECEIVABLES

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

Detail	12-31-2023	12-31-2022
	ThUS\$	ThUS\$
Invoiced trade debtors	1,063	661
Provisioned trade debtors	5,070	15,057
Total Trade and other receivables	6,133	15,718

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 6 - TRADE AND OTHER RECEIVABLES (CONTINUED)

b) The aging analysis for trade debtors is as follows:

Detail	Invoiced trade debtors	Provisioned trade debtors	12-31-2023
	ThUS\$	ThUS\$	ThUS\$
Non-past due	911	5,070	5,981
1-30 days	88	-	88
31-60 days	22	-	22
61-90 days	10	-	32
91-180 days	32	-	10
181-365 days	-	-	-
365 days or more	-	-	-
Total	1,063	5,070	6,133

Detail	Invoiced trade debtors	Provisioned trade debtors	12-31-2022
	ThUS\$	ThUS\$	ThUS\$
Non-past due	-	15,057	15,057
1-30 days	577	-	577
31-60 days	7	-	7
61-90 days	5	-	5
91-180 days	2	-	2
181-365 days	5	-	5
365 days or more	65	-	65
Total	661	15,057	15,718

Fair values do not differ significantly from book values due to the short-term maturity of these instruments. In addition, the Company does not record any bad debt provisions.

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 7 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

7.1 Balances and transactions with related companies

7.1.1 Accounts receivable from related entities

There are no accounts receivable as of December 31, 2023 and 2022.

7.1.2 Accounts payable to related entities

The balances of accounts payable between the Company and its related companies are as follows:

Tax ID Number	Company	Country	Item	Term	Relationship	Currency	Current		Non-current	
							12-31-2023	12-31-2022	12-31-2023	12-31-2022
							ThUS\$	ThUS\$	ThUS\$	ThUS\$
76.560.200-9	Transelec Holding Rentas Ltda	Chile	Structured loan	2024/2039(*)	Parent Company	USD	34,547	14,758	55,404	93,662
76.560.200-9	Transelec Holding Rentas Ltda	Chile	Structured loan	2023	Parent Company	CLP	-	6,041	-	-
76.555.400-4	Transelec SA	Chile	Current account	Undefined	Indirect	CLP	154	162	-	-
Total							34,701	20,961	55,404	93,662

(*) In relation to the structured loan in dollar currency with Transelec Holding Rentas Ltda., these correspond to different loans with different maturity dates ranging from 2024 to 2039.

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 7 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

7.1 Balances and transactions with related entities (continued)

Significant transactions and their effects in income (loss)

The effects on the Income Statement of transactions with related entities are as follows:

Tax ID Number	Company	Country	Relationship	Description of the transaction	12-31-2023		12-31-2022	
					Amount	Effect on profit or loss	Amount	Effect on profit or loss
					ThUS\$	ThUS\$	ThUS\$	ThUS\$
76.560.200-9	Transelec Holding Rentas Ltda.	Chile	Parent Company	Loans received	-	-	6,000	-
76.560.200-9	Transelec Holding Rentas Ltda.	Chile	Parent Company	loans paid	29,755	-	103,966	-
76.560.200-9	Transelec Holding Rentas Ltda.	Chile	Parent Company	Accrued interest	6,339	(6,341)	7,227	(7,227)
76.560.200-9	Transelec Holding Rentas Ltda	Chile	Parent Company	Interest paid	1,505	-	5,705	-
76.560.200-9	Transelec Holding Rentas Ltda	Chile	Parent Company	Exchange difference	411	(409)	59	59
76.555.400-4	Transelec S.A.	Chile	Indirect	Accrued services	4,004	(1,640)	2,147	(1,358)
76.555.400-4	Transelec S.A.	Chile	Indirect	Administrative services paid	3,629	-	1,873	-
76.555.400-4	Transelec S.A.	Chile	Indirect	Engineering services paid	-	-	443	-

These operations are in accordance with the provisions of Articles N° 44 and 49 of Law N° 18,046 on Corporations.

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 8 - OTHER NON-FINANCIAL ASSETS

The detail of this item as of December 31, 2023 and 2022 is as follows:

Detail	12-31-2023	12-31-2022
	ThUS\$	ThUS\$
Expenses to be reported for easements	4,753	7,657
VAT credit	454	996
Other	143	826
Total other non-financial assets	5,350	9,479

Note 9 - INTANGIBLE ASSETS OTHER THAN GOODWILL

The detail of this item as of December 31, 2023 and 2022 is as follows:

Intangible assets, net	12-31-2023	12-31-2022
	ThUS\$	ThUS\$
Rights of way	32,161	29,020
Other Intangible assets	250	250
Total intangible assets identified	32,411	29,270
Intangible assets, gross	12-31-2023	12-31-2022
	ThUS\$	ThUS\$
Rights of way	32,161	29,020
Other Intangible assets	250	250
Total intangible assets	32,411	29,270
Amortización acumulada y deterioro del valor	12-31-2023	12-31-2022
	ThUS\$	ThUS\$
Rights of way	-	-
Other Intangible assets	-	-
Total accumulated amortization	-	-

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 9 - INTANGIBLE ASSETS OTHER THAN GOODWILL (CONTINUED)

Movements in intangible assets as of December 31, 2023 and 2022 are as follows:

Movements in intangible assets	Right-of-way	Other assets	Intangible assets, net
	ThUS\$	ThUS\$	ThUS\$
Opening balance as of 01-01-2023	29,020	250	29,270
Additions	3,141	-	3,141
Closing balance as of 12-31-2023	32,161	250	32,411

Movements in intangible assets	Right-of-way	Other assets	Intangible assets, net
	ThUS\$	ThUS\$	ThUS\$
Opening balance as of 01-01-2022	28,005	250	28,255
Additions	1,015	-	-
Closing balance as of 12-31-2022	29,020	250	28,255

On January 22, 2016, through an assignment agreement, Abengoa Chile S.A. assigned to Pichirropulli Energy Transmitter S.A. the Right of Exploitation and Execution of the "Line 2x500 KV Pichirropulli Nueva Puerto Montt, energized in 220 KV" amounted ThUS\$250. This Right was awarded by Supreme Decree Number 20T of 2015. As it is unlikely that this Right to be revoked, the Company considers that this Right has an indefinite useful life.

