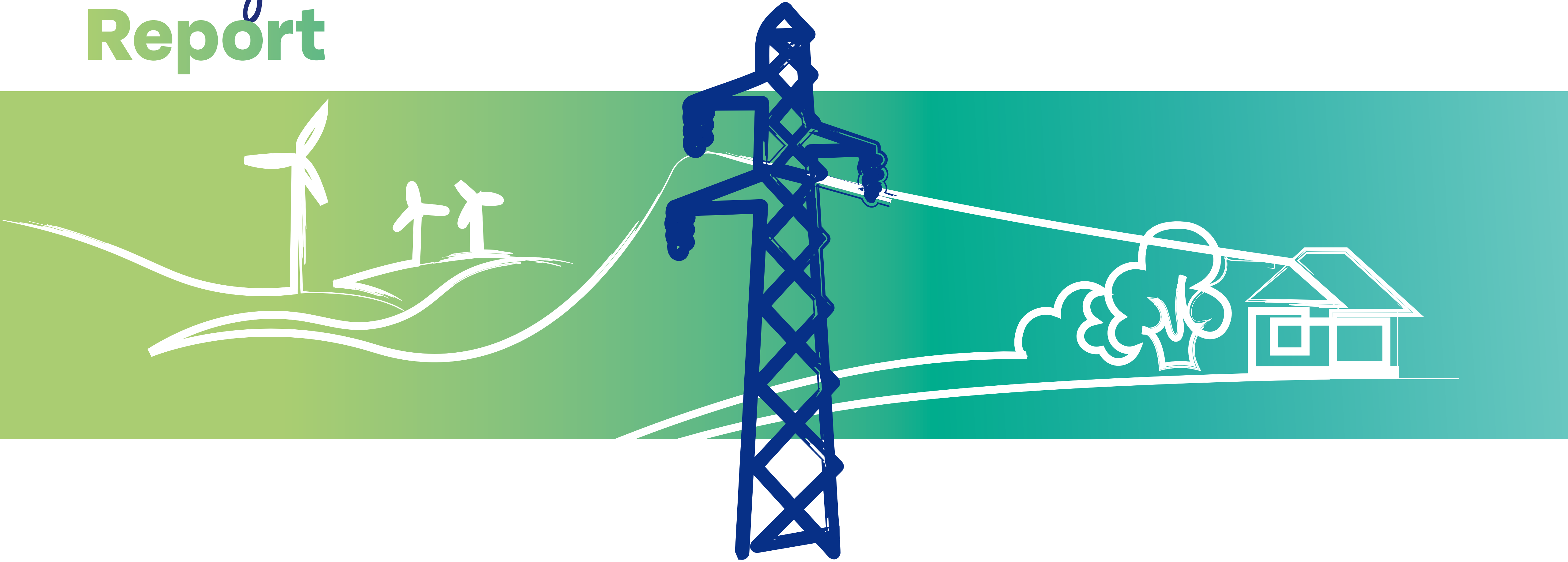
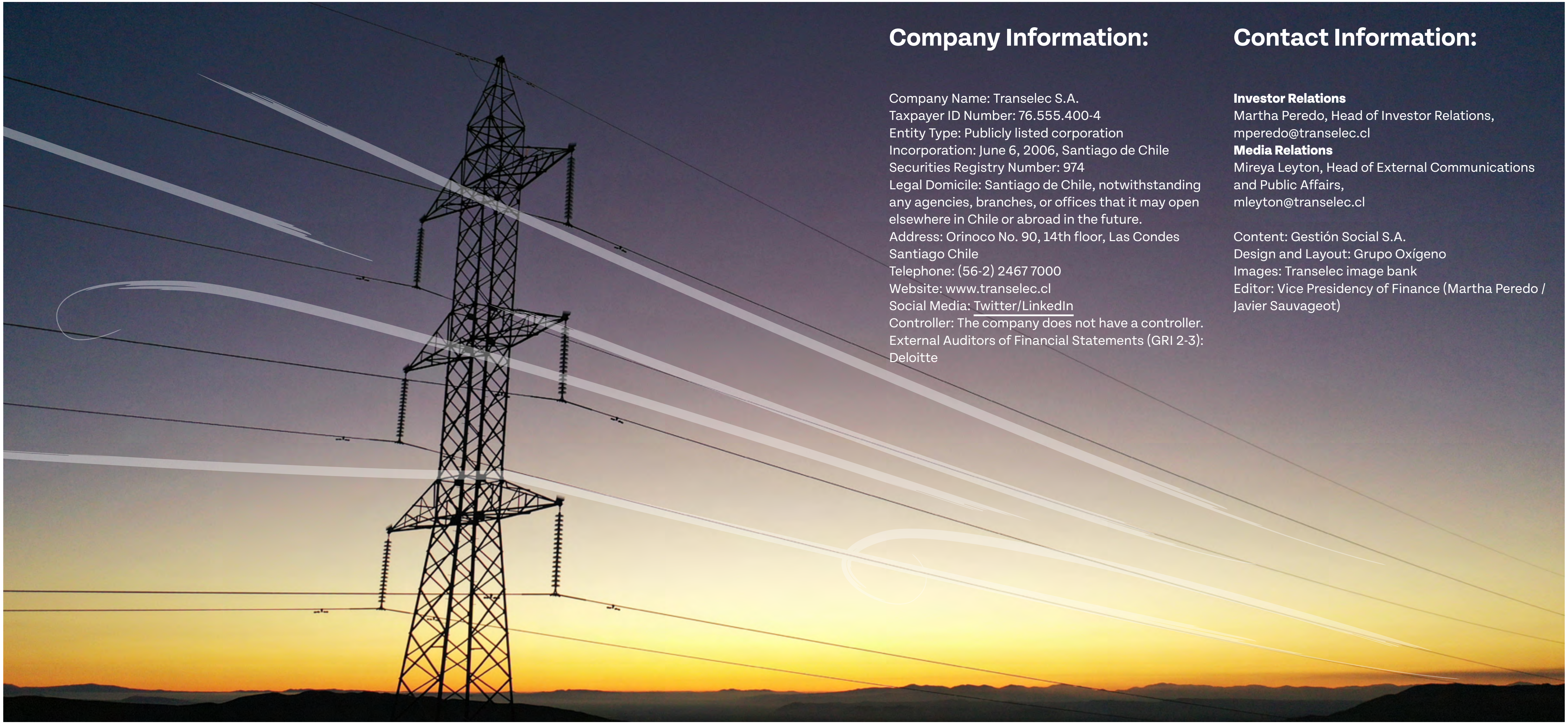
2022 Integrated Report





Company Information:

Company Name: Transelec S.A.
Taxpayer ID Number: 76.555.400-4
Entity Type: Publicly listed corporation
Incorporation: June 6, 2006, Santiago de Chile
Securities Registry Number: 974
Legal Domicile: Santiago de Chile, notwithstanding any agencies, branches, or offices that it may open elsewhere in Chile or abroad in the future.
Address: Orinoco No. 90, 14th floor, Las Condes Santiago Chile
Telephone: (56-2) 2467 7000
Website: www.transelec.cl
Social Media: Twitter/LinkedIn
Controller: The company does not have a controller.
External Auditors of Financial Statements (GRI 2-3): Deloitte

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Letter from the Chairman

On behalf of the Board of Transelec S.A., I am especially pleased to present the Company's first integrated report. This publication, which covers 2022, addresses our vision for the organization from an economic, sustainability, environmental, and best governance practices perspective for the first time.

This year brought important changes to the Company. First, we have new leaders, starting with our Chief Executive Officer, Arturo Le Blanc. He took on the important challenge of making Transelec the key to decarbonizing Chile's power grid. Several areas of the Company have been restructured based on new corporate challenges. I would like to thank Andrés Kuhlmann for 15 years of successful leadership and for his commitment to the Company. We wish him a great deal of success as he takes on new challenges.

The global and national contexts were difficult both economically and socially during this period, but Transelec was able to focus on being an industry leader, ensuring energy transmission for all the inhabitants of the national territory. The average service interruption time for 2022 was 14% lower than last year (measured using the SAIDI indicator, which dropped to 0.057 hours). Service interruptions have progressively decreased over the past few years -despite the pandemic- to 299 MWh in 2022. These achievements are reflected in our annual satisfaction survey, which captures critical clients' perspectives with regard to electricity service, allowing us to manage the specific services provided. We are proud to announce that we were able to maintain the connection clients' satisfaction rate of 95% this year, the same obtained in 2021.

