Interim Consolidated Financial Statements Unaudited

**TRANSELEC S.A. AND SUBSIDIARY**

Santiago, Chile
September 30, 2022 and December 31, 2021

Interim Consolidated Financial Statements Unaudited

# TRANSELEC S.A. AND SUBSIDIARY

Santiago, Chile
As of September 30, 2022 and December 31, 2021
**(Translation of the Financial Statements originally issued in Spanish)**

| | | |
|---|---|---|
| $ | : | Chilean Pesos |
| ThCh$ | : | Thousands of 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. |
| US$ | : | US Dollars |
| ThUS$ | : | Thousands of US Dollars |

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**
**TRANSELEC S.A. AND SUBSIDIARY**
**As of September 30, 2022 and December 31, 2021**
**Expressed in thousands of Chilean pesos (ThCh$)**
**(Translation of financial statements originally issued in Spanish-See Note 2.1)**

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**INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
**TRANSELEC S.A. AND SUBSIDIARY**
**As of September 30, 2022 and December 31, 2021**
**Expressed in thousands of Chilean pesos (ThCh$)**
**(Translation of financial statements originally issued in Spanish-See Note 2.1)**

| ASSETS | Note | Unaudited 09-30-2022 ThCh$ | Audited 12-31-2021 ThCh$ |
|---|---|---|---|
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | 5 | 340,961,577 | 234,518,965 |
| Other financial assets | 8 | 18,198,494 | 1,649,550 |
| Other non-financial assets | 13 | 13,080,714 | 8,485,831 |
| Trade and other receivables | 6 | 101,311,252 | 83,703,176 |
| Receivables from related parties | 7 | 8,101,740 | 2,636,917 |
| Inventory | | 882,829 | 644,500 |
| **Total Current Assets** | | **482,536,606** | **331,638,939** |
| **NON-CURRENT ASSETS** | | | |
| Other financial assets | 8 | 269,525,591 | 226,031,822 |
| Other non-financial assets | 13 | 28,889,503 | 8,193,431 |
| Receivables from related parties | 7 | 274,928,991 | 242,500,186 |
| Intangible assets other than goodwill | 9 | 190,343,167 | 186,073,067 |
| Goodwill | 10 | 343,059,078 | 343,059,078 |
| Property, plant and equipment, net | 11 | 1,892,890,826 | 1,815,852,103 |
| Assets for rights of use | 12 | 1,855,699 | 3,039,468 |
| **Total Non-Current Assets** | | **3,001,492,855** | **2,824,749,155** |
| **TOTAL ASSETS** | | **3,484,029,461** | **3,156,388,094** |

**INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
**TRANSELEC S.A. AND SUBSIDIARY**
**As of September 30, 2022 and December 31, 2021**
**Expressed in thousands of Chilean pesos (ThCh$)**
**(Translation of financial statements originally issued in Spanish-See Note 2.1)**

| LIABILITIES | Note | Unaudited 09-30-2022 ThCh$ | Audited 12-31-2021 ThCh$ |
|---|---|---|---|
| **CURRENT LIABILITIES** | | | |
| Other financial liabilities | 15 | 311,250,260 | 26,072,718 |
| Liabilities for leases | 16 | 1,372,992 | 1,575,598 |
| Trade and other payables | 17 | 274,444,637 | 171,695,169 |
| Accounts payable to related entities | 7 | - | 17,404,007 |
| Provisions | 20 | 9,267,200 | 4,716,531 |
| Provisions for employee benefits | 21 | 5,425,979 | 8,490,205 |
| Other non-financial liabilities | 13 | 4,509,936 | 3,606,708 |
| **Total Current Liabilities** | | **606,271,004** | **233,560,936** |
| **NON-CURRENT LIABILITIES** | | | |
| Other financial liabilities | 15 | 1,624,614,992 | 1,704,954,466 |
| Liabilities for leases | 16 | 379,807 | 1,533,445 |
| Deferred tax liabilities | 14 | 246,629,346 | 236,608,096 |
| Provisions for employee benefits, non-current | 21 | 3,000,566 | 3,468,299 |
| Other non-financial liabilities | 13 | 4,056,258 | 4,354,436 |
| **Total Non-Current Liabilities** | | **1,878,680,969** | **1,950,918,742** |
| **TOTAL LIABILITIES** | | **2,484,951,973** | **2,184,479,678** |
| **EQUITY** | | | |
| Issued and paid-in capital | 23 | 776,355,048 | 776,355,048 |
| Retained earnings | | 223,350,693 | 175,578,953 |
| Other reserves | 23 | (628,253) | 19,974,415 |
| **Equity attributable to owners of the parent** | | **999,077,488** | **971,908,416** |
| Non-controlling interest | | - | - |
| **TOTAL EQUITY** | | **999,077,488** | **971,908,416** |
| **TOTAL EQUITY AND LIABILITIES** | | **3,484,029,461** | **3,156,388,094** |

**INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME BY FUNCTION**
**TRANSELEC S.A. AND SUBSIDIARY**
**For the nine and three-months period ended September 30, 2022 and 2021**
**Expressed in thousands of Chilean pesos (ThCh$)**
**(Translation of financial statements originally issued in Spanish-See Note 2.1)**

| STATEMENT OF COMPREHENSIVE INCOME BY FUNCTION | Note | Unaudited 01-01-2022 09-30-2022 ThCh$ | Unaudited 01-01-2021 09-30-2021 ThCh$ | Unaudited 07-01-2022 09-30-2022 ThCh$ | Unaudited 07-01-2021 09-30-2021 ThCh$ |
|---|---|---|---|---|---|
| Revenue | 24 | 281,290,106 | 245,614,188 | 102,066,766 | 86,689,984 |
| Cost of sales | 25 | (71,869,663) | (63,956,773) | (29,032,715) | (20,964,819) |
| **GROSS MARGIN** | | **209,420,443** | **181,657,415** | **73,034,051** | **65,725,165** |
| Administrative expenses | 25 | (22,986,440) | (18,137,057) | (9,689,438) | (6,543,886) |
| Other gains | 24 | 179,958 | 1,276,951 | 58,004 | 118,153 |
| Financial income | 25 | 23,544,815 | 6,639,491 | 10,016,471 | 2,450,925 |
| Financial expenses | 25 | (56,981,265) | (51,897,821) | (21,300,117) | (17,128,880) |
| Foreign exchange differences | 25 | (142,214) | 331,879 | (504,816) | 152,217 |
| Income by indexed units | 25 | (87,618,091) | (27,280,455) | (31,388,356) | (10,139,217) |
| **Profit Before Tax** | | **65,417,206** | **92,590,403** | **20,225,799** | **34,634,477** |
| Income tax expense | 26 | (17,645,466) | (25,542,730) | (5,018,330) | (9,774,929) |
| Profit from continuing operations | | 47,771,740 | 67,047,673 | 15,207,469 | 24,859,548 |
| Profit from discontinued operations | | - | - | - | - |
| Profit attributable to owners of the parent | | **47,771,740** | **67,047,673** | **15,207,469** | **24,859,548** |
| Profit attributable to non-controlling interests | | - | - | - | - |
| **Profit** | | **47,771,740** | **67,047,673** | **15,207,469** | **24,859,548** |
| **Earnings Per Share** | | | | | |
| Basic/diluted earnings per share from continuing operations ($/a) | 27 | 47,772 | 67,048 | 15,208 | 24,860 |
| Basic/diluted earnings per share from discontinued operations ($/a) | 27 | - | - | - | - |
| **Basic/diluted earnings per share ($/a)** | | **47,772** | **67,048** | **15,208** | **24,860** |

**INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME BY FUNCTION**
**TRANSELEC S.A. AND SUBSIDIARY**
**For the nine and three-months period ended September 30, 2022 and 2021**
**Expressed in thousands of Chilean pesos (ThCh$)**
**(Translation of financial statements originally issued in Spanish-See Note 2.1)**

| STATEMENT OF COMPREHENSIVE INCOME | Note | Unaudited | Unaudited | Unaudited | Unaudited |
|---|---|---|---|---|---|
| | | 01-01-2022 | 01-01-2021 | 07-01-2022 | 07-01-2021 |
| | | 09-30-2022 | 09-30-2021 | 09-30-2022 | 09-30-2021 |
| | | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Profit | | 47.771.740 | 67.047.673 | 15.207.469 | 24.859.548 |
| **Components of other comprehensive income that will be reclassified to income for the period, before taxes** | | | | | |
| **Exchange differences on translation** | | | | | |
| Remeasurements of defined benefit plans | 21-23 | (106,503) | - | - | - |
| **Cash flow hedges** | | | | | |
| Gains (losses) on cash flow hedges | 23 | (28,116,330) | 48,634,926 | 116,767 | 27,946,803 |
| **Total other comprehensive income that will be reclassified to income for the period, before Taxes** | | **(28,222,833)** | **48,634,926** | **116,767** | **27,946,803** |
| **Income taxes related to components of other comprehensive income that will be reclassified to the result of the period** | | | | | |
| Income tax related to cash flow hedges of other comprehensive income | 23 | 7,591,410 | (13,131,430) | (31,526) | (7,545,637) |
| Income tax related to remeasurements of defined benefit plans of other comprehensive income | 23 | 28,755 | - | - | - |
| **Total income tax related to components of other comprehensive income that will be reclassified to the result of the period** | | **7,620,165** | **(13,131,430)** | **(31,526)** | **(7,545,637)** |
| **Total comprehensive income** | | **(20,602,668)** | **35,503,496** | **85,241** | **20,401,166** |
| **Total comprehensive income** | | **27,169,072** | **102,551,169** | **15,292,710** | **45,260,714** |

| | | | | | |
|---|---|---|---|---|---|
| **Comprehensive income attributable to:** | | | | | |
| Comprehensive income attributable to owners of the parent | | 27,169,072 | 102,551,169 | 15,292,710 | 45,260,714 |
| Comprehensive income attributable to non-controlling interests | | - | - | - | - |
| **Total comprehensive income and expense result** | | **27,169,072** | **102,551,169** | **15,292,710** | **45,260,714** |

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
**TRANSELEC S.A. AND SUBSIDIARY**
**For the of nine-month period ended September 30, 2022 and 2021**
**Expressed in thousands of Chilean pesos (ThCh$)**
**(Translation of financial statements originally issued in Spanish-See Note 2.1)**

| Movements | Note | Paid-in capital | Reserves for cash flow hedges | Actuarial Losses | Total reserves | Accumulated gains (losses) | **Equity attributable to owners of the parent** | Non-controlling interests | **Total equity** |
|---|---|---|---|---|---|---|---|---|---|
| | | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** |
| Opening balance as of 01-01-2022 | | 776,355,048 | 19,269,593 | 704,822 | 19,974,415 | 175,578,953 | **971,908,416** | - | **971,908,416** |
| Changes in equity | | | | | | | | | |
| Comprehensive income | | | | | | | | | |
| Profit (loss) | | - | - | - | - | 47,771,740 | **47,771,740** | - | **47,771,740** |
| Other comprehensive income | | - | (20,524,920) | (77,748) | (20,602,668) | - | **(20,602,668)** | - | **(20,602,668)** |
| **Total comprehensive income** | | - | (20,524,920) | (77,748) | (20,602,668) | 47,771,740 | **27,169,072** | - | **27,169,072** |
| Dividends | 23.3 | - | - | - | - | - | **-** | - | **-** |
| Total increase (decrease) in equity | | - | (20,524,920) | (77,748) | (20,602,668) | 47,771,740 | **27,169,072** | - | **27,169,072** |
| **Equity at the end of 09-30-2022 Unaudited** | **23** | **776,355,048** | **(1,255,327)** | **627,074** | **(628,253)** | **223,350,693** | **999,077,488** | | **999,077,488** |

| Movements | Note | Paid-in capital | Reserves for cash flow hedges | Actuarial Losses | Total reserves | Accumulated gains (losses) | **Equity attributable to owners of the parent** | Non-controlling interests | **Total equity** |
|---|---|---|---|---|---|---|---|---|---|
| | | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** | **ThCh$** |
| Opening balance as of 01-01-2021 | | 776,355,048 | (18,042,030) | 542,854 | (17,499,176) | 134,234,420 | **893,090,292** | - | **893,090,292** |
| Changes in equity | | | | | | | | | |
| Comprehensive income | | | | | | | | | |
| Profit (loss) | | - | | - | - | 67,047,673 | **67,047,673** | - | **67,047,673** |
| Other comprehensive income | | - | 35,503,496 | - | 35,503,496 | - | **35,503,496** | - | **35,503,496** |
| **Total comprehensive income** | | - | 35,503,496 | - | 35,503,496 | 67,047,673 | **102,551,169** | - | **102,551,169** |
| Dividends | 23.3 | - | - | - | - | (528) | **(528)** | - | **(528)** |
| Total increase (decrease) in equity | | - | 35,503,496 | - | 35,503,496 | 67,047,145 | **102,550,641** | - | **102,550,641** |
| **Equity at the end of 09-30-2021 Unaudited** | **23** | **776,355,048** | **17,461,466** | **542,854** | **18,004,320** | **201,281,565** | **995,640,933** | - | **995,640,933** |

**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**
**TRANSELEC S.A. AND SUBSIDIARY**
**For the nine-month period ended September 30, 2022 and 2021**
**Expressed in thousands of Chilean pesos (ThCh$)**
**(Translation of financial statements originally issued in Spanish-See Note 2.1)**

| DIRECT METHOD CASH FLOW STATEMENT | Note | Unaudited 09-30-2022 ThCh$ | Unaudited 09-30-2021 ThCh$ |
|---|---|---|---|
| **Cash flows provided by (used in) operating activities** | | | |
| **Classes of receipts from operating activities:** | | | |
| Cash receipts from sales of goods and services | | 449,302,321 | 420,269,354 |
| Cash receipts from related party for services rendered | 7 | 4,184,139 | 5,883,204 |
| Cash receipts from related parties for interest | 7 | 5,133,660 | 4,156,095 |
| Other proceeds from operating activities | | 175,272 | 321,443 |
| **Types of payments for operating activities:** | | | |
| Payments to suppliers for goods and services | | (9,884,528) | (16,642,683) |
| Payments of interest for rights of use | | (48,184) | (50,394) |
| Other payments for operating activities | | (66,955,623) | (69,324,074) |
| Payments to and on behalf of employees | | (18,270,109) | (16,827,143) |
| Interest paid | | (69,939,349) | (60,864,167) |
| **Net cash flows provided by operating activities** | | **293,697,599** | **266,921,635** |
| **Cash Flows Provided by (Used in) Investing Activities** | | | |
| Additions of property, plant and equipment and Intangibles | | (166,756,039) | (161,284,220) |
| Amounts from the sale of property, plant and equipment | | 52,279 | - |
| Collections received from related entities | 7 | - | 28,818,987 |
| Payments made to related entities | 7 | (2,858,920) | (28,818,987) |
| **Net cash flows used in investing activities** | | **(169,562,680)** | **(161,284,220)** |
| **Cash Flows Provided by (Used in) Financing Activities** | | | |
| Payments of lease liabilities | | (1,404,425) | (1,081,658) |
| Dividends paid | 23.3 | (17,404,007) | (28,723,000) |
| **Net cash flows used in financing activities** | | **(18,808,432)** | **(29,804,658)** |
| **Net increase in cash and cash equivalents, before the effect of changes in the exchange rate** | | **105,326,487** | **75,832,757** |
| **Effects of changes in the exchange rate on cash and cash equivalents** | | | |
| Effects of changes in the exchange rate on cash and cash equivalents | | 1,116,125 | 1,009,173 |
| Net increase in cash and cash equivalents | | 106,442,612 | 76,841,930 |
| **Cash and cash equivalents at the beginning of the period** | **5** | **234,518,965** | **105,840,150** |
| **Cash and cash equivalents at the ending of the period** | **5** | **340,961,577** | **182,682,080** |

## 1 - GENERAL INFORMATION

Rentas Eléctricas III Limitada was formed as a limited liability company by public deed on June 6, 2006. According to public deed dated May 9, 2007, the Company acquired 100 shares owned by Transelec Holdings Rentas Limitada, corresponding to 0.01% of the share capital of Transelec S.A. (formerly Nueva Transelec S.A.), leaving the Company with 100% ownership. Thus, the merger took place by absorption, and the assets, liabilities, rights and obligations of Transelec S.A. (formerly Nueva Transelec S.A.) passed to the Company. In this way, the Company directly assumed operation of the electricity transmission business previously conducted by the aforementioned subsidiary.

On March 26, 2007, it changed its name to Rentas Eléctricas III S.A. and became a corporation and on June 30, 2007, Rentas Eléctricas III S.A. changed its name to its current name, Transelec S.A. (here and after “the Company” or “Transelec”).

On May 16, 2007, the Company was listed under number 974 in the Securities Registry of the Commission for the Financial Market (CMF in its Spanish acronym) and is subject to its supervision. Simultaneously, it registered 1,000,000 shares, which corresponds to the total number of shares issued, subscribed and fully paid.

On December 1, 2014, Transelec S.A., merged with its subsidiary Transelec Norte S.A. through an acquisition of 0.01% of the shares of Transelec Norte S.A. owned by Transelec Holdings Rentas Limitada, becoming the owner of the 100% shares.

On September 1, 2015, Transelec S.A merged with its subsidiary Inversiones Electricas Transam Chile Ltda., which on August 1, 2015, had absorbed its subsidiaries: Transmisora Huepil Ltda, Transmisora Abenor Ltda and Transmisora Araucana de Electricidad Ltda. Through the acquisition of the investment complement which completes 100% of the ownership, in the merger processes mentioned above.

On March 31, 2017, Transelec S.A acquired 100% shares of the company Transmisión Del Melado SpA.; thus, taking control of this entity during April 2017. For this reason, Transelec S.A. prepares Consolidated Financial Statements since June 30, 2017.

The corporate domicile of the Company is at Orinoco No. 90, 14$^{th}$ floor, 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 ETC Transmission Holdings S.L.

## 1 - GENERAL INFORMATION (continued)

The Interim Consolidated Financial Statements of the Company for the period ended September 30, 2022, were approved by the Board of Directors at its meeting N° 235 held on November 22, 2022.

## 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The principal accounting policies applied in preparing the Interim Consolidated Financial Statements are detailed below. These policies have been based on IFRS in effect as of September 30, 2022 and applied uniformly for the periods presented

### 2.1 Basis of preparation of the Interim Consolidated Financial Statements

These Interim Consolidated Financial Statements comprise the Statement of Financial Position as of September 30, 2022 and December 31, 2021, the Comprehensive Income of its operations for the nine and three-month periods ended September 30, 2022 and 2021, the Changes in Stockholders' Equity and Cash Flows for the nine-month periods ended September 30, 2022 and 2021 and have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), considering the disclosure regulations of the CMF, which are not in conflict with IFRS. The presentation of these Interim Consolidated Financial Statements has been made based on the recognition and measurement criteria set out in IAS 34 “Interim Financial Reporting”.

These Interim Consolidated Financial Statements have been prepared from the accounting records maintained by the Company. The figures in these Interim Consolidated Financial Statements and their notes are expressed in thousands of Chilean pesos.

In preparing these Interim Consolidated Financial Statements, certain critical accounting estimates have been used to quantify some assets, liabilities, income and expenses. IFRS also requires management to exercise its judgment in the process of applying Transelec's accounting policies. Areas involving a greater degree of judgment or complexity or areas in which assumptions and estimates are significant for these Interim Consolidated Financial Statements are described in Note 4.

The information contained in these Interim Consolidated Financial Statements is the responsibility of the Company’s management.

The accounting policies adopted in the preparation of the Interim Consolidated Financial Statements are consistent with those applied in the preparation of the annual Consolidated Financial Statements of the Company for the year ended December 31, 2021, which did not materially affect the Interim Consolidated Financial Statements.

During the period ended September 30, 2022, no accounting changes were recorded that affect the Interim Consolidated 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.

## 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

### 2.1 Basis of preparation of the Interim Consolidated Financial Statements (continued)

As of September 30, 2022, the company has made the following reclassifications to the Consolidated Financial Statements with respect to December 31, 2021:

**Disclosure of Provisions item**

As of September 30, 2022, the Provisions item is presented, which includes the balances provisioned by the administration corresponding to fines and trials. This balance was presented in the Audited Consolidated Financial Statement as of December 31, 2021 in Trade and other payable.

| Financial Statement Item | Disclosed in the Audited Consolidated Financial Statement as of December 31, 2021 | Disclosed in this Interim Consolidated Financial Statement as of September 30, 2022 |
|---|---|---|
| | 31-12-2021 | 31-12-2021 |
| | M$ | M$ |
| Statements of Financial Position, item "Trade and other payable" in Current Liabilities | 176,411,700 | 171,695,169 |
| Statements of Financial Position, item "Provisions" in Current Liabilities. New item in this Financial Statement | - | 4,716,531 |

## 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

### 2.2 Basis of Consolidation of the Interim Consolidated Financial Statements

The Interim Consolidated Financial Statements comprise the financial statements of the Parent Company and its subsidiary, including all its assets, liabilities, revenue, expenses and cash flows after carrying out the adjustments and eliminations related to the transactions between the companies that form part of the consolidation.

A subsidiary is a company over which Transelec S.A. exercises control in accordance with IFRS 10. In order to comply with the definition of control according to IFRS 10, three criteria must be complied with, namely: (a) an investor has the power over the relevant activities of the investee, (b) the investor is exposed, or has rights to, variable returns from the share in the investee, (c) the investor has the ability to use its power over the investee to exercise influence over the amount of income of the investor. Non-controlling interest represents the amount of net assets and profit or loss that are not property of the Parent Company, which is presented separately in the comprehensive income statement and within equity in the consolidated statement of financial situation.

Acquisition of a subsidiary is recorded in accordance with IFRS 3 “Business Combinations”, using the equity method. This method requires the recognition of identifiable assets (including intangible assets previously unrecognized and goodwill) and liabilities acquired at fair value on the acquisition date. Non-controlling interest is recognized by the portion owned by minority shareholders on the value of recognized assets and liabilities.

The excess of acquisition cost on the fair value of the share of the Company in the acquired identifiable net assets is recognized as goodwill. If the acquisition cost is less than the fair value of the net assets of the acquired subsidiary, the difference is recognized directly in the income statement.

The financial statements of the subsidiary have been prepared on the same date as those of the Parent Company and the accounting policies have been applied uniformly, considering the specific nature of each business unit.

The information regarding the entity in which the Company has control and that forms part of the consolidation is detailed as follows:

| Rut | Subsidiary | Participation Share | | Country of origin | Functional currency |
|---|---|---|---|---|---|
| | | 09-30-2022 | 12-31-2021 | | |
| 76.538.831-7 | Transmisión del Melado SpA | 100% | 100% | Chile | Ch$ |

## 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

### 2.3 New standards and interpretations accounting

The following new standards, amendments and interpretations has been adopted in this Interim Consolidated Financial Statements:

| IFRS | New standards, amendments and interpretations | Mandatory Effective Date |
|---|---|---|
| IFRS 3 | Reference to the Conceptual Framework | January 01, 2022 |
| IAS 16 | Property, Plant and Equipment – Proceeds before Intended Used | January 01, 2022 |
| IAS 37 | Onerous Contracts – Costs of Fulfilling a Contract | January 01, 2022 |
| IFRS 1, IFRS 9, IFRS 16 and IAS 41 | Annual Improvements to IFRS Standards 2018-2020 | January 01, 2022 |

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

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 Interim Consolidated Financial Statements, are detailed below:

### 2.3.1 New Standards

**The Company has not applied these standards in advance:**

| IFRS | New standards | Mandatory Effective Date |
|---|---|---|
| IFRS 17 | Insurance Contracts | January 01, 2023 |

**IFRS 17 Insurance Contracts**

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the Variable Fee Approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty; it takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after January 1, 2023.

## 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

### 2.3 New standards and interpretations accounting (continued)

#### 2.3.1 New standards (continued)

**IFRS 17 Insurance Contracts (continued)**

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

The Company's management does not anticipate that the application of these regulations will have a significant impact on the Interim Consolidated Financial Statements.

#### 2.3.2 Enhancements and Modifications

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

| Normative | Enhancements and Modifications | Mandatory Effective Date |
|---|---|---|
| IAS 1 | Classification of Liabilities as Current or Non-Current | January, 01 2023 |
| IAS 1 y IFRS-Declaración Práctica 2 | Disclosure of Accounting Policies (Amendments to IAS 1 | January, 01 2023 |
| IAS 8 | Definition of Accounting Estimates | January, 01 2023 |
| NIC 12 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction | January, 01 2023 |

**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, 2023. Early application is permitted.

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

## 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

### 2.3.2 Enhancements and Modifications

**Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)**

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

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

**Definition of Accounting Estimates (Amendments to IAS 8)**

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments.

**2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)**

**2.3.2 Enhancements and Modifications (continued)**

**Definition of Accounting Estimates (Amendments to IAS 8) (continued)**

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

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

**Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)**

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognizes:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with:
    - Right-of-use assets and lease liabilities
    - Decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

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

## 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

### 2.4 Foreign currency translation

#### 2.4.1 Functional and presentation currency

The Company's functional currency is the Chilean peso. These Interim Consolidated Financial Statements are presented in Chilean pesos.

#### 2.4.2 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.

#### 2.4.3 Exchange rates

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

| Currency or indexing unit | Chilean pesos per unit | |
|---|---|---|
| | 09-30-2022 | 12-31-2021 |
| Unidad de foment | 34,258.23 | 30,991.74 |
| US$ | 960.24 | 844.69 |
| Euro | 939.85 | 955.64 |

### 2.5 Financial reporting by operating segments

The Company manages its operations and presents information in the Interim Consolidated 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.

## 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

### 2.6 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 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 S.A. and its subsidiary must make to close their facilities are incorporated into the value of the asset at present value, recording the corresponding provision. On an annual basis both existences 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.

Assets under construction are transferred to operating assets once the testing period has been completed when they are available for use, at which time depreciation begins.