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 10 - PROPERTY, PLANT AND EQUIPMENT

10.1 Detail of items

The composition corresponds to the following detail:

Property, plant and equipment, net	12-31-2023	12-31-2022
	ThUS\$	ThUS\$
Land	889	889
Constructions and Infrastructure	162,147	162,262
Work in progress	8,334	22,911
Machinery and equipment	174,750	161,585
Total Property, plant and equipment, net	346,120	347,647
Property, plant and equipment, gross	12-31-2023	12-31-2022
	ThUS\$	ThUS\$
Land	889	889
Constructions and Infrastructure	167,544	164,273
Work in progress	8,334	22,911
Machinery and equipment	194,741	177,002
Total Property, plant and equipment, gross	371,508	365,075
Accumulated depreciation of Property, plant and equipment	12-31-2023	12-31-2022
	ThUS\$	ThUS\$
Constructions and Infrastructure	(5,397)	(2,011)
Machinery and equipment	(19,991)	(15,417)
Total accumulated depreciation of Property, plant and equipment	(25,388)	(17,428)

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 10 - PROPERTY, PLANT AND EQUIPMENT (continued)

10.2 Reconciliation of changes in property, plant and equipment

The following table shows the detail of changes in property, plant and equipment per class of assets for the years ended as of December 31, 2023 and 2022:

Movement	Land	Constructions and infrastructure	Machinery and equipment	Work in progress	Property, plant and equipment, net
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance as of 01-01-2023	889	162,262	161,585	22,911	347,647
Additions	-	-	-	6,433	6,433
Transfer	-	3,271	17,739	(21,010)	-
Depreciation expense	-	(3,386)	(4,574)	-	(7,960)
Closing balance as of 12-31-2023	889	162,147	174,750	8,334	346,120

Movement	Land	Constructions and infrastructure	Machinery and equipment	Work in progress	Property, plant and equipment, net
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance as of 01-01-2022	889	23,969	166,034	143,732	334,624
Additions	-	-	-	18,217	18,217
Transfer	-	139,038	-	(139,038)	-
Depreciation expense	-	(745)	(4,449)	-	(5,194)
Closing balance as of 12-31-2022	889	162,262	161,585	22,911	347,647

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 10 - PROPERTY, PLANT AND EQUIPMENT (continued)

10.3 Additional information on property, plant and equipment

As of December 31, 2023 and 2022, the Company had commitments to acquire property, plant and equipment items derived from EPC (Engineering-Procurement-Construction) construction contracts in the amount of ThUS\$22,917 and ThUS\$17,039, at the closing of each period, respectively.

The following table details capitalized interest costs in property, plant and equipment:

Items	12-31-2023	12-31-2022
Capitalization rate (annual basis) (%)	5.46%	4.75%
Capitalized interest costs (ThUS\$)	139	2,034

Note 11 – OTHER FINANCIAL ASSETS

The detail of other current and non-current financial assets as of December 31, 2023 and 2022, is presented below:

Concept	12-31-2023		12-31-2022	
	Current	Non-Current	Current	Non-Current
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Swap contracts (see note 15)	7,763	26,522	8,202	30,022
Total other financial assets	7,763	26,522	8,202	30,022

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 12 - DEFERRED TAXES

12.1 Deferred taxes

Detail of deferred tax assets and liabilities

The origin of deferred taxes recorded as of December 31, 2023 and 2022 is as follows.

Temporary difference Assets / (Liabilities)	Net deferred taxes	
	12-31-2023	12-31-2022
	ThUS\$	ThUS\$
Depreciable fixed assets	(50,771)	(42,368)
Tax loss	36,643	30,417
Work in progress	(72)	(101)
Intangible Assets	(345)	(324)
Loans effective interest rate	(3,201)	(3,319)
Land	7	7
Total Deferred tax assets/(liabilities)	(17,739)	(15,688)
Presentation in Statement of financial position:		
Deferred tax assets	-	-
Deferred tax liabilities	(17,739)	(15,688)
Net deferred taxes assets/(liabilities)	(17,739)	(15,688)

The balances of accumulated tax losses that give rise to the balance presented in deferred tax assets as of December 31, 2023 and 2022 are ThUS\$135,715 and ThUS\$112,656, respectively.

12.2 Deferred tax movements of the statement of financial position

The movements of the "Deferred Taxes" items of the Balance Sheet as of December 31, 2023 and 2022 are as follows:

Concept	Assets	Liabilities	Net Assets/ (Liabilities)	Impact of the period		
				Income	Equity	Total Variation
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Depreciable fixed assets	-	50,771	(50,771)	(8,403)	-	(8,403)
Tax loss	36,643	-	36,643	5,145	-	5,145
Work in progress	-	72	(72)	29	-	29
Intangible Assets	-	345	(345)	(21)	-	(21)
Loans effective interest rate	-	3,201	(3,201)	118	-	118
Land	7	-	7	-	-	-
Cash flow hedge reserves	-	-	-	-	1,081	1,081
Closing balance as of 12-31-2023	36,650	54,389	(17,739)	(3,132)	1,081	(2,051)

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 12 - DEFERRED TAXES (Continued)

12.2 Deferred tax movements of the statement of financial position (Continued)

Concept	Assets	Liabilities	Net Assets/ (Liabilities)	Impact of the period		
	ThUS\$	ThUS\$	ThUS\$	Income	Equity	Total Variation
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Depreciable fixed assets	-	42,368	(42,368)	(10,503)	-	(10,503)
Tax loss	30,417	-	30,417	5,015	-	5,015
Work in progress	-	101	(101)	2,607	-	2,607
Intangible Assets	-	324	(324)	(25)	-	(25)
Loans effective interest rate	-	3,319	(3,319)	(574)	-	(574)
Land	7	-	7	-	-	-
Cash flow hedge reserves	-	-	-	-	(20,218)	(20,218)
Closing balance as of 12-31-2022	30,424	46,112	(15,688)	(3,480)	(20,218)	(23,698)

The recovery of deferred tax asset depends on whether sufficient tax profits are obtained in the future. The Company considers that future profits projections will allow to recover these assets.

Note 13 - TRADE AND OTHER PAYABLES

Trade creditors and other accounts payable as of December 31, 2023 and 2022, respectively, are detailed below:

Trade and other payables	12-31-2023	12-31-2022
	ThUS\$	ThUS\$
Trade payable billed (*)	146	207
Trade payable unbilled	12,365	7,560
Total	12,511	7,767

As of December 31, 2023 and 2022, the average period for payment to suppliers is 30 days, so the fair value of accounts payable does not differ significantly from its book value.