At Transelec, we focus on the future. 2022's Bloomberg Climatescope report ranked Chile the most attractive country in the world for investing in clean energies. Chile has set a goal of becoming carbon neutral and climate resilient by 2050, and as a transmission company, we play an important role in making it possible to transport new energies. We launched the campaign "Transelec and Its Role in Decarbonizing the Grid" this year, which highlights the role of transmission and Transelec in meeting this national challenge. We connected 324 MW of renewable energies to the system in 2022, which brings the total amount that we have contributed to decarbonization to 4,230 MW. Currently, 31% of our revenues come from renewable sources, almost double of what they represented in 2018.

We also strive to lead the industry in new uses of technology and innovation. This year we launched our open innovation vehicle "Transelec Ventures," fostering the development of disruptive solutions to key challenges for Transelec and the industry. We focused on solutions related to three goals this year: reducing the use of water in insulator cleaning, "Data Intelligence" to improve decision-making, and decreasing the noise level and/or preventing it from propagating beyond our facilities.

Chile's most recent Transmission Expansion Plan included the installation of a control system with a Battery Energy Storage System (BESS) for the first time. This would allow transmission companies to use this technology. Energy storage is increasingly seen as an alternative to traditional transmission investments and as a tool for maximizing the efficiency of existing grid systems. Our Company is eager to work with this new technology.

From the financial perspective, maintaining a strong credit rating and balance sheet enables Transelec to continue its investments regardless of economic conditions and with a focus on long term stability.

Finally, I would like to thank everyone at Transelec for the great work that they have done this year. We were able to look at the challenges ahead, develop a new strategy for the future, and make the necessary adjustments to the organization. We met the goals that we set for 2022, offering the country quality transmission service.

Scott Lawrence
Chairman of the Board

Words from the CEO

We have experienced major social, environmental, and economic challenges over the past few years both globally and nationally. We faced a pandemic that forced us to change how we live our lives and posed important challenges to companies and society in general. It also has become increasingly clear that we will have to adapt our lifestyles to climate change, taking measures that have a real impact on mitigating its effects such as decarbonization.

The economic context has also been impacted, and is marked by a downturn and inflation both globally and in our country. As a transmission company, we play a fundamental role in society, transmitting energy from Arica to Chiloé and making it possible to connect new forms of energy. Our country is facing major energy challenges, including moving towards clean energies and ensuring that we have the transmission infrastructure necessary to do so efficiently while limiting losses. As such, our Company will play a major role in Chile's current and future development.

What were some of the key moments of 2022 for Transelec?
Last year was marked by important changes within the Company. I proudly took on the enormous challenge of serving as Chief Executive Officer after being part of the executive team for 10 years. This transition reflects the efforts that the Company makes to promote professional development within the organization. I have taken on this role in a company that is well-positioned in the market and that has integrated sustainability into its business thanks to the vision of our shareholders, Board, and the entire Transelec team.

We are also proud to announce that despite being part of a traditionally male-dominated industry, our executive team now includes three highly qualified women in leadership roles of a total of 9 people in the executive team.

After two years of pandemic, telework has become common practice at Transelec, and this hybrid format has yielded positive results.
Finally, I would like to note the Company's solid financial standing, which has been consistent over time despite all of the challenges of the past few years. Feller Rate recognized our financial strength and resilience and raised our local credit rating to AA in December.

How is Transelec addressing current challenges in the area of transmission?
There is no question that the transmission industry's challenges are reflected in our new Corporate Strategy, which was developed in 2022 through a participatory process. This document will guide the Company's work in the coming years. It identifies Growth, Customers, and Sustainability as the pillars of our business.

What are the main challenges that our Company will face in the coming years?
Overall, I believe that one of the major challenges is to continue to develop projects with high standards in a more complex social and economic environment. We are mindful of the new regulations that officials are developing for the next few years. Some of the challenges that we will face are continuing to grow in the regulated system, proposing projects and participating in public tenders. However, we must also grow in the dedicated system, designing transmission solutions that are suitable for renewable energy generators.

I firmly believe that the Company will benefit from the efforts that we have made to develop innovation and technology to improve our operations and provide better service to our clients. We will continue to enhance our digital transformation so that we can make more informed decisions.

Arturo Le Blanc
Chief Executive Officer

1

Transelec: Connecting the Energies of the *future*

Transelec S.A. at a glance

Environmental management

205,122 tCO_2eq(*)

67.5 GJ of energy consumed

366 people trained through the Energy and Hydro-efficiency Program

78% of hazardous industrial waste recycled

5.8 hectares reforested

46% of the renewable energies generated are transmitted by Transelec

Corporate management

23 communities with social investment programs

49 projects in the innovation portfolio

1,586 MUS$ invested in social investment programs

1 complaint related to impact on communities

0 conflicts or incidents with the community

3,700 people have benefited from our social investment programs

Governance management

30% of the Executive Committee is female(**)

US$ 1,216 invested in training per worker

100% of employees received anti-corruption training

80% employee satisfaction with the hybrid work model

0 complaints received through the Complaints Channel related to the Crime Prevention Model

0 strikes in 30 years (***)

(*) Scope 1, 2 y 3 excluding losses
(**) From January 1, 2023
(***) For some years, Transelec is considered a strategic company so there can be no strikes.

About us

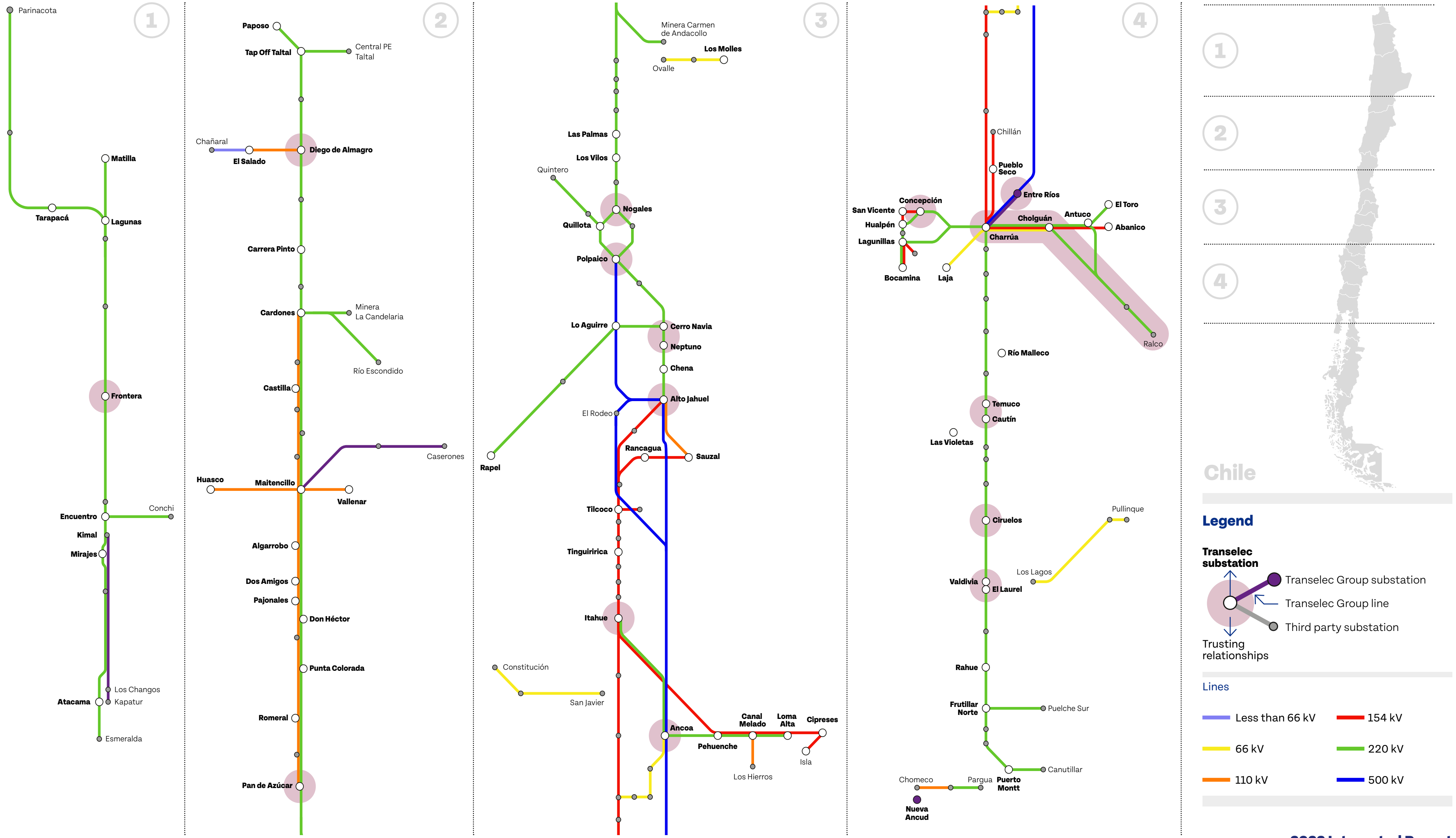
(CMF 6.1 i, ii and SASB IF-EU-000.C)