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. Periodic maintenance, conservation and repair expenses are recorded directly in income 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:

## 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

### 2.6 Property, plant and equipment (continued)

| Items | Range of estimated useful life | |
|---|---|---|
| | Minimum | Maximum |
| Buildings 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 and Sales Expenses

### 2.7 Intangible assets

#### 2.7.1 Goodwill

Goodwill represents the excess of acquisition cost on the fair value of net assets acquired in a business combination. Goodwill is not amortized, it is annually tested for impairment, regardless of the existence of any indication of impairment.

For impairment testing, goodwill acquired in a business combination is allocated from the acquisition date to the cash-generating units expected to benefit from such combination.

During the periods covered by these Interim Consolidated Financial Statements, there were no impairment losses of goodwill.

#### 2.7.2 Easements

Easements are presented 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 and if there are indicator of impairment.

#### 2.7.3 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 income statement under costs of sales and administrative expenses.

## 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

### 2.8 Impairment of non-financial assets

Assets with an indefinite useful life, such as land and easements, are not amortized and are tested annually for impairment. Amortized assets are tested for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable.

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

The recoverable amount is the higher of its fair value less costs to sell and its value in use this being the present value of the expected future cash flows.

The Company has defined its only operating segment the Transmission of Electricity as a Cash Generating Unit (CGU) for the purposes of impairment tests and, therefore, both goodwill and intangible assets with an indefinite useful life existing at the date of the impairment test are completely assigned to this CGU.

The variable to which the value in use model is most sensitive is the discount rate. The main variables considered in the impairment test are:

| Variable | 09-30-2022 | 12-31-2021 | Descripction |
|---|---|---|---|
| Discount rate | 8.49% | 8.49% | The discount rate used is the weighted average cost of capital (WACC) of the Company, measured before taxes. |
| Growth rate | 3.00% | 3.00% | The growth rate is applied to the perpetuity and is based on the estimation of the long-term inflation expectation established by the Central Bank of Chile. |
| Cash Flow estimation period | 5 years | 5 years | The estimation period is 5 years, based on the Company's internal business plan plus perpetuity. |

Impairment losses from continuing operations are recognized in the income statement in the expenses categories in accordance with the function of the impaired assets. In the case of goodwill see Note 2.7.1.

Non-financial assets other than goodwill that 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.

## 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

### 2.9 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 and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Non-derivatives financial assets that that accomplish with the conditions stated in IFRS 9 to be classified at amortized cost are: account receivables, loans granted and cash equivalents. These assets are recorded at amortized cost which is its initial fair value, minus the payments of principal, plus the non-collected accrued interests calculated according to the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortized cost of a financial liability.

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

In this category are classified the financial assets within the Business Model of the Company whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are recognized into the Consolidated Financial Statement at its fair value when it can be feasible determined. Changes in its fair value, net of tax effect, are recorded into the Other Comprehensive Income Statement until those financial assets are derecognized which is the moment when the accumulated effect is recycle into the Profit or Loss of the period. If the fair value of the financial assets is lower than the acquisition cost, and if there is objective evidence that the financial assets have an impairment that is not reversible, the difference has to be recorded as a loss of the period.

## 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

### 2.9 Financial instruments (continued)

**1) Non-derivatives Financial Assets (continued)**

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 financial assets are measured in the Consolidated Financial Statement at its fair value and the changes on its fair value are recorded directly in profit or loss at the moment when they occurred, Purchases or sales of financial assets are recorded at the date of the transaction.

**2) Cash and Cash Equivalent**

Cash and cash equivalents include cash, bank balances, time deposits and other deposits short-term, whose term is equal to or less than 180 days from the investment date, highly liquid investments that are easily convertible into known amounts of cash and that they are subject to negligible 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.

**3) Impairment of financial assets**

According to IFRS 9, the Company 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 its fair value, net of the transaction's 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 18).

## 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

### 2.9 Financial instruments (continued)

### 5) Derivatives and Hedge activities (continued)

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 the 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 that the Company perform 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 years presented.

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) Hedge of a net investment in a foreign operation (hedge of a net investment): Hedges of net investments in foreign operations are accounted for to similarly to cash flow hedges. The exchange differences originated by a net investment in a foreign entity and those derived from the hedging operation must be recorded in a reserve of the Equity, under the item Other reserves until the disposal of the investment occurs.

## 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

### 2.9 Financial instruments (continued)

#### 5) Derivatives and Hedge activities (continued)

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 foreign operation for the periods presented.

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. Other derivatives are presented as current assets or liabilities.

#### 6) Embedded derivatives

Derivatives embedded in other financial instruments or other contracts are treated as derivatives when their risks and characteristics are not closely related to the principal contracts and the principal 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 Interim Consolidated 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, and only when:

a) The contractual rights to the cash flows from the financial asset expire or, the Company retains the contractual rights to receive the cash flows but assumes a contractual obligation to pay those cash flows to one or more entities.

b) The Company has substantially transferred the risks and benefits derived from its ownership or, if it has not substantially transferred or retained them, when it does not retain control of the assets.

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 income.

## 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

### 2.9 Financial instruments (continued)

**8) Compensation of financial assets and liabilities**

The Company compensate financial assets and liabilities, presenting the net amount in its Interim Consolidated Financial Statements, only when:

a) Exist a legal right to compensated both amounts; and
b) Exist the intention of settle the transaction on a net basis, or to collect the asset and pay the liability simultaneously.

These rights can only be legally enforceable during the normal course of the business, or in case insolvency, payment problems or bankruptcy, of any one or all the parties involved in the transaction.

### 2.10 Inventory

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

### 2.11 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.

### 2.12 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 tax and tax credits, both for tax losses and other deductions.

Differences between the book 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 assets are realized, and liabilities are settled.

Current taxes and changes in deferred tax assets and liabilities not from business combinations are recorded in income or in 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 are future taxable profits sufficient enough against which the deductible temporary differences and the carry forward of unused tax credit can be utilized.
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## 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

### 2.12 Income tax and deferred taxes (continued)

The carrying amount of deferred income tax assets is reviewed at each reporting date consolidated 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. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will 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 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

### 2.13 Employee benefits

#### 2.13.1 Severance indemnity

The Company recognize the expensive for vacation of employees by using the accrual method. This benefit is for all staff and is equivalent to a fixed amount accordingly with individual contracts.

This benefit is recorded at nominal value.

The Company recognize liabilities for severance indemnities for their employees, based on the benefits that are contained in collective and individual contracts with staff. If this benefit is contractual, the obligation is treated in the same way as defined benefit plans in accordance with IAS 19 and is recorded using the projected credit unit method.

Defined benefit plans define the amount of the benefit that an employee will receive upon termination of employment, which usually depends on one or more factors such as the employee's age, rotation, years of service and compensation.

The liability recognized in the statement of financial position represents the present value of the defined benefit obligation plus/minus adjustments for unrecorded actuarial gains or losses and past service costs. The present value of the defined benefit obligation is determined by discounting the estimated cash outflows using the BCU interest rates (Central Bank of Chile bond rate in Unidades de Fomento) denominated in the same currency in which the benefits will be paid, and which have terms that approximate the maturity terms of the severance indemnities obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

## 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

### 2.13 Employee benefits (continued)

### 2.13.2 Profit sharing

The Company recognizes a liability and an expense for profit sharing arrangements based on respective collective and individual contracts with its employees and executives, using a formula that considers the net income attributable to the Company's shareholders after certain adjustments. Transelec recognizes a provision when it has a contractual obligation or when a past practice has created a constructive obligation of agreement to IAS 19.

### 2.14 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 implicit, as a result of past events;
- It is more likely than not that an outflow of resources will be required to settle the obligation;
- The amount can be reliably estimated.

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, as of the reporting date, of the time value of money, as well as the specific risk related to the particular liability, if appropriate. Increases in provisions due to the passage of time are recognized in interest expense.

As of the date of issuance of these Interim Consolidated Financial Statements, Transelec have no obligation to establish provision for environmental restoration and similar expenses.

### 2.15 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.

Should 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 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

### 2.16 Revenue recognition

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 (“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.

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.

## 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

### 2.16 Revenue recognition (continued)

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 base.

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 following 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.

### 2.17 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or whether or not the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

#### 2.17.1 The Company as lessor

The assets held under a finance lease are presented in other financial assets at an amount equal to the net investment in the lease, being the aggregate of: (i) minimum lease payments receivable and (ii) any unguaranteed residual value accruing to the Company discounted at the interest rate implicit in the lease. The income (interest) is recognized on a pattern reflecting a constant periodic rate of return on the net investment in the lease; this income is presented in the statement of income in operating revenues. Lease payments relating to the period, excluding costs for any separate services, are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.

Assets subject to operating leases are presented in the statement of financial position according to the nature of the asset. Lease income from operating leases is recognized in income on a straight-line basis over the lease term, unless another systematic basis is more representative to reflect time pattern in which use benefit derived from the leased asset is diminished.

## 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

### 2.17 Leases (continued)

### 2.17.2 The Company as lessee

Finance leases in which acts as lessee are recognized when the agreement begins, recording an asset based on the nature of the lease and a liability for the same amount, equal to the lesser of the fair value of the leased asset or the present value of the minimum lease payments.

Subsequently, the minimum lease payments are divided between finance expense and reducing the debt. The finance expense is recorded in the income statement and distributed over the period of the lease term so as to obtain a constant interest rate for each period over the balance of the debt pending amortization. The asset is amortized in the same terms as other similar depreciable assets, as long as there is reasonable certainty that the lessee will acquire ownership of the asset at the end of the lease. If no such certainty exists, the asset will be amortized over the lesser term between the useful life of the asset and the term of the lease.

### 2.17.3 Rights from Use of Lease

The company has lease agreements on several Property, Plant and Equipment items. Under IAS 17, the Company classified each of its assets on the date of origin as a finance lease or an operating lease. Leases were classified as finance leases if they substantially transferred to the company all the risks and rewards incidental to ownership of the leased asset; otherwise, they were classified as operating leases.

In adopting IFRS 16, the Company applied a single recognition and measurement approach to all leases (in which the Company acts as lessee), except for short-term leases and low-value assets. In addition, the standard provides specific transition requirements and practical solutions, which the Company has applied.

#### 2.17.3.1 Leases previously classified as operating leases

The Company recognized assets for right of use and lease liabilities in regard to leases previously classified as operating leases (in which the Company acts as lessee), except in the case of short-term leases and leases of low-value assets.

The right-of-use assets in the case of most leases were recognized based on book value as if the Standard had always been applied, except for the use of the passive rate on the date of initial application. In some leases, the right-of-use assets were recognized based on the amount equal to the lease liability, adjusted for the amount of any advance or accumulated (accrued) lease payment that has been previously recognized. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted through the use of the increasing passive rate at the date of initial application.

## 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

### 2.17 Leases (continued)

### 2.17.3 Rights from Use of Lease (continued)

#### 2.17.3.1 Leases previously classified as operating leases (continued)

The practical solutions used by the Company in the application of IFRS 16 were:

a) Single discount rate for a lease portfolio with reasonably similar characteristics.

b) Evaluation of onerous leases before the date of initial application.

c) Application of the exceptions for short-term leases (maturity less than 12 months) on the date of the initial application.

d) Exclusion of the initial direct costs of measuring the right of use asset on the date of initial application.

e) Retrospective evaluation to determine the term of the lease in those cases in which the contracts contain renewal options or termination of the lease.

#### 2.17.3.2 Right of Use Assets

The Company recognizes right of use assets at the inception date of the lease (i.e., the date on which the underlying asset is available for use). The right-of-use assets are measured at cost, less any accumulated depreciation and impairment loss, and are adjusted for any new measurement of lease liabilities. The cost of the right of use assets includes the amount of the recognized lease liabilities, the initially incurred direct costs and the lease payments on or before the inception date minus any received lease incentives.

Recognized right-of-use assets are depreciated on a straight-line basis for the shortest of their estimated useful life and the term of the lease and are subject to impairment review.

#### 2.17.3.3 Lease Liabilities

On the inception date of the lease, the Company recognizes the lease liabilities at the present value of the lease payments that must be made during the term of the lease. In calculating the present value of the lease payments, the Company uses the incremental indebtedness rate at the inception date of the lease if the interest rate implicit in the lease cannot be determined. After the inception date, the amount of lease liabilities is increased to reflect the accrued interest and is reduced as per the lease payments made. In addition, the book value of the lease liabilities is remeasured if there is a revision, a change in the term of the lease, a substantial change in the fixed lease payments or a change in the evaluation of the purchase of the underlying asset.
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## 2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

### 2.17 Leases (continued)

### 2.17.3 Rights from Use of Lease (continued)

#### 2.17.3.4 Short-term leases and leases of low-value assets

The Company applies the exception for recognition of short-term leases to its leases that have a term of 12 months or less from the inception date and that do not contain a renewal option. The lease recognition exception also applies for contracts that involve low value assets (less than USD 5,000). Short-term lease payments and leases of low-value assets are recognized as expenses on a straight-line basis over the term of the lease.

Significant judgment in determining the lease term for contracts with renewal options. The Company determines the lease term as the non-cancelable term of the lease, along with any period covered by an option to extend the lease if there is reasonable assurance that it will be exercised, or any period covered by an option to terminate the lease, if there is reasonable assurance that it will not be exercised.

The Company includes the renewal period as part of the term of the lease in the case of leases of assets of significant importance for its operations. These leases have a short non-cancelable period (i.e., three to five years) and there would be a significant negative effect on production if a replacement is not available.

At the time of initial recognition, right of use assets and lease liabilities (net of deferred interest) were recognized.

### 2.18 Distribution of dividends

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

Company makes a provision at the end of each year for the 30% of the profit of the year, in accordance with Law N° 18,046.
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On the Company's Board meeting No. 57 held on December 31, 2010, the policy used for the determination of distributable net profit was approved. This policy does not contemplate adjustments to the "Profit (Loss) attributable to Holders of Equity Participation instruments of the Controller ".

The distribution of dividends as of September 30, 2022 and December 31, 2021 is reported in Note 23.3.

## 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 differentials, among others.

Company 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 forward derivative contracts and other instruments to maintain a balanced foreign exchange position.

c) Entering into fixed rate long-term debt indebtedness thus limiting risk from variable interest rates.

#### 3.1.1.1 Interest rate 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 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.

The Company´s assets are primarily fixed and long-lived intangible assets. Consequently, financial liabilities that are used to finance such assets consist primarily of long-term liabilities at fixed rates. This debt is recorded in the balance sheet at amortized cost.

## 3 - RISK MANAGEMENT POLICY (continued)

### 3.1 Financial risk (continued)

### 3.1.1 Market risk (continued)

#### 3.1.1.1 Interest rate risk (continued)

The objective of interest rate risk management is to achieve a balanced debt structure, decrease the impact on costs due to interest rate variations and, reduce volatility in the income statement.

A comparative table of the Company's debts is shown below, in which it can be seen that all of the Company's debt as of September 30, 2022 and December 31, 2021 was at a fixed rate until maturity. In addition, in the case of UF and Dollar indexed debt, variations in inflation and exchange rate could potentially impact the Company's financial expenses, which is mitigated by indexed income to inflation and exchange rate.

| Debt | Currency or Index | Interest rate | Type of rate | Amount in Original Currency (thousand) | |
|---|---|---|---|---|---|
| | | | | 09-30-2022 | 12-31-2021 |
| Serie D Bond | UF | 4.25% | Fixed | 13,500 | 13,500 |
| Serie H Bond | UF | 4.80% | Fixed | 3,000 | 3,000 |
| Serie K Bond | UF | 4.60% | Fixed | 1,600 | 1,600 |
| Serie M Bond | UF | 4.05% | Fixed | 3,400 | 3,400 |
| Serie N Bond | UF | 3.95% | Fixed | 3,000 | 3,000 |
| Serie Q Bond | UF | 3.95% | Fixed | 3,100 | 3,100 |
| Senior Notes | USD | 4.625% | Fixed | 300,000 | 300,000 |
| Senior Notes | USD | 4,250% | Fixed | 375,000 | 375,000 |
| Senior Notes | USD | 3.875% | Fixed | 350,000 | 350,000 |
| Revolving Credit Facility | USD | 4.7547% | Floating (*) | - | - |

(*) The floating interest rate of 4.7547% of the committed line of credit is broken down into a 3-month LIBOR rate plus a margin of 1.00%. As of September 30, 2022 and December 31, 2021, the Company does not maintain amounts drawn by this line.

## 3 - RISK MANAGEMENT POLICY (continued)

### 3.1 Financial risk (continued)

### 3.1.1 Market risk (continued)

#### 3.1.1.1 Interest rate risk (continued)

Although, inflation increases may have an impact on the costs of the debt denominated in UF and, therefore, on the Company's financial expenses, these impacts are slightly reduced by accounts receivable denominated in UF.

The following table shows the effects of the debt indexed to the UF on the company's financial result.

| Serie | Position in UF | Annual Effect on income (MCh$) | | |
|---|---|---|---|---|
| | | Inflation (3%) | Inflation (4%) | Inflation (2%) |
| D Bond | (13,428,604) | (13,995) | (19,011) | (9,417) |
| H Bond | (3,000,669) | (3,127) | (4,247) | (2,104) |
| K Bond | (1,599,025) | (1,666) | (2,263) | (1,121) |
| M Bond | (1,475,161) | (1,538) | (2,089) | (1,035) |
| M1 Bond | (1,865,559) | (1,944) | (2,641) | (1,308) |
| N Bond | (2,883,879) | (3,006) | (4,083) | (2,023) |
| Q Bond | (3,075,132) | (3,204) | (4,353) | (2,156) |
| Total | (27,328,029) | (28,480) | (38,687 | (19,164) |

#### 3.1.1.2 Exchange rate risk

Transelec's exposure to the risk of exchange rate variations is due to the following:

- Transelec carries out several types of transactions in U.S. dollars (certain construction contracts, import purchases, etc.).
- Transelec Maintains accounts receivables in US dollars.
- Transelec maintains Cross Currency Swap contracts, which offset exchange rate risks of international emissions made in 2014 and 2016, for notional amounts equivalent to US$ 375 million and US$ 350 million, respectively (Long-term position).
- Maintains lease contracts that generate income indexed to US dollars.
- Maintains 2 derivatives contracts on the 10-years US Treasury bond.

The exposure to exchange rate risk is managed through an approved policy that includes fully covering the net balance sheet exposure, which is carried out through various instruments such as positions in US dollars, forward contracts and cross currency swaps.

The amounts of assets and liabilities denominated in dollars and Chilean pesos, in the periods indicated below, are as follows:

## 3 - RISK MANAGEMENT POLICY (continued)

### 3.1 Financial risk (continued)

### 3.1.1 Market risk (continued)

#### 3.1.1.2 Exchange rate risk (continued)

| Concepts | Liabilities | | Assets | |
|---|---|---|---|---|
| | 09-30-2022 MCh$ | 12-31-2021 MCh$ | 09-30-2022 MCh$ | 12-31-2021 MCh$ |
| U.S. dollar (amounts associated with balance sheet items) | 986,164 | 875,783 | 983,094 | 868,719 |
| Balance sheet items in Chilean pesos | 2,492,316 | 2,275,571 | 2,495,387 | 2,282,636 |

The semi-annual indexation formulas incorporated in toll contracts and subtransmission tariffs, as well as those of monthly application for regulated trunk revenues, allow to reflect variations in the value of facilities and operational, maintenance and administration costs. In general, these indexation formulas take into account variations in international equipment prices, material prices and domestic labor.

#### 3.1.1.2.1 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 US Dollar exchange rate. 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 when the Chilean peso is weakened with respect to the foreign currency. A negative percentage implies a strengthening of the Chilean peso with respect to the foreign currency, which negatively impacts the income statement or in other comprehensive income.

| Item (Currency) | Position | Net income (gain)/loss | | Position | OCI | |
|---|---|---|---|---|---|---|
| | Long /(Short) | Change (-10%) | Change (+10%) | Long /(Short) | Change (-10%) | Change (+10%) |
| Cash (US$) | 309 | - | - | - | - | - |
| Leasing (US$) | 40,873 | (47) | 47 | - | - | - |
| Forwards (assets) (US$) | 800 | - | - | - | - | - |
| Senior Notes (US$) | (986,164) | 1,141 | (1,141) | - | - | - |
| Swaps | 689,735 | (798) | 798 | 230,527 | (267) | 267 |
| T-Lock | - | - | - | 16,209 | (19) | 19 |
| Intercompany loan (US$) | 248,728 | (288) | 288 | - | - | - |
| Total | (5,719) | 8 | (8) | 246,736 | (286) | 286 |

## 3 - RISK MANAGEMENT POLICY (continued)

### 3.1 Financial risk (continued)

#### 3.1.2 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 leads to the situation in which they do not accumulate significant amounts.

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

| Concept | 09-30-2022 | 09-30-2021 |
|---|---|---|
| | ThCh$ | ThCh$ |
| Enel Group | 103,942,256 | 88,485,663 |
| CGE Group | 35,913,557 | 39,700,268 |
| AES Gener Group | 34,644,827 | 46,782,451 |
| Colbún Group | 31,201,263 | 32,868,031 |
| Engie Group (E-CL) | 25,509,444 | 24,704,806 |
| Others | 50,078,759 | 13,072,969 |
| Total | 281,290,106 | 245,614,188 |
| Concentration % of top customers | 82.20% | 94.68% |

One-time charges, Tolls and tariff revenues that these companies must pay to use the transmission system will generate a significant portion of the future cash flows of Transelec and a substantial change in their assets, financial conditions and / or operational income could adversely affect to the Company.

Regarding the credit risks associated with financial assets of the Company other than accounts receivable (time deposits, mutual funds, bonds, covenants, active position derivative), the policy of the Treasury establishes limits on exposure to a particular institution, and this limit depends on the risk classification and capital of each institution. Additionally, in the case of investments in mutual funds, only the ones having risk classification qualify.

#### 3.1.3 Liquidity risk

Liquidity risk is the risk of the Company not satisfying a need for cash or debt payment upon maturity. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price.

## 3 - RISK MANAGEMENT POLICY (continued)

### 3.1 Financial risk (continued)

### 3.1.3 Liquidity risk (continued)

#### (a) Risk associated to Company's management

To guarantee that it is able to respond financially both the investment opportunities and to the timely payment of its obligations, Transelec has apart from its cash availabilities and short-term accounts receivable, a committed credit line of the revolving type (RC) for the use of working capital for an amount equivalent to US$250 million. This line has been in force since July 2012 and the current conditions according to the last renewal are as follows:

(a) Amount committed : MMUS$250
(b) Cost for unused amount (Commitment Fee) : 0,30% annual
(c) The margin or spread per amount used : 1,00%

This committed credit line was contracted on July 9, 2012, initially granted for a period of 3 years by Scotiabank, Bank of Tokyo-Mitsubishi and DnB NOR. It was renegotiated and extended on October 15, 2014, with a new expiration date on October 15, 2017. Subsequently, a new extension was made with the group of banks Scotiabank, Banco Estado, The bank of Nova Scotia, Bank of Tokyo-Mitsubishi, DnB Bank and Export Development Canada due on August 3, 2020. In July 2020 the line was renewed until July 31, 2021, with the group of banks The Bank of Nova Scotia, Bank of China, Santander, Bank of Tokyo- Mitsubishi, BNP Paribas, JP Morgan Bank and China Construction Bank. In May 2021, the line was renewed until May 28, 2024, with The Bank of Nova Scotia, Bank of China, Santander, Bank of Tokyo-Mitsubishi, JP Morgan Bank and Sumitomo Mitsui Banking Corporation.

The Company is exposed to risks associated with indebtedness, including refinancing risk when its debt matures. These risks are mitigated by using long-term debt and appropriately structuring maturities over time.

The following table presents the capital amortizations and estimated interest payments corresponding to the Company's financial liabilities (debt), according to their maturity date, as of September 30, 2022 and December 31, 2021

| Debt maturity (equity and interest) | Less than 1 Years | 1 to 3 Years | 3 to 5 Years | 5 to 10 Years | More than 10 years | Total |
|---|---|---|---|---|---|---|
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| September 30, 2022 | 303,869,478 | 402,253,474 | 87,555,513 | 995,774,081 | 233,569,706 | 2,023,022,252 |
| December 31, 2021 | 67,424,478 | 360,358,375 | 389,692,333 | 923,181,181 | 336,558,443 | 2,077,214,810 |

The maturity of derivatives is presented Note 18.2.

## 3 - RISK MANAGEMENT POLICY (continued)

### 3.1 Financial risk (continued)

### 3.1.3 Liquidity risk (continued)

**(b) Risk associated with transmission payments with regulated revenues**

The law establishes that transmission facilities with regulated revenues have the right to receive the VATT associated with those facilities on an annual basis. This revenue materializes according to the collection instructions issued by the National Electrical Coordinator, which the transmission companies must bill their customers following the regulatory rules established for that purpose.

Transmission facilities are classified into two groups based on how their VATT is allocated to users. The facilities ascribed to the permanent payment regime are all those whose origin comes from the expansion plans developed as governed by Law 20,936 and whose entry into operation is after December 31, 2018. For these facilities, the revenue from VATT is invoiced for the concept of Tariff Income and Unique Transmission Charge.

In turn, existing facilities prior to the publication of Law 20,936 or that come from expansion plans prior to the aforementioned law, and whose entry into operation is prior to December 31, 2018, are governed by a transitory payment regime, defined in transitory article 25 of the same legal body. For these works, the VATT revenue is invoiced according to the payment rules that such law repealed, that is, Tariff Revenue and Toll, incorporating to the latter, the criteria for exempting payments to generating plants and final clients that are not identified by the National Energy Commission (CNE in its Spanish Acronym) as responsible for payment. These exempt toll amounts are billed to end users for Unique Exemption Charge concepts defined by the CNE.

Tariff revenues correspond to the valuation of energy and power transfers by transmission facilities. The tolls correspond to the complement of the tariff revenue such that they allow completing the VATT and the unique transmission charges are unit amounts of $/kWh that final customers must pay based on their energy consumption.