The due date of billed trade payables as of December 31, 2023 and 2022 is as follows:

Billed trade payable (*)	Suppliers up to date		Suppliers overdue	
	12-31-2023	12-31-2023	12-31-2023	12-31-2023
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Up to 30 days	5	82	-	-
31 and 60 days		-	-	11
61 and 90 days		-	-	2
91 and 120 days		-	-	-
121 and 365 days		-	-	11
More than 365 days		-	141	101
Total Billed trade payables	5	82	141	125

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))

(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 14 - OTHER FINANCIAL LIABILITIES

14.1 Other financial liabilities balance

The detail of other financial liabilities as of December 31, 2023 and 2022, is as follow:

Item	12-31-2023		12-31-2022	
	Current	Non-Current	Current	Non-Current
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Bank loan	8,882	307,031	7,228	292,078
Total Other Financial Liabilities	8,882	307,031	7,228	292,078

14.2 Detail of other financial liabilities

The other financial liabilities correspond to a bank loan held by the Company as of December 31, 2023 and 2022, respectively, and are detailed below:

Taxpayer ID number	Debtor name	Country	Creditor	Identification	Currency	Annual effective interest rate	Annual nominal interest rate (*)	Principal payment	Interest payment	Final maturity	12-31-2023	12-31-2022
											ThUS\$	ThUS\$
76.524.463-3	Transelec Concesiones S.A.	Chile	Export Development Canada, KFW and MUFG, Bank of China	Project Finance 1	USD	8.372%	7.473%	Semestral	Semestral	12-15-2036	48,018	49,753
76.524.463-3	Transelec Concesiones S.A.	Chile	Export Development Canada, KFW and MUFG, Bank of China	Project Finance 2	USD	8.264%	7.473%	Semestral	Semestral	12-15-2036	128,790	131,289
76.524.463-3	Transelec Concesiones S.A.	Chile	Export Development Canada, KFW and MUFG, Bank of China	Project Finance 3	USD	8.513%	7.473%	Semestral	Semestral	12-15-2036	130,974	109,783
76.524.463-3	Transelec Concesiones S.A.	Chile	Export Development Canada, KFW and MUFG, Bank of China	Project Finance 4	USD	7.940%	7.473%	Semestral	Semestral	12-15-2036	8,131	8,481
Total											315,913	299,306

(*) Nominal interest rate corresponds to 6-month Term SOFR + Spread.

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))

(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 14 - OTHER FINANCIAL LIABILITIES (CONTINUED)

14.3 Maturity of other financial liabilities

The Company has registered bank obligations according to their maturities as follow:

Taxpayer iD number	Debtor name	Instrument identification number	Maturities								
			Current			Non-current					
			Less than 90 days	More than 90 days	Total Current 12-31-2023	More than 1 up to 2 years	More than 2 up to 3 years	More than 3 up to 4 years	More than 4 up to 5 years	More than 5 years	Total Non-current 12-31-2023
			ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
76.524.463-3	Transelec Concesiones S.A.	Project Finance 1	-	1,651	1,651	1,669	1,854	1,642	1,827	39,375	46,367
76.524.463-3	Transelec Concesiones S,A,	Project Finance 2	-	3,368	3,368	3,332	3,741	3,543	3,962	110,845	125,423
76.524.463-3	Transelec Concesiones S,A,	Project Finance 3	-	3,521	3,521	3,501	3,938	3,810	4,263	111,941	127,453
76.524.463-3	Transelec Concesiones S,A,	Project Finance 4	-	342	342	351	387	388	428	6,234	7,788
Total			-	8,882	8,882	8,853	9,920	9,383	10,480	268,395	307,031

Taxpayer iD number	Debtor name	Instrument identification number	Maturities								
			Current			Non-current					
			Less than 90 days	More than 90 days	Total Current 12-31-2022	More than 1 up to 2 years	More than 2 up to 3 years	More than 3 up to 4 years	More than 4 up to 5 years	More than 5 years	Total Non-current 12-31-2022
			ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
76.524.463-3	Transelec Concesiones S,A,	Project Finance 1	126	1,402	1,528	1,526	1,706	1,890	1,677	41,426	48,225
76.524.463-3	Transelec Concesiones S,A,	Project Finance 2	173	2,694	2,867	2,934	3,338	3,748	3,548	114,854	128,422
76.524.463-3	Transelec Concesiones S,A,	Project Finance 3	226	2,290	2,516	2,463	2,823	3,188	3,084	95,709	107,267
76.524.463-3	Transelec Concesiones S,A,	Project Finance 4	21	296	317	322	356	393	394	6,699	8,164
Total			546	6,682	7,228	7,245	8,223	9,219	8,703	258,688	292,078

The accompanying notes 1 to 24 are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 14 - OTHER FINANCIAL LIABILITIES (CONTINUED)

14.4 Changes in liabilities arising from financing activities

The movement of other financial liabilities as of December 31, 2023 and 2022 is as follows:

Movements	Opening balance as of 01-01-2023	Changes representing cash flow				Changes that do not represent cash flow		Final balance as of 12-31-2023
		New liabilities	Payments of interests	Payments of principal	Borrowing costs	Interests accrued	Amortization of Borrowing Costs	
Financial Liabilities								
Bank Loan	299,306	24,014	(8,099)	(23,654)	(974)	23,910	1,410	315,913
Total	299,306	24,014	(8,099)	(23,654)	(974)	23,910	1,410	315,913

Movimiento	Opening balance as of 01-01-2022	Changes representing cash flow				Changes that do not represent cash flow		Final balance as of 12-31-2022
		New liabilities	Payments of interests	Payments of principal	Borrowing costs	Interests accrued	Amortization of Borrowing Costs	
Financial Liabilities								
Bank Loan	185,888	118,056	(3,183)	(6,011)	(3,010)	6,678	888	299,306
Total	185,888	118,056	(3,183)	(6,011)	(3,010)	6,678	888	299,306

The accompanying notes 1 to 24 are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))

(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 15 - DERIVATE INSTRUMENTS

The Company is exposed to interest rate risk given that on December 21, 2018 it contracted financing at a variable rate, which currently correspond to Term SOFR 6 months, The Company's risk management policy seeks to cover this risk through derivative instruments that correspond to interest rate swaps (Term SOFR 3 months).