With over 70 years in the industry, we are Chile's leading transmission company. We transport energy from generation sources through 10,135 km of transmission lines with a transformation capacity of 19,908 MVA and 69 substations throughout the country. We provide energy to cities and major industrial and mining entities. We are Chile's leading energy transmission company, and we contribute to improving the quality of life and development of our country, providing electricity to 98% of the population from Arica to Chiloé. We participate in the local development of communities and to the development and operation of projects that prevent impacts on the environment and our neighbors.

10,135 km
of transmission lines

69
substations

19,908
transformation capacity (MVA)



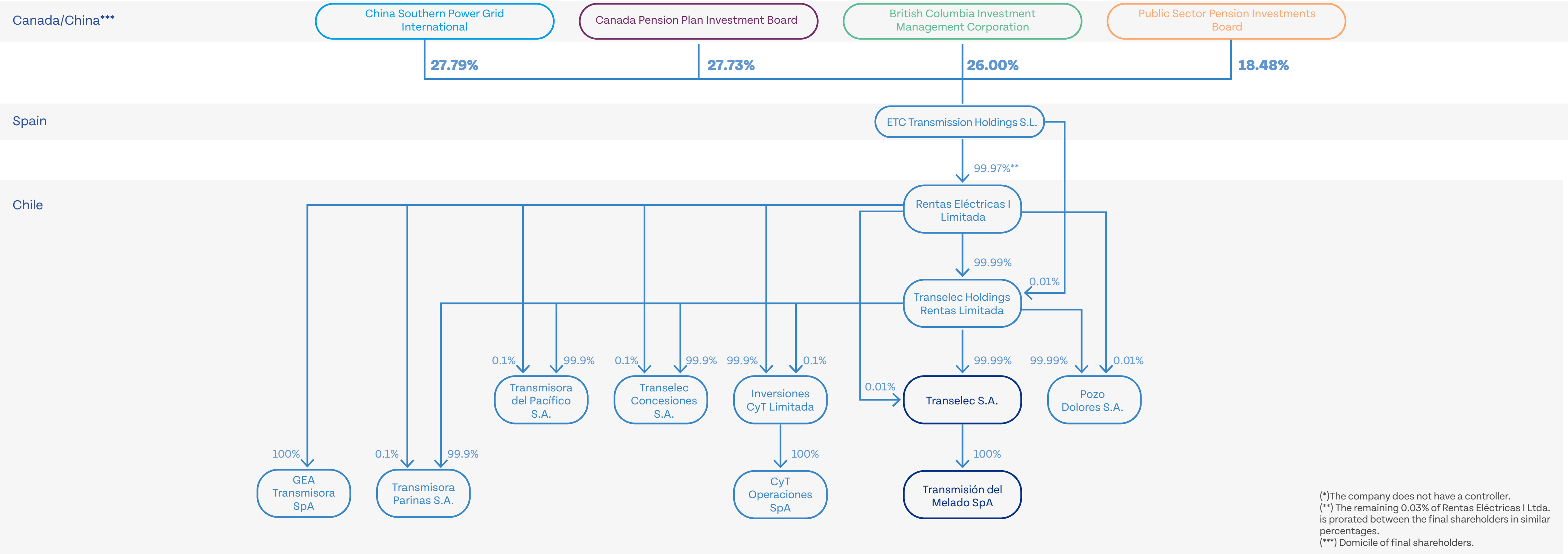
Ownership and Organizational Structure

(CMF 2.3.2 and 2.3.4 iii c)

Transelec's capital is divided into 1 million regular, nominative shares with no nominal value. Transelec Holding Rentas Limitada owns 999,900 shares, and Rentas Eléctricas I Limitada owns 100.

The final shareholders of Transelec S.A. are China Southern Power Grid International (CSGI), Canada Pension Plan Investment Board (CPP), British Columbia Investment Management (BCI), and Public Sector Pension Investment Board (PSP).

Organizational Structure*



(*)The company does not have a controller.
(**) The remaining 0.03% of Rentas Eléctricas I Ltda. is prorated between the final shareholders in similar percentages.
(***) Domicile of final shareholders.

History

(CMF 2.2)

1943:
CORFO created the National Electricity Company (Empresa Nacional de Electricidad, ENDESA).

1993:
ENDESA's Transmission Division became a subsidiary of Compañía Nacional de Transmisión Eléctrica S.A., which later became Transelec S.A.

1996:
Transelec built its first 220 kV line between Charrúa and Ancoa to connect the Pangue plant (460 MW), which would later be expanded to connect the Ralco plant.

2000:
The Canadian company Hydro-Québec purchased 100% of Transelec shares.

2003:
Transelec joined the Great North Interconnected System (Sistema Interconectado del Norte Grande, SING), purchasing 924 kilometers of 220 kV lines.

2006:
The Canadian consortium comprised of Brookfield Asset Management (BAM), Canada Pension Plan Investment Board (CPP), British Columbia Investment Management Corporation (bcIMC), and Public Sector Pension Investments (PSP) purchased 100% of Transelec's shareholding ownership.

2008:
Progress was made on the construction of a 500 kV ring around Santiago through the energization of the Alto Jahuel-Polpaico double circuit line. This progress allowed us to end up with the saturation of the grid towards the north of the country.

2010:
Transelec consolidated its mining sector services through the acquisition of the Punta Colorada substation, which it purchased from Barrick Gold. The Las Palmas substation, the main node for wind energy contributions to the Central Interconnected System, was placed into service.

2014:
The National Transmission Operations Center (Centro Nacional de Operación de Transmisión, CNOT) was inaugurated, allowing Transelec facilities to be centralized with the highest standards.

2015:
The Lo Aguirre 1,000 MVA substation became operational, offering new support in the electricity supply to the Metropolitan Region and connections to possible continuous current lines for the future.

2018:
China Southern Power Grid International (CSGI) acquired BAM shares, making it a 27.78% shareholder of Transelec. Transelec energized the new 2x220 kV Lo Aguirre-Cerro Navia line, the only one with an urban underground line section.

2019:
The Company achieved its lowest accident and incident rate in the past 10 years.

2020:
Start-up of projects:
- Atacama Solar, connection to the Atacama Solar photovoltaic park with a nominal capacity of 250 MW.
- Río Malleco Substation Project, connection to the Malleco Wind Park, with a nominal power of 273 MW.

2021:
Transmission solutions for renewable projects like Atacama Solar, Río Escondido and the Puelche Sur Wind Park were placed in service.

2022:
Andrés Kuhlmann stepped down as Transelec's CEO after 15 years. Arturo le Blanc Cerda takes over as the new CEO.

Among other projects, the company carried out the construction of a transmission project that will energize the new Quebrada Blanca 2 Mine.

Milestones 2022

March

- Environmental approval was secured for a transmission project in the O'Higgins Region. The initiative involves an investment of US$ 19.5 million.

April

- The Company was featured in the BBC documentary Storyworks along with the community of Cerro Navia. The episode tells the story behind the construction of the National Electricity System's first high tension tunnel, local residents' participation in the project, and community development around it.
- Transelec's Norte Grande Unit secured Gold Certification from the safety association Mutual de Seguridad based on the work of its Joint Committee on Hygiene and Safety.

May

- Arturo Le Blanc became CEO of Transelec following Andrés Kuhlmann's decision to step down after 15 years at the helm of the organization.
- Transelec, CONAF, and Universidad de Concepción supported the biological corridor project focused on restoring Nonguén National Park.