This last component, the unique transmission charges, is defined every six months by the CNE using expected values. For these reasons, they are subject to deviation with respect to the real values of demand, macroeconomics and commissioning of facilities. That is why, regardless of the payment system of a facility, whether permanent or transitory, there is a difference between the recognition of revenues (VATT) and billing, generating surpluses or billing deficits during the semester of application of the unique charges, which are adjusted by the CNE in setting the unique charges for the following semester.

As a result of the foregoing, in the event that transmission charges are greatly deviated from the values that are actually verified, there could be a liquidity risk for the Company. However, the risks should not deepen beyond the typical deviation of a six-month estimate of charges.

## 3 - RISK MANAGEMENT POLICY (continued)

### 3.2 Situation of COVID-19

The COVID-19 situation has had very little impact so far for the Company in financial and operational aspects. The Company has taken preventive actions that have allowed it to maintain the continuity of its operations considering the repercussions of this situation on the market.

From a Financing perspective, the Company has been cautious about its liquidity position, considering actions to save costs and, if needed, even some delay in investments and distributions. As of December 2021, the liquidity position of the Company is solid and there is a revolving credit line available for US$250m if needed.

The Basic Services Interruption Law, which prohibits the interruption of basic services to a particular group of clients that had some delay in the payments of their monthly bills for the next 90 days after that Law is enacted, is currently in force. On January 5th 2021, an extension to this Law was enacted which increases from 90 days to 270 days the mentioned deadlines and increases the number of installments to pay the outstanding debt from 12 to 36. On May 22nd 2021, Law n°21.340 was enacted which extends the period to of applicability of the Basic Services Interruption Law until December 31st 2021 or up to 60 days after the finalization of the Catastrophe State due to the COVID-19 pandemic. It also extends the number of installments from 36 to 48 and increase the scope of vulnerable population which could benefit from it from 60% to 80%.

Regarding the Basic Services Law, on June 23, Decree No. 130/2022 was published in the Official Gazette, which approves the procedure for the payment of subsidies established in the Basic Services Law 21,423, establishing that subsidies will be applied as a discount on the billings of the benefited users. The distribution companies, in turn, must support these amounts in front of the Superintendence of Electricity and Fuels.

This situation should have no effect on Company collections, as current regulation state that non-collectability risk is not a cost of the transmission industry. At the date of issuance of this Financial Statements, the collection of Single Charge from client through Distributions Companies has had not delay for the Company.

From an Operational perspective, the facilities of the Company keep performing as usual and just minor adjustment had to be made in order to prioritize critical activities due to the pandemic. Main risks identified are related to the availability of personnel (internal and external) in order to keep the continuity of schedule tasks regarding the critical maintenance to ensure the continuous performance in Lines, Substations and Control & Telecommunications. In this regard, our Operations Center has also been reinforced in order to keep operational continuity.

From a Personnel perspective, the Company has implemented a hybrid modality of teleworking and on office work in all administrative and managing tasks maintaining the quality in its performance in this regard.

## 4 - CRITICAL ESTIMATES, JUDGMENTS OR CRITERIA EMPLOYED 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 makes estimates and assumptions about the future. By definition, the resulting accounting estimates will rarely be equal to the real outcomes. Estimates and assumptions with a significant risk of causing an important risk to the Company during the upcoming year are detailed below:

- The estimates of recoverable values of assets and goodwill to determine potential existence of impairment losses;
- Useful lives of property, plant and equipment and intangible assets;
- The assumptions used to calculate the fair value of financial instruments;
- The actuarial assumptions used to calculate obligations with employees;
- Future tax results for the 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 Interim Consolidated 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 the respective Consolidated Financial Statements.

## 5 - CASH AND CASH EQUIVALENTS

As of September 30, 2022 and December 31, 2021, this account is detailed as follows:

| Cash And Cash Equivalents | 09-30-2022 | 12-31-2021 |
|---|---|---|
| | ThCh$ | ThCh$ |
| Bank and cash | 878,430 | 8,092,654 |
| Short term deposits | 206,672,820 | 140,957,540 |
| Reverse repurchase agreements and mutual funds | 133,410,327 | 85,468,771 |
| Total | 340,961,577 | 234,518,965 |

Cash and cash equivalents included in the statement of financial position as of September 30, 2022 and December 31, 2021 does not differ from those presented in the statement of cash flows.

The following table details the balance of cash and cash equivalents by type of currency:

| Detail | Currency | 09-30-2022 | 12-31-2021 |
|---|---|---|---|
| | | ThCh$ | ThCh$ |
| Amount of cash and cash equivalents | U.S. dollars | 323,195 | 478,354 |
| Amount of cash and cash equivalents | Euros | 11,420 | 11,612 |
| Amount of cash and cash equivalents | Chilean pesos | 340,626,962 | 234,028,999 |
| Total | | 340,961,577 | 234,518,965 |

Fair values are not significantly different from book values due to the short maturity of these instruments and there are not restrictions.

## 6 - TRADE AND OTHER RECEIVABLES

The detail as of September 30, 2022 and December 31, 2021 is as follows:

| Concept | 09-30-2022 | 12-31-2021 |
|---|---|---|
| | ThCh$ | ThCh$ |
| Invoiced Trade Debtors | 25,251,381 | 23,939,257 |
| Provisioned Trade Debtors | 75,126,377 | 59,329,306 |
| Other accounts receivable | 933,494 | 434,613 |
| Total trade and other receivables | 101,311,252 | 83,703,176 |

The aging analysis for non-impaired debtors as of September 30, 2022 and December 31, 2021 is as follows:

| Concept | Invoiced Trade Debtors | Provisioned Trade Debtors | Other accounts receivable | 09-30-2022 |
|---|---|---|---|---|
| Non past due | 12,739,648 | 75,126,377 | 933,494 | 88,799,519 |
| 1-30 days | 9,913,140 | - | - | 9,913,140 |
| 31-60 days | 1,148,301 | - | - | 1,148,301 |
| 61-90 days | 174,439 | - | - | 174,439 |
| 91-180 days | 279,737 | - | - | 279,737 |
| 181-365 days | 133,044 | - | - | 133,044 |
| 365 days or more | 863,072 | - | - | 863,072 |
| Total | 25,251,381 | 75,126,377 | 933,494 | 101,311,252 |

| Concept | Invoiced Trade Debtors | Provisioned Trade Debtors | Other accounts receivable | 12-31-2021 |
|---|---|---|---|---|
| Non past due | 1,421,108 | 59,329,306 | 434,613 | 61,185,027 |
| 1-30 days | 18,489,143 | - | - | 18,489,143 |
| 31-60 days | 1,448,355 | - | - | 1,448,355 |
| 61-90 days | 218,679 | - | - | 218,679 |
| 91-180 days | 429,055 | - | - | 429,055 |
| 181-365 days | 79,816 | - | - | 79,816 |
| 365 days or more | 1,853,101 | - | - | 1,853,101 |
| Total | 23,939,257 | 59,329,306 | 434,613 | 83,703,176 |

Fair values do not differ significantly from book values due to the short-term maturity of these instruments.

## 7 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

### 7.1 Balances and transactions with related parties

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

**Account receivables from related companies**

| Tax ID Number | Company | Relation | Country | Description | Currency | Start Date | End date | Interest payment | Principal Payment | Interest rate | Current | | Non-current | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | 09-30-2022 | 12-31-2021 | 09-30-2022 | 12-31-2021 |
| | | | | | | | | | | | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| 76.560.200-9 | Transelec Holding Rentas Ltda. | Parent Company | Chile | Loan | USD | 06-30-2015 | 06-30-2025 | Semi-annual | At maturity | 3,97% | 2,179,587 | - | 214,831,734 | 188,980,065 |
| 76.560.200-9 | Transelec Holding Rentas Ltda. | Parent Company | Chile | Loan | USD | 11-28-2017 | 11-28-2027 | Semi-annual | At maturity | 3,82% | 330,905 | - | 33,896,472 | 29,817,557 |
| 76.560.200-9 | Transelec Holding Rentas Ltda. | Parent Company | Chile | Loan | UF | 09-21-2015 | 09-21-2025 | Semi-annual | At maturity | 3,07% | 60,421 | - | 7,701,341 | 6,967,025 |
| 76.560.200-9 | Transelec Holding Rentas Ltda. | Parent Company | Chile | Loan | UF | 11-28-2017 | 11-28-2027 | Semi-annual | At maturity | 2,50% | 118,191 | - | 18,499,444 | 16,735,539 |
| 76.560.200-9 | Transelec Holding Rentas Ltda. | Parent Company | Chile | Accounts receivable | Ch$ | - | - | - | - | - | 4,642,492 | 1,964,559 | - | - |
| B87674974 | ETC Transmission Holdings SL | Indirect | Spain | Accounts receivable | USD | - | - | - | - | - | 48,906 | - | - | - |
| B87674974 | ETC Transmission Holdings SL | Indirect | Spain | Accounts receivable | EUR | - | - | - | - | - | 126,365 | - | - | - |
| 76.524.463-3 | Transelec Concesiones S,A, | Indirect | Chile | Monthly services | Ch$ | - | - | - | - | - | 107,558 | 279,805 | - | - |
| 76.248.725-K | CyT Operaciones SpA | Indirect | Chile | Monthly services | Ch$ | - | - | - | - | - | 159,084 | 144,362 | - | - |
| 77.504.183-8 | Gea Transmisora SpA. | Indirect | Chile | Accounts receivable | Ch$ | - | - | - | - | - | 13,777 | - | - | - |
| 20604938300 | Conelsur SV | Indirect | Peru | Monthly services | Ch$ | - | - | - | - | - | 189,886 | 167,036 | - | - |
| 20601047005 | Conelsur LT SAC | Indirect | Peru | Monthly services | Ch$ | - | - | - | - | - | 25,336 | 18,725 | - | - |
| 76.920.929-8 | Transmisora del Pacifico SA | Indirect | Chile | Monthly services | Ch$ | - | - | - | - | - | 99,232 | 62,430 | - | - |
| **Total** | | | | | | | | | | | 8,101,740 | 2,636,917 | 274,928,991 | 242,500,186 |

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

### 7.1 Balances and transactions with related parties (continued)

**Account payable to related companies**

| Tax ID Number | Company | Relation | Country | Description | Currency | Start Date | End date | Interest payment | Principal Payment | Interest rate | Current | | Non-current | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | 09-30-2022 | 12-31-2021 | 09-30-2022 | 12-31-2021 |
| | | | | | | | | | | | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| 76.560.200-9 | Transelec Holding Rentas Ltda. | Parent Company | Chile | Dividends payable | Ch$ | - | - | - | - | - | - | 17,402,267 | - | - |
| 76.559.580-0 | Rentas Eléctricas I Limitada | Parent Company | Chile | Dividends payable | Ch$ | - | - | - | - | - | - | 1,740 | - | - |
| **Total** | | | | | | | | | | | - | 17,404,007 | - | - |

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

### 7.1 Balances and transactions with related parties (continued)

**Most significant transactions and their effect on income**

Transactions with unconsolidated related parties had the following effects on the income statement:

| Tax ID Number | Company | Relation | Country | Description | 09-30-2022 | | 09-30-2021 | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Amount | Effect on income | Amount | Effect on income |
| | | | | | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| 76.560.200-9 | Transelec Holdings Rentas Ltda. | Parent Company | Chile | Interest earned | 7,195,997 | 7,195,997 | 6,221,392 | 6,221,392 |
| 76.560.200-9 | Transelec Holdings Rentas Ltda. | Parent Company | Chile | Interest charged | 5,133,660 | - | 4,156,095 | - |
| 76.560.200-9 | Transelec Holdings Rentas Ltda. | Parent Company | Chile | Exchange difference | 30,544,735 | 30,544,735 | 26,418,227 | 26,418,227 |
| 76.560.200-9 | Transelec Holdings Rentas Ltda. | Parent Company | Chile | Indexed to UF | 2,510,837 | 2,510,837 | 782,731 | 782,731 |
| 76.560.200-9 | Transelec Holdings Rentas Ltda. | Parent Company | Chile | Commercial current account granted | 2,677,933 | - | 28,818,987 | - |
| 76.560.200-9 | Transelec Holdings Rentas Ltda. | Parent Company | Chile | Commercial current account charged | - | - | 28,818,987 | - |
| 76.560.200-9 | Transelec Holdings Rentas Ltda. | Parent Company | Chile | Dividend paid | 17,402,267 | - | 28,720,128 | - |
| 76.559.580-0 | Rentas Eléctricas I Ltda | Indirect Matrix | Chile | Dividend paid | 1,740 | - | 2,872 | - |
| 76.559.580-0 | Rentas Eléctricas I Ltda | Indirect Matrix | Chile | Direct payment to suppliers | - | - | 352,232 | - |
| B87674974 | ETC Transmission Holdings SL | Indirect Matrix | Spain | Commercial current account granted | 175,271 | - | - | - |
| 77.504.183-8 | Gea Transmisora SpA | Indirect | Chile | Commercial current account granted | 13,777 | - | - | - |
| 76.524.463-3 | Transelec Concesiones S.A. | Indirect | Chile | Monthly services | 1,395,697 | 1,395,697 | 2,215,543 | 2,215,543 |
| 76.524.463-3 | Transelec Concesiones S.A. | Indirect | Chile | Amounts charged | 1,567,944 | - | 3,190,697 | - |
| 76.920.929-8 | Transmisora del Pacífico S.A. | Indirect | Chile | Monthly services | 429,684 | 429,684 | 821,377 | 821,377 |
| 76.920.929-8 | Transmisora del Pacífico S.A. | Indirect | Chile | Amounts charged | 392,882 | - | 722,341 | - |
| 76.248.725-K | CYT Operaciones SpA | Indirect | Chile | Monthly services | 1,632,363 | 1,632,363 | 1,469,671 | 1,469,671 |
| 76.248.725-K | CYT Operaciones SpA | Indirect | Chile | Amounts charged | 1,617,641 | - | 1,477,221 | - |
| 20604938300 | Conelsur SV | Indirect | Peru | Monthly services | 526,300 | 526,300 | 432,988 | 432,988 |
| 20604938300 | Conelsur SV | Indirect | Peru | Amounts charged | 503,450 | - | 492,945 | - |
| 20601047005 | Conelsur LT | Indirect | Peru | Monthly services | 108,833 | 108,833 | 69,963 | 69,963 |
| 20601047005 | Conelsur LT | Indirect | Peru | Amounts charged | 102,222 | - | - | - |

These operations are in accordance with the provisions of Articles No. 44 and 49 of Law No. 18.046, on Corporations.

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

### 7.2 Board of Directors and management

In accordance with the Company's by-laws, the Board of Directors is composed of nine members appointed by shareholders at the respective shareholders' meeting. They hold their positions for two years and may be re-elected. For each Board Member there is an alternate Board Member.

The current Board of Directors was elected at the Ordinary Shareholders Meeting dated April 29, 2022, which was composed as follows: Mr. Scott Lawrence as Director and Mr. Alfredo Ergas Segal as his alternate Director, Mr. Ganxiang Tang as Director and Mr. Tao He as her alternate Director, Mr. Richard Cacchione as Director and Mr. Michael Rosenfeld as his alternate Director; Mr. Jordan Anderson as Director and Mr. Jon Perry as his alternate Director, Mr. Mario Valcarce Durán as Director and Mr. José Miguel Bambach Salvatore as his alternate Director; Mr. Blas Tomic Errázuriz as Director and Mr. Patricio Reyes Infante as his alternate Director; Mr. Juan Benabarre Benaiges as Director and Mr. Roberto Munita Valdés as his alternate Director; and Mrs. Ximena Clark Núñez as Director and Mr. Claudio Campos Bierwirth as her alternate Director and Mrs. Andrea Butelmann Peisajoff as Director and Mr. Juan Agustín Laso Bambach as her alternate Director.

At the Board meeting held on May 26, 2022 was elected Mr. Scott Lawrence of the Board.

The Board of Directors of Transelec S.A. It has a fixed monthly calendar that considers all the ordinary sessions to be held during this year. This administrative body has met systematically from January to September 2022 and has had an extraordinary session in the third quarter.

#### 7.2.1 Board of Directors' compensation

According to Article No. 33 of Law No. 18,046 on Corporations, at the fifteenth Ordinary Shareholders' Board Meeting of Transelec S.A., held on April 29, 2022, it was agreed to maintain annual directors' allowance of US$ 90,000, gross value, regardless of the number of meetings actually attended or held. The allowance is paid quarterly.

The Directors, Mr. Scott Lawrence, Mr. Richard Cacchione, Mr. Jordan Anderson, and Mr. Ganxiang Tang renounced their respective diets for the years 2022 and 2021.

At the Ordinary Shareholders' Meeting for 2022, it was decided that the alternate directors would not receive an allowance.

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

### 7.2.1 Board of Directors' compensation (continued)

| Director | 09-30-2022 ThCh$ | 09-30-2021 ThCh$ |
|---|---|---|
| Scott Lawrence (Presidente)* | - | - |
| Blas Tomic Errázuriz | 57,707 | 48,612 |
| Mario Alejandro Valcarce Durán | 57,707 | 48,612 |
| Patricia Angelina Nuñez Figueroa | - | 43,154 |
| Juan Ramon Benabarre Benaiges | 57,707 | 48,612 |
| Andrea Butelmann Peisajoff | 57,707 | 48,612 |
| Jordan Anderson* | - | - |
| Ganxiang Tang* | - | - |
| Richard Cacchione* | - | - |
| Ximena Clark Núñez | 20,972 | - |

* Mr. Scott Lawrence (President), Ganxiang Tang, Richard Cacchione, and Jordan Anderson resigned their respective allowances for the period 2022 and 2021.

### 7.3 Board expenses

As of September 30, 2022, no advisory expenses were incurred for the board of directors. As of December 31, 2021, Transelec's board of directors received a Compliance trainning, held on October 6, 2021, for 15 UF.

### 7.4 Audit committee

In April 2007, the Company approved creation of an Audit Committee, separate from that established in the Corporations Law. Its functions include, among others, reviewing the reports of the external auditors as well as the Company's balance sheets, other Interim Consolidated Financial Statements and internal systems.

Transelec's Audit Committee is composed of five Directors, all of whom are qualified in financial matters and apply their specialized knowledge to diverse topics of interest to the Company, Committee members are appointed by the Board of Directors. They hold their positions for two years and may be re-elected.

The Committee appoints a Chairman from among its members and a Secretary, who may be one of its members or the Secretary of the Board. The Audit Committee has held three sessions during 2022.

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

### 7.4 Audit committee (continued)

Through a mandate from the Board, Mr. Director Mario Valcarce Durán, who is also its President, was elected as member of the Audit Committee, and the Directors, Mr. Juan Ramón Benabarre Benaiges and Mr. Alfredo Ergas Segal, Mr. Richard Cacchione and Mr.Tao He as well as the Secretary, Mr. Arturo Le Blanc Cerda are also members of the Audit Committee.

As of the date of these Interim Consolidated Financial Statements, the Audit Committee is maintained. At the fifteenth Ordinary Shareholders' Meeting of Transelec S.A., held on April 29, 2022, it was agreed to keep as compensation of the members of the Committee, the gross amount of US$ 10,000 per year regardless of the number of meetings that they actually attend or that are actually held.

The compensations received by members of the Audit Committee as of September 30, 2022 and 2021 are as follows:

| Director | 09-30-2022 | 09-30-2021 |
|---|---|---|
| | ThCh$ | ThCh$ |
| Mario Alejandro Valcarce Duran (President) | 8,447 | 7,110 |
| Patricia Angelina Nuñez Figueroa | - | 7,110 |
| Juan Ramón Benabarre Benaiges | 8,447 | 7,110 |
| Alfredo Ergas Segal | - | - |
| Richard Cacchione | - | - |
| Tao He | - | - |

### 7.5 Compensation of key management that are not Directors

**Members of Key Management**

| | |
|---|---|
| Arturo Le Blanc | Chief Executive Officer |
| Eduardo Tagle Gana* | Fiscal |
| Claudia Carrasco Arancibia* | Regulatory and Revenue Manager |
| Olivia Heuts Goen** | Vice-President of Business Development |
| Francisco Castro Crichton | Vice-President of Finance |
| Bernardo Canales Fuenzalida | Vice President of Engineering and Project |
| Claudio Aravena Vallejo | Vice-President of Human Resources |
| Jorge Vargas Romero*** | Vice-President of Operations |
| David Noe Scheinwald | Vice-President of Corporate Affairs and Environment |

* At the Ordinary Board Meeting held on April 2022, Messrs. Eduardo Tagle Gana and Claudia Carrasco Arancibia were appointed as Fiscal and Regulation and Revenue Manager, respectively.

** At the Ordinary Board Meeting held on May 2022, Ms. Olivia Heuts Goen was appointed as Vice President of Business Development.

*** At the Ordinary Board Meeting held on June 2022, Mr. Jorge Vargas Romero was appointed as Vice President of Operations.

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

### 7.5 Compensation of key management that are not Directors (continued)

The Company has established an incentive plan for its executives based on meeting certain individual goals that contribute to the Company's results, which are structured in a minimum and maximum of gross remuneration. The detail of remuneration of key management personnel for the nine month periods ended September 30, 2022 and 2021, is as follows:

| Concept | 09-30-2022 | 09-30-2021 |
|---|---|---|
| | ThCh$ | ThCh$ |
| Salaries | 1,525,247 | 1,597,593 |
| Short-term employee benefits | 713,916 | 598,463 |
| Long-term employee benefits | 1,570,276 | 531,660 |
| Total compensation received by key management personnel | 3,809,439 | 2,727,716 |

## 8 - OTHER FINANCIAL ASSETS, LEASES

As of September 30, 2022 and December 31, 2021, this account is detailed as follows:

| Concept | 09-30-2022 | | 12-31-2021 | |
|---|---|---|---|---|
| | Current | Non-Current | Current | Non-Current |
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Finance lease receivables | 1,916,910 | 38,956,345 | 1,561,768 | 34,144,266 |
| Swap Contracts (see note 18) | - | 230,527,494 | - | 191,845,804 |
| Forward Contracts (see note 18) | 72,277 | - | 87,782 | - |
| T-Lock contracts (see note 18) | 16,209,307 | - | - | - |
| Other financial assets | - | 41,752 | - | 41,752 |
| Total Other financial assets | 18,198,494 | 269,525,591 | 1,649,550 | 226,031,822 |

## 8 - OTHER FINANCIAL ASSETS, LEASES (continued)

### 8.1 Finance lease receivables

Within current and non-current other assets receivable, the Company includes assets that have been constructed at the express request of the lessee. Therefore, substantially all risks and benefits have been transferred when the assets are commissioned. Nominal value (gross investment in the lease) and present value of the minimum lease payments to be received are presented in the following tables:

| Period in years | 09-30-2022 | | |
|---|---|---|---|
| | Present Value | Interest receivable | Gross investment |
| | ThCh$ | ThCh$ | ThCh$ |
| Less than 1 | 1,916,910 | 4,592,243 | 6,509,153 |
| 1-5 | 7,371,118 | 16,845,463 | 24,216,581 |
| Over 5 | 31,585,227 | 45,499,175 | 77,084,402 |
| Total | 40,873,255 | 66,936,881 | 107,810,136 |

| Period in years | 12-31-2021 | | |
|---|---|---|---|
| | Present Value | Interest receivable | Gross investment |
| | ThCh$ | ThCh$ | ThCh$ |
| Less than 1 | 1,561,768 | 4,010,834 | 5,572,602 |
| 1-5 | 6,136,983 | 15,048,774 | 21,185,757 |
| Over 5 | 28,007,283 | 41,745,908 | 69,753,191 |
| Total | 35,706,034 | 60,805,516 | 96,511,550 |

**Movements in finance leases:**

| Concept | 09-30-2022 | 12-31-2021 |
|---|---|---|
| | ThCh$ | ThCh$ |
| Opening balance | 35,706,034 | 28,832,140 |
| Additions | 1,464,939 | 2,678,127 |
| Amortization | (1,408,845) | (1,492,458) |
| Exchange rate differences | 5,111,127 | 5,688,225 |
| Ending balance | 40,873,255 | 35,706,034 |

## 9 - INTANGIBLE ASSETS OTHER THAN GOODWILL

The following tables detail the balances within this account as of September 30, 2022 and December 31, 2021:

| Intangible assets, net | 09-30-2022 | 12-31-2021 |
|---|---|---|
| | ThCh$ | ThCh$ |
| Easements | 183,016,508 | 181,321,476 |
| Software | 7,326,659 | 4,751,591 |
| Total identified intangible assets | 190,343,167 | 186,073,067 |

| Gross intangible assets | 09-30-2022 | 12-31-2021 |
|---|---|---|
| | ThCh$ | ThCh$ |
| Easements | 183,016,508 | 181,321,476 |
| Software | 26,737,490 | 22,925,698 |
| Total intangible assets | 209,753,998 | 204,247,174 |

| Accumulated amortization and impairment | 09-30-2022 | 12-31-2021 |
|---|---|---|
| | ThCh$ | ThCh$ |
| Software | (19,410,831) | (18,174,107) |
| Total accumulated amortization | (19,410,831) | (18,174,107) |

The easements of Transelec S.A. represent intangible assets with an indefinite useful life.