15.1 Description of derivatives

As of December 31, 2023, the Company maintains the following derivative instruments:

- a) Eight interest rate swaps for the total amount of the expected debt balance in order to cover variations in the interest rate (Term SOFR 6 months). These instruments have been designated as cash flow hedge accounting. The counterparties of these instruments are: MUFG Bank, Ltd. and KfW IPEX-Bank. As of December 31, 2023, the fair value recorded for these derivatives corresponds to a current net asset of ThUSD\$7,763 and a non-current net asset of ThUSD\$26,522.

As of December 31, 2022, the Company maintains the following derivative instruments:

- b) Eight interest rate swaps for the total amount of the expected debt balance in order to cover variations in the interest rate (Libor 3 months). These instruments have been designated as cash flow hedge accounting. The counterparties of these instruments are: MUFG Bank, Ltd. and KfW IPEX-Bank. As of December 31, 2022, the fair value recorded for these derivatives corresponds to a net current liability of ThUSD\$8,202 and a net non-current liability of ThUSD\$30,022.

It is worth mentioning that the notional of these derivatives increases and decreases according to the estimation of the debt structure that the financing would have.

15.2 Hedge assets and liabilities

Item	12-31-2023				12-31-2022			
	Assets		Liabilities		Assets		Liabilities	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Interest rate Swap	7,763	26,522	-	-	8,202	30,022	-	-
Total	7,763	26,522	-	-	8,202	30,022	-	-

The accompanying notes 1 to 24 are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

TRANSELEC CONCESIONES S.A.

As of December 31, 2023 and 2022

(In thousands of US dollars (ThUS\$))

(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 15 – DERIVATE INSTRUMENTS (continued)

15.3 Other information

The detail of the derivatives contracted by Transelec Concesiones S.A. as of December 31, 2023 and 2022, including its fair value and the breakdown by maturity, is as follow:

Financial derivatives	Maturities										Fair Value
	Up to 90 days	More than 90 days to 1 year	Up to 1 year	More than 1 year to 2 years	More than 2 years to 3 years	More than 1 year to 3 years	More than 3 years to 4 years	More than 4 years to 5 years	More than 3 years to 5 years	More than 5 years	12-31-2023
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Interest rate Swap	2,560	5,203	7,763	3,376	1,859	5,235	1,240	1,796	3,036	18,251	34,285

Financial derivatives	Maturities										Fair Value
	Up to 90 days	More than 90 days to 1 year	Up to 1 year	More than 1 year to 2 years	More than 2 years to 3 years	More than 1 year to 3 years	More than 3 years to 4 years	More than 4 years to 5 years	More than 3 years to 5 years	More than 5 years	12-31-2022
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Interest rate Swap	1,929	6,273	8,202	5,549	2,810	8,359	1,972	1,929	3,901	17,762	38,224

The contractual notional amount of these contracts does not represent the risk taken by Transelec Concesiones S.A., as it is only in response to the basis with which derivative settlements are calculated. As of December 31, 2023 and 2022, Transelec Concesiones S.A. had not recognized any gains or losses for ineffectiveness of cash flow hedges.

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 15 – DERIVATE INSTRUMENTS (continued)

15.4 Fair value hierarchies

Financial instruments recognized at fair value in the statement of financial position are classified based on the following hierarchies:

Level 1: Quoted (unadjusted) price in an active market for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for assets or liabilities, either directly (i.e. as a price) or indirectly (i.e., as a derivative of a price); and

Level 3: Inputs for assets or liabilities that are not based on observable market information (non-observable inputs).

The following table details financial assets and liabilities measured at fair value as of December 31, 2023 and 2022:

Financial instruments at fair value (financial asset)	Fair value at the end of the reporting period using			
	12-31-2023	Level 1	Level 2	Level 3
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Interest rate Swap	34,285	-	34,285	-
Total net derivative	34,285	-	34,285	-

Financial instruments at fair value (financial liability)	Fair value at the end of the reporting period using			
	12-31-2022	Level 1	Level 2	Level 3
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Interest rate Swap	38,224	-	38,224	-
Total net derivative	38,224	-	38,224	-

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 16 - FINANCIAL INSTRUMENTS

16.1 Financial Assets

The classification of financial assets in the categories described in Note 2.8 is detailed below:

Items	Financial assets at amortized cost	Financial assets at fair value		Derivative Instruments		Total
		through profit or loss	through other comprehensive income	Hedge	Non-Hedge	12-31-2023
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Cash and cash equivalent	66,399	-	-	-	-	66,399
Trade and other receivables	6,133	-	-	-	-	6,133
Other financial assets, current	-	-	-	7,763	-	7,763
Other financial assets, non-current	-	-	-	26,522	-	26,522
Total	72,532	-	-	34,285	-	106,817

Items	Financial assets at amortized cost	Financial assets at fair value		Derivative Instruments		Total
		through profit or loss	through other comprehensive income	Hedge	Non-Hedge	12-31-2022
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Cash and cash equivalent	48,784	-	-	-	-	48,784
Trade and other receivables	15,718	-	-	-	-	15,718
Other financial assets, current	-	-	-	8,202	-	8,202
Other financial assets, non-current	-	-	-	30,022	-	30,022
Total	64,502	-	-	38,224	-	102,726

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 16 - FINANCIAL INSTRUMENTS (continued)

16.2 Financial liabilities

The classification of financial liabilities in the categories described in Note 2.8 is detailed below:

Items	Financial liabilities at amortized cost	Financial liabilities at fair value		Derivative instruments		Total
		through profit or loss	through other comprehensive income	Hedge	Non - Hedge	12-31-2023
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Other financial liabilities, current	8,882	-	-	-	-	8,882
Trade and other payables	12,511	-	-	-	-	12,511
Accounts payable to related entities, current	34,701	-	-	-	-	34,701
Other financial liabilities, non-current	307,031	-	-	-	-	307,031
Accounts payable to related entities, non-current	55,404	-	-	-	-	55,404
Total	418,529	-	-	-	-	418,529

Items	Financial liabilities at amortized cost	Financial liabilities at fair value		Derivative instruments		Total
		through profit or loss	through other comprehensive income	Hedge	Non - Hedge	12-31-2022
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Other financial liabilities, current	7,228	-	-	-	-	7,228
Trade and other payables	7,767	-	-	-	-	7,767
Accounts payable to related entities, current	20,961	-	-	-	-	20,961
Other financial liabilities, non-current	292,078	-	-	-	-	292,078
Accounts payable to related entities, non-current	93,662	-	-	-	-	93,662
Total	421,696	-	-	-	-	421,696

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 17 - NET EQUITY

17.1 Subscribed and paid-in capital

As of December 31, 2023 and 2022, the authorized, subscribed and paid-in capital amounted to ThUS\$5,000.