June

- The Company renewed its commitment to the country's micro-entrepreneurs through the second edition of the "Growing Together with Energy" initiative. The program is offered in collaboration with the Simón de Cirene Foundation and provides comprehensive support to business owners in eight regions of Chile. This year, the scope of the program was expanded to include 120 participants.

September

- "Transelec Ventures", an open innovation model for solving industry challenges was presented. With the support of the Chilean incubator and accelerator Imagine, Transelec invited start-ups and technology companies around the world to submit proposals to develop disruptive solutions to key challenges for Transelec and the industry.

October

- The campaign "Transelec and Its Role in Decarbonizing the Grid" was launched in an effort to position the Company as the country's leading transmission company and as an entity that will play a key role in achieving Chile's decarbonization goals.

December

- Transelec local credit ratings improved as a result of Transelec´s resiliency. Feller Rate increased our credit rating from AA- to AA. Even after Chile´s social uprising and the pandemic, the Company maintains stable and solid cash flows.

Value Creation Model

(CMF 2.1)

At Transelec, we want to lead efforts to meet sustainable development challenges by connecting the energies of the future.

Mission:

To lead the electric energy transmission business in Chile, meeting the country's needs and those of our clients by developing efficient, high-quality solutions, operating the system correctly, and maintaining a high standard of occupational health and safety. We create sustainable value for our shareholders, developing trust-based relationships with our communities and acting in a comprehensive, sustainable manner when it comes to the environment.

Vision:

To be recognized as a leading company in terms of knowledge and technology that is both socially and environmentally responsible and helps Chile and its clients to efficiently meet their transmission needs.

Purpose:

"Connecting the energies of the future" through excellent service, offering continuous innovation and a solid commitment to positively impact society. Caring for the environment and the well-being of our communities and employees is a key part of our decision-making process.

Values:

1. EXCELLENCE inspires Transelec to be Chile's leading energy transmission company every day.

2. The **COMMITMENT** to the Company's achievements means that they are ours, too.

3. RESPECT for people, the community, and the environment is the foundation of all our relationships at the personal and professional levels.

4. INTEGRITY is the basis for all our actions and decisions.

New Corporate Strategy

(GRI 2-6, CMF 4.1)

This year we developed and launched the Company's new corporate strategy. This participatory process drew on information from each area of the organization to identify cross-cutting lines and goals based on various discussions and opportunities for collaboration. As a result, we identified the challenge of incorporating and strengthening Sustainability within the Company, giving our Customers a more central role and projecting our Growth. The Strategy is the result of an in-depth and detailed review of our performance over the past few years and our vision for the future. In 2023, we will continue to identify challenges and management tools for each area, which will allow us to achieve traceability of our short-, medium- and long-term results.
As part of the communication plan for this new strategy, CEO Arturo LeBlanc launched this new document at a corporate event for all Transelec employees held in November 2022. He also presented the Company's purpose "Connecting the energies of the future," a goal that frames our strategy and our work as a company.

After the launch, the vice presidents met with their teams to outline the challenges that this strategy poses for their area and to make this new approach more palpable for all employees.
During 2023, the strategic work will focus on six initiatives that will be led by a champion and coordinated by Olivia Heuts, Vice President of Business Development.

Initiatives:

-Competitiveness
-Socio-environmental project legitimacy
-Centering customers
-Transmission valuation study
-Everyone aligned
-Digital twin

The following GRI Value Creation Model shows, at the center, the new Corporate Strategy, our purpose, its three pillars and our values. In addition, we place the strategy within a larger system, ranging from energy generation to energy distribution. We take certain inputs to generate outputs, showing that we are responsible for contributing to the optimal functioning of the entire system.

We want to lead the challenge of achieving sustainable development by connecting the energies of the future.

Generation | **Transmission** | **Distribution**

Input

Financial Capital
Assets in operation
Net assets
Financial debt

Physical Capital
No. of substations
Km of transmission lines
Expansion projects
New projects

Intellectual Capital
No. of innovation projects
Transelec Venture
Cybersecurity
Digitalization
Electricity sector history

Human Capital
No. of employees
No. of contractors
No. of suppliers

Social Capital
Relationship with officials
Free and regulated customers
Community relations

Natural Capital
Reforestation areas
Emissions
Water resources
NCREs

Development

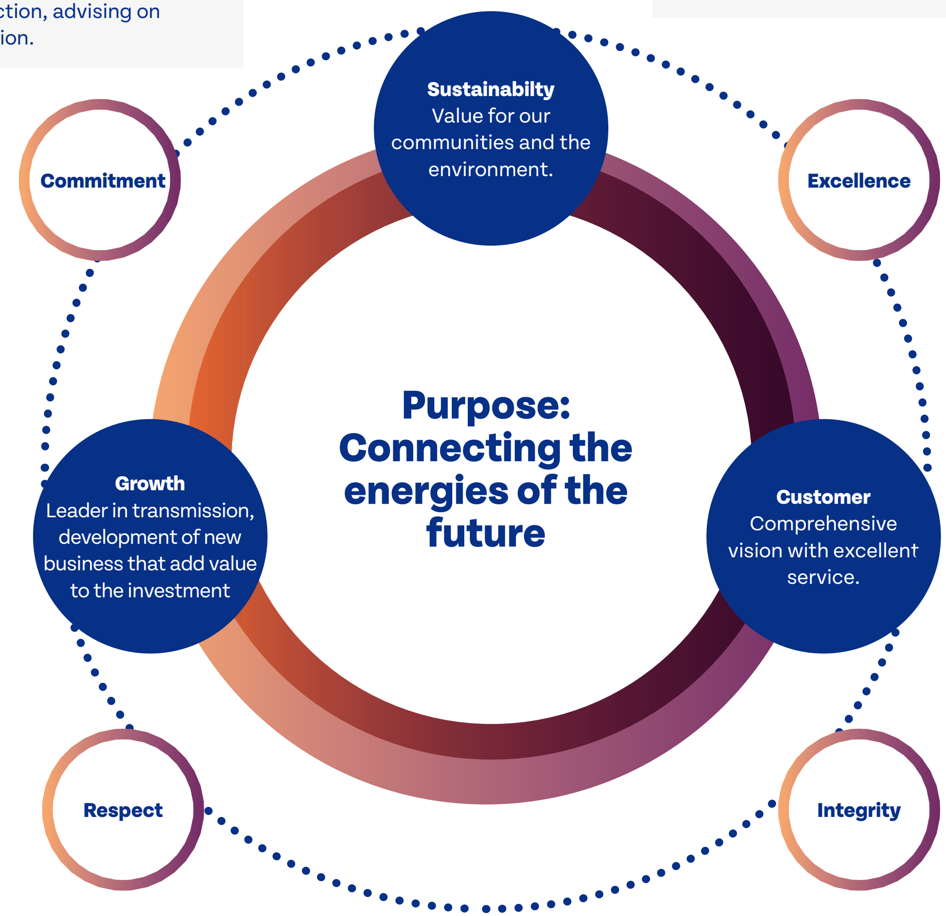
Evaluation, conceptual and basic engineering, design of transmission and connection solutions and project management and construction, advising on implementation.

Operation

Maintenance and administration of new Company facilities and those of related entities.

Customer Management

Ensuring that residential and industrial users have a continuous, uninterrupted, safe and reliable electric energy supply.



Output

Financial Capital
EBITDA
Taxes paid
Economic value distributed

Physical Capital
% of energy transmitted between Arica and Chiloé
Share of National Electric System
Projects approved/ongoing

Intellectual Capital
No. of new innovation projects
New energy solutions
Cybersecurity incidents
Investment in digitalization
Investment in innovation

Human Capital
No. of women in executive roles
Hours of training
Promotions
Turnover
No. of fatalities
Years without a strike (*)
Investment in training

Social Capital
Customer satisfaction
Reputation survey
No. of community programs
Investment in communities

Natural Capital
Energy reduction
Emissions reduction
Investment in the environment
Biodiversity projects

(*) Transelec is considered a strategic company so its workers cannot go on strike.

Our Stakeholders

(GRI 2-25; 2-29; CMF 3.1 iv; 6.1v, 3.7 i, iv)

Stakeholder relations is a key element of Transelec's strategy. The ability to identify with, understand, and relate to them is an essential part of the Company's development.

The Internal Communications Management System (SGC) allows stakeholders to convey their complaints and concerns to the Company.

What communication channels are available to our stakeholders?