## 9 - INTANGIBLE ASSETS OTHER THAN GOODWILL (continued)

The composition and movements of intangible assets as of September 30, 2022 and December 31, 2021 are the following:

| Movements in intangible assets | Easements | Software | Net intangible assets |
|---|---|---|---|
| | ThCh$ | ThCh$ | ThCh$ |
| Opening balance as of 01-01-2022 | 181,321,476 | 4,751,591 | 186,073,067 |
| Additions | 1,695,032 | 3,811,792 | 5,506,824 |
| Retirements | - | - | - |
| Amortization | - | (1,236,724) | (1,236,724) |
| Final balance as of 09-30-2022 | 183,016,508 | 7,326,659 | 190,343,167 |

| Movements in intangible assets | Easements | Software | Net intangible assets |
|---|---|---|---|
| | ThCh$ | ThCh$ | ThCh$ |
| Opening balance as of 01-01-2021 | 179,394,850 | 3,748,653 | 183,143,503 |
| Additions | 2,105,465 | 2,765,116 | 4,870,581 |
| Retirements | (178,839) | - | (178,839) |
| Amortization | - | (1,762,178) | (1,762,178) |
| Final balance as of 12-31-2021 | 181,321,476 | 4,751,591 | 186,073,067 |

Based on estimates made by Management, projections of cash flows attributable to intangible assets allow the carrying value of these assets recorded as of September 30, 2022 and December 31, 2021 to be recovered.

The balance of items fully amortized and in use as of September 30, 2022 and December 31, 2021 amounts to:

| Intangible assets concept | 09-30-2022 | 12-31-2021 |
|---|---|---|
| | ThCh$ | ThCh$ |
| Total gross value | 13,851,155 | 11,903,333 |

## 10 - GOODWILL

Goodwill represents the excess of the acquisition cost over the fair value of the group's identifiable net assets acquired.

The Company has defined its only operating segment of Electric Power Transmission as the Cash Generating Unit (CGU) for the purpose of performing the impairment tests and therefore the surplus value at the date of the impairment test is fully assigned to this CGU.

## 10 – GOODWILL (continued)

### 10.1 Measurement of the recoverable value of goodwill

The breakdown of this item as of September 30, 2022 and December 31, 2021 is as follows:

| Detail | 09-30-2022 | 12-31-2021 |
|---|---|---|
| | ThCh$ | ThCh$ |
| Goodwill | 343,059,078 | 343,059,078 |
| Total | 343,059,078 | 343,059,078 |

### 10.2 Movement of goodwill in the Interim Consolidated Financial Statements

The goodwill movements as of September 30, 2022 and December 31, 2021 are:

| Concept | 09-30-2022 |
|---|---|
| | ThCh$ |
| Opening balance as of 01-01-2022 | 343,059,078 |
| Final balance as of 09-30-2022 | 343,059,078 |

| Concepto | 12-31-2021 |
|---|---|
| | ThCh$ |
| Opening balance as of 01-01-2021 | 343,059,078 |
| Final balance as of 12-31-2021 | 343,059,078 |

### 10. 3 Impairment test

Management considers that the value in use approach, determined by the discounted cash flow model, is the most reliable method for determining the recoverable values of the CGU. (The variables used by the Company are found in Note 2.8 Impairment of non-financial assets).

The result of the impairment test which includes a sensitivity analysis of its main variables, showed that the calculated recoverable values exceed the book value of the net assets of the respective cash-generating unit, and therefore no impairment was detected.

## 11 - PROPERTY, PLANT AND EQUIPMENT

### 11.1 Detail of accounts

The composition corresponds to the following detail:

| Property, plant and equipment, net | 09-30-2022 | 12-31-2021 |
|---|---|---|
| | ThCh$ | ThCh$ |
| Land | 22,070,900 | 22,070,900 |
| Buildings and infrastructure | 889,261,778 | 906,740,407 |
| Work in progress | 510,902,845 | 402,151,009 |
| Machinery and equipment | 464,482,153 | 479,078,128 |
| Other property, plant and equipment | 6,173,150 | 5,811,659 |
| Total Property, plant and equipment | 1,892,890,826 | 1,815,852,103 |

| Property, plant and equipment, gross | 09-30-2022 | 12-31-2021 |
|---|---|---|
| | ThCh$ | ThCh$ |
| Land | 22,070,900 | 22,070,900 |
| Buildings and infrastructure | 1,272,611,186 | 1,270,051,622 |
| Work in progress | 510,902,845 | 402,151,009 |
| Machinery and equipment | 772,412,928 | 769,601,252 |
| Other property, plant and equipment | 6,173,150 | 5,811,659 |
| Total property, plant and equipment, gross | 2,584,171,009 | 2,469,686,442 |

| Accumulated depreciation of property, plant and equipment | 09-30-2022 | 12-31-2021 |
|---|---|---|
| | ThCh$ | ThCh$ |
| Buildings and infrastructure | (383,349,408) | (363,311,215) |
| Machinery and equipment | (307,930,775) | (290,523,124) |
| Total accumulated depreciation of property, plant and equipment | (691,280,183) | (653,834,339) |

## 11 - PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### 11.2 Reconciliation of changes in property, plant and equipment

The following table details the reconciliation of changes in property, plant and equipment by class as of September 30, 2022 and December 31, 2021:

| Movement period 2022 | Land | Buildings and infrastructure | Machinery and equipment | Work in progress | Other property, plant and equipment | Property, plant and equipment, net |
|---|---|---|---|---|---|---|
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Opening balance 01-01-2022 | 22,070,900 | 906,740,407 | 479,078,128 | 402,151,009 | 5,811,659 | 1,815,852,103 |
| Additions | - | - | - | 140,109,900 | 382,660 | 140,492,560 |
| Withdrawals | - | (29,346) | (37,175) | (93,079) | - | (159,600) |
| Transfers | - | 2,549,681 | 3,044,046 | (5,572,558) | (21,169) | - |
| Depreciation expense | - | (19,998,964) | (17,574,246) | | - | (37,573,210) |
| Other decrements | - | - | (28,600) | (25,692,427) | - | (25,721,027) |
| Closing balance as of 09-30-2022 | 22,070,900 | 889,261,778 | 464,482,153 | 510,902,845 | 6,173,150 | 1,892,890,826 |

| Movement period 2021 | Land | Buildings and infrastructure | Machinery and equipment | Work in progress | Other property, plant and equipment | Property, plant and equipment, net |
|---|---|---|---|---|---|---|
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Opening balance 01-01-2021 | 20,998,917 | 899,288,460 | 508,949,881 | 252,585,609 | 5,834,252 | 1,687,657,119 |
| Additions | - | - | - | 183,358,967 | 121,589 | 183,480,556 |
| Withdrawals | - | (1,159,232) | (715,177) | (114,770) | - | (1,989,179) |
| Transfer | 1,071,983 | 34,424,024 | (3,637,588) | (31,714,237) | (144,182) | - |
| Depreciation expense | - | (25,450,456) | (23,740,568) | - | - | (49,191,024) |
| Other decrements | - | (362,389) | (1,778,420) | (1,964,560) | - | (4,105,369) |
| Closing balance as of 12-31-2021 | 22,070,900 | 906,740,407 | 479,078,128 | 402,151,009 | 5,811,659 | 1,815,852,103 |

## 11 - PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### 11.3 Additional information on property, plant and equipment

Transelec has insurance policies to cover possible risks subject to various items of property, plant and equipment and possible claims that might be filed by exercising its activities, understanding that such policies cover sufficiently the risks to which they are taken.

The Company held as of September 30, 2022 and December 31, 2021 commitments to purchase items of property, plant and equipment arising from construction contracts under EPC (Engineering-Procurement- Construction) in the amount of ThCh$206,687,872 and ThCh$145,306,082, at the end of each period, respectively

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

| Concepts | 09-30-2022 | 12-31-2021 |
|---|---|---|
| Capitalization rate (Annual basis) | 4.97% | 4.82% |
| Capitalized interest costs (ThCh$) | 9,669,295 | 11,392,079 |

Work in progress balances as of September 30, 2022 and December 31, 2021, amounts to ThCh$510,902,845 and ThCh$402,151,009, respectively.

The balances of fully depreciated items in use as of September 30, 2022 and December 31, 2021 amounts to:

| Property, plant and equipment concept | 09-30-2022 | 12-31-2021 |
|---|---|---|
| | ThCh$ | ThCh$ |
| Total gross value | 65,359,336 | 63,095,405 |

## 12 - ASSETS FOR RIGHT OF USE

The composition of assets for rights of use as of September 30, 2022 and December 31, 2021, corresponds to the following detail

| Assets for right of use | 09-30-2022 | 12-31-2021 |
|---|---|---|
| | ThCh$ | ThCh$ |
| Right of use Land | 44,740 | 55,296 |
| Right of use Buildings | 1,621,686 | 2,510,990 |
| Right to use Vehicles | 189,273 | 473,182 |
| Total assets for right of use | 1,855,699 | 3,039,468 |

| Assets for right of use, gross | 09-30-2022 | 12-31-2021 |
|---|---|---|
| | ThCh$ | ThCh$ |
| Right of use Land | 101,787 | 101,788 |
| Right of use Buildings | 6,010,917 | 6,010,917 |
| Right to use Vehicles | 1,744,202 | 1,744,202 |
| Total Assets for right of use, gross | 7,856,906 | 7,856,907 |

| Accumulated depreciation of assets for rights of use | 09-30-2022 | 12-31-2021 |
|---|---|---|
| | ThCh$ | ThCh$ |
| Right of use Land | (57,047) | (46,492) |
| Right of use Buildings | (4,389,231) | (3,499,927) |
| Right to use Vehicles | (1,554,929) | (1,271,020) |
| Total Accumulated depreciation of assets for rights of use | (6,001,207) | (4,817,439) |

## 12 - ASSETS FOR RIGHT OF USE (continued)

### 12.1 Movements in Assets for rights of use

The book values of assets for right-of-use and their movements as of September 30, 2022 and December 31, 2021 are detailed below:

| Movement period 2022 | Right of use Land | Right of use Buildings | Right of use Vehicles | Assets for right of use |
|---|---|---|---|---|
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Opening balance 01-01-2022 | 55,296 | 2,510,990 | 473,182 | 3,039,468 |
| Additions | - | - | - | - |
| Depreciation expense | (10,556) | (889,304) | (283,909) | (1,183,769) |
| Closing balance as of 09-30-2022 | 44,740 | 1,621,686 | 189,273 | 1,855,699 |

| Movement period 2021 | Right of use Land | Right of use Buildings | Right of use Vehicles | Assets for right of use |
|---|---|---|---|---|
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Opening balance 01-01-2021 | 70,535 | 3,696,729 | 851,728 | 4,618,992 |
| Additions | - | - | - | - |
| Depreciation expense | (15,239) | (1,185,739) | (378,546) | (1,579,524) |
| Closing balance as of 12-31-2021 | 55,296 | 2,510,990 | 473,182 | 3,039,468 |

As of September 30, 2022 and December 31, 2021 one of the main assets for rights of use and liabilities for leases (Note 16), comes from the contract between Seguros Vida Security vision S.A and Transelec S.A. This contract has a duration of 5 years from January 2019 and accrues interest at an annual rate of 2.3%.

## 13 - OTHER NON-FINANCIAL ASSETS AND LIABILITIES

### 13.1 Other non-financial assets

The composition of the Other non-financial assets as of September 30, 2022 and December 31, 2021 is as follows:

| Concept | Current | | Non-Current | |
|---|---|---|---|---|
| | 09-30-2022 | 12-31-2021 | 09-30-2022 | 12-31-2021 |
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Funds for yielding easements and land | 2,163,917 | 2,479,899 | - | - |
| Advances to suppliers | 2,661,437 | 2,054,195 | 20,232,224 | - |
| Advance insurance | 3,944,799 | 636,300 | - | - |
| Consignments and guarantees | 2,318,370 | 1,553,428 | - | - |
| Contracts receivable | - | - | 7,496,622 | 6,977,358 |
| Other non-financial assets | 1,992,191 | 1,762,009 | 1,160,657 | 1,216,073 |
| Total other non-financial assets | 13,080,714 | 8,485,831 | 28,889,503 | 8,193,431 |

### 13.2 Other non-financial liabilities

The composition of the Other non-financial liabilities as of September 30, 2022 and December 31, 2021 is as follows:

| Concept | Current | | Non-Current | |
|---|---|---|---|---|
| | 09-30-2022 | 12-31-2021 | 09-30-2022 | 12-31-2021 |
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| VAT payable | 3,687,913 | 2,726,415 | - | - |
| Deferred income | 412,589 | 412,589 | 3,841,626 | 4,139,804 |
| Other non-financial liabilities | 409,434 | 467,704 | 214,632 | 214,632 |
| Total other non-financial liabilities | 4,509,936 | 3,606,708 | 4,056,258 | 4,354,436 |

## 14 - DEFERRED TAXES

### 14.1 Detail of deferred tax liabilities

The origin of deferred taxes recorded as of September 30, 2022 and December 31, 2021 is detailed as follows:

| Temporary Difference Assets / (Liabilities) | Net deferred taxes | |
|---|---|---|
| | 09-30-2022 | 12-31-2021 |
| | ThCh$ | ThCh$ |
| Depreciable fixed assets | (210,492,355) | (210,868,982) |
| Leased assets | (10,108,241) | (8,330,563) |
| Materials and spare parts | 519,881 | 323,545 |
| Tax losses | 2,789,288 | 5,634,406 |
| Staff severance indemnities provision | (314,093) | (183,577) |
| Deferred income | 1,148,638 | 1,229,146 |
| Obsolescence provision | 1,723,366 | 1,723,366 |
| Work in progress | (89,717,825) | (67,427,672) |
| Vacation provisions | 753,718 | 774,821 |
| Intangible assets | 5,221,947 | 89,141 |
| Adjustment of effective interest rate of bonds | (2,629,000) | (2,313,177) |
| Land | 3,500,451 | 2,546,597 |
| Provision Tariff Review | 50,512,568 | 39,632,665 |
| Goodwill | 462,311 | 562,188 |
| Total deferred tax liabilities | (246,629,346) | (236,608,096) |

| Presentation in the Statement of Financial Position: | | |
|---|---|---|
| Deferred tax Assets | - | - |
| Deferred tax liabilities | (246,629,346) | (236,608,096) |
| Deferred taxes, net assets / (liabilities) | (246,629,346) | (236,608,096) |

Accumulated tax losses balance the give rise to the balance recorded as deferred tax liabilities as of September 30, 2022, correspond to Transelec S.A. for ThCh$6,781,137 (ThUS$17,367,507 as of December 31, 2021) and Transmisión del Melado SpA for ThCh$3,549,559 (ThUS$3,500,663 as of December 31, 2021).

Recovery of deferred tax assets will depend on whether sufficient tax profits are obtained in the future. Based on its projections the Company believes that its future profits will allow these assets to be recovered.

## 14 - DEFERRED TAXES (continued)

### 14.2 Deferred tax movements

The movements of balances of "deferred taxes" in the statement of financial position for the periods as of September 30, 2022 and December 31, 2021 are as follows:

| Items | Assets | Liabilities | Net Assets/(Liabilities) | Impact of the period | | |
|---|---|---|---|---|---|---|
| | | | | Income | Equity | Total Variation |
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Depreciable fixed assets | - | 210,492,355 | (210,492,355) | 376,627 | - | 376,627 |
| Leased assets | - | 10,108,241 | (10,108,241) | (1,777,678) | - | (1,777,678) |
| Materials and spare parts | 519,881 | - | 519,881 | 196,336 | - | 196,336 |
| Tax losses | 2,789,288 | - | 2,789,288 | (10,465,283) | 7,620,165 | (2,845,118) |
| Severance indemnities provision | - | 314,093 | (314,093) | (130,516) | - | (130,516) |
| Deferred revenue | 1,148,638 | - | 1,148,638 | (80,508) | - | (80,508) |
| Obsolescence provision | 1,723,366 | - | 1,723,366 | - | - | - |
| Work in progress | - | 89,717,825 | (89,717,825) | (22,290,153) | - | (22,290,153) |
| Vacation provisions | 753,718 | - | 753,718 | (21,103) | - | (21,103) |
| Intangible assets | 5,221,947 | - | 5,221,947 | 5,132,806 | - | 5,132,806 |
| Adjustment of effective interest rate of bonds | - | 2,629,000 | (2,629,000) | (315,823) | - | (315,823) |
| Land | 3,500,451 | - | 3,500,451 | 953,854 | - | 953,854 |
| Provision for tariff review | 50,512,568 | - | 50,512,568 | 10,879,903 | - | 10,879,903 |
| Goodwill | 462,311 | - | 462,311 | (99,877) | - | (99,877) |
| Total as of 09-30-2022 | 66,632,168 | 313,261,514 | (246,629,346) | (17,641,415) | 7,620,165 | (10,021,250) |

## 14 - DEFERRED TAXES (continued)

### 14.2 Deferred tax movements (continued)

| Items | Assets | Liabilities | Net Assets/(Liabilities) | Impact of the period | | |
|---|---|---|---|---|---|---|
| | | | | Income | Equity | Total Variation |
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Depreciable fixed assets | - | 210,868,982 | (210,868,982) | (19,602,441) | - | (19,602,441) |
| Leased assets | - | 8,330,563 | (8,330,563) | (2,145,432) | - | (2,145,432) |
| Materials and spare parts | 323,545 | - | 323,545 | 127,235 | - | 127,235 |
| Tax losses | 5,634,406 | - | 5,634,406 | 12,366,114 | (13,860,095) | (1,493,981) |
| Severance indemnities provision | - | 183,577 | (183,577) | (10,270) | - | (10,270) |
| Deferred revenue | 1,229,146 | - | 1,229,146 | (107,345) | - | (107,345) |
| Obsolescence provision | 1,723,366 | - | 1,723,366 | 241,212 | - | 241,212 |
| Work in progress | - | 67,427,672 | (67,427,672) | (40,865,511) | - | (40,865,511) |
| Vacation provisions | 774,821 | - | 774,821 | 115,383 | - | 115,383 |
| Intangible assets | 89,141 | - | 89,141 | 2,832,015 | - | 2,832,015 |
| Adjustment of effective interest rate of bonds | - | 2,313,177 | (2,313,177) | 143,101 | - | 143,101 |
| Land | 2,546,597 | - | 2,546,597 | 538,491 | - | 538,491 |
| Provision for tariff review | 39,632,665 | - | 39,632,665 | 24,111,420 | - | 24,111,420 |
| Goodwill | 562,188 | - | 562,188 | (145,345) | - | (145,345) |
| Total as of 12-31-2021 | 52,515,875 | 289,123,971 | (236,608,096) | (22,401,373) | (13,860,095) | (36,261,468) |

## 15 - OTHER FINANCIAL LIABILITIES

The current and non-current portion of this account as of September 30, 2022 and December 31, 2021 is as follows:

| Concept | 09-30-2022 | | 12-31-2021 | |
|---|---|---|---|---|
| | Current | Non-Current | Current | Non-Current |
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Bonds payable | 309,369,674 | 1,624,614,992 | 22,002,230 | 1,704,954,466 |
| Swap contract (see note 18) | 1,880,586 | - | 4,070,488 | - |
| Total Other financial liabilities | 311,250,260 | 1,624,614,992 | 26,072,718 | 1,704,954,466 |

## 15 - OTHER FINANCIAL LIABILITIES (continued)

### 15.1 Bonds payable

The obligations with the public by series, currency, effective rate and expiration date as of September 30, 2022 and December 31, 2021 are as follow:

| Taxpayer ID number | Debtor name | Country | Creditor | Placement in Chile or abroad | Instrument registration number | Series | Indexation unit | Nominal interest rate | Effective interest rate | Interest payments | Periodicity principal payments | Final maturity | 09-30-2022 | 12-31-2021 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | ThCh$ | ThCh$ |
| 76.555.400-4 | Transelec S.A. | Chile | Bondholders | Chile | 480 | D | UF | 4.37% | 4.25% | At maturity | Semiannual | 12-15-2027 | 465,990,092 | 416,876,163 |
| 76.555.400-4 | Transelec S.A. | Chile | Bondholders | Chile | 599 | H | UF | 4.79% | 4.80% | At maturity | Semiannual | 08-01-2031 | 103,695,772 | 94,908,657 |
| 76.555.400-4 | Transelec S.A. | Chile | Bondholders | Chile | 599 | K | UF | 4.61% | 4.60% | At maturity | Semiannual | 09-01-2031 | 53,203,987 | 48,514,221 |
| 76.555.400-4 | Transelec S.A. | Chile | Bondholders | Chile | 599 | M | UF | 4.26% | 4.05% | At maturity | Semiannual | 06-15-2032 | 51,154,498 | 45,771,109 |
| 76.555.400-4 | Transelec S.A. | Chile | Bondholders | Chile | 599 | M-1 | UF | 4.23% | 4.05% | At maturity | Semiannual | 06-15-2032 | 64,697,387 | 57,882,413 |
| 76.555.400-4 | Transelec S.A. | Chile | Bondholders | Chile | 599 | N | UF | 4.29% | 3.95% | At maturity | Semiannual | 12-15-2038 | 99,951,776 | 89,410,309 |
| 76.555.400-4 | Transelec S.A. | Chile | Bondholders | Chile | 744 | Q | UF | 4.02% | 3.95% | At maturity | Semiannual | 10-15-2042 | 109,063,007 | 97,919,640 |
| 76.555.400-4 | Transelec S.A. | Chile | Bondholders | Foreign | 1st issuance | Sr N | US$ | 5.10% | 4.63% | At maturity | Semiannual | 07-26-2023 | 290,231,267 | 257,967,389 |
| 76.555.400-4 | Transelec S.A. | Chile | Bondholders | Foreign | 2nd issuance | Sr N | US$ | 4.66% | 4.25% | At maturity | Semiannual | 01-14-2025 | 361,765,605 | 321,200,875 |
| 76.555.400-4 | Transelec S.A. | Chile | Bondholders | Foreign | 3rd issuance | Sr N | US$ | 4.31% | 3.88% | At maturity | Semiannual | 01-12-2029 | 334,231,275 | 296,505,920 |
| | Total | | | | | | | | | | | | 1,933,984,666 | 1,726,956,696 |

The fair value of current and non-current bonds payable, both secured and unsecured, amounts to ThCh$1,926,469,336 and ThCh$1,793,970,669 as of September 30, 2022 and December 31, 2021, respectively (it does not include other current and non-current liabilities such as swap agreements which are presented in the Interim Consolidated Financial Statements at fair value). The fair value of the bonds is estimated by discounting future cash flows using discount rates available for debt with similar terms of credit risk and similar maturities. This value is categorized as level 2 according to the hierarchy of fair value.

## 15 - OTHER FINANCIAL LIABILITIES (continued)

### 15.1 Bonds payable (continued)

| Debtor taxpayer ID number | Debtor Name | Instrument registration number | Expiration | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Current | | | Non-current | | | | | |
| | | | Maturity less than 90 days | Maturity more than 90 days | Total Current 09-30-2022 | Maturity 1 to 2 years | Maturity 2 to 3 years | Maturity 3 to 4 years | Maturity 4 to 5 years | Maturity more than 5 years | Total Non-current 09-30-2022 |
| | | | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| 76.555.400-4 | Transelec S.A. | 480 | 5,735,111 | - | 5,735,111 | - | - | - | - | 460,254,981 | 460,254,981 |
| 76.555.400-4 | Transelec S.A. | 599 | - | 790,851 | 790,851 | - | - | - | - | 102,904,921 | 102,904,921 |
| 76.555.400-4 | Transelec S.A. | 599 | - | 1,465,076 | 1,465,076 | - | - | - | - | 51,738,911 | 51,738,911 |
| 76.555.400-4 | Transelec S.A. | 599 | 622,032 | - | 622,032 | - | - | - | - | 50,532,466 | 50,532,466 |
| 76.555.400-4 | Transelec S.A. | 599 | 790,260 | - | 790,260 | - | - | - | - | 63,907,127 | 63,907,127 |
| 76.555.400-4 | Transelec S.A. | 599 | 1,224,217 | - | 1,224,217 | - | - | - | - | 98,727,559 | 98,727,559 |
| 76.555.400-4 | Transelec S.A. | 744 | 1,922,055 | - | 1,922,055 | - | - | - | - | 107,140,952 | 107,140,952 |
| 76.555.400-4 | Transelec S.A. | 1st issuance | - | 290,231,267 | 290,231,267 | - | - | - | - | - | - |
| 76.555.400-4 | Transelec S.A. | 2nd issuance | - | 3,509,300 | 3,509,300 | - | 358,256,305 | - | - | - | 358,256,305 |
| 76.555.400-4 | Transelec S.A. | 3rd issuance | - | 3,079,505 | 3,079,505 | - | - | - | - | 331,151,770 | 331,151,770 |
| Total | | | 10,293,675 | 299,075,999 | 309,369,674 | - | 358,256,305 | - | - | 1,266,358,687 | 1,624,614,992 |

## 15 - OTHER FINANCIAL LIABILITIES (continued)

### 15.1 Bonds payable (continued)

| Debtor taxpayer ID number | Debtor Name | Instrument registration number | Expiration | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Current | | | Non-current | | | | | | |
| | | | Maturity less than 90 days | Maturity more than 90 days | Total Current 09-30-2022 | Maturity 1 to 2 years | Maturity 2 to 3 years | Maturity 3 to 4 years | Maturity 4 to 5 years | Maturity more than 5 years | Total Non-current 09-30-2022 |
| | | | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| 76.555.400-4 | Transelec S.A. | 480 | - | 771,965 | 771,965 | - | - | - | - | 416,104,198 | 416,104,198 |
| 76.555.400-4 | Transelec S.A. | 599 | 1,830,755 | - | 1,830,755 | - | - | - | - | 93,077,902 | 93,077,902 |
| 76.555.400-4 | Transelec S.A. | 599 | 748,841 | - | 748,841 | - | - | - | - | 47,765,380 | 47,765,380 |
| 76.555.400-4 | Transelec S.A. | 599 | - | 81,667 | 81,667 | - | - | - | - | 45,689,442 | 45,689,442 |
| 76.555.400-4 | Transelec S.A. | 599 | - | 103,746 | 103,746 | - | - | - | - | 57,778,667 | 57,778,667 |
| 76.555.400-4 | Transelec S.A. | 599 | - | 160,691 | 160,691 | - | - | - | - | 89,249,618 | 89,249,618 |
| 76.555.400-4 | Transelec S.A. | 744 | - | 794,805 | 794,805 | - | - | - | - | 97,124,835 | 97,124,835 |
| 76.555.400-4 | Transelec S.A. | 1st issuance | 5,312,461 | - | 5,312,461 | 252,654,928 | - | - | - | - | 252,654,928 |
| 76.555.400-4 | Transelec S.A. | 2nd issuance | 6,548,903 | - | 6,548,903 | - | - | 314,651,972 | - | - | 314,651,972 |
| 76.555.400-4 | Transelec S.A. | 3rd issuance | 5,648,396 | - | 5,648,396 | - | - | - | - | 290,857,524 | 290,857,524 |
| Total | | | 20,089,356 | 1,912,874 | 22,002,230 | 252,654,928 | - | 314,651,972 | - | 1,137,647,566 | 1,704,954,466 |

### 15.2 Other aspects

As of September 30, 2022 and December 31, 2021, Transelec has a credit line of US$250 million, which as of that date has no outstanding drafts.