17.2 Number of subscribed and paid-in shares

Shares	Number of subscribed shares	Number of paid-in shares	Number of shares with voting right
Unique series, with no par value	5,000,000	5,000,000	5,000,000

In July of 2018, the Company's shareholders (Transelec Holdings Rentas Ltda. and Rentas Eléctricas I Ltda.) carried out a capital increase in the amount of ThUS\$4,999, thus giving rise to a total capital of ThUS\$5,000 as of December 31, 2023.

The contributions were made in proportion to the participation of each of the shareholders before the capital increase, both maintaining the same percentage of participation once the contribution was made.

17.3 Other reserves

The detail of other reserves as of December 31, 2023 and 2022, is as follows:

Items	12-31-2023	12-31-2022
	ThUS\$	ThUS\$
Gains (losses) on cash flow hedges	33,689	37,692
Income tax related to cash flow hedges	(9,004)	(10,085)
Total Other comprehensive income	24,685	27,607

17.4 Capital management

Capital management refers to the Company's administration of its equity.

The capital management policy of Transelec Concesiones S.A. is aimed for maintain adequate balance that allows to keep a sufficient capitalization level to sustain its operations and provide a sensible leverage, thus optimizing shareholder returns and maintaining a solid financial position.

Capital requirements are determined based on the Company's financing needs, taking care to maintain an adequate level of liquidity and complying with financial covenants established in current debt contracts. The Company manages its capital structure and makes adjustments based on prevailing economic conditions in order to mitigate risks from adverse market conditions and take advantage of any opportunities that may arise to improve its liquidity position.

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 18 - REVENUE

18.1 Revenue

The detail of revenue for the year ended December 31, 2023 and 2022, is as follows:

Type of ordinary revenue	01-01-2023	01-01-2022
	12-31-2023	12-31-2022
	ThUS\$	ThUS\$
Regulated transmission services	39,565	31,373
Total ordinary revenue	39,565	31,373

Type of ordinary revenue	01-01-2023	01-01-2022
	12-31-2023	12-31-2022
	ThUS\$	ThUS\$
Regulated revenues	39,565	31,373
Total	39,565	31,373

Type of ordinary revenue	01-01-2023	01-01-2022
	12-31-2023	12-31-2022
	ThUS\$	ThUS\$
National revenue	39,565	31,373
Total	39,565	31,373

Type of ordinary revenue	01-01-2023	01-01-2022
	12-31-2023	12-31-2022
	ThUS\$	ThUS\$
Transferred services over time	39,565	31,373
Total	39,565	31,373

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 19 - RELEVANT INCOME STATEMENT ACCOUNTS

19.1 Expenses by nature

The composition of expenses by nature, included in cost of sales and administrative for the year ended December 31, 2023 and 2022, is as follows:

Items	01-01-2023	01-01-2022
	12-31-2023	12-31-2022
	ThUS\$	ThUS\$
Cost of sales		
Depreciation	(7,960)	(5,194)
Other	-	(1)
Total Cost of sales	(7,960)	(5,195)
Administration expenses		
Operation expenses	(2,037)	(2,062)
Total Administration expenses	(2,037)	(2,062)
Total	(9,997)	(7,257)

19.2 Financial results

The detail of the financial result for the year ended December 31, 2023 and 2022, is as follows:

Items	01-01-2023	01-01-2022
	12-31-2023	12-31-2022
	ThUS\$	ThUS\$
Financial income:	4,877	2,650
Interests earned	4,877	2,650
Financial costs:	(23,116)	(14,910)
Interest and expenses for loans	(25,786)	(5,701)
Swap Interest	9,285	(1,038)
Intercompany interest	(6,341)	(7,227)
Other expenses	(274)	(944)
Net exchange differences:	(2,785)	993
Intercompany Loans	(409)	59
Bank	(2,309)	1,295
Other	(67)	(361)
Total financial income / (expense)	(21,024)	(11,267)

NOTES TO THE FINANCIAL STATEMENTS
TRANSELEC CONCESIONES S.A.
As of December 31, 2023 and 2022
(In thousands of US dollars (ThUS\$))
(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 20 - INCOME TAX RESULT

The income tax result for the year ended December 31, 2023 and 2022, is as follow:

Items	01-01-2023	01-01-2022
	12-31-2023	12-31-2022
	ThUS\$	ThUS\$
Deferred tax expense relating to origination and reversal of temporary differences	3,132	3,480
Income tax expense	3,132	3,480

The following table reconciles income taxes resulting from applying statutory tax rate to the "Profit before Taxes" to the income tax expense recorded in the income for the year ended December 31, 2023 and 2022:

Items	01-01-2023	01-01-2022
	12-31-2023	12-31-2022
	ThUS\$	ThUS\$
Tax expense by using the legal rate	2,293	3,456
Other differences	839	24
Total adjustments to tax expense using the legal rate	839	24
Expense (income) for Taxes using the Effective Rate	3,132	3,480

Items	01-01-2023	01-01-2022
	12-31-2023	12-31-2022
Income tax expense (income) using the Legal Tax Rate	27.00%	27.00%
Others Increases (Decreases)	9.88%	0.19%
Total adjustments to tax expense using statutory rate	9.88%	0.19%
Income tax expense using the Effective Tax Rate	36.88%	27.19%

NOTES TO THE FINANCIAL STATEMENTS

TRANSELEC CONCESIONES S.A.