Stakeholder	Channel / Frequency of communication
Regulator / legislator	- In-person meetings, quarterly corporate newsletter, annual reports and website, corporate events (seminars, facility inaugurations, and visits to substations, among others) - Periodic reports on environmental compliance for Transelec environmental qualification resolutions - Regular Law Lobby meetings
Informed leaders	-One on one meetings, monthly corporate newsletter, annual reports, website, social media, and publications in media outlets. -We have held the seminar series "Conversations that Connect" since 2016. The events feature representatives of various sectors of society from different parts of the country.
Communities	- Working groups with neighborhood leaders and local officials - Social investment programs and projects - Early and formal citizen participation activities for projects - Distribution of region-specific newsletters with key information - Presence on local radio stations - Community visits to substations - Social media
Suppliers / Contractors	- Communication 2 to 3 times per year
Financial and Corporate World	- Phone and in person meetings in Chile and abroad - Annual reports - Investor Day, quarterly reports, website, and publications in the media.
Shareholders and Board	- Board committees - Phone and in person meetings in Chile and abroad - Scheduled videoconferences - Annual reports - Meetings, monthly corporate newsletter, quarterly reports
Customers	- Meetings with each client - Breakfasts - Monthly corporate newsletter - Annual Report - Website - Presence at key electricity sector events - Publications in Chilean and regional media outlets
Internal Entities	- Internal communications
Owners	- Maintenance activities, educational campaigns such as Electric Risk Prevention, and information about the Company and owners' rights and duties. - In 2018, we implemented an Owner Relations Model that outlines the communication channels and incorporates mechanisms for measuring the quality of the relationship.

2

Our *governance*

Corporate Governance

(GRI 2-9, 2-10, 2-11, 2-12, 2-13, CMF 3.1 i, ii, v, 3.2 i, 3.6 x)

Good corporate governance plays a key role in the creation of sustainable value. It is a fundamental element for facing current and future challenges as a Company and for the country's energy development.

Transelec is a corporation that is governed by the Financial Market Commission and current Chilean laws and regulations. However, we have established our own General Corporate Government Principles, which guide the work of the organization's general management and its subsidiaries and employees.

During 2022, the Company reviewed its long-term strategy, highlighting the environment, social issues, and corporate governance. We have a Corporate Governance Code in place to ensure the proper functioning of corporate government. This code establishes the operating guidelines and statutes of each committee that is part of the corporate governance structure.

Beginning in 2022, the focus on the sustainability of the business was strengthened through the creation of the Sustainability Division. This division reports directly to the Vice Presidency of Corporate Affairs and Sustainability, though this is a topic that involves various areas of the organization. Corporate Governance also facilitates innovation through the Digital Innovation and Change Division, another important focus area identified in the Company's guidelines.

The succession plan for the Chief Executive Officer and Vice Presidents is reviewed annually to establish the foundations for a succession plan for each role. The Board is familiar with this procedure.

Board of Directors

(GRI 2-17, 2-18, CMF 3.2 , viii, ix a, x, xii a,b,d)

Our board leads the Company's strategy and short-, medium- and long-term business plan. This body approves the strategy that will set the guidelines for the next five years. The various areas of the Company and the board itself contribute to building the risk matrix, which is ultimately submitted to the board for its approval.

Transelec has a selection process for its board members and a matrix of skills and abilities that are required for the role. This ensures that our board members meet high professional standards and have the capacity to serve in this role.

The Company has an induction process that board members have to complete prior to joining the body in order to improve their preparedness and performance. The training includes information on the regulations that govern the Company. Each new board member receives an overview of tools such as the Code of Conduct and Ethics, the Crime Prevention Model, the Sustainability Report, the Annual Report, the Corporate Risk Map, Statutes, and Internal Order, Hygiene and Safety Regulations. The board is required to meet monthly under current law and the Company's statutes. During the 2022 fiscal year, Transelec S.A.'s board held 12 regular meetings and one extraordinary meeting.

Board member evaluation and storage of information: In addition, each board member completes a self-assessment. We use the Diligent platform to facilitate communication, signatures, and storage of key documents.
Board member training: The Corporate Government Committee is consulted annually on topics that are considered to be important, and its members are trained on those issues. In 2022, the Board received training on cyber security and computer crime.

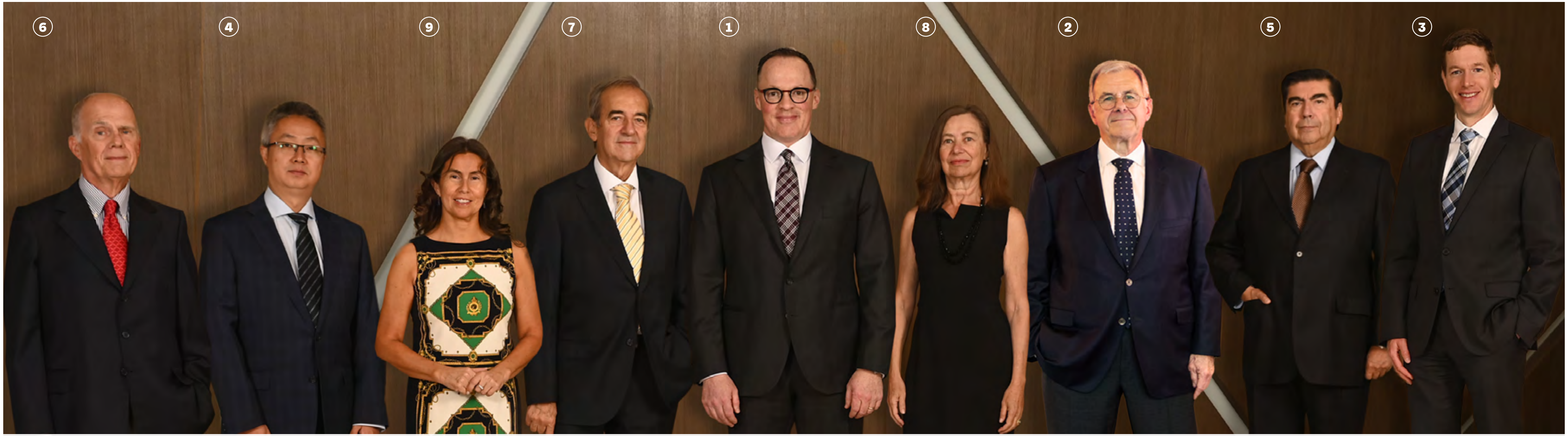
The Transelec board has conducted site visits nationwide individually and as a group. Each year, the board holds a meeting in a regional management unit that is attended by the entire Executive Committee.

Board and Executive Team interaction with management units and external auditing (Periodicity) (CMF 3.2 vi)	
The Board meets with the risk management, internal auditing, and social responsibility units.	
The CEO and/or other executives meet with the risk management, internal auditing, and social responsibility units.	Quaterly
The CEO and/or other executives meet with the external auditing firm responsible for auditing the financial statements.	

Composition of the Board

(3.2 xiii a, b, c)

The board was appointed in April 2022 and is comprised of nine members. Seven of them are men and two are women. None of them holds an executive role within the organization.



1
Scott Lawrence
Chairman of the Board
Not independent
Year Appointed: 11/14/2019
Taxpayer ID No: Foreign national
Nationality: Foreign
Disabilities: No

2
Richard Cacchione
Board member
Not independent
Year Appointed: 03/21/2019
Taxpayer ID No: Foreign national
Nationality: Foreign
Disabilities: No

3
Jordan Anderson
Board member
Not independent
Year Appointed: 09/30/2020
Taxpayer ID No: Foreign national
Nationality: Foreign
Disabilities: No

4
Tao He
Board member
Not independent
Year Appointed: 02/24/2021
Taxpayer ID No: Foreign national
Nationality: Foreign
Disabilities: No

5
Mario Valcarce
Board member
Independent
Year Appointed: 08/24/2010
Taxpayer ID No: 5.850.972-8
Nationality: Chilean
Disabilities: No

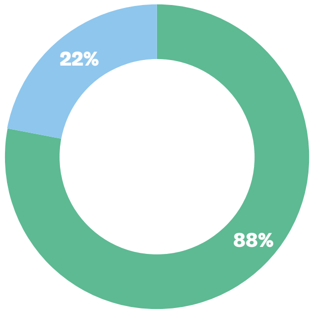
6
Blas Tomic
Board member
Independent
Year Appointed:08/24/2011
Taxpayer ID No: 5.390.891-8
Nationality: Chilean
Disabilities: No