Various debt contracts of the Company include the obligation to comply with certain financial ratios (see Note 23.5), customary in contracts of this nature. There are also affirmative and negative obligations that require monitoring of these commitments.

## 16 - LEASE LIABILITIES

The detail of this short- and long-term item as of September 30, 2022 and December 31, 2021, is as follows:

| Concept | 09-30-2022 | | 12-31-2021 | |
|---|---|---|---|---|
| | Current | Non-Current | Current | Non-Current |
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Lease liabilities land | 16,941 | 21,447 | 15,119 | 31,509 |
| Lease liabilities buildings | 1,126,775 | 358,360 | 1,195,731 | 1,339,600 |
| Lease liabilities vehicles | 229,276 | - | 364,748 | 162,336 |
| Total Lease liabilities | 1,372,992 | 379,807 | 1,575,598 | 1,533,445 |

### 16.1 Movements in Lease Liabilities

The book values of lease liabilities and their movements as of September 30, 2022 and December 31, 2021 are detailed below:

| Movement period 2022 | Lease obligations Land | Lease obligations Buildings | Lease obligations Vehicles | Total lease obligations |
|---|---|---|---|---|
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Opening balance 01-01-2022 | 46,628 | 2,535,331 | 527,084 | 3,109,043 |
| Lease obligations | - | - | - | - |
| Interest expenses | 1,005 | 43,560 | 3,616 | 48,181 |
| Payments | (9,245) | (1,093,756) | (301,424) | (1,404,425) |
| Closing balance as of 09-30-2022 | 38,388 | 1,485,135 | 229,276 | 1,752,799 |

| Movement period 2021 | Lease obligations Land | Lease obligations Buildings | Lease obligations Vehicles | Total lease obligations |
|---|---|---|---|---|
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Opening balance 01-01-2021 | 72,849 | 3,806,298 | 862,814 | 4,741,961 |
| Lease obligations | - | - | - | - |
| Interest expenses | 1,529 | 78,409 | 8,529 | 88,467 |
| Payments | (27,750) | (1,349,376) | (344,259) | (1,721,385) |
| Closing balance as of 12-31-2021 | 46,628 | 2,535,331 | 527,084 | 3,109,043 |

## 16 - LEASE LIABILITIES (continued)

### 16.2 Details of future obligations for lease liabilities

| Lease obligations | Current | | | Non-Current | | | |
|---|---|---|---|---|---|---|---|
| | Maturity less than 90 days | Maturity more than 90 days | Total current as of 09-30-2022 | Maturity 1 to 3 years | Maturity 3 to 5 years | Maturity more than 5 years | Total non-current as of 09-30-2022 |
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Land | - | 16,941 | 16,941 | 21,447 | - | - | 21,447 |
| Buildings | 378,170 | 748,605 | 1,126,775 | 358,360 | - | - | 358,360 |
| Vehicles | 114,466 | 114,810 | 229,276 | - | - | - | - |
| Total | 492,636 | 880,356 | 1,372,992 | 379,807 | -, | - | 379,807 |

| Lease obligations | Current | | | Non-Current | | | |
|---|---|---|---|---|---|---|---|
| | Maturity less than 90 days | Maturity more than 90 days | Total current as of 12-31-2021 | Maturity 1 to 3 years | Maturity 3 to 5 years | Maturity more than 5 years | Total non-current as of 12-31-2021 |
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Land | - | 15,119 | 15,119 | 31,509 | - | - | 31,509 |
| Buildings | 340,145 | 855,586 | 1,195,731 | 1,222,211 | 117,389 | - | 1,339,600 |
| Vehicles | 103,887 | 260,861 | 364,748 | 162,336 | - | - | 162,336 |
| Total | 444,032 | 1,131,566 | 1,575,598 | 1,416,056 | 117,389 | - | 1,533,445 |

## 16 - LEASE LIABILITIES (continued)

### 16.3 Details of lease liabilities

| Lease obligations | 09-30-2022 | | 12-31-2021 | |
|---|---|---|---|---|
| | Current | Non-Current | Current | Non-Current |
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Lease obligations | 1,396,256 | 390,024 | 1,627,358 | 1,563,347 |
| Deferred interest for lease obligations | (23,264) | (10,217) | (51,760) | (29,902) |
| Total Lease obligations | 1,372,992 | 379,807 | 1,575,598 | 1,533,445 |

### 16.4 Additional information of Lease obligations

The following is the detail of the incremental discount rates for contracts subject to the adoption of IFRS16 Leases:

| Currencies | 5 Years | 10 Years |
|---|---|---|
| Rate in Ch$ | 4.73% | 5.32% |
| Rate in UF | 1.21% | 2.30% |

## 17 - TRADE AND OTHER PAYABLES

Trade and other payables as of September 30, 2022 and December 31, 2021, are detailed as follows:

| Trade and other payables | 09-30-2022 | 12-31-2021 |
|---|---|---|
| | ThCh$ | ThCh$ |
| Trade payable billed* | 13,775,934 | 14,114,596 |
| Trade payable unbilled | 260,668,703 | 157,580,573 |
| Total | 274,444,637 | 171,695,169 |

As of September 30, 2022 and December 31, 2022, the average payment period to suppliers is 30 days, therefore the fair value of these liabilities does not differ significantly from their book value.

The expiration date of commercial lenders billed as of September 30, 2022 and December 31, 2022 is as follows:

| Trade payable billed | Suppliers up to date | | Expired suppliers | |
|---|---|---|---|---|
| | 09-30-2022 | 12-31-2021 | 30-09-2022 | 31-12-2021 |
| | M$ | M$ | M$ | M$ |
| Up to 30 days | 12,721,391 | 13,409,279 | 376,717 | 418,061 |
| 31 to 60 days | - | - | 512,096 | 7,947 |
| 61 to 90 days | - | - | 18,945 | 11,884 |
| 91 to 120 days | - | - | 17,245 | 5,489 |
| 121 to 365 days | - | - | 17,980 | 141,390 |
| More than 365 days | - | - | 111,560 | 120,546 |
| Total Trade payable billed* | 12,721,391 | 13,409,279 | 1,054,543 | 705,317 |

## 18 - DERIVATIVE INSTRUMENTS

In adhering to its risk management policy, Transelec enters primarily into exchange rate derivatives (see Note 3).

### 18.1 Description of derivatives

As of September 30, 2022, the Company maintains the following derivative instruments:

a) Seven Cross Currency Swaps for a total notional amount of ThUSD$725,000 (associated with the bonds issued on July 14, 2014 and July 12, 2016) to cover exchange rate and interest rate variations. These instruments have been designated as cash flow hedge accounting. The counterparties of these financial instruments are: Banco de Crédito e Inversiones, MUFG Bank, Ltd., Goldman Sachs Bank and Santander Chile.
As of September 30, 2022, the fair value recorded for these derivatives corresponds to a net asset of ThCh$228,646,908.

b) A short-term USD-CLP currency purchase forward for a total notional amount of MUSD$900 with Banco Estado. This instrument has not been designated as hedge accounting, so changes in its fair value are recorded in income for the year.
As of September 30, 2022, the fair value recorded for this derivative corresponds to a net asset of ThCh$72,277.

c) Two T-Locks for a total notional amount of ThUSD$300,000 associated with an expected financing transaction and whose objective is to cover the interest rate risk. These derivative instruments were contacted on May 17 and 18, 2022 with Bank of America. T-Locks have been designated as cash flow hedge accounting.
As of September 30, 2022, the fair value recorded for these derivatives corresponds to a net asset of ThCh$16,209,307.

As of December 31, 2021, the Company maintains the following derivative instruments:

a) Seven Cross Currency Swaps for a total notional amount of ThUSD$725,000 (associated with the bonds issued on July 14, 2014 and July 12, 2016) to cover exchange rate and interest rate variations. These instruments have been designated as cash flow hedge accounting.
The counterparties of these financial instruments are: Banco de Crédito e Inversiones, MUFG Bank, Ltd., Goldman Sachs Bank, Santander Chile.
As of December 31, 2021, the fair value recorded for these derivatives corresponds to a net asset of ThCh$187,775,316.

b) A short-term USD-CLP currency purchase forward for a total amount of MUSD$9,400 with Scotiabank. This instrument has not been designated as hedge accounting, so changes in its fair value are recorded in income for the year.
As of December 31, 2021, the fair value recorded for this derivative corresponds to a net asset of ThCh$87,782.

## 18 - DERIVATIVE INSTRUMENTS (continued)

### 18.2 Derivatives assets and liabilities

| Concept | 09-30-2022 | | | | 12-31-2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | Assets | | Liabilities | | Assets | | Liabilities | |
| | Current | Non – current | Current | Non – current | Current | Non – current | Current | Non – current |
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Currency hedge Swap | - | 230,527,494 | 1,880,586 | - | - | 191,845,804 | 4,070,488 | - |
| Forward (non-hedging)) | 72,277 | - | - | - | 87,782 | - | - | - |
| T-Lock Contracts | 16,209,307 | - | - | - | - | - | - | - |
| Total | 16,281,584 | 230,527,494 | 1,880,586 | - | 87,782 | 191,845,804 | 4,070,488 | - |

### 18.3 Other information

The detail of the derivatives contracted by the company as of September 30, 2022 and December 31, 2021, their fair value and the breakdown by maturity are as follow:

| Financial derivatives | Maturity | | | | | | | 09-30-2022 |
|---|---|---|---|---|---|---|---|---|
| | Fair value | Before 1 year | 2023 | 2024 | 2025 | 2026 | Subsequent years | Total |
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Currency hedge Swap | 228,646,908 | (1,880,586) | - | - | - | - | 230,527,494 | 228,646,908 |
| Forward Contract | 72,277 | 72,277 | - | - | - | - | - | 72,277 |
| T-Lock Contracts | 16,209,307 | 16,209,307 | - | - | - | - | - | 16,209,307 |

| Financial derivatives | Maturity | | | | | | | 12-31-2021 |
|---|---|---|---|---|---|---|---|---|
| | Fair value | Before 1 year | 2023 | 2024 | 2025 | 2026 | Subsequent years | Total |
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Currency hedge Swap | 187,775,316 | (4,070,488) | - | - | - | - | 191,845,804 | 187,775,316 |
| Forward Contract | 87,782 | 87,782 | - | - | - | - | - | 87,782 |

## 18 - DERIVATIVE INSTRUMENTS (continued)

### 18.3 Other information (continued)

The contractual notional amount of these contracts does not represent the risk assumed by Transelec as it is only in response to the basis with which derivative settlements are calculated. In the periods presented as of September 30, 2022 and December 31, 2021, Transelec had not recognized any gains or losses for ineffectiveness of cash flow hedges.

Derivatives are valued considering valuation techniques which include observable data, the most commonly used valuation techniques include swap valuation models using present value calculations. The models include several inputs including the credit risk of the counterparty, foreign exchange spot rates and interest rate curves.

### 18.4 Fair value hierarchies

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

Nivel 1 : Quoted (unadjusted) price in an active market for identical assets and liabilities
Nivel 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
Nivel 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 September 30, 2022 and December 31, 2021

| Financial instrumental measured at fair value | Fair value measured at the end of the reporting period using | | | |
|---|---|---|---|---|
| | 09-30-2022 | Level 1 | Level 2 | Level 3 |
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Currency hedging swap | 228,646,908 | - | 228,646,908 | - |
| Forward Contract | 72,277 | - | 72,277 | - |
| T-Lock Contracts | 16,209,307 | - | 16,209,307 | - |
| Total net derivative | 244,928,492 | - | 244,928,492 | - |

| Financial instrumental measured at fair value | Fair value measured at the end of the reporting period using | | | |
|---|---|---|---|---|
| | 12-31-2021 | Level 1 | Level 2 | Level 3 |
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Currency hedging swap | 187,775,316 | - | 187,775,316 | - |
| Forward Contract | 87,782 | - | 87,782 | - |
| Total net derivative | 187,863,098 | - | 187,863,098 | - |

## 19 - FINANCIAL INSTRUMENTS

The classification of financial assets in the categories described in Note 2.9 is detailed below:

| Concepts | Financial Assets to Amortized Cost | Financial Assets to Fair Value | | Derivative Instruments | | Total |
|---|---|---|---|---|---|---|
| | | Through profit or loss | Through Other Comprehensive Income | Hedge | No Hedge | 09-30-2022 |
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Cash and cash equivalents | 207,551,250 | 133,410,327 | - | - | - | 340,961,577 |
| Other financial assets, current | 1,916,910 | - | - | 16,209,307 | 72,277 | 18,198,494 |
| Trade and other receivables | 101,311,252 | - | - | - | - | 101,311,252 |
| Receivables from related parties, current | 8,101,740 | - | - | - | - | 8,101,740 |
| Other financial assets, non-current | 38,956,345 | 41,752 | - | 230,527,494 | - | 269,525,591 |
| Receivables from related parties, non-current | 274,928,991 | - | - | - | - | 274,928,991 |
| Total | 632,766,488 | 133,452,079 | - | 246,736,801 | 72,277 | 1,013,027,645 |

| Concepts | Financial Assets to Amortized Cost | Financial Assets to Fair Value | | Derivative Instruments | | Total |
|---|---|---|---|---|---|---|
| | | Through profit or loss | Through Other Comprehensive Income | Hedge | No Hedge | 12-31-2021 |
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Cash and cash equivalents | 149,050,194 | 85,468,771 | - | - | - | 234,518,965 |
| Other financial assets, current | 1,561,768 | - | - | | 87,782 | 1,649,550 |
| Trade and other receivables | 83,703,176 | - | - | - | - | 83,703,176 |
| Receivables from related parties, current | 2,636,917 | - | - | - | - | 2,636,917 |
| Other financial assets, non-current | 34,144,266 | 41,752 | - | 191,845,804 | - | 226,031,822 |
| Receivables from related parties, non-current | 242,500,186 | - | - | - | - | 242,500,186 |
| Total | 513,596,507 | 85,510,523 | - | 191,845,804 | 87,782 | 791,040,616 |

## 19 - FINANCIAL INSTRUMENTS (continued)

The classification of financial liabilities in the categories described in Note 2.9 is detailed below:

| Concepts | Financial liabilities to Amortized Cost | Financial Liabilities to Fair Value | | Derivative Instruments | | Total |
|---|---|---|---|---|---|---|
| | | Through profit or loss | Through Other Comprehensive Income | Hedge | No Hedge | 09-30-2022 |
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Other financial liabilities, current | 309,369,674 | - | - | 1,880,586 | - | 311,250,260 |
| Lease liabilities, current | 1,372,992 | - | - | - | - | 1,372,992 |
| Trade and other payables | 274,444,637 | - | - | - | - | 274,444,637 |
| Other financial liabilities, non-current | 1,624,614,992 | - | - | - | - | 1,624,614,992 |
| Lease liabilities, non-current | 379,807 | - | - | - | - | 379,807 |
| Total | 2,210,182,102 | - | - | 1,880,586 | - | 2,212,062,688 |

| Concepts | Financial liabilities to Amortized Cost | Financial Liabilities to Fair Value | | Derivative Instruments | | Total |
|---|---|---|---|---|---|---|
| | | Through profit or loss | Through Other Comprehensive Income | Hedge | No Hedge | 12-31-2021 |
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Other financial liabilities, current | 22,002,230 | - | - | 4,070,488 | - | 26,072,718 |
| Lease liabilities, current | 1,575,598 | - | - | - | - | 1,575,598 |
| Trade and other payables | 171,695,169 | - | - | - | - | 171,695,169 |
| Accounts payable to related entities, current | 17,404,007 | - | - | - | - | 17,404,007 |
| Other financial liabilities, non-current | 1,704,954,466 | - | - | - | - | 1,704,954,466 |
| Lease liabilities, non-current | 1,533,445 | - | - | - | - | 1,533,445 |
| Total | 1,919,164,915 | - | - | 4,070,488 | - | 1,923,235,403 |

## 20 – PROVISIONS

The detail of the provisions as of September 30, 2022 and December 31, 2021 is as follows:

| Provisions | 09-30-2022 | 12-31-2021 |
|---|---|---|
| | M$ | M$ |
| Fines and lawsuits | 9,267,200 | 4,716,531 |
| Total | 9,267,200 | 4,716,531 |

The details of the fines and lawsuits are presented in note 33.

## 21 – PROVISIONS FOR EMPLOYEE BENEFITS

### 21.1 Detail of provisions

The breakdown of this item as of September 30, 2022 and December 31, 2021 is as follows:

| Detail | 09-30-2022 | | 12-31-2021 | |
|---|---|---|---|---|
| | Current | Non-Current | Current | Non-Current |
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Severance indemnities | - | 3,000,566 | 318,594 | 3,468,299 |
| Accrued vacations | 2,596,051 | - | 2,869,706 | - |
| Annual benefits | 2,829,928 | - | 5,301,905 | - |
| Total | 5,425,979 | 3,000,566 | 8,490,205 | 3,468,299 |

### 21.2 Provision movements

The movement of provisions as of September 30, 2022 and December 31, 2021 is as follows:

| Movements in provisions 2022 | Severance indemnities | Annual benefits | Accrued vacations | Other provisions | Total |
|---|---|---|---|---|---|
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Opening balance as of 01-01-2022 | 3,786,893 | 5,301,905 | 2,869,706 | - | 11,958,504 |
| Provisions during the year | 738,378 | 6,994,626 | 1,621,745 | - | 9,354,749 |
| Payments | (1,524,705) | (9,466,603) | (1,895,400) | - | (12,886,708) |
| Ending balance as of 09-30-2022 | 3,000,566 | 2,829,928 | 2,596,051 | - | 8,426,545 |

| Movements in provisions 2021 | Severance indemnities | Annual benefits | Accrued vacations | Other provisions | Total |
|---|---|---|---|---|---|
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Opening balance as of 01-01-2021 | 3,950,390 | 6,294,401 | 2,442,363 | 205,447 | 12,892,601 |
| Provisions during the year | 135,189 | 6,952,401 | 1,713,354 | (205,447) | 8,595,497 |
| Payments | (298,686) | (7,944,897) | (1,286,011) | - | (9,529,594) |
| Ending balance as of 12-31-2021 | 3,786,893 | 5,301,905 | 2,869,706 | - | 11,958,504 |

## 21 – PROVISIONS FOR EMPLOYEE BENEFITS (continued)

### 21.2 Provision movements (continued)

The maturity of these provisions is detailed in the table below:

| Detail | 09-30-2022 | | | |
|---|---|---|---|---|
| | Less than 1 year | More than 1 year and up to 3 years | More than 3 years and up to 5 years | More than 5 years |
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Staff severance indemnities | - | 1,388,981 | 606,797 | 1,004,788 |
| Accrued vacations | 2,596,051 | - | - | - |
| Annual benefits | 2,829,928 | - | - | - |
| Total | 5,425,979 | 1,388,981 | 606,797 | 1,004,788 |

| Detail | 12-31-2021 | | | |
|---|---|---|---|---|
| | Less than 1 year | More than 1 year and up to 3 years | More than 3 years and up to 5 years | More than 5 years |
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Staff severance indemnities | 318,594 | 1,194,322 | 813,397 | 1,460,580 |
| Accrued vacations | 2,869,706 | - | - | - |
| Annual benefits | 5,301,905 | - | - | - |
| Total | 8,490,205 | 1,194,322 | 813,397 | 1,460,580 |

### 21.3 Provision for employee benefits

Severance indemnities

The Company has constituted a provision to cover the obligation of severance indemnity to be paid to its employees, in accordance with the collective contracts signed with the latter. This provision represents the entire accrued provision (see note 22).

Vacation accrual

This obligation corresponds to the expense for accrued and not used vacations by the Company's employees, whose benefit is specified in individual contract of each employee.

Annual benefits

This provision primarily includes allowances for employee participation in the Company's income, which are mostly paid within the first quarter of the next year.

## 22 - OBLIGATIONS FOR SEVERANCE INDEMNITIES

### 22.1 Detail of account

| Employee benefit obligations | 09-30-2022<br>ThCh$ | 12-31-2021<br>ThCh$ |
|---|---|---|
| Severance indemnities – current | - | 318,594 |
| Severance indemnities non – current | 3,000,566 | 3,468,299 |
| Total Employee benefit obligations current and non-current | 3,000,566 | 3,786,893 |

### 22.2 Movement of obligations for severance indemnities

The movement of the obligation in the period ended September 30, 2022 and December 31, 2021 is as follows:

| Movements | 09-30-2022<br>ThCh$ | 12-31-2021<br>ThCh$ |
|---|---|---|
| Present value of defined benefit plan obligations, opening balance | 3,786,893 | 3,950,390 |
| Current service | 83,384 | 195,812 |
| Interest cost | 80,758 | 104,381 |
| Actuarial Gain/Loss on Hypotheses | 15,049 | (380,609) |
| Experience Actuarial Gain/Loss | 91,454 | 158,736 |
| Settlements defined benefit plan obligation | (1,056,972) | (241,817) |
| Present value of defined benefit obligations, ending balance | 3,000,566 | 3,786,893 |

### 22.3 Balance of obligations for severance indemnities

| Concepts | 09-30-2022<br>ThCh$ | 12-31-2021<br>ThCh$ |
|---|---|---|
| Present value of defined benefit obligations, ending balance | 3,000,566 | 3,786,893 |
| Present obligation with defined benefit plan funds | 3,000,566 | 3,786,893 |
| Balance of defined benefit obligations, ending balance | 3,000,566 | 3,786,893 |

## 22 - OBLIGATIONS FOR SEVERANCE INDEMNITIES (continued)

### 22.4 Expenses recognized in income statement

| Cost | 01-01-2022<br>09-30-2022<br>ThCh$ | 01-01-2021<br>12-31-2021<br>ThCh$ | Income statement line item where recognized |
|---|---|---|---|
| Current service defined benefit plan | 83,384 | 195,812 | Cost of sales and Administrative expenses |
| Interest defined benefit plan | 80,758 | 104,381 | Cost of sales and administrative expenses |
| Total expense recognized in profit or loss | 164,142 | 300,193 | |

### 22.5 Actuarial hypothesis

The following are the parameters used as assumptions in determining the actuarial calculations:

| Detalle | Actuarial hypothesis | |
|---|---|---|
| | 09-30-2022 | 12-31-2021 |
| Discount rate used | 2.15% | 2.29% |
| Inflation rate | 3.00% | 3.00% |
| Future salary increases | 0.72% | 0.72% |
| Mortality table | RV-2014 | RV-2014 |
| Disability table | 30% RV-2014 | 30% RV-2014 |
| Rotation table | 4.48%/0.34% | 4.48%/0.34% |

Assumptions regarding the mortality rate are set on the basis of actuarial data in accordance with published statistics and accumulated experience.

### 22.6 Sensitivity analysis

The table below shows the sensitivity analysis of the significant hypotheses as of September 30, 2022:

| Level of Sensitivity | Discount rate used | | Inflation rate | | Future salary increases | |
|---|---|---|---|---|---|---|
| | Increase 1% | Decrease 1% | Increase 1% | Decrease 1% | Increase 1% | Decrease 1% |
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Impact on current and non-current employee benefit obligation | (103,784) | 112,826 | - | - | 113,327 | (76,923) |

## 22 - OBLIGATIONS FOR SEVERANCE INDEMNITIES (continued)

### 22.6 Sensitivity analysis (continued)

To evaluate impact, the sensitivity analysis has been determined based on the extrapolation method obtaining reasonable results in terms of the changes in the significant hypotheses used as of September 30, 2022.

The payments of expected employee benefit obligation are presented below:

| Concepts | 09-30-2022 | 12-31-2021 |
|---|---|---|
| | ThCh$ | ThCh$ |
| During the upcoming 12 month | (195,501) | 318,594 |
| Between 2 to 5 years | 1,995,778 | 2,007,719 |
| Between 5 to 10 years | 755,470 | 1,232,633 |
| More than 10 years | 249,318 | 227,947 |
| Total Expected Payments | 2,805,065 | 3,786,893 |

## 23 - EQUITY

### 23.1 Subscribed and paid capital

As of September 30, 2022 and December 31, 2021 authorized, subscribed and paid share capital amounts to ThCh$ 776,355,048

### 23.2 Número de acciones suscritas y pagadas

| Shares | Number of shares subscribed | Number of shares paid | Number of shares with voting rights |
|---|---|---|---|
| Unique series, without nominal value | 1,000,000 | 1,000,000 | 1,000,000 |

No shares have been issued or redeemed in the years covered by these financial statements.

### 23.3 Dividends

As of September 30, 2022, the company made the distribution of a definitive dividend for the results of the year 2021 in the amount of ThCh$17,404,007, which was paid during the month of May 2022. This distribution of dividends does not represent a change in equity during the year 2022.

As of December 31, 2021, the company made the distribution of a final dividend for the results of the year 2020 in the amount of ThCh$28,723,000, which was paid during the month of May 2021. In March 2021, the company recorded ThCh$528 as a differential of the legal minimum dividend of the year 2020.

In December 2021, the company recognized the distribution of dividends according to the legal minimum for the result of the year 2021, for an amount of ThCh$17,404,007.