As of December 31, 2023 and 2022

(In thousands of US dollars (ThUS\$))

(Translation of financial statements originally issued in Spanish-See Note 2.1)

Note 21 - ENVIRONMENT

Transelec Concesiones S.A., in compliance with current environmental regulations and in accordance with its sustainability policy, has submitted its projects or their modifications to the environmental authority through the Environmental Evaluation System (SEIA in its Spanish Acronym). To this end, several studies have been carried out that have made it possible to substantiate the presentations of environmental documents. These documents, be they an Environmental Impact Declaration (EID) or an Environmental Impact Study (EIS), are submitted to the respective Evaluation Service, complying with the requirements established by Law No. 19,300 on General Environmental Bases, modified by Law No. 20,417, and its corresponding SEIA regulations. For those projects that have begun their execution, the conditions and measures imposed by the environmental authority in the respective environmental qualification Resolutions have been followed up, including the processing of sectorial environmental permits.

For the year ended December 31, 2023 and 2022, the Company has made disbursements related to this matter, which have been capitalized according to the following detail:

Company	Project	12-31-2023	12-31-2022
		THUS\$	THUS\$
Transelec Concesiones S.A.	Environmental management, elaboration of DIA and EIA and the follow up of environmental matters (includes environmental permissions for sectors)	133	220
Total		133	220

Note 22 - LAWSUITS AND CONTINGENCIES

As of December 31, 2023, the Company does not maintain provisions for litigation and arbitration obligations.

Note 23 – SANCTIONS

The Company, its directors or administrators have not been affected by sanctions of any nature by supervisory bodies or other administrative authorities.

Note 24 - SUBSEQUENT EVENTS

Between December 31, 2023, closing date of the Financial Statements, and their issuance date, no significant financial-accounting events have occurred that could affect the Company's equity or the interpretation of these Financial Statements.

Management Discussion And Analysis

Transelec Concesiones S.A.

As of December 31, 2023

EXECUTIVE SUMMARY

Transelec Concesiones is awarded three new works projects in the National Transmission System.

As of December 31, 2022, the following projects are operational:

- “New 2x500 kV 1500 MW Line between S/E Los Changos and S/E Nueva Crucero Encuentro, 2x750 MVA 500/220 kV Autotransformer Banks in S/E Nueva Crucero Encuentro, 750 MVA 500/220 kV Autotransformer Bank in S /E Los Changos (Phase I) and New Line 2x220 kV 1500 MW between S/E Los Changos and S/E Kapatur (Phase II)”, acknowledging the entry into operation of Phase I in the last quarter of 2017 and the Stage II in the last quarter of 2019.
- Nueva Charrúa Substation, acknowledging the entry into operation in the third quarter of 2018.
- On the other hand, in the second quarter of 2022 the project "Line 2x500 kV Pichirropulli - Nueva Puerto Montt" has been put into operation.

As of December 31, 2023, Transelec Concesiones has Financing for its projects, through the Project Finance modality with the participation of the banks MUFG, EDC, KfW and Bank of China. All disbursements for the financing of the project have already been received, at the end of 2023 this debt amounts to a total of ThUS\$307,031 in Other non-current financial liabilities.

INCOME STATEMENTS

STATEMENTS OF COMPREHENSIVE INCOME BY FUNCTION	Note	01-01-2023	01-01-2022
		12-31-2023	12-31-2022
		ThUS\$	ThUS\$
Revenue	18	39,565	31,373
Cost of sales	19	(7,960)	(5,195)
Gross profit		31,605	26,178
Administrative expenses	19	(2,037)	(2,062)
Other income (losses)		(51)	(49)
Financial income	19	4,877	2,650
Financial expenses	19	(23,116)	(14,910)
Foreign exchange differences	19	(2,785)	993
Profit Before Income Taxes		8,493	12,800
Income tax expense	20	(3,132)	(3,480)
Profit from continuing operations		5,361	9,320
Profit from discontinued operations		-	-
PROFIT		5,361	9,320

As of December 31, 2023, Income from Ordinary Activities reached ThUS\$39,565, presenting an increase of 26% in relation to the same period of 2022 (ThUS\$31,373). Said increase is fully due to the indexation effect of regulated revenues and to the "2x500 kV Pichirropulli Line - Nueva Puerto Montt" project, which began operations in May 2022.

As of December 31, 2023, Transelec Concesiones registered an EBITDA of ThUS\$37,477, 28% higher than that obtained in 2022 (ThUS\$29,261). The increase in EBITDA was essentially due to the increase in income from ordinary activities during the analysis period.

In the Non-operating Result as of December 2023, a significant difference in the gain from Exchange Difference stands out, which reached a loss of -ThUS\$2,785, contrasted with the gain of ThUS\$993 in 2022. There was also a 55% increase in financial costs, going from ThUS\$14,910 in 2022 to ThUS\$23,116 in 2023, due to the increase in the amount drawn from the bank debt that the company maintains as Project Finance.

In addition to the above, there was a significant increase in financial income, due to interest paid by banking entities, going from ThUS\$2,650 to ThUS\$4,877 due to the increase in rates and investments in financial instruments.

The Profit for the Period (Profits) obtained by the Company as of December 31, 2023, was ThUS\$5,361, registering a decrease of ThUS\$3,959 in relation to the year 2022, in which a profit of ThUS\$9,320 was recorded. Which is explained by the above.

BALANCE SHEET

ASSETS		12-31-2023	12-31-2022
		ThUS\$	ThUS\$
CURRENT ASSETS			
Cash and cash equivalents	5	66,399	48,784
Other financial assets, current	11-15	7,763	8,202
Other current non-financial assets	8	5,350	9,479
Trade and other receivables	6	6,133	15,718
Total current assets		85,645	82,183
NON-CURRENT ASSETS			
Other financial assets, non-current	11-15	26,522	30,022
Intangible assets other than goodwill	9	32,411	29,270
Property, plant and equipment	10	346,120	347,647
Total non-current assets		405,053	406,939
Total assets		490,698	489,122

As of December 31, 2023, Assets reached ThUS\$490,698, which remains in line with the same period in 2022 (ThUS\$489,122). The slight increase in Assets is explained by an increase in Non-Current Assets associated with Cash and Cash Equivalents partially offset by a decrease in Trade Debtors and other accounts receivable and Other non-current financial assets.