7
Juan Benabarre
Board member
Independent
Year Appointed: 08/22/2018
Taxpayer ID No: 5.899.848-6
Nationality: Chilean
Disabilities: No

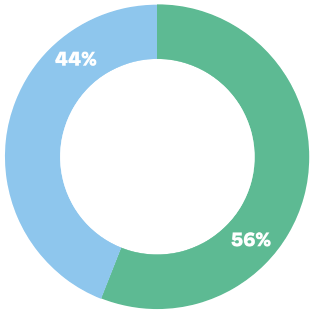
8
Andrea Butelmann
Board member
Independent
Year Appointed: 03/11/2020
Taxpayer ID No: 6.383.159-K
Nationality: Chilean
Disabilities: No

9
Ximena Clark
Board member
Independent
Year Appointed: 03/23/2022
Taxpayer ID No: 11.493.586-7
Nationality: Chilean
Disabilities: No

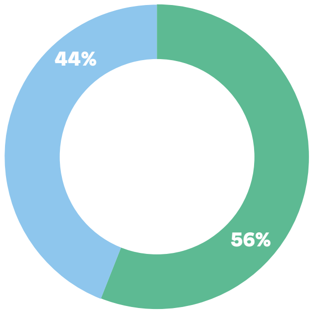
Board diversity



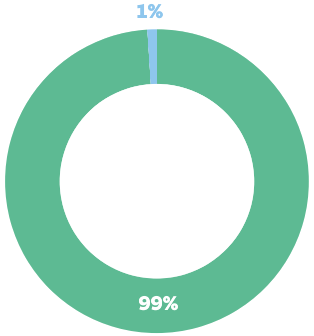
Women
Men



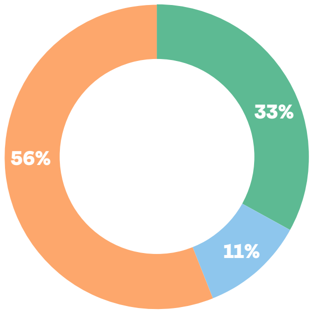
Not independent
Independent (*)



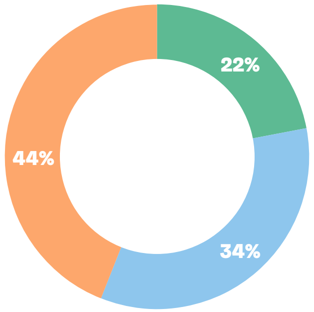
Foreign nationals
Chileans



Average absence
Average attendance
(There is no set minimum for attendance)



Aged 41 to50 years
Aged 51 to 60 years
Over 60 years



Over 10 years of service
3 or 4 years of service
1 to 2 years of service

Board Compensation

(GRI 2-19, 2-20, CMF 3.2 ii, iii, ix c)

Board members Scott Lawrence, Jordan Anderson, Tao He, and Richard Cacchione renounced their compensation for 2022. The following amounts correspond to the compensation of the members of the board for 2022.

Mario Valcarce Durán US $90,000
Blas Tomic Errázuriz US $90,000
Ximena Clark Núñez US$ 67,500
Juan Benabarre Benaiges US$ 90,000
Andrea Butelmann Peisajoff US $90,000

Directors on the Audit Committee earn US$10,000 per year.

Board Expenses

Training on cyber security and the board's responsibilities under new cybercrime legislation was offered in December 2022. It cost 150 UF. As of December 31, 2022, Transelec's board received one training session on compliance. It was held on October 6, 2021, and cost 15 UF. In addition, during 2022 the Board of Directors had expenses of 112 million chilean pesos for travel expenses, lectures among others.

(*) Independent directors are elected by a vote of all shareholders.

Committee of Experts

(GRI 2-16, CMF 3.3 i, iii, iv, vii, 3.6 xi, xii y 3.7 i)

The corporate government structure is comprised of six committees. All of the committees meet quarterly except for the Ethics Committee, which is not comprised of board members. Extraordinary meetings are held during which stakeholders have the opportunity to share key concerns to the Company.

Committee name	Objective	Periodicity of meetings	Members	Number of sessions	Main activities this year	Periodicity with which it reports to the Board
Auditing	-To evaluate matters related to the selection of external auditors -To review financial statements -To review the internal auditing plan and compliance-related matters	Quarterly	Board members and management	4	Review of financial statements, external auditors, internal auditing, and compliance	Quarterly
Corporate Government	-To review the general corporate government guidelines -To work on annual board assessments -To review transactions with related parties -To review the Crime Prevention Model	Quarterly	Board members and management	4	Annual board assessment, CPM, corporate governance guidelines, and review of transactions with related parties	Quarterly
Investments advisor	-To review and evaluate the Company's main investment options and business opportunities	Monthly	Board members and management	12 or more	To recommend the approval of new business and investment opportunities	Monthly
Finance	-To review decisions regarding dividends, financing, taxes, cash management, the business plan, and other matters	Quarterly or as needed	Board members and management	4 or more	To propose distributions of dividends, search for optimal financing, tax supervision, to submit Company plans from a financial perspective in the Business Plan, etc.	Quarterly
Human Resources	-To review compensation -To review executive compensation -To review the collective bargaining strategy	Quarterly	Board members and management	4	Review of compensation, executive compensation, and collective bargaining strategy	Quarterly
Operations	-To review matters related to the operation of the Company -To supervise Health and Safety matters	Quarterly	Board members and management	4	Review of operational strategy and matters related to accidents, health, and safety	Quarterly

The Corporate Government Committee was created in 2016. Its mandate covers the following functions, among others:

- To propose candidates and nominate Board members
- To evaluate their work
- To approve codes and manuals and their modifications
- To examine and evaluate Transelec corporate governance guidelines
- To make recommendations to the Board

Executive Team

(CMF 3.4 i, ii)

1
Eduardo Tagle
General Counsel
Attorney
Taxpayer ID No.: 16.210.817-4
Hire date: 23.03.2022

2
Francisco Castro
Chief Financial Officer (CFO)
Civil Industrial Engineer
Taxpayer ID No.: 9.963.957-1
Hire date: 10.01.2009

3
Paola Basaure (*)
Vice President of Corporate Affairs and Sustainability
Civil Hydraulical Engineer
Taxpayer ID No.: 13.673.891-7
Hire date: 01.01.2023

4
Alejandro Rehbein
Technology and Innovation Manager
Civil Industrial and Systems Engineer
Taxpayer ID No.: 12.307.972-8
Hire date: 12.01.2022

5
Arturo Le Blanc
Chief Executive Officer
Attorney
Taxpayer ID No.: 10.601.441-8
Hire date: 05.01.2022

6
Claudio Aravena
Vice President of Human Resources and Organizational Development
Business Administration
Taxpayer ID No.: 9.580.875-1
Hire date: 04.15.2019

7
Olivia Heuts
Vice President of Business Development
Economist
Taxpayer ID No.: 14.727.025-9
Hire date: 06.01.2022

8
Bernardo Canales
Vice President of Engineering
Mechanical Engineering degree
Taxpayer ID No.: 11.565.097-1
Hire date: 11.01.2020

9
Claudia Carrasco
Revenue and Regulation Manager
Civil Electric Engineer
Taxpayer ID No.: 10.508.896-5
Hire date: 05.01.2022

10
Jorge Vargas
Vice President of Operations
Civil Engineer
Taxpayer ID No.: 12.691.972-7
Hire date: 07.01.2022

(*) During 2022, former Vicepresident was David Noé, tax ID N°10.502.232-8

Executive Committee Compensation:

Transelec paid its Executive Committee members a total of CLP$ 5.829 billion and CLP$ 3.639 billion in 2022 and 2021, respectively. It is important to note that the Committee was comprised of 10 people in 2022 and eight in 2021.

Incentives Plans: At Transelec, the staff is part of an incentives program focused on meeting goals. These are aligned with Company strategy and are developed in accordance with the level of detail and responsibility within the company hierarchy.