## 23 – EQUITY (continued)

### 23.4 Other reserves

The detail of Other reserves as of September 30, 2022 and December 31, 2021 is as follows:

| Concept | 09-30-2022 | 12-31-2021 |
|---|---|---|
| | ThCh$ | ThCh$ |
| Gains (losses) from cash flow hedges | (1,719,627) | 26,396,703 |
| Gain (loss) on other reserves | 859,006 | 965,509 |
| Income tax related to cash flow hedges | 464,300 | (7,127,110) |
| Income tax related to other reserves | (231,932) | (260,687) |
| Other Comprehensive Income | (628,253) | 19,974,415 |

The movements of other reserves as of September 30, 2022 and December 31, 2021, are presented below:

| Movements | Cash flow hedges reserve | Other Reserves | Total |
|---|---|---|---|
| | ThCh$ | ThCh$ | ThCh$ |
| Opening balance as of 01-01-2022 | 19,269,593 | 704,822 | 19,974,415 |
| Cash Flow Hedge | (28,116,330) | - | (28,116,330) |
| Actuarial Losses | - | (106,503) | (106,503) |
| Deferred tax | 7,591,410 | 28,755 | 7,620,165 |
| Total Comprehensive Income | (20,524,920) | (77,748) | (20,602,668) |
| Closing balance as of 09-30-2022 | (1,255,327) | 627,074 | (628,253) |

| Movements | Cash flow hedges reserve | Other Reserves | Total |
|---|---|---|---|
| | ThCh$ | ThCh$ | ThCh$ |
| Opening balance as of 01-01-2021 | (18,042,030) | 542,854 | (17,499,176) |
| Cash Flow Hedge | 51,111,813 | - | 51,111,813 |
| Actuarial Losses | - | 221,873 | 221,873 |
| Deferred tax | (13,800,190) | (59,905) | (13,860,095) |
| Total Comprehensive Income | 37,311,623 | 161,968 | 37,473,591 |
| Closing balance as of 12-31-2021 | 19,269,593 | 704,822 | 19,974,415 |

## 23 – EQUITY (continued)

### 23.5 Capital management

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

The capital management policy of Transelec S.A. and subsidiary is aimed at maintaining adequate capitalization levels to sustain operations and provide 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.

The main financial covenants established in current debt contracts related to capital requirements are:

1) Maintain individual and indebtedness levels (Total debt / Total capitalization ratio) no greater than 0.7 times based on the definitions of these terms in the respective prospectuses of local bond series C, D, H, K, M, N and Q.

   a. Maintain minimum equity of fifteen million UF equivalent to ThCh$513,873,450 as of September 30, 2022. As that term is defined in the respective prospectuses of local bond series C, D, H, K, M and N.

   b. Maintain all the time during the validity period of the bond issuance a minimum Equity of ThCh$350,000,000; as this term is defined in the respective prospectus of local bond Series Q.

The test of distribution of restricted payments (net cash flow of the operations / financial costs) must be greater than 1.5 times, as those terms are defined in the respective prospectuses C,D,H,K,M and N.

## 23 – EQUITY (continued)

### 23.5 Capital management (continued)

The following tables present the calculation of the two covenants mentioned above as of September 30, 2022 and December 31, 2021, and also the calculation of a third ratio that the Company has to comply, which does not depend on capital (equity) amount.

| Covenant # 1 | Total debt / Total capitalization | 09-30-2022 | 12-31-2021 |
|---|---|---|---|
| | Less or equal to 0.70 | MCh$ | MCh$ |
| A | Other financial liabilities, current | 311,250 | 26,073 |
| B | Account payables to related parties, current | - | 17,404 |
| C | Other financial liabilities, non-current | 1,624,615 | 1,704,954 |
| D | Account payables to related parties, non-current | - | - |
| **E=A+B+C+D** | **Covenants debt** | **1,935,865** | **1,748,431** |
| G | Debt with guarantees | - | - |
| **DT=E+G** | **Total debt** | **1,935,865** | **1,748,431** |
| H | Non-controlling interest | - | - |
| P | Equity attributable to owners of the parent | 999,077 | 971,908 |
| I | Accumulated amortization of goodwill (as of the transition date to IFRS) | 24,970 | 24,970 |
| **CT=DT+H+I+P** | **Total capitalization** | **2,959,912** | **2,745,309** |
| DT/CT | Total debt / Total capitalization ratio | 0.65 | 0.64 |

| Covenant # 2 | Minimum equity | 09-30-2022 | 12-31-2021 |
|---|---|---|---|
| | Greater than or equal to UF 15 million/ Greater than or equal to MCh$ 350,000 | MCh$ | MCh$ |
| P | Equity attributable to owners of the parent | 999,077 | 971,908 |
| I | Accumulated amortization of goodwill (as of the transition date to IFRS) | 24,970 | 24,970 |
| **P+I** | **Equity (in MCh$)** | **1,024,047** | **996,878** |
| UF | UF value | 34,258.23 | 30,991.74 |
| (P+I)/UF | Equity (in UF millions) | 29.89 | 32.17 |

| Covenant # 3 | Restricted payments test* | 09-30-2022 | 12-31-2021 |
|---|---|---|---|
| | Cash flow from operations / Financial costs > 1.5 | MCh$ | MCh$ |
| FO | Cash flow from operating activities | 400.274 | 373.498 |
| CF | Absolute value of financial costs | 75.312 | 70.229 |
| IG | Absolute value of income tax expense | 14.522 | 22.419 |
| **FNO=FO+CF+IG** | **Cash flow from operations (FNO in its Spanish Acronym)** | **490.108** | **466.146** |
| FNO/CF | Cash flow from operations / Financial costs | 6.51 | 6.64 |

*This distribution test is calculated with values corresponding to the last twelve months.

## 23 – EQUITY (continued)

### 23.5 Capital management (continued)

| Covenant # 4 | Total debt / Adjusted EBITDA | 09-30-2022 | 12-31-2021 |
|---|---|---|---|
| | Lower or equal to 8.0 | MCh$ | MCh$ |
| A | Other financial liabilities, (current and non-current) | 1,935,865 | 1,731,027 |
| B | Total rights of use | - | - |
| C | Cash and cash equivalents | 340,962 | 234,519 |
| D | Other financial assets (current and non-current) | 287,724 | 227,681 |
| E | Finance leases receivable (current and non-current) | 40,873 | 35,706 |
| **DN=A-B-(C+D-E)** | **Net debt** | **1,348,052** | **1,304,533** |
| G | Revenues | 341,534 | 305,858 |
| H | Cost of sales | (90,756) | (88,389) |
| I | Administrative expenses | (36,697) | (26,302) |
| J | Depreciation and Amortization | 54,656 | 54,701 |
| K | Other gains | (343) | 754 |
| L | Finance lease amortization | 1,837 | 1,492 |
| **EA = G+H+I+J+K+L** | **Adjusted EBITDA*** | **270,231** | **248,114** |
| DN/EA | Net debt /Adjusted EBITDA | 4.99 | 5.26 |

* Adjusted EBITDA is calculated with values corresponding to the last twelve months.

As of the date of issuance of these Interim Consolidated Financial Statements, the Company was in compliance with all financial covenants established in its current debt contracts.

## 24 - REVENUE

### 24.1 Revenue

The breakdown of operating revenue for the nine and three-month periods ended September 30, 2022 and 2021, is as follows:

| Type of ordinary revenue | 01-01-2022 09-30-2022 | 01-01-2021 09-30-2021 | 07-01-2022 09-30-2022 | 07-01-2021 09-30-2021 |
|---|---|---|---|---|
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Regulated revenues | 275,379,088 | 231,148,594 | 99,693,443 | 81,006,101 |
| Contractual revenue | 63,543,016 | 54,488,055 | 22,517,078 | 18,869,689 |
| Leasing revenues | 4,610,393 | 3,092,114 | 1,802,694 | 1,185,719 |
| Provision for Tariff Review | (62,242,391) | (43,114,575) | (21,946,449) | (14,371,525) |
| Total revenues | 281,290,106 | 245,614,188 | 102,066,766 | 86,689,984 |

| Type of ordinary revenue | 01-01-2022 09-30-2022 | 01-01-2021 09-30-2021 | 07-01-2022 09-30-2022 | 07-01-2021 09-30-2021 |
|---|---|---|---|---|
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| **Regulated revenues:** | **275,379,088** | **231,148,594** | **99,693,443** | **81,006,101** |
| National Transmission System | 198,088,966 | 165,219,525 | 71,849,594 | 58,732,630 |
| Zonal Transmission System | 73,107,702 | 62,253,863 | 26,360,663 | 21,066,708 |
| Dedicated Transmission System | 3,839,726 | 3,299,339 | 1,360,126 | 1,106,485 |
| Complementary services | 342,694 | 375,867 | 123,060 | 100,278 |
| **Contractual revenue:** | **63,543,016** | **54,488,055** | **22,517,078** | **18,869,689** |
| Transmission facilities | 58,090,179 | 47,868,078 | 20,930,901 | 17,222,324 |
| Engineering and Construction Services | - | 6,390,213 | - | 1,647,365 |
| Others | 5,452,837 | 229,764 | 1,586,177 | - |
| **Leasing revenues:** | **4,610,393** | **3,092,114** | **1,802,694** | **1,185,719** |
| **Provision for Tariff Review:** | **(62,242,391)** | **(43,114,575)** | **(21,946,449)** | **(14,371,525)** |
| Total | 281,290,106 | 245,614,188 | 102,066,766 | 86,689,984 |

| Type of ordinary revenue | 01-01-2022 09-30-2022 | 01-01-2021 09-30-2021 | 07-01-2022 09-30-2022 | 07-01-2021 09-30-2021 |
|---|---|---|---|---|
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Transferred services over a period of time | 281,290,106 | 245,614,188 | 102,066,766 | 79,887,846 |
| Total | 281,290,106 | 245,614,188 | 102,066,766 | 79,887,846 |

## 24 – REVENUE (continued)

### 24.1 Revenue (continued)

The tariff review process for the four-year period 2020-2023, which largely sets the Company's revenue and will establish the rates for the use of the national, zonal transmission system for development and dedicated poles used by users subject to price regulation, it is currently under development and the new rates are expected to be published and effective in the second half of 2022.

According to the law, the rates of the previous tariff review process are transitional until the new rates come into force, which will have a retroactive effect on the Company's income as of January 1, 2020.

It should be mentioned that the exempted resolution No. 815, dated 26 December 2019 and the further Exempted Resolutions that set the unique transmission charges on a semi-annually basis, they imposed some sort of stabilization in Chilean pesos of the old tariffs until the new tariffs are published and the Annual Toll Reliquidation Report 2019 issued by the National Electrical Coordinator in May 2020 which established a significant payment to the generating companies during the first Semester of the year 2020, generating in Transelec S.A. a displacement in the collection of the income for which the company is a beneficiary. Both elements should be partially reinstated as of June 2020 and completely as of the publication of the new rates in accordance with the current tariff review, as set out in the above-mentioned exempted resolutions and the Reliquidation Report.

On January 12, 2022, the Honorable Panel of Experts issued the Opinions to the discrepancies presented on August 17, 2021 by Transelec and the other interested companies, regarding the Final Technical Report issued on August 3, 2021 by the National Energy Commission. With this resolution of discrepancies, the Company made the records of lower revenues that affected the financial statements as of December 31, 2021.

On March 3, 2022, the National Energy Commission issued the final report on the tariff study for review by the Ministry of Energy. Subsequently, on April 25, 2022, the Ministry of Energy sent the Supreme Decree 7T/2022 to the General Controller of the Republic for its favorable report in order to proceed with its publication in the Official Gazette, being this the last review for the process of setting tariffs for the period 2020-2023.

At the closing date of these financial statements, the Company continues to recognize revenues according to the previous tariff review process, Supreme Decree 23T of 2015 and Supreme Decree 6T of 2017, pending the publication and entry into force of the tariff decree for the four-year period 2020-2023, with which it has proceeded to make a lower revenue provision for the six-month period ended September 30, 2022 for ThCh$62,242,391 (ThCh$43,114,575 as of September 30, 2021).

## 24 – REVENUE (continued)

### 24.2 Other operating revenues

The detail of other operating revenues for the nine and three-month periods ended September 30, 2022 and 2021, is as follows:

| Concepts | 01-01-2022 09-30-2022 ThCh$ | 01-01-2021 09-30-2021 ThCh$ | 07-01-2022 09-30-2022 ThCh$ | 07-01-2021 09-30-2021 ThCh$ |
|---|---|---|---|---|
| Financial income (Note 25.4) | 23,544,815 | 6,639,491 | 10,016,471 | 2,450,925 |
| Other gains, net | 179,958 | 1,276,951 | 58,004 | 118,153 |
| Total | 23,724,773 | 7,916,442 | 10,074,475 | 2,569,078 |

## 25 - RELEVANT INCOME STATEMENT ACCOUNTS

### 25.1 Expenses by nature

The composition of cost of sales and administrative expenses for the nine and three-month periods ended September 30, 2022 and 2021, is as follows:

| Concepts | 01-01-2022 09-30-2022 ThCh$ | 01-01-2021 09-30-2021 ThCh$ | 07-01-2022 09-30-2022 ThCh$ | 07-01-2021 09-30-2021 ThCh$ |
|---|---|---|---|---|
| Cost of sales | | | | |
| Personnel expenses | 10,926,775 | 10,614,723 | 4,127,768 | 3,406,498 |
| Operating expenses | 14,266,838 | 8,455,361 | 8,053,199 | 2,474,682 |
| Maintenance expenses | 6,984,693 | 6,622,686 | 2,894,736 | 2,274,053 |
| Depreciation, amortization and write-off | 38,378,960 | 38,142,668 | 12,789,138 | 12,850,693 |
| Other | 1,312,397 | 121,335 | 1,167,874 | (41,107) |
| Total Cost of sales | 71,869,663 | 63,956,773 | 29,032,715 | 20,964,819 |
| Gastos de administración | | | | |
| Personnel expenses | 12,116,725 | 8,917,547 | 4,835,112 | 3,001,499 |
| Operating expenses | 6,431,976 | 5,899,405 | 2,544,612 | 1,995,331 |
| Maintenance expenses | 200,743 | 155,716 | 63,753 | 111,660 |
| Depreciation, amortization and write-off | 1,774,343 | 2,054,990 | 713,608 | 1,007,196 |
| Other | 2,462,653 | 1,109,399 | 1,532,353 | 428,200 |
| Total Administrative expenses | 22,986,440 | 18,137,057 | 9,689,438 | 6,543,886 |

## 25 - RELEVANT INCOME STATEMENT ACCOUNTS (continued)

### 25.2 Personnel expenses

The composition of personnel expenses for the nine and three-month periods ended September 30, 2022 and 2021 is as follows:

| Concepts | 01-01-2022 09-30-2022 | 01-01-2021 09-30-2021 | 07-01-2022 09-30-2022 | 07-01-2021 09-30-2021 |
|---|---|---|---|---|
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Salaries and wages | 19,965,411 | 17,486,616 | 6,854,552 | 6,023,542 |
| Short-term employee benefits | 1,436,736 | 2,655,669 | 546,682 | 409,778 |
| Severance indemnity | 310,451 | (181,981) | - | - |
| Other long-term benefits | 1,623,539 | 1,205,477 | 616,310 | 435,454 |
| Other personnel expenses | 9,461,826 | 5,945,358 | 4,574,402 | 2,084,287 |
| Expenses capitalized on construction in progress | (9,754,463) | (7,578,869) | (3,629,066) | (2,545,064) |
| Total | 23,043,500 | 19,532,270 | 8,962,880 | 6,407,997 |

### 25.3 Depreciation, amortization and write-off

The detail of this item in the income statement for the nine and three-month periods ended September 30, 2022 and 2021, is as follows:

| Concepts | 01-01-2022 09-30-2022 | 01-01-2021 09-30-2021 | 07-01-2022 09-30-2022 | 07-01-2021 09-30-2021 |
|---|---|---|---|---|
| | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Depreciation (PP&E) | 37,573,210 | 36,788,458 | 12,543,263 | 12,348,174 |
| Amortization (Intangible) | 1,236,724 | 1,394,529 | 442,610 | 360,516 |
| Amortization (Rights of use) | 1,183,769 | 1,184,933 | 394,589 | 394,978 |
| Losses from withdrawal and damages | 159,600 | 829,738 | 122,284 | 754,221 |
| Total | 40,153,303 | 40,197,658 | 13,502,746 | 13,857,889 |

The losses for the withdrawal and damages are a replacement of equipment by technical conditions, not significantly affecting the deterioration of the Cash Generating Unit.

## 25 - RELEVANT INCOME STATEMENT ACCOUNTS (continued)

### 25.4 Financial results

The detail of the financial result for the nine and three-month periods ended September 30, 2022 and 2021, is as follows:

| Concepts | 01-01-2022 09-30-2022 ThCh$ | 01-01-2021 09-30-2021 ThCh$ | 07-01-2022 09-30-2022 ThCh$ | 07-01-2021 09-30-2021 ThCh$ |
|---|---|---|---|---|
| **Financial income:** | **23,544,815** | **6,639,491** | **10,016,471** | **2,450,925** |
| Commercial interest earned | 67,272 | 38,742 | 21,531 | 13,334 |
| Bank interest earned | 16,281,546 | 379,353 | 7,411,425 | 236,833 |
| Interest earned from related parties | 7,195,997 | 6,221,396 | 2,583,515 | 2,200,758 |
| **Financial expenses:** | **(56,981,265)** | **(51,897,821)** | **(21,300,117)** | **(17,128,880)** |
| Interest on bonds | (49,787,677) | (44,279,926) | (18,841,688) | (15,024,523) |
| Interest rate Swap | (6,498,297) | (6,498,297) | (2,189,902) | (2,189,902) |
| Other expenses | (695,291) | (1,119,598) | (268,527) | 85,545 |
| **Gain (loss) from indexation of UF** | **(87,618,091)** | **(27,280,455)** | **(31,388,356)** | **(10,139,217)** |
| Gain (loss) from indexation of bonds | (90,128,959) | (28,062,086) | (32,289,847) | (10,429,803) |
| Gain (loss) from indexation of loans to related parties | 2,498,220 | 778,600 | 895,890 | 289,509 |
| Other Gain (loss) from indexation of UF | 12,648 | 3,031 | 5,601 | 1,077 |
| **Foreign exchange gains (losses), net** | **(142,214)** | **331,879** | **(504,816)** | **152,217** |
| Obligations with public | (120,237,011) | (103,702,923) | (30,016,771) | (86,124,594) |
| Intercompany Loan | 30,508,830 | 26,321,296 | 7,401,973 | 21,891,151 |
| Financial Instruments | 83,478,224 | 72,435,086 | 20,665,993 | 60,399,023 |
| Other | 6,107,743 | 5,278,420 | 1,443,989 | 3,986,637 |
| Total financial result, net | (121,196,755) | (72,206,906) | (43,176,818) | (24,664,955) |

## 26 - INCOME TAX

The income tax for the nine and three-month periods ended September 30, 2022 and 2021 is as follows:

| Concepts | 01-01-2022 09-30-2022 ThCh$ | 01-01-2021 09-30-2021 ThCh$ | 07-01-2022 09-30-2022 ThCh$ | 07-01-2021 09-30-2021 ThCh$ |
|---|---|---|---|---|
| Current tax expense | 4,051 | 16,676 | 144 | 16,054 |
| Deferred tax expense relating to origination and reversal of temporary differences | 17,641,415 | 25,526,054 | 5,018,186 | 9,758,875 |
| Income tax expense | 17,645,466 | 25,542,730 | 5,018,330 | 9,774,929 |

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 statement for the nine and three-month periods ended September 30, 2022 and 2021:

| Concepts | 01-01-2022 09-30-2022 ThCh$ | 01-01-2021 09-30-2021 ThCh$ | 07-01-2022 09-30-2022 ThCh$ | 07-01-2021 09-30-2021 ThCh$ |
|---|---|---|---|---|
| **Tax expense using the legal rate** | **17,662,646** | **24,999,409** | **5,460,966** | **9,351,309** |
| Price-level restatement tax capital | 145,074 | (28,421) | 197,010 | (9,744) |
| Price-level restatement of Investment | 295,792 | 90,679 | 105,047 | 31,090 |
| Expenses not accepted | 1,607,967 | 250,420 | 1,326,525 | 54,722 |
| Price-level restatement of tax loss | (568,436) | (246,680) | (201,874) | (84,576) |
| Other differences | (1,497,577) | 477,323 | (1,869,344) | 432,128 |
| Total adjustments to tax expense using statutory rate | (17,180) | 543,321 | (442,636) | 423,620 |
| Tax expense using effective tax rate | 17,645,466 | 25,542,730 | 5,018,330 | 9,774,929 |

| Concepts | 01-01-2022 09-30-2022 ThCh$ | 01-01-2021 09-30-2021 ThCh$ | 07-01-2022 09-30-2022 ThCh$ | 07-01-2021 09-30-2021 ThCh$ |
|---|---|---|---|---|
| **Tax expense using the legal rate** | **27.00%** | **27.00%** | **27.00%** | **27.00%** |
| Price-level restatement tax capital | 0.22% | (0.03%) | 0.97% | (0.03%) |
| Price-level restatement of Investment | 0.45% | 0.10% | 0.52% | 0.09% |
| Expenses not accepted | 2.46% | 0.27% | 6.56% | 0.16% |
| Price-level restatement of tax loss | (0.87%) | (0.27%) | (1.00%) | (0.24%) |
| Other differences | (2.29%) | 0.52% | (9.24%) | 1.24% |
| Total adjustments to tax expense using statutory rate | (0.03%) | 0.59% | (2.19%) | 1.22% |
| Tax expense using effective tax rate | 26.97% | 27.59% | 24.81% | 28.22% |

## 26 - INCOME TAX (continued)

The tax rate used for the years 2022 and 2021 reconciliations corresponds to 27%, a corporate tax rate that entities should pay on taxable profits based on current tax regulations.

## 27 - EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit attributable to the Company's shareholders by the weighted average number of common shares in circulation during the year excluding, if any, common shares purchased by the Company and maintained as treasury shares.

| Basic Earnings per Share | 09-30-2022 | 09-30-2021 |
|---|---|---|
| | ThCh$ | ThCh$ |
| Profit Attributable to Holders of Equity Participation Instruments of the Parent Company | 47,771,740 | 67,047,673 |
| Earnings available to common shareholders, basic | 47,771,740 | 67,047,673 |
| Total basic shares | 1,000,000 | 1,000,000 |
| Basic earnings per share (Ch$) | 47,772 | 67,048 |

## 28 - SEGMENT REPORTING

The Company engages exclusively in providing services related to electricity transmission. To provide such services, they possess assets throughout the country that form the Transelec transmission system, stretching 3,168 kilometers from the Arica y Parinacota Region to the Los Lagos Region.

Electricity transmission service falls under the legal framework that governs the electricity sector in Chile, This framework defines transmission systems and classifies transmission facilities into the national transmission system, the zonal system and dedicated (in replacement of the Trunk, Subtransmission and Additional systems, defined in the Short Law I), establishing an open access scheme for the first two systems and allowing additional lines that use easements and have national assets for public use along their paths to be used by third parties under non-discriminatory technical and economic conditions, The law also sets criteria and procedures for determining compensation that transmission facility owners are entitled to receive.

Transelec's revenue from the national system, Zone systems and Dedicates systems used by users subject to price regulation, consists of the "annual transmission value per segment" (VATT for its Spanish acronym), which is calculated every 4 years based on the "annual investment value" (AVI for its Spanish acronym), plus "operating, maintenance and administrative costs" (COMA for its Spanish acronym) for each segment that forms such systems.

Revenue from transport on dedicated systems is established in private contracts with third parties, which are mainly generators and users that are not subject to price regulation. The main purpose of Dedicated systems is to allow generators to inject their production into the electrical system, and withdraw it for large customers.

## 28 - SEGMENT REPORTING (continued)

The law distinguishes between the different systems in order to ensure that tariffs are appropriate for each case. However, the facilities in a certain voltage (220 KV, for example) are of the same type, be it National, Zonal or Dedicated. Thus, a 220 KV facility requires a given type of maintenance, fundamentally because of its geographic location, its proximity to the ocean, the climate, etc,, but in no case does this maintenance depend on whether that 220 KV facility is national, or Dedicated. In relation with the operation, which is carried out by the National Electrical Coordinator, except for minor operational restrictions in the National segment, there is no difference in the generality of the operation of the facilities of the National, Zonal or Dedicated segment. Thus, for Transelec, the classification of a facility as National, Zonal or Dedicated turns out to be just a separation for pricing purposes, not distinguishing other consequences in that classification.

The Company's management analyzes its business as a set of transmission assets that enables it to provide services to its customers. As a result, resource allocation and performance measurements are analyzed in aggregate.

Internal management takes into account this classification criterion for revenue and costs merely for descriptive purposes but in no case for business segmentation.

Consequently, for the purposes of applying IFRS 8, the entire business already described is defined as the only operating segment for the Company.

### Information about products and services

| Concept | 09-30-2022 | 09-30-2021 |
|---|---|---|
| | ThCh$ | ThCh$ |
| Transmission services | 281,290,106 | 245,614,188 |

### Information about sales and principal customers

Information about the main customers of the Company is contained in note 3.1.2 Credit risk.

## 29 - THIRD-PARTY GUARANTEES, OTHER CONTINGENT ASSETS AND LIABILITIES AND OTHER COMMITMENTS

As of September 30, 2022, the Company has received performance guarantees from contractors and third parties, primarily to guarantee performance of construction and maintenance works, amounting to ThCh$38,370,382 (ThCh$26,489,024 as of December 31, 2021).

As of September 31, 2022, the Company has issued Guarantee Certificates for government entities and commercial counterparts, mainly to guarantee the fulfillment of works, the seriousness of offers in new tenders and/or asset purchases for an amount of ThCh$67,214,316, (ThCh$69,825,025, as of December 31, 2021).