LIABILITIES		12-31-2023	12-31-2022
		ThUS\$	ThUS\$
CURRENT LIABILITIES			
Other financial liabilities, current	14	8,882	7,228
Trade and other payables	13	12,511	7,767
Accounts payable to related companies, current	7	34,701	20,961
Other non-financial liabilities, current		729	476
Total current liabilities		56,823	36,432
NON-CURRENT LIABILITIES			
Other financial liabilities, non-current	14	307,031	292,078
Accounts payable to related companies, non-current	7	55,404	93,662
Deferred tax liabilities	12	17,739	15,688
Total non-current liabilities		380,174	401,428
Total liabilities		436,997	437,860
EQUITY			
Issued capital	17	5,000	5,000
Accumulated gains		24,016	18,655
Other reserves	17	24,685	27,607
Total equity		53,701	51,262
Total Equity and Liabilities		490,698	489,122

As of December 31, 2023, Liabilities and Equity reached ThUS\$490,698, similar to the same period in 2022 (ThUS\$489,122). There is a decrease in the total accounts payable to related entities of ThUS\$24,518, which is partially offset by an increase in Other financial liabilities of ThUS\$16,607 and in Trade accounts payable and other accounts payable.

STATEMENT OF CASH FLOWS

Statement of Cash Flows – Direct method	Note	01-01-2023	01-01-2022
		12-31-2023	12-31-2022
		ThUS\$	ThUS\$
Net cash flows provided by (used in) operating activities			
Classes of collections from operating activities:			
Cash receipts from sales of goods and services		68,918	30,01
Cash receipts for interest		9,152	-
Classes of payments from operating activities:			
Payments to suppliers for goods and services		(3,091)	(1,950)
Other payments for operating activities		(4,710)	(2,377)
Interest paid	14	(8,099)	(3,183)
Interest paid to related entities	7	(1,505)	(5,705)
Administrative services paid to related entities	7	(4,011)	(1,873)
Net cash flows provided by operating activities		56,654	14,923
Cash flows provided by (used in) investing activities			
Acquisitions of property, plant and equipment and intangible assets		(7,833)	(19,195)
Net cash flows used in investing activities		(7,833)	(19,195)
Cash flows provided by (used in) financing activities			
Proceed from bank loans	14	24,014	118,056
Payments of loans	14	(23,654)	(6,011)
Payments for loans from related entities	7	(29,755)	(103,966)
Collections received from (payments made to) related companies		-	6,000
Net cash flows (used in) provided by financing activities		(29,395)	14,079
Net increase in Cash and Cash Equivalents, before exchange effect		19,426	9,807
Effect of the variation of the exchange rate in Cash and cash equivalents			
Effect of the variation of the exchange rate in Cash and cash equivalents		(1,811)	477
Net increase (decrease) in Cash and Cash Equivalents		17,615	10,284
Cash and Cash Equivalents, at the beginning of the year	5	48,784	38,500
Cash and Cash Equivalents, at the end of the year	5	66,399	48,784

As of December 31, 2023, the flow used in operating activities reached a cash income of ThUS\$56,654, which is a significant increase in relation to the same flow of the previous year, mainly explained by the increase in collections from sales. of goods and provision of services, which amounted to ThUS\$68,918. This value is explained by the normal operating income that increased this year and by the reliquidation of income related to the 2020-2023 rate.

During the same year, the cash flow used in investment activities was a disbursement of ThUS\$7,833, which represents a decrease compared to the previous period that is due to lower disbursements in the purchase of properties, plants and equipment due to the completion and commissioning of the “2x500 kV Pichirropulli – Nueva Puerto Montt Line” project.

As of December 2023, the cash flow from financing activities reached an outflow of ThUS\$29,395. The flow is mainly explained by higher bank loans related to the Project Finance debt that the company has.

ELECTRIC TRANSMISSION MARKET

The electricity transmission infrastructure in Chile extends mainly along the National Electric System (SEN), which is located throughout the Chilean territory between the town of Arica in northern Chile and the island of Chiloé in the south. The operation of the SEN is coordinated by an independent technical body called the National Electric Coordinator (CEN). Chile has 2 other smaller electrical transmission systems, the Aysén and Magallanes systems, which are in the extreme south of the country.

Chile was one of the first countries in the world to segment and regulate (1982) and then privatize (early nineties) its electricity system. As a result, the Chilean electricity regulatory framework has been evolving for more than 30 years.

The regulatory framework that determines the operation of the transmission segment in Chile is based on the Decree with Force of Law No. 4 of the Ministry of Economy, Development and Reconstruction of 2006, which establishes the revised, coordinated, and systematized text of the General Law of Electric Services, hereinafter and indistinctly referred to as the "General Law of Electric Services" or "LGSE". The LGSE and its complementary regulations regulate the generation, transmission and distribution activities, the concessions and electric easements and the tariffs applicable to each segment, as well as the body in charge of coordinating the operation of the system and its functioning in accordance with the quality and safety conditions of the facilities established in the technical regulations in force and the relations of the companies and individuals with the State.

The last important reform to the LGSE is Law No. 20,936 published on July 20, 2016, which establishes a new Electric Transmission System and creates an Independent Coordinating Body of the National Electric System incorporating the following modifications:

1. New functional definition of the Transmission Systems.
2. New long-term Energy Planning and Transmission Planning process.

3. New pricing and remuneration scheme for the different segments of the Transmission System.
4. Preliminary definition of transmission line layouts for certain new projects, through a Strip Study Procedure, in charge of the Ministry of Energy.
5. New universal Open Access regime.
6. New regulation of compensation to end users for unauthorized unavailability of supply, based on security supply, based on previously established safety and quality standards.
7. Creates a new Independent Coordinator of the National Electric System, hereinafter the Coordinator, which replaces the former Economic Load Dispatch Centers (CDECs).

The new transmission law modifies the names of the Transmission Systems due to the new definition of each one. Therefore, the Trunk, Subtransmission and Additional systems are now called National, Zonal and Dedicated respectively.

RISK FACTORS

Due to the characteristics of the Chilean electricity market and the regulations governing this sector, the Company is not exposed to significant risks arising from the development of its core business. However, it is appropriate to mention and consider the following risk factors:

REGULATORY FRAMEWORK

Electricity transmission tariffs are set by law and include readjustments in order to guarantee a real annual return to the operator. The nature of the industry allows transmitter revenues to be stable over time. These are supplemented by revenues obtained through the existence of private contracts with large customers.

However, the fact that these tariffs are reviewed every four years in the National and Zonal Transmission Studies could confront the Company with new tariffs that are detrimental or less attractive in relation to the investments incurred in the case of those assets that are not governed by a 20-year adjudication tariff decree.

TRANSMISSION SERVICE INTERRUPTION PENALTIES

Transelec Concesiones could face proceedings before the Superintendency of Electricity and Fuels (SEC), as a result of charges filed by the Authority for forced disconnections in the electric transmission service, once the facilities enter service.