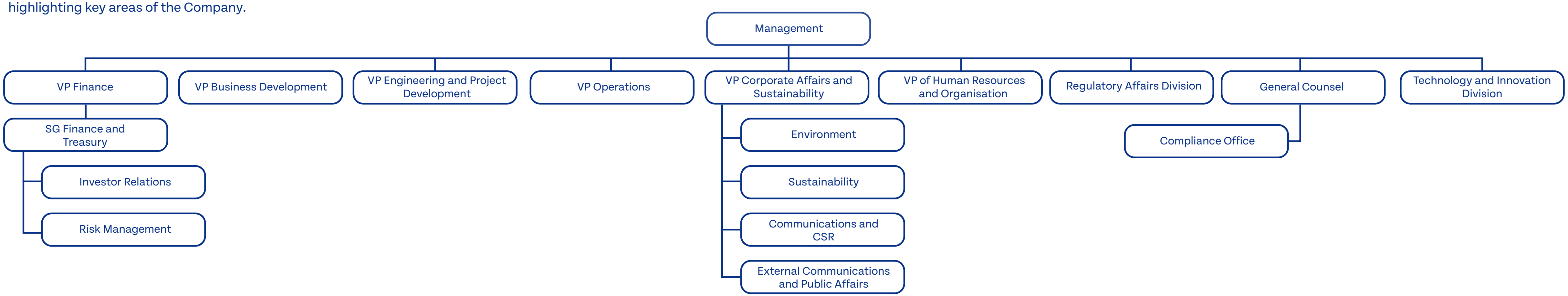
The executive team is organized into Executive Committees so that they can plan and coordinate the work of each area of the Company.

Committee	Objective	Periodicity of meetings
Executive Committee	To review the main areas of each Vice Presidency.	Weekly
Business Committee	To review the main business that the Company is engaged in and the status of its projects.	Monthly
Projects Committee	To review current and future projects.	Monthly
Ethics Committee	To review cases reported through Transelec's Ethics Channel.	At the request of the Compliance Official.
Results and Value Management Committee	To review quarterly business results at the end of each period as well as the forecast for the year.	Quarterly
Regulatory Agenda Committee	To review key regulatory matters.	Monthly
Technology and Innovation Committee	To evaluate initiatives in various areas to determine whether it is advisable to execute them.	Monthly and as needed
Procurement Committee	To review tenders exceeding US$ 10 MM.	As needed when there are awards over US$ 10 MM
Assets Management Committee	To secure approval for strategic elements of the implementation of the asset management system. This is linked to the implementation of the Asset Management System (AMS).	At the request of the Head of Asset Management
Integrated Management System Committee	This body is comprised of two committees: the Executive Committee and the Operations Committee. 1) The Executive Committee monitors and measures the management system in accordance with ISO 45001, 14001, and 9001 for the systems that the Company has implemented. 2) The Operations Committee implements operational sessions to develop certain topics related to occupational health and safety, the environment, and quality	Both committees meet four times each year during different months
People and Organization Committee	Review issues related to the people who make up the Transelec team. Analyse financial KPIs, which are the basis of the incentive pyramid of the Company 's variable bonus system.	At least once a year
Operations Committee	Offer to Transelec´s management the opportunity to discuss operational matters in detail with members of the Board of Directors, either before or outside the meetings.with the Board.	Upon request

Organizational Chart

(CMF 3.1 vii)

The organizational chart below outlines Transelec's organizational structure, highlighting key areas of the Company.



Ethics and Compliance

(GRI 2-26, CMF 3.6 vii)

We believe that the way we reach our goals is just as important as our results. As such, our commitment to integrity in ethics in our business is a key principle. Transelec strengthens this commitment in the actions of each of our employees through its Integrity Model.

Our business is long-term in nature. As such, internal and external coherence is fundamental to preserving and protecting trust-based relationships with all of our stakeholders, including customers, shareholders, investors, regulators, and the public.

The Compliance Area works with every one of our teams. It mainly coordinates with the Sustainability Area and Human Resources to apply procedures to new topics and the development of the Company.

Transelec's Integrity Model

(GRI 2-15, CMF 3.1, 3.6 vii, 5.5, 8.1.2, 8.1.4)

Our Integrity Model is designed to ensure that every Transelec employee is a living example of ethical conduct, protecting and promoting the comprehensive action of the Company and always seeking transparency and coherence.

This model is comprised of two focus areas: prevention and detection. The goal is to prevent and detect anti-ethical conduct in a timely manner, covering the entire organization.

Governance

Prevention

Compliance officer

Develops the Corporate Compliance Program, develops and reviews policies, establishes training programs. This employee is independent and reports investigations to the Auditing Committee.

Audit Committee of the Board of Directors

Supervises the application and certification of the Crime Prevention Model and examines and monitors compliance with the annual auditing plan.

Detection

Internal auditing

Executes reviews in various areas based on a strategic risk analysis with the objective of ensuring that operations are carried out to high standards.

Corporate Government Committee in the Board of Directors

Directs the organization in regard to unethical and illegal conduct. Responsible for Board training and for choosing its members.

Transelec uses various management tools to ensure that the Integrity Model is managed effectively:

a) **Code of Conduct:** Applies to all Transelec employees. This code includes the procedure for handling conflicts of interest.

b) **Complaints Channel** (3.2 xii c, 3.6 ix)**:** This tool is used for questions about and reports of acts that could constitute a violation of the law, corporate values, or the Code of Conduct and Ethics. It is monitored by a team that is external to the Company and is available to employees, contractors, customers, shareholders, and external entities through a web platform that ensures confidentiality and anonymity. Mailings and training are developed for the various stakeholders that have access to this channel. The platform allows the reporting party to keep a record of the complaints, endowing the process with traceability and transparency.

Click here to access to complaints channel.

c) **Investigation protocol:** There is a protocol for investigating complaints, which is handled by in the Compliance Department. Information on possible cases of ethical conflicts is also disseminated throughout the Company.

d) **Code of Ethics:** The Code of Ethics was updated in August 2021. It is focused on responsible conduct by Board members and executives.

e) **Training:** All employees who join the Company are trained on the Crime Prevention Model and Corporate Governance. The training activities are held virtually and in person in all of the areas where the Company operates.

The issue of sexual harassment was included in training activities held in certain parts of the company and will be incorporated into all future training activities soon. The Internal Order, Hygiene and Safety Regulation includes a sexual harassment investigation protocol as well as protocols for labor harassment and gender-based salary discrimination.

f) **Free competition**: We have a Free Competition Policy that is managed by the Compliance Area in collaboration with the General Counsel. This policy was approved by the Board in August 2022. A webinar was held to present the document, and we are currently training our employees on this topic.

Reports

(GRI 406-1 and CMF 3.1; 5.5; 8.1.2; 8.1.3 and 8.1.5)

Two complaints of labor harassment were filed in 2022. Both were inadmissible because they failed to meet the requirements for opening an investigation. (For more information, see Chapter 9 Annexes).

Penalties

(GRI 206-1, 2-27, CMF 8.1.1, 8.1.2, 8.1.4)

For detailed information on penalties applied in 2022, see Chapter 9 Annexes.

Crime Prevention and Anti-Corruption Model

(GRI 205-1, 205-2; 205-3, 206-1 CMF 3.1 iii, 3.6 xiii, 8.1.4, 8.1.5)

Our criminal risk policy was approved by Transelec's Board in November 2022. This policy is an updated version of the Crime Prevention Model.

The policy outlines the risks of the business, related controls, areas responsible for supervising the model, training, and other matters. It also includes guidelines regarding bribes of any kind and charitable contributions or sponsorships. We also have policies on donations, gifts, and incentives, purchasing authorizations, and other matters.

All employees, suppliers, contractors, and community members are informed of the policy through the internal communications plan and the employee and Board member training plan, which includes both in-person and e-learning modes.

Regarding risks of corruption in the organization, a review of the crime prevention policy is conducted annually under the supervision of an expert external consultant to address risks of corruption within the organization. Interviews are conducted with process owners and processes are evaluated internally.

The main risks identified are:

1) Bribery Transelec: interacts and communicates with officials on a regular basis. This is our main risk of corruption.

2) Anticompetitive practices: Transelec participates in tenders. Due to the nature of the business, we may sometimes work through consortia with other companies. In some cases, these companies could be direct competitors.

3) Inappropriate business dealings: This risk arises when a particular interest of a Board member or manager prevails over the corporate interest during negotiations.

Communication of the Prevention Model

% of employees to whom it has been communicated

Year	%
2019	15%
2020	96%
2021	90%
2022	100%

% of Board members to whom it has been communicated

Year	%
2019	100%
2020	100%
2021	100%
2022	100%

Anti-corruption Training

% of employees who have been trained

Year	%
2019	15%
2020	96%
2021	80%
2022	100%

% of Board Members who have been trained

Year	%
2019	100%
2020	100%
2021	100%
2022	100%

The Crime Prevention Model and Anti-corruption Training will be communicated to contractors during 2023.