## 30 - DISTRIBUTION OF PERSONNEL

As of September 30, 2022 and December 31, 2021, personnel employed by Transelec S,A, are detailed as follows:

a) As of September 30, 2022

| Concept | Manager and Executives | Professionals and technical personnel | Other employees | Total | Average of the year |
|---|---|---|---|---|---|
| Total as of 09-30-2022 | 15 | 450 | 118 | 583 | 591 |

b) As of December 31, 2021

| Concept | Manager and Executives | Professionals and technical personnel | Other employees | Total | Average of the year |
|---|---|---|---|---|---|
| Total as of 12-31-2021 | 17 | 453 | 122 | 592 | 582 |

## 31 - ENVIRONMENT

Transelec, in compliance with current environmental regulations and in line with its sustainability policy have undergone environmental assessment projects or amendments thereto to the environmental authority through the Environmental Evaluation System (SEIA). To this end, several studies were conducted to substantiate the presentations have allowed environmental documents, These documents are an Environmental Impact Statement (EIS for Spanish acronym) or an environmental impact study concerned, met the requirements of Law No, 19,300 on General Environment, amended by Law No, 20,417, and its regulations of SEIA, For projects that have started their implementation the Company has been following the conditions and measures imposed by environmental authority in the respective resolutions of environmental qualification.

During for the nine-month periods ended September 30, 2022 and 2021, the Company has made the following environmental disbursements:

| Company making disbursement | Project | 09-30-2022 | 09-30-2021 |
|---|---|---|---|
| | | ThCh$ | ThCh$ |
| Transelec | Environmental management, elaboration of DIA and EIA and the follow up of environmental matters (includes environmental permissions for sectors) | 2,605,596 | 911,308 |
| Total | | 2,605,596 | 911,308 |

## 32 - ASSETS AND LIABILITIES IN FOREIGN CURRENCY

### a) Current assets and liabilities

| Current Assets | Foreign Currency | Functional Currency | 09-30-2022 | | 12-31-2021 | |
|---|---|---|---|---|---|---|
| | | | Maturity less than 90 days | Maturity more than 91 to 1 year | Maturity less than 90 days | Maturity more than 91 to 1 year |
| | | | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Cash and cash equivalents | Dollar | Ch$ | 323,195 | - | 478,354 | - |
| | Other Currency | Ch$ | 11,420 | - | 11,612 | - |

| Current Liabilities | Foreign Currency | Functional Currency | 09-30-2022 | | 12-31-2021 | |
|---|---|---|---|---|---|---|
| | | | Maturity less than 90 days | Maturity more than 91 to 1 year | Maturity less than 90 days | Maturity more than 91 to 1 year |
| | | | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Other financial liabilities, current | Dollar | Ch$ | - | 296,820,072 | 17,509,760 | - |

### b) Non-current assets and liabilities

| Non-current liabilities | Foreign Currency | Functional Currency | 09-30-2022 | | | 12-31-2021 | | |
|---|---|---|---|---|---|---|---|---|
| | | | More than 1 to 3 years | More than 3 to 5 years | More than 5 years | More than 1 to 3 years | More than 3 to 5 years | More than 5 years |
| | | | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ | ThCh$ |
| Other non-current financial liabilities | Dollar | Ch$ | 358,256,305 | - | 331,151,770 | 252,654,928 | 314,651,972 | 290,857,524 |

## 33 - SANCTIONS

The Company maintains the following fines and lawsuits:

Fines and lawsuits

1. With regard to delays in two of the important milestones of Nogales-Polpaico project, the Ministry of Energy proceeded in June 2016 to collect two guarantees for a total of US$2,960,000. In September 2016, the CDEC-SIC (currently CEN) settled the fine for delays to start the operations of the Project and reported that Transelec was obliged to pay the maximum fine, that is, US$1,800,000. Transelec filed an appeal for protection against the CDEC-SIC (currently CEN) and the Ministry of Energy, since there are requests for extension of time they have not been resolved by the Ministry, so it is entirely inappropriate to act CDEC-SIC (currently CEN) and the failure of the Ministry of Energy. The Court of Appeals declared admissible and ordered injunction. By judgment dated December 13, 2016, the Court of Appeals rejected the protection. The Supreme Court rejected the appeal presented. To date, this fine has not been informed to the General Treasury of the Republic.

   As of September 30, 2022, the Company maintains a provision for this obligation in the amount of ThCh$1,728,432, equivalent to US$1,800,000.

2. As of September 30, 2022, Transelec maintains a provision of ThCh$7,538,768, equivalent to UTM 126,500, for the following obligations:

   i) 100% of a fine of UTM 75,000 applied by the Superintendence of Electricity and Fuels for a failure in the Cóndores-Parinacota power line on December 18, 2018. A legal claim was filed with the Santiago Appeals Court, which It was rejected. An appeal resource was filed and is pending of resolution by the Supreme Court.

   ii) 100% of a fine of UTM 9,000 applied by the Superintendence of Electricity and Fuels for a failure in Cerro Navia SE dated November 7, 2018, whose legal claim was rejected in the first instance and its appeal is pending of resolution by the Supreme Court.

   iii) 50% of a fine of UTM 45,000 applied by the Superintendence of Electricity and Fuels for a failure in Quillota SE dated May 4, 2019. A legal claim was filed in September 2022, which is pending of resolution by Appeal Court of Santiago.

   iv) 50% of a fine of UTM 40,000 applied by the Superintendence of Electricity and Fuels for a failure in the Mulchén-Cautín line dated August 5, 2018. A legal claim was filed in September 2022, which is pending of resolution by Appeal Court of Santiago.

In May 2022, a fine of UTM 25,000 was paid corresponding to a sanction applied by the Superintendence of Electricity and Fuels for a failure in the Cerro Navia SE dated November 7, 2018.

## 34 - SUBSEQUENT EVENTS

As of September 30, 2022, closing date of these Interim Consolidated Financial Statements and their issuance date, there has been no others significant financial and accounting events that may affect the equity of the Company or the interpretation of these Interim Consolidated Financial Statements.

*Management Discussion and Analysis (MD&A) of the Consolidated Financial Statements*

***TRANSELEC S.A AND SUBSIDIARY***

*Santiago, Chile*
*September 30, 2022*

## SUMMARY

As of September 30, 2022, revenues reached MCh$281,290 showing an increase of 14.5% compared to the same period of 2021 (MCh$245,614). In September 2022, as has been done in 2021, a provision of lower income was made associated with the entry into force of the new study for the valorization of transmission facilities 2020 – 2023. For September 2022 Financial Statements, as was done for the end of 2021, the provision was determined according to our interpretation of the Expert Panel's opinion prior to the Final Technical Report (ITD). These revenues increase in the first three quarters of 2022 compared to the same period of 2021, is mainly explained by macroeconomic effects and by revenues from new commissioned facilities, partially offset by the provision.

As of September 30, 2022, Transelec obtained an EBITDA[1] of MCh$228,176, an 10.7% higher than the one obtained in the same period of 2021 (MCh$206,060), with an EBITDA Margin[2] of 81,1%. The EBITDA increase is mainly due to the increase in income explained above.

The loss in Non-Operating Income as of September 2022 was MCh$121,017, representing a rise of 70.6% compared to the same period of 2021 (MCh$70,930). This increase is mostly explained by higher losses for indexed assets and Liabilities, associated with the effect of higher inflation on our UF-denominated bonds this year, partially offset by higher financial income.

Net Income recorded by the Company as of September 30, 2022, was MCh$47,772, which is 28.7% less compared to the same period of 2021, in which a Net Income of MCh$67,048 was registered.

During the first nine months of 2022, the Company has incorporated the equivalent of US$58 million of new facilities, which correspond to the commissioning of two expansions of the National System, two new projects in the Zonal system and one dedicated project.

[1] EBITDA= Operating Revenues + Operating Costs + Administrative Expenses + Other Income (Losses) + Finance Leases Amortization. Operating Costs and Administrative Expenses do not include Depreciation and Amortization.

[2] EBITDA Margin= EBITDA/Revenues

**Relevant events of the period:**

- So far, the situation of COVID-19 has had a limited impact on our Company in operational and financial aspects. The Company has taken preventive actions that allow maintaining the continuity of its operations, considering the impact of this situation.

- The CNE (National Energy Commission) has issued the final technical report of the study of the transmission facilities valorization for the period 2020-2023 of the National Electric System that regulates mostly the transmission rates in the country and has sent the report to the Ministry of Energy in accordance with the law and it is expected that the decree with the tariff will be published in 2022. The application of the transmission facilities valorization study considers the Company's revenues from January 1st, 2020, which implies that in the meantime, the result of previous tariff studies shall be applied until the new tariffs enter into force. At the closing of these financial statements, the Company continues to recognize and receiving revenues according to the previous tariff studies (DS23T and DS6T) pending the publication and the effective date of the new tariff study. Due to all mentioned above, the Company has made an estimate of the impact that would have the entry into force of the new tariff study on revenues, considering the opinion of the panel of experts prior to the Final Technical Report, and has proceeded to make a provision as of September 30, 2022 (which was also carried out at the end of 2021).

- On April 29, 2021, the Ordinary Shareholder's Meeting agreed to distribute a definitive dividend for the results of the 2021 period for an amount of MCh$17,404, which will be paid in May 2022.

- On April 29, 2022, the Extraordinary Shareholder's Meeting authorized the completion of all the necessary procedures for the issuance of bonds for a total amount equivalent to USD 500 million.

- On July 14, 2022, the Extraordinary Shareholders' Meeting authorized all the necessary procedures for the issuance of bonds or loans in the local and/or international market in foreign and/or local currency, for a total equivalent amount up to USD 500 million.

## 1. INCOME STATEMENT ANALYSIS

| ITEMS | September 2022 MCh$ | September 2021 MCh$ | Variation 2022/2021 MCh$ | Variation 2022/2021 % |
|---|---|---|---|---|
| **Revenues** | **281.290** | **245.614** | **35.676** | **14,5%** |
| Sales | 275.837 | 238.994 | 36.843 | 15,4% |
| Services | 5.453 | 6.620 | -1.167 | -17,6% |
| **Operation Costs and Expenses** | **-94.856** | **-82.094** | **-12.762** | **-15,5%** |
| Sales Costs | -33.491 | -25.814 | -7.677 | -29,7% |
| Administrative Expenses | -21.212 | -16.082 | -5.130 | -31,9% |
| Depreciation and Amortization | -40.153 | -40.198 | 44 | 0,1% |
| **Operating Income** | **186.434** | **163.520** | **22.914** | **14,0%** |
| Financial Income | 23.545 | 6.639 | 16.906 | 254,6% |
| Financial Costs | -56.981 | -51.898 | -5.083 | -9,8% |
| Foreign exchange differences | -142 | 332 | -474 | N/A |
| Gain (loss) for indexed assets and liabilities | -87.618 | -27.280 | -60.338 | -221,2% |
| Other income (Losses) | 180 | 1.277 | -1.097 | -85,9% |
| **Non-Operating Income** | **-121.017** | **-70.930** | **-50.087** | **-70,6%** |
| **Income before Taxes** | **65.417** | **92.590** | **-27.173** | **-29,3%** |
| Income Tax | -17.645 | -25.543 | 7.898 | 30,9% |
| **Net Income** | **47.772** | **67.048** | **-19.276** | **-28,7%** |
| **EBITDA[1]** | **228.176** | **206.060** | **22.116** | **10,7%** |
| **EBITDA Margin[2]** | **81,1%** | **83,9%** | | |

[1] EBITDA= Operating Revenues + Operating Costs + Administrative Expenses + Other Income (Losses) + Finance Leases Amortization. Operating Costs and Administrative Expenses do not include Depreciation and Amortization.

[2] EBITDA Margin= EBITDA/Revenues

### a) Operating Income

During the first nine months of 2022, Revenues reached MCh$281,290 increasing a 14.5% compared to the same period of 2021 (MCh$245,614). The increase is mainly explained by higher revenues from sales which as of September 2022, reached MCh$275,837, 15.4% higher compared to September, 2021 (MCh$238,994) and due to lower revenues from services to third parties that reached MCh$5,453 in September 2022, 17.6% lower than the same period of 2021 (MCh$6,620).

Overall, higher revenues are mainly due to macroeconomic effects (mainly associated with the exchange rate) and new revenues from facilities commissioned in the last 12 months, partially offset by the provision for lower revenues mentioned above.

It should be noted that the provision of lower revenues associated with the effect of the entry into force of the new tariff study 2020 – 2023 (is expected to be issued during 2022, nevertheless, it considers the Company's revenues from January 1, 2020) continues in process and incorporates our assessment of early 2022 expert panel's opinion, which differs partially from the provision recorded in September 2021.

Total Transelec Operational Costs and Expenses as of September 30, 2022, were MCh$94,856, a 15.5% higher than the comparison period in 2021 that reached MCh$82,094. Total Costs and Expenses are composed by the following main items.

Sales Costs during the analysis period amounted MCh$33,491, a 29.7% higher than the same period of 2021 (MCh$25,814). The increase is explained by higher costs associated with higher provisions for fines and higher costs for projects not awarded which is partially offset by a higher cost for other services hired in 2021.

Administrative Expenses amounted to MCh$21,212 in September 2022, 31.9% higher than those obtained in the same period in 2021 (MCh$16,082). The increase is mainly explained by higher personnel costs and higher costs for projects not awarded.

Total Depreciation and Amortization as of September 30, 2022, reached MCh$40,153, a 0.1% lower than the same period in 2021 (MCh$40,198).

### b) Non-Operating Income

The Non-Operating Income at the end of September 2022, was a loss of MCh$121,017, a 70.6% higher than the same period of 2021 (MCh$70,930). This is mainly explained by higher losses for indexed Assets and Liabilities, lower Other Gains and higher financial costs, partially offset by higher financial income.

The loss for Indexed Assets and Liabilities was MCh$87,618 as of September 30, 2022. This is mainly due to a variation of 10.54% in the value of the UF during the first nine months of 2022, which mainly affects our UF bonds. In the same period of 2021, the loss was MCh$27,280, associated to a 3.5% variation in UF value.

The Financial Income registered to September 2022 amounted to MCh$23,545. The amount registered in the same period of 2021 was MCh$6,639. This increase is mainly due to higher bank interests earned in local currency.

The Exchange Differences as of September 2022 result in a loss of MCh$142, while during the same period of 2021, the balance was a profit of MCh$332. The Exchange Differences remain limited, associated with the foreign currency hedging policy.

Financial Costs registered as of September 2022 reached MCh$56,981, increasing by 9.8% compared to the same period of 2021 (MCh51,898). The increase is mainly due to higher interest payments on USD and UF bonds, and partially offset by higher interest earned on ongoing projects, due to a high number of projects in the portfolio.

Other Income, as of September 2022, were MCh$180, while in September 2021 were MCh$1,277. This difference is mainly explained by a higher exceptional gain due to the renewal of a swap in 2021.

### c) Income tax

Income Tax as of September 30, 2022, was MCh$17,645, decreasing by 30.9% in relation to the same period of 2021 (MCh$25,543). This decrease in income tax expenditure is mainly explained by a decline in the company's Income before Taxes in MCh$27,173, which directly impact on lower tax expenditure.

## 2. BALANCE SHEET ANALYSIS

| ITEMS | September 2022 MCh$ | December 2021 MCh$ | Variation 2022/2021 MCh$ | Variation 2022/2021 % |
|---|---|---|---|---|
| Current assets | 482.537 | 331.639 | 150.898 | 45,5% |
| Non-current assets | 3.001.493 | 2.824.749 | 176.744 | 6,3% |
| **Total Assets** | **3.484.029** | **3.156.388** | **327.641** | **10,4%** |
| Current liabilities | 606.271 | 233.561 | 372.710 | 159,6% |
| Non current liabilities | 1.878.681 | 1.950.919 | -72.238 | -3,7% |
| Equity | 999.077 | 971.908 | 27.169 | 2,8% |
| **Total Liabilities & Equity** | **3.484.029** | **3.156.388** | **327.641** | **10,4%** |

The increase in Assets between December 2021 and September 2022 is explained by an increase in Current and Non-Current Assets. This increase is mostly due to higher balance in cash and cash equivalent, other financial assets non-current and Property, Plant and Equipment.

The increase in Liabilities and Equity is due to an increase in Non-Current Liabilities, which corresponds mainly to higher other financial liabilities.

### Value of the Main PP&E in Operation

| ASSETS | September 2022 MCh$ | December 2021 MCh$ | Variation 2022/2021 MCh$ | Variation 2022/2021 % |
|---|---|---|---|---|
| Land | 22.071 | 22.071 | 0 | 0,0% |
| Building, Infraestucture, works in progress | 1.272.611 | 1.270.052 | 2.559 | 0,2% |
| Work in progress | 510.903 | 402.151 | 108.752 | 27,0% |
| Machinery and equipment | 772.413 | 769.601 | 2.812 | 0,4% |
| Other fixed assets | 6.173 | 5.812 | 361 | 6,2% |
| Right of use | 7.857 | 7.857 | 0 | 0,0% |
| Depreciation (less) | -697.281 | -658.652 | -38.629 | -5,9% |
| **Total** | **2.592.028** | **1.818.892** | **773.136** | **42,5%** |

## Current Debt

| Debt | Currency or index | Interest rate | Type of rate | Maturity Date | Amount in original currency (million) (unpaid capital) September 2022 | December 2021 |
|---|---|---|---|---|---|---|
| Series D bond | UF | 4,25% | Fixed | 15-Dec-27 | 13,50 | 13,50 |
| Series H bond | UF | 4,80% | Fixed | 01-Aug-31 | 3,00 | 3,00 |
| Series K bond | UF | 4,60% | Fixed | 01-Sep-31 | 1,60 | 1,60 |
| Series M bond | UF | 4,05% | Fixed | 15-Jun-32 | 3,40 | 3,40 |
| Series N bond | UF | 3,95% | Fixed | 15-Dec-38 | 3,00 | 3,00 |
| Series Q bond | UF | 3,95% | Fixed | 15-Oct-42 | 3,10 | 3,10 |
| Series Senior Notes bond @2023 | USD | 4,625% | Fixed | 26-Jul-23 | 300,00 | 300,00 |
| Series Senior Notes bond @2025 | USD | 4,25% | Fixed | 14-Jan-25 | 375,00 | 375,00 |
| Series Senior Notes bond @2029 | USD | 3,875% | Fixed | 12-Jan-29 | 350,00 | 350,00 |
| Revolving Credit Facility[1] | USD | 4,755% | Floating | 28-May-24 | 0,00 | - |

[1] Revolving Credit Facility of US$250 million: The floating rate of 1.9616% breaks down in 3 months Libor rate plus a margin of 1.00%. As of September 30, 2022, the Company maintains this line fully available.

Although increases in inflation may have an impact on the costs of debt denominated in UF and therefore on the Company's financial expenses, these impacts are partially offset by inflation-indexed revenues.

## 3. CASH FLOW ANALYSIS

| ITEMS | September 2022 MM$ | September 2021 MM$ | Variation 2022/2021 MM$ | Variation 2022/2021 % |
|---|---|---|---|---|
| Cash flows provided by (used in) operating activities | 293.698 | 266.922 | 26.776 | 10,0% |
| Cash flows provided by (used in) investing activities | -169.563 | -161.284 | -8.279 | -5,1% |
| Cash flows provided by (used in) financing activities | -18.808 | -29.805 | 10.997 | 36,9% |
| **Net increase (decrease) of cash and cash equivalent** | **105.326** | **75.833** | **29.493** | **38,9%** |
| Effect of changes in the exchanges rate | 1.116 | 1.009 | 107 | 10,6% |
| **Net increase (decrease) of cash and cash equivalent** | **106.443** | **76.842** | **29.601** | **38,5%** |
| Cash and cash equivalent at the begining of the period | 234.519 | 105.840 | 128.679 | 121,6% |
| **Cash and cash equivalent at the end of the period** | **340.962** | **182.682** | **158.280** | **86,6%** |

As of September 30, 2022, cash flow from activities of the operation reached MCh$293,698, which increased by 10% compared to the same period of 2021 (MCh$266,922). The increase is mainly due to higher collection from sales and lower payments to suppliers.

During the same period, cash flow used in investment activities was MCh$169,563. As of September 30, 2021, the cash flow used in investment activities was MCh$161,284. The increase is due to higher disbursements for property, plant and equipment.

As of September 2022, the cash flow from financing activities was MCh18,808, while as of September 2021 it was MCh$29,805. In both cases, it is mainly explained by the payments of dividends.

It should also be noted that, to ensure the immediate availability of funds to cover working capital needs, as of September 30, 2022, the company has the following revolving credit facility which was renegotiated and extended during May 2021 for three years in the amount of US$ 250 million.

| Bank | Amount (up to) | Maturity | Type of Credit |
|---|---|---|---|
| The Bank of Nova Scotia, MUFG Bank Ltd, Banco Santander, Bank of China Ltd, Sumitomo Mitsui Banking Corporation, JP Morgan Chase Bank N.A. and China Construction Bank. | US$250,000,000 | 28-May-24 | Working Capital |

## 4. INDICATORS

Financial restrictions contained in debt agreements of the company are presented in the next table:

| Covenants | Debt Contract | Limit | September 2022 | December 2021 |
|---|---|---|---|---|
| Capitalization Ratio[1] | All local Bonds | < 0.70 | 0,65 | 0,64 |
| Shareholder's Equity[1] MMUF | D, H, K, M and N local Bonds | > 15.00 | 29,89 | 32,17 |
| Shareholder's Equity[1] MCh$ | Q local Bond and Revolving Credit Facility | > 350,000 | 1.024.047 | 996.878 |
| Net Debt/Ebitda | Revolving Credit Facility | < 8.0x[4] | 4,99 | 5,26 |

| Test | Bonds | Limit | September 2022 | December 2021 |
|---|---|---|---|---|
| Distribution Test[2] FNO[3]/Financial Expenses | D, H, K, M and N local Series | > 1.50 | 6,51 | 6,64 |

[1]Equity= Total equity attributable to owners of the parent plus accumulated amortization of Goodwill. The accumulated amortization of Goodwill between June 30, 2006, and September 30, 2022, amounted to MCh$24.970.

[2]Test to distribute restricted payments such as dividends.

[3]FNO= Cash flow from operating activities plus the absolute value of finance costs, plus the absolute value of the expenditure for Income Taxes.

[4]Revolving Credit Facility Covenant Limit was renegotiated in May 2021, from 7.0x to 8.0x.

Rates of profitability, liquidity and indebtedness of the company are presented in the next table:

| RATIOS | | September 2022 | December 2021 | Variation 2022/2021 |
|---|---|---|---|---|
| **Profitability**[1] | | | | |
| Shareholders' Equity profitability[2] | (%) | 12,1% | 10,6% | 150 pbs |
| Assets profitability[3] | (%) | 3,5% | 3,3% | 20 pbs |
| Operating assets profitability[4] | (%) | 4,7% | 5,7% | -100 pbs |
| Earnings per share[5] | ($) | 39.474 | 58.750 | -32,8% |
| **Liquidity & Indebtedness** | | | | |
| Current Ratio | (times) | 0,80 | 1,42 | -43,7% |
| Acid-Test Ratio | (times) | 0,79 | 1,42 | -44,4% |
| Debt to Equity | (times) | 2,49 | 2,25 | 10,7% |
| Short term debt/Total debt | (%) | 24,4% | 10,7% | 1370 pbs |
| Log term debt/Total debt | (%) | 75,6% | 89,3% | -1370 pbs |
| Financial expenses coverage | (times) | 4,00 | 3,53 | 13,3% |

[1] Profitability ratios are presented under last twelve months criteria.

[2] Shareholders' Equity profitability is calculated as Net Income over Equity.

[3] Asset's profitability is calculated as Net Income over Total Assets.

[4] Operating assets profitability is calculated as Net Income over total value of the Main PP&E.

[5] Earnings per share is calculated as Net Income over total shares.

## 5. THE TRANSMISION MARKET

### 5.1. The transmission activity and its regulation

Transelec develops its activities in Chile in the electricity market, which has been divided into three sectors: generation, transmission, and distribution. The generation sector includes companies that are dedicated to produce electricity that will subsequently be used throughout the country by end users. In the other hand, the primary goal of the transmission sector (the only sector in which it participates Transelec) is to transport the generated electricity from where it is produced (electrical power plants) to the 'points of entry' of the distribution companies' networks or of the large end users. Finally, the purpose of the distribution sector is to carry electricity to the physical location where each end user will use this electricity.

The transmission system of Transelec which stretches between 'Arica y Parinacota' Regions to 'Los Lagos' Region, encompasses most of the transmission lines and substations in the National Electrical System. This transmission system transports the electricity that supplies approximately 98.5% of Chile's population. The Company owns the 28% of all the 500 kV electricity transport lines, 40% of the 220 kV lines, 90% of the 154 kV lines and 10% of the 110kV and 66kV lines.

The legal framework that governs the electrical transmission business in Chile is contained in DFL No. 4/2006, which establishes the modified, coordinated, and systemized text of Decree with Force of Law No. 1 from the Ministry of Mining, issued in 1982, and the General Electricity Services Law. (DFL No. 1/82), hereafter LGSE, and its subsequent modifications, including Law 19,940 ('Ley Corta I') published on March 13, 2004, and the Law 20.936 issued on July 20, 2016, which stablishes a new

electric transmission system and creates an independent coordinator of the National Electric System "The Transmission Law". Additionally, those who explodes and operates transmission facilities must comply at every time with the provisions of the Regulations of Law N°20.936, and in its Technical Standards, highlighting the Current Technical Standard for Safety and Service Quality, as well as their respective Technical Annexes.