OPERATIONAL RISKS

Notwithstanding that management believes that Transelec Concesiones maintains adequate risk coverage in accordance with industry practices, there can be no assurance that the preventive actions and mitigations implemented (asset management, buffer strip management, insurance policies, etc.) will be sufficient to cover certain operating risks, including forces of nature, damage to transmission facilities, cybersecurity incidents, labor accidents and equipment failures. Any of these events could affect the company's financial statements.

ENVIRONMENTAL INSTITUTIONALITY AND ENFORCEMENT OF ENVIRONMENTAL REGULATIONS AND/OR POLICIES

Transelec Concesiones' projects are subject to Law No. 19,300/1994 on General Bases of the Environment ("Environmental Law") and its subsequent amendments. Transelec Concesiones could face that the processing of its projects and environmental permits take longer than expected, which would delay the construction of projects and increase the possibility of being subject to fines. Preventive and mitigating measures have been identified and defined for all risks related to the environment and communities surrounding the company's facilities.

During 2021, there were no fines or sanctioning processes associated with the operation of assets or construction of Transelec Concesiones' projects.

DELAYS IN THE CONSTRUCTION OF NEW TRANSMISSION FACILITIES

The successful construction of projects that were awarded during the National Transmission System bids will depend on numerous factors, including cost and availability of financing. The construction of new facilities could be adversely affected by factors that are commonly associated with projects, including delays in obtaining regulatory approvals such as electrical concessions; shortages of equipment, materials or labor, or changes in their prices; adverse weather conditions; natural disasters; and unforeseen circumstances and difficulties in obtaining financing on reasonable terms and at reasonable rates. Any of the aforementioned factors could cause delays in the partial or total completion of the capital investment program, as well as increase the costs for the contemplated projects.

TECHNOLOGY CHANGES

As mentioned above, the remuneration of the investments that Transelec Concesiones makes in electricity transmission facilities is obtained through an annuity of the valuation of existing facilities (AVI), at market prices, which are periodically recalculated according to the process established in the current regulations. If there were important technological advances in the equipment that make up the company's facilities, this valuation could be reduced, which, at the same time, would prevent the total recovery of the investments made.

FINANCIAL RISKS

Interest Rate Risk

Significant variations in interest rates influence all income and expenses that are determined with a variable rate. One of the main financial expenses of this type is the interest on the debt with which the Company is financed. Interest rate fluctuations result in a risk of cost variation that may affect the Company. This risk is mitigated by contracting derivatives that offset the effects of interest rate increases.

Exchange Rate Risk

Most of the Company's operating cash flows are denominated in U.S. dollars, and since this is its functional currency, there is no significant exposure to exchange rate risk. Those flows resulting from investments during the construction of projects in which the company may have significant costs in a currency other than the functional currency, the risk is hedged through hedging operations with derivatives.

Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet a demand for cash or the payment of a debt when due. It is also the risk of not being able to liquidate assets in a timely manner at a reasonable price. This risk is managed through timely cash flow planning that allows the company's cash needs to be anticipated.

Credit Risk

Credit risk arises mainly from the possibility of uncollectibility of accounts receivable from the electricity transmission activity. This risk is historically very limited in the industry, given the nature of the business, the customers, the Company, and the short term of collection from customers, which means that significant amounts do not accrue.

However, revenues are highly concentrated in a few customers that make up a large part of Transelec Concesiones' projected cash flow. A material change in the assets, financial condition and/or operating results of those companies could adversely affect the Company.

Other Risks

In addition to the above, the Company faces other risks such as cybersecurity, legal, market, counterparty, and reputational risks. During 2020, the risk associated with the effects of the Covid-19 pandemic arose, which were mitigated with various actions, which were maintained during 2021.

RELEVANT CONSOLIDATED FACTS

TRANSELEC CONCESIONES S.A.

RELEVANT FACTS

- 1) In compliance with the provisions of Article 9 and the second paragraph of Stock Market Law Nº 18.045 Article 10, the following relevant fact was reported on April 3, 2023:

At a meeting held on March 31, 2023, the Transelec Concesiones S.A. Board of Directors agreed to announce the schedule of a shareholders meeting on April 27, 2023 in order to announce the following issues to the shareholders and request their approval:

1. The Annual Report, General Balance Sheet, Financial Statements and External Auditors Report corresponding to the period ending on December 31st 2022.
 2. Final dividend distribution.
 3. Board of Directors election.
 4. Appointment of External Auditors.
 5. The newspaper to be used to announce shareholder meetings.
 6. Agreements reached by the Board of Directors regarding issues contained in Articles 146 and following of the Corporations Law.
 7. Other issues of interest for the corporation and for consideration by the Board of Directors.
- 2) On April 27, 2023, in compliance with Article 9 and the second paragraph of Article 10 of Law No. 18,045 on the Securities Market, it was reported as a material fact that on April 27, 2023, the ordinary shareholders' meeting of the company was held, and the following resolutions were adopted:
- a) Approval of the Annual Report, Balance Sheet, Financial Statements, and External Auditors' Report for the period ended December 31, 2022.
 - b) Regarding the distribution of the final dividend, it was reported that there are no profits to distribute for the period ending December 31, 2022.

c) It was agreed to renew the members of the Board of Directors, which was composed of Messrs. Arturo Le Blanc Cerda, Francisco Castro Crichton and Jorge Vargas Romero.

e) Approval of the appointment of Deloitte as external auditors for the year 2023.

f) Designation of Diario Financiero as the newspaper to publish the notices convening shareholders' meetings.

g) The agreements adopted by the Board of Directors on matters contained in Articles 146 et seq. of the Corporations Law were reported.

RESPONSIBILITY STATEMENT

Both the Directors and the CEO of Transelec Concesiones S.A., which are signing this declaration, are responsible, under oath, regarding the accuracy of the information provided in this 2023 Annual Integrated Report, pursuant to General Norm No. 461, issued by the Commission for the Financial Market.



Francisco Castro Crichton
Chairman
I.D.: 9.963.957-1



Jorge Vargas Romero
Director
I.D.: 12.691.972-7



Arturo Le Blanc Cerda
Director
I.D.: 10.601.441-8



Arturo Le Blanc Cerda
CEO
I.D.: 10.601.441-8