The last reform to the LGSE for the Transmission segment was the enactment of Law N°20.936 / 2016, which introduced the following relevant modifications:

- A single Coordinator of the National Electric System independent of the market players, replacing the Economic Load Dispatch Centers, CDEC-SIC and CDEC- SING.
- The redefinition of the transmission systems qualifying them as the National Transmission System (formerly trunk), the Zonal Transmission Systems (formerly sub-transmission), the Dedicated Systems (formerly additional), and will incorporate two new segments: Transmission Systems for Development Poles and International Interconnection Systems.
- The incorporation of energy and transmission planning with a long-term horizon, which considers gaps in the systems and where it seeks to achieve a more robust and secure system.
- Preliminary definition of routes for new works, through a procedure of Strip Study by the Ministry for the routes of new power transmission works of public interest.
- Universal open access to regulated Transmission Systems and dedicated Transmission Systems when technical capacity is available.
- Regulates the pricing and remuneration of National, Zonal Transmission Systems for Development Poles and payment for use of Dedicated Transmission System facilities by users subject to price regulation, among other matters.
- Establishes a scheme that regulates the definition, determination, and implementation of the Complementary Services that the electrical system requires to maintain the quality and safety of the electrical supply.

Additionally, to date, various regulations associated with Act No. 20.936 have been published, stablishing the necessary provisions for the regulation of issues related to: (i) The National Electrical Coordinator, (ii) Panel of Experts, (iii) energy planning, (iv) preliminary strips, (v) international exchanges, (vi)compensation for supply unavailability, (vii) the issuance of Technical Standards (viii) Coordination and Operation of the National Electrical System; (ix) Qualification, Valuation, Tariff and Remuneration of transmission facilities, (x) Transmission and Transmission Planning Systems; (xi) Facilities safety; (xii) Complementary services; (xiii) Distributed generation for self-consumption; (xiv) small-scale generating facilities.

Regarding Transelec' s business, it is focused on the economic retribution for the transport service delivered by its facilities, aligned to the security and quality service standards previously established by the regulations in force. Transelec has the right to annually receive the annual transmission value (VATT) for its facilities belonging to the National and Zonal Transmission Systems, defined in the tariff processes or in the Decree for the award of expansion works, as the case may be. In the case of the installations of the Dedicated Transmission System, Transelec agrees private transport contracts with the respective users, to define the payment for the use of this type of facilities.

### 5.2. Valuation and pricing of facilities

Revenues associated to transmission activity are determined by the Commission every four years by conducting internationally tendered studies for transmission assets valuation, and processes that include the participation of companies, users and interested institutions and the Panel of Experts in the event of any discrepancies.

The owners of regulated transmission facilities must receive the Annual Value of Transmission per Section (VATT), made up of the sum of the real tariff income and the single charge associated with the section, which will depend on the transmission segment to which the installation belongs, the latter applied directly to the corresponding end users.

VATT of the existing facilities is calculated on an Annuity of the Value of Investment (AVI) that recognizes the efficient acquisition and installation costs according to market values (except land-use rights, expenses and compensation, which recognize what has actually been paid), which are annualized considering the assets life determined every three tariff periods and whit a variable discount rate, which will not be less than 7% or higher than 10%, plus the Costs of Operation, Maintenance and Administration (COMA), adjusted by income taxes.

The Transmission Law establishes a transitory payment regime for using national facilities that would become effective as of January 1, 2019 starting on that date and a transitory period that will extend until December 31, 2034, period during which the payments of the generating companies for the associated use to the supply agreements for free and regulated customers and that were concluded prior to the publication of enactment of the law N°20.936, year 2016, will apply the same general rules for calculating the payment of the trunk transmission with some adjustments. These adjustments provide for a progressive reduction in the injection tolls paid by generators to the transmission companies, according to a proportion defined in the Transitional Article 25 of the Transmission Law, with the aim that these amounts will gradually be transferred to the single charge of transmission, which is paid by the end customers of the system.

For the National System, Decree 23T of the Ministry of Energy is issued on February 3, 2016, and for the Zonal system, Decree 6T is issued on October 5, 2018, both decrees end their validity on December 31, 2019. However, until the Decree of the valuation process of the 2020-2023 four-year period is issued, they continue to apply, and the corresponding differences must be incorporated in the determination of the Single Charge of the corresponding semester.

Through Exempt Resolution No. 815 of December 26, 2019, the CNE established that, from January 2020 and until such time as the final values that are established in the valorization decree of the facilities of National and Zonal transmission corresponding to the 2020-2023 four-year period, the Commission will fix the single charges for the use of the transmission based on those established in the semi-annual resolution in force in the second half of 2019 (stabilization of Transmission Charges). For the above, the CNE took into consideration that: i) the process of valorization of the transmission facilities that is currently underway will have a validity (retroactive) to January 1, 2020, and ii) that in said process a reduction of charges, among other reasons, due to the decrease in the discount rate calculated in accordance with the provisions of article 118 of the General Law of Electric Services. In accordance with the provisions of Exempt Resolution No. 815, the CNE decided to make these adjustments to the charges transferable to final customers "in order to preserve the principle of procedural economy established in Article 9 of Law No. 19,880, according to the which, the Administration must respond to the maximum economy of means effectively, avoiding delaying procedures ", since not doing it" the charges to the final clients should suffer an increase, to later originate a reduction, giving rise to re-liquidations when they come into force the new process of valorization ". The CNE indicates that the above has the final objective of reducing the risk of affectation to end customers. Once the valorization decree for the period 2020-2023 has been published, the calculations for the corresponding Single Charge, established in article 113 and 115 of the Law must be carried out and, therefore, the companies that own the transmission facilities will receive the remuneration (VATT) in accordance with the provisions of Article 114 of the same, in order to ensure that the transmission companies receive an annual value of the transmission per section (VATT) that constitutes the total of their remuneration.

The tariff valuation process 2020 – 2023 has been delayed by over 2 years and it is expected that the corresponding decree will be published in *El Diario Oficial* (Official Gazette) in the third quarter of 2022. Companies affected by regulated tariffs in the National and Zonal Systems, will receive the new tariff from the next semester as the decree that sanctions it is published, and at that time, the amount to be redistributed among the transmission companies (for or against) will be calculated from the differences between the tariff currently in force and the new 2020 – 2023 tariff, according to the procedures applied by the National Electrical Coordinator.

The National Energy Commission issued the exempt Resolution No. 199 dated March 25, 2022, approving the Final Technical Report with the valorization of transmission systems facilities for the quadrennium 2020-2023, now it remains to wait for the review of the Office of the General Comptroller of the Republic, so that the Ministry can subsequently promulgate the corresponding Decree.

In the other hand, in relation to the state of catastrophe due to COVID19, on Saturday, August 8, 2020, Law 21,249 was published in the Official Gazette, which exceptionally provides for measures in favor of end users of health services, electricity and network gas (Basic Services Law).
The law stablishes the following:

- It prohibits the cut of basic services to a group of customers, including residential users, hospitals, prisons, etc., for past due payment of this type of service during the ninety days following the publication of the law.
- For certain types of customers, such as customers who are within the 60% most vulnerable population, they may choose whether the debts generated between March 18, 2020 and up to ninety days after the publication of this law, will be prorated in a number of equal and successive monthly installments determined by the user, which may not exceed twelve and may not incorporate fines, interest or associated costs.
- During the ninety days following the publication of this law, the power generation and transmission companies shall continue to provide their services normally to the domestic energy distribution companies and to the electricity cooperatives.
- Within a period of thirty days prior to the publications of this law and ninety days thereafter, exceptionally, the payment by electric cooperatives to generating and transmission companies may be made in installments, in the same number of months in which the accounts of their beneficiaries will be prorated, without fines, interest or associated expenses.

Then, on January 5, 2021, Law No. 21,301 was published in the Official Gazette, by means of which the effects of Law No. 21,249 were extended, increasing the scope for suspension of payment of basic services affected from 90 days from its publication to 270 days and extending the proration months for the payment of debts from 12 months to 36 months.

Subsequently, on May 22, 2021, Law No. 21,340 was published in the Official Gazette, by means of which the measure of not cutting off supply due to debts and the possibility of postponing the payment of debts until December 31, 2021. The number of installments to pay the debt is extended from 36 to 48, and the reach of vulnerable users is increased from 60% to 80%, for the purpose of postponing the payment of debts.

Finally, on February 11, 2022, Law 21.423 was published, regulating the apportionment and payment of debts for health and electrical services generated during the pandemic by COVID-19 and providing for subsidies to vulnerable customers to pay them. Said fiscal charge subsidies will be to contribute to the payment of debts for drinking water consumption and for the payment of debts for electricity consumption. The benefited users will correspond to those who are delinquent in the debt generated by the postponement in the payment of basic services and have an average electricity consumption of no more than 250 kilowatt hours per month. The subsidies will be deducted monthly by the

sanitation service companies and the electricity distribution companies and cooperatives to the beneficiary users.

On the other hand, the debts contracted will be paid in 48 monthly installments, counted from the month of entry into force of this law, where each installment may not exceed 15% of the collection associated with the average consumption of the year 2021. Once the 48 installments, if there is a balance of the debt, it will be extinguished through agreements entered by the Ministry of Energy with the electric companies and cooperatives, respectively, which must be approved by the corresponding administrative act.

## 6. MARKET RISK FACTORS

Due to the characteristics of the Chilean electricity market and strict standards regulating the sector, Transelec S.A. is not exposed to substantial risk while operating its main line of business.

Transelec manages its risks through a corporate program, including the vision and information from the board of directors and employees in direct contact with the risks, with in the company strategy, workshops are utilized to analyzed past and potential risks. Carrying out concrete actions to prevent and / or mitigate them, to lower their probability of occurrence or its impact.

At project level, the company develop the process of Stages and Decisions, which ensures that projects are guided by stablished protocols from develop of a business idea, going through the proposal presentation, adjudication and later construction or acquisition, even its launch, to ensure that the decision makers have the necessary information available and mitigate the risks in the different parts of the projects.

The main risks of the company are presented and discussed quarterly in the Board of Directors. However, the following risk factors should be mentioned and taken into consideration:

### 6.1. Regulatory Framework

Power transmission tariffs are established by law for 4-year periods and include a six-monthly indexation to guarantee actual annual profitability for operators. The nature of this industry means that power transmission company revenue is stable over the long term. This revenue is complemented by revenue from private contracts with large customers.

However, the fact that these tariffs are revised once every four years in the National and Zonal Power Transmission Studies could mean new tariffs that could be detrimental or less attractive for the Company in terms of investment made. There is no guarantee that the previous tariff level will be maintained in subsequent tariff cycles.

### 6.2. Operating Risks

Although the Company's management believes it has adequate risk coverage, in line with industry practices, including a full annual exercise of Enterprise Risk Management, it is not possible to ensure that the preventive actions and mitigations implemented (asset management, safety fringe management, insurance policies, etc.) will be sufficient to cover certain operating risks, including forces of nature, damages to transmission facilities, on-the-job accidents and equipment failure.

### 6.3. Environmental Institutionalism and the Application of Environmental Standards and/or Policies

Transelec projects are subject to Law N° 19,300/1994 on General Environmental Guidelines ("Environmental Law") and its subsequent amendments. Transelec may run the risk of environmental permit lobbying taking longer than expected, which would delay project construction and open the possibility of fines being applied.
Preventive and mitigative measures have been identified and defined for all risks related to the environment and communities surrounding the company's facilities.

### 6.4. Construction Delays for New Transmission Facilities

Success of the upgrades and expansion program for the power transmission network will depend on several factors, including the cost and availability of financing. Although Transelec has experience with large-scale construction projects, the construction of new facilities could be hampered by factors commonly associated with projects, including delays for the approval of regulatory authorizations such as power concessions, lack of equipment, materials or labor, or price variation, adverse weather conditions, natural disasters or unforeseen circumstances or difficulties when it comes to taking out loans under favorable conditions and at reasonable rates. Any of the aforementioned factors could lead to delays in the partial or total completion of the capital investment program, while increasing the cost of the projects considered in this program.

### 6.5. Technological Changes

Transelec is compensated for investments that makes in electrical transmission facilities through an annual valuation of the existing facilities (AVI), which is performed every four years using current market prices and periodically recalculated according to the process established in the current regulation. Any significant technological advance in the equipment that are part of Transelec' facilities could lower this valuation, which would prevent partial recovery of the investments made.

### 6.6. Foreign Exchange Risk

Transelec has Chilean peso as its functional currency, therefore the following factors expose Transelec to foreign exchange risk:

- Transactions in U.S. dollars (construction contracts, import purchases, etc.).
- Leasing contracts that generate income indexed to US dollars.
- Accounts payables in US dollars associated to debt issued in U.S. America.
- Accounts receivables in US dollars associated to intercompany loans.
- Cross Currency Swap contracts that compensate the risks of exchange rates on the international issuances.

Exchange rate exposure is managed using a policy that involves fully hedging the Company's net balance sheet exposure using diverse instruments such as foreign exchange, forward contracts, and cross currency swaps.

The following table details the amounts of monetary assets and liabilities denominated into dollar and Chilean pesos in the periods indicated below:

| | September 2022 | | December 2021 | |
|---|---|---|---|---|
| **In million pesos** | **Assets** | **Liabilities** | **Assets** | **Liabilities** |
| Dollar (amounts associated with balance sheet items) | 983.094 | 986.164 | 868.719 | 875.783 |
| Chilean peso | 2.495.387 | 2.492.316 | 2.282.636 | 2.275.571 |

Below are the exchange rates (Observed Dollar) in Chilean pesos to the United States dollar; in the periods indicated.

| MONTH | Average 2022 ($) | Last Day 2022 ($) | Average 2021 ($) | Last Day 2021 ($) |
|---|---|---|---|---|
| January | 822,05 | 810,12 | 723,56 | 734,62 |
| February | 807,07 | 805,25 | 722,63 | 719,91 |
| March | 799,19 | 787,16 | 726,37 | 721,82 |
| April | 815,12 | 856,58 | 707,85 | 711,06 |
| May | 849,39 | 826,26 | 712,26 | 722,11 |
| June | 857,77 | 919,97 | 726,54 | 727,76 |
| July | 953,71 | 911,42 | 750,44 | 760,20 |
| August | 904,35 | 882,11 | 779,83 | 775,14 |
| September | 921,01 | 966,00 | 783,63 | 811,90 |
| **Average of the period** | **858,85** | **862,76** | **737,01** | **742,72** |

The income that Transelec is entitled to receive for its facilities belonging to the national and zonal transmission systems (VATT) and for the installations of the dedicated systems (toll contracts), are indexed to maintain their real values during the period of validity of these rates or tolls. These revenues are expressed in accordance with their base value, in dollars, and are updated according to components whose cost variation over time correlates with national or international economic indicators, considering the availability and stability of the source that issues it.

However, it cannot be ensured that Transelec will be fully protected by maintaining hedging contracts for the exchange rate. In addition, cross currency swaps and forwards contain counterparty credit risk, cash requirements on maturity dates or recouponing clauses (if any) and other associated risks.

### 6.7. Credit Risk

Regarding the credit risk associated with accounts receivable from the electricity transmission business, this risk is systematically incredibly low given the limited number of customers, their risk classification, and the short collection period.

However, revenues are highly concentrated on few customers that make up a large part of Transelec' s future cash flow. A substantial change to the assets, financial condition and/or operating results of these particular companies could adversely affect the Company.

The following table shows the top five customers and their comparison with to the previous year:

| REVENUES | September 2022 MM$ | September 2022 % | September 2021 MM$ | September 2021 % |
|---|---|---|---|---|
| Enel Group | 65.415 | 23,3% | 53.590 | 21,8% |
| AES Gener Group | 23.230 | 8,3% | 31.258 | 12,7% |
| CGE Group | 22.006 | 7,8% | 25.984 | 10,6% |
| Colbún Group | 19.633 | 7,0% | 20.326 | 8,3% |
| Engie Group | 16.123 | 5,7% | 14.374 | 5,9% |
| Others | 32.815 | 11,7% | 13.391 | 5,5% |
| **Total** | **281.290** | | **245.614** | |
| **% Concentration** | **52,05%** | | **59,25%** | |

The toll agreements signed with these clients, including its subsidiaries, will generate a large part of the Company's future cash flows and, therefore, a substantial change in their assets, financial condition and/or operating income could negatively affect the Company. This risk is compensated by the excellent credit level of these clients, together with the "take or pay" type of payment of the Transelec transmission income.

In terms of the Company's credit risk associated with financial assets (time deposits, fixed-return mutual funds and sell-back agreements), its treasury policy establishes certain limits on a particular institution's exposure; such limits depend on the risk rating and capital of each institution. Likewise, for investments in mutual funds, only those that have a risk classification and are bank subsidiaries.

### 6.8. Liquidity Risk

Liquidity risk is the risk of the Company not satisfying a need for cash or debt payment upon maturity. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price.

To guarantee that Transelec can quickly react financially to investment opportunities and pay its obligations by their maturity dates, the company has a stable and predictable remuneration over time, associated with the "take or pay" income, i.e., the company has income associated with its installed capacity of assets, and not with the volume transported. in addition, it has short-term receivables and a committed line of credit for working capital of US$250 million. This committed line of credit was first contracted on July 9, 2012, being renegotiated, and extended in 2014, 2017, 2020 and 2021. The last renovation was on May 28, 2021, maintaining only a dollar tranche of US$250 million and other improvements for the company. Is granted for a period of 3 years by a bank syndicate consisting of The Bank of Nova Scotia, MUFG Bank Ltd, Bank of China Ltd, Banco Santander, Sumitomo Mitsui Banking Corporation and JP Morgan Chase Bank N.A. In July 2021, China Construction Bank incorporated to the bank syndicate. This line does not include any material clause of adverse change.

The Company is exposed to risks associated with its indebtedness, including refinancing risk when its debt matures. These risks are mitigated by using long-term debt and appropriately structuring maturities over time.

The following table presents the capital amortizations corresponding to the Company's financial liabilities, according to their maturity date, as of September 30, 2022, and December 31, 2021.

| Debt Maturity (capital and interests) MCh$ | 0 to 1 year | 1 to 3 years | 3 to 5 years | 5 to 10 years | More than 10 years | Total |
|---|---|---|---|---|---|---|
| September 30, 2022 | 303.869 | 402.253 | 87.556 | 995.774 | 233.570 | 2.023.022 |
| December 31, 2021 | 67.424 | 360.358 | 389.692 | 923.181 | 336.558 | 2.077.215 |

### 6.9. Interest Rate 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 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.

The Company's assets are primarily fixed and long-lived intangible assets. Consequently, financial liabilities used to finance such assets consist primarily of long-term liabilities at fixed rates. This debt is recorded in the balance sheet at amortized cost.

The objective of interest rate risk management is to achieve a balanced debt structure, decrease the impact on costs due to interest rate variations and, reduce volatility in the income statement.

All the debt as of September 30, 2022, and as of December 31, 2021, was at a fixed rate. However, in the case of UF indexed debt, variations in inflation rates could potentially affect the Company's financial expenses.

**UF Values**

| MONTH | Average 2022 ($) | Last Day 2022 ($) | Average 2021 ($) | Last Day 2021 ($) |
|---|---|---|---|---|
| January | 31.212,65 | 31.212,65 | 29.085,91 | 29.123,74 |
| February | 31.365,30 | 31.539,20 | 29.194,81 | 29.287,38 |
| March | 31.669,70 | 31.727,74 | 29.360,08 | 29.394,77 |
| April | 31.905,76 | 32.176,49 | 29.439,72 | 29.494,13 |
| May | 32.453,99 | 32.679,54 | 29.555,98 | 29.613,26 |
| June | 32.894,82 | 33.086,83 | 29.665,83 | 29.709,83 |
| July | 33.268,63 | 33.417,26 | 29.740,92 | 29.757,64 |
| August | 33.616,11 | 33.836,51 | 29.827,73 | 29.935,08 |
| September | 34.059,41 | 34.258,23 | 30.025,93 | 30.088,37 |
| **Average of the period** | **32.494,04** | **32.659,38** | **29.544,10** | **29.600,47** |

### 6.10. Other Risks

In addition to the previously mentioned, the company faces other risks such as cybersecurity, legal, market, counterpart, and reputational risks.

**RELEVANT CONSOLIDATED FACTS**

**TRANSELEC S.A.**

## RELEVANT FACTS

1) On March 23, 2022, and in compliance with the provisions of article 9 and the second paragraph of article 10 of Law No. 18,045, on the Securities Market, the following essential fact was reported:

   That the board of directors of Transelec S.A., in a meeting held on March 23, 2022, agreed to report as an essential fact the summons to the ordinary shareholders' meeting for April 29, 2022, in order to submit to the knowledge and approval of the shareholders, the following subjects:

   1. Annual Report, Balance Sheet, Financial Statements and Report of the External Auditors, corresponding to the period ended December 31, 2021.

   2. Distribution of the final dividend. In this regard, the Board of Directors of Transelec S.A. agreed to propose as final dividend 2021 to the Ordinary Shareholders' Meeting, the amount of CLP $17,405 million to be paid under the conditions and terms agreed upon therein.

   3. Election of the Board of Directors.

   4. Remuneration of the Board of Directors and the Audit Committee.

   5. Appointment of External Auditors.

   6. Newspaper to convene Shareholders' Meetings.

   7. Agreements adopted by the Board of Directors on matters contained in articles 146 et seq. of the Corporations Law.

   8. Other matters of interest to the company and the competence of the Board.

2) On March 23, 2022, and in compliance with the provisions of article 9 and the second paragraph of article 10 of Law No. 18,045, on the Securities Market, the following essential fact was reported:

That the board of directors of Transelec S.A., in a meeting held on March 23, 2022, agreed to report as an essential fact the summons to an extraordinary shareholders' meeting for April 29, 2022, in order to submit to the knowledge and approval of the shareholders , the next:

• Approval of contracting new debt for the company through the issuance of bonds.

3) On March 23, 2022, and in compliance with the provisions of article 9 and the second paragraph of article 10 of Law No. 18,045, on the Securities Market, the following essential fact was reported:

That in Ordinary Session No. 226 held on the same date, the Chairman of the Board of Directors of Transelec S.A. became aware of and accepted the resignation presented by Mr. Claudio Campos B. from his position as Interim Director, with immediate effect.

Later in said session, Ms. Ximena Clark Núñez was elected as the new Interim Director of the company until the next Ordinary Shareholders' Meeting is held in April 2022, the date on which the Board of Directors of Transelec S.A. will be renewed.

4) On March 24, 2022, and in compliance with the provisions of article 9 and the second paragraph of article 10 of Law No. 18,045, on the Securities Market, the following essential fact was reported:

That in Ordinary Session No. 226 held on March 23, 2022, the board of directors of Transelec S.A. became aware of and accepted the resignation presented by Mr. Andrés Kuhlmann Jahn from his position as General Manager, to be effective as of May 1, 2022.

Later in said session, the new General Manager of the company Transelec S.A. was elected. to Mr. Arturo Le Blanc Cerda, who currently serves as Vice President of Regulatory and Legal Affairs of the Company, who will assume the position as of May 1, 2022.

5) On April 29, 2022, and in compliance with the provisions of article 9 and the second paragraph of article 10 of Law No. 18,045, on the Securities Market, it was reported as an essential fact that on April 29 In 2022, the ordinary meeting of shareholders of the company was held, in which the following was agreed:

a) Approve the Annual Report, the Balance Sheet, the Financial Statements and the Report of the External Auditors, corresponding to the period ended December 31, 2021.

b) Approve the distribution as a definitive dividend corresponding to the year 2021 for a total of CLP$58,013,357,619 million pesos, equivalent to 30% of the net income for the year 2021.

c) The appointment of the members of the Board of Directors was agreed, which was composed as follows: Mr. Scott Lawrence as regular director and Mr. Alfredo Ergas Segal as his respective alternate director; Mr. Ganxiang Tang as director and Mr. Tao He as their respective alternate director; Mr. Richard Cacchione as principal director and Mr. Michael Rosenfeld as their respective alternate director; Mr. Jordan Anderson as principal director and Mr. Jon Perry as their respective alternate director; Mr. Mario Valcarce Durán as regular director and Mr. José Miguel Bambach Salvatore as his respective alternate director; Mr. Blas Tomic Errázuriz as regular director and Mr. Patricio Reyes Infante as their respective alternate director; Mr. Juan Benabarre Benaiges as regular director and Mr. Roberto Munita Valdés as his respective alternate director; Mrs. Ximena Clark Núñez as principal director and Mr. Claudio Campos Bierwirth as her respective alternate director and Mrs. Andrea Butelmann Peisajoff as principal director and Mr. Juan Agustín Laso Bambach as her respective alternate director.

d) Set the remuneration of the Board of Directors and the Audit Committee.

e) Approve the appointment as external auditors of the company for the year 2022 to the firm Deloitte.

f) Approve the appointment of the Diario Financiero to publish notices of summons to 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.

6) On April 29, 2022, and in compliance with the provisions of article 9 and the second paragraph of article 10 of Law No. 18,045, on the Securities Market, it was reported as an essential fact that on April 29 In 2022, an extraordinary meeting of shareholders of the company was held in which it was agreed to authorize the completion of all the necessary procedures for the issuance of bonds in the local and/or international market in foreign and/or local currency, for a total amount equivalent up to US$500 million.

7) On May 4, 2022, a correction was reported on the dividend information reported as part of the essential event dated April 29 of this year, where it is requested to replace the figure of the final approved dividend that corresponds to the total amount of CLP$17,404.007,286.

8) On July 4, 2022, and in compliance with the provisions of article 9 and the second paragraph of article 10 of Law No. 18,045, on the Securities Market, it was reported as an essential fact that the Board of Directors of Transelec S.A. , in session No. 229 of June 2022, agreed to summon an extraordinary shareholders' meeting for July 14, 2022, at 12:00 p.m., at the corporate offices in order to submit to the knowledge and approval of the shareholders, the following:

• Approve new financing for the Company through bonds or loans to be issued in 2022 or 2023, for up to US$500 million, in the local or international market.

9) On July 15, 2022, and in compliance with the provisions of article 9 and the second paragraph of article 10 of Law No. 18,045, on the Securities Market, it was reported as an essential fact that, on July 14, July 2022, an extraordinary meeting of shareholders of Transelec S.A. was held, in which the following was agreed:

• Authorize the completion of all necessary procedures for the issuance of bonds or loans in the local and/or international market in foreign and/or local currency, for a total amount equivalent to up to US$500 million.