Unfair competition: Training on unfair competition was offered in 2022 in various areas of the Company, including business, legal, engineering, operations, regulations, and the Executive Committee. No pending or finalized legal cases or actions involving unfair competition were identified during the period covered by this report.

Cases of corruption:

(GRI 205-3, 418-1, CMF 8.1.5)

No claims of violations of a client's privacy or loss of client data were identified for 2022.

Policies approved this year:

- Free competition policy
- Crime prevention program
- Diversity and inclusion policy
- Asset management policy

[1] Number of corruption cases confirmed based on the number of cases of corruption in which: a) an employee was fired, b) a relationship with a supplier was terminated, c) public legal cases regarding corruption towards the organisation or its employees, or d) the number of complaints received through the Complaints Channel linked to the Crime Prevention Model.

Risk Management

(GRI 205-3, 418-1, CMF 8.1.5)

Risk Management plays an overarching role in the Company.

We have a Corporate Risk Matrix that covers approximately 100 risk factors. Risks are classified into taxonomies that describe the nature or origin of the risk factor.

The information provided by the Grupo Transelec Corporate Risk Matrix can be grouped according to taxonomies or topics. Twenty-three of them have been identified, and they cover financial, operations, regulatory, market, counterpart and community, and other aspects.

The Risk Management area is mainly responsible for the following:

- It gathers data from various areas to identify key risk factors through workshops that are held annually and/or when situations arise.
- It identifies issues for building and monitoring a Risk Matrix based on the Corporate Strategy.
- It identifies and assesses risk factors in cross-cutting and participatory risk workshops in which responsible parties and control measures are established.
- It works with other areas to identify mitigations and monitors quarterly plans of action.
- It reports to the Board on the main risks on a quarterly basis.

Risk management is auditable, and the Risk Management and Auditing Areas work closely and complement each other with respect to the identification of corporate risks and their mitigation. The internal audit area can oversee risk management processes at any time

Currently, the most critical risks are operational and cybernetic:

i) Fires caused by Transelec
ii) Fires caused by third parties
iii) OT cybersecurity

How do we define risks?

We use the COSO guidelines and ISO 31.000 along with other existing management models to identify the main risks associated with the business. This year, we have wanted to include "causes" and "consequences" in the analysis of each risk factor. The goal is to better understand the basic reasons and effects of the risks identified. The impact and quantification of the risks are based on an expert criterion, that is, on what has historically occurred and what is identified during the workshops held within the Company.

The Board's Role in Risk Management

(CMF 3.3 vi, 3.6 iv)

The Board is responsible for ensuring that risks are identified and managed correctly. It identifies the most important and critical risk factors and determines the corresponding mitigation actions. The senior management works with the Board to manage risks, providing guidelines and feedback on the main real or potential adverse situations that the Company faces. This is achieved through interviews with Board members. The information gathered is complemented with the data gathered through risk workshops.

Various committees identify critical issues and develop work plans. A report is submitted to the Board on a quarterly basis. It outlines short-, medium- and long-term risks, generating discussions to outline plans of action for Transelec. The Board and senior management are actively involved in reviewing and identifying project risks in the locations in which the projects are presented and their various stages.

Training Activities

(CMF 3.6 viii)

New members of the areas that interact with Risk Management are trained periodically so that they are aware of the processes that they support. The training activities conducted are mainly:

- Risk workshops for ongoing projects
- Protocols for informed decision-making around investments that generate new income for the Company
- Information campaigns to ensure that all employees are aware of corporate and project risks

Emerging Risks

(C-2-2)

Emerging risk	Category	Description of the risk	Risk impact	Mitigation actions
Competitiveness	Economic	Maturity of the market, new competitors, and project evaluation	Medium	Advising, risk profile
Environmental permits	Environmental	Slowness of the process and uneven criteria	High	Relationships with authorities
Suppliers and contractor management	Financial	Lack of liquidity, delays, and complaints	High	More detailed analysis, payment options

Risks Inherent to Business Activities

Name	Description of the risk	Potential impact of the risk	Actions
Forest fires caused by Transelec (electric shocks)	Sparks from lines or contact with flammable elements that could cause fires that affect assets or third parties.	Very high	Plant cutting and pruning; technological improvements and improvements to the design of lines and structures; preventative education for neighboring communities
Forest fires caused by third parties	Grassland burns; high temperatures	High	Plant cutting and pruning; technological improvements and improvements to the design of lines and structures; preventative education for neighboring communities
OT safety breaches	Any physical threat to critical cyber assets or information or telecommunications transportation systems.	High	Security simulations; establishment of operational continuity protocols; training and supervision

Other Risks

(GRI 201-2, 207-2, CMF 3.6 ii c, e)

Information security risks: Information transportation systems or telecommunications systems are vulnerable to cyber or physical attacks that compromise the safety of the Company's information and directly impact the:

- Cost structure
- Prices of offers under development or other data
- Possible internal failures in systems such as GO, SCADA or SLRP

Free competition risks: The Company is exposed to disputes with the authority that verifies industrial free competition compliance due to its large size compared to other companies in the field. Tenders for new regulated transmission project construction and operation are highly competitive with the participation of companies at the international level.

Opposition to the operation of facilities: Transelec interacts with numerous communities throughout its operations. This may lead certain communities to oppose to the operation of our facilities and/or development of new projects.

Environmental risks associated with the Company's operations, such as:

- Noise pollution because of the equipment that operates in substations
- Transmission line noise
- Oil spills from equipment
- Environmental pollution during new facility development or construction

We have conducted studies to identify the effects of climate change on facilities' operations as well as opportunities to optimize the design of new projects and address effects such as:

- Higher temperatures
- Droughts
- Increased intensity of natural phenomena

The Project Sustainability and Development Office manages environmental permits. Its staff approaches authorities and communities located near the projects, verifying that there is early management and compliance with conditions for optimal permit granting.

Tax risks: The Transelec Tax Team is part of the Controller's Office (Vice Presidency of Finance).

One of this division's most important functions is to ensure that group companies report and pay taxes in a timely fashion and correctly (income, VAT, retentions, etc.). It is also responsible for clearly and promptly responding to requests from the Internal Revenue Service (SII), General Treasury of the Republic, municipalities, and other entities responsible for tax oversight.

From the risk management perspective, the Tax Team manages a tax risk matrix that is updated quarterly. Each risk is identified and categorized based on its likelihood and impact for the group. Based on that categorization, each risk is prioritized, and specific mitigation plans are generated.

Regarding routine tasks, the tax determination processes are reviewed and validated by the senior tax analyst or assistant manager prior to proceeding to declare and manage their payment.

Regarding business development processes and financing, there are set procedures that ensure the participation of the Tax Team in the analysis and assessment of investment projects. Furthermore, the Company has formal tax regulations review and updating processes. The Tax Committee is a space in which all team members participate in discussions of tax changes and updates as well as changes in oversight criteria and interpretations of laws.

3

Growth: Investment Value

Regulatory Context

(CMF 6.1 iii, iv)

Transelec plays an important role in Chile's energy development. We own and operate most of the electricity transmission facilities that comprise the National Electric System and are part of the National, Regional, and Dedicated (unregulated) systems. As of December 31, 2022, the Company had US$4.068 billion in transmission assets in the country.

Today Chile is facing the major challenge of shifting to clean energy generation and decarbonization. Our Company's mission is to create value in society by allowing the new energies that are generated to be transmitted.

Our growth comes from the development or acquisition of regulated or dedicated (for specific customers) projects and assets. Due to the nature of the electricity transmission industry in Chile, most new project development is determined by the regulator. As such, the regulatory context is key.

The regulatory context that determines the operation of Chile's transmission segment is based on Decree with Force of Law No. 4 of the Ministry of the Economy, Development and Reconstruction of 2006. This law establishes the consolidated, coordinated, and systematized text of Decree with Force of Law No. 1 on Mining of 1982 and the General Electric Services Law, henceforth indistinctly the "LGSE." The LGSE and its complementary regulations set the rules for the correct operation of the electricity sector. They govern the technical, safety, coordination, quality, information, and financial aspects of the operation. Said rules must be followed by all of Chile's electric facilities, whether they generate, transport, or distribute electricity.

Law 19.940, the "Short Law," which modifies the LGSE, was passed in 2004. Among other things, this law guarantees transmission companies' income once it goes into effect.

The most recent important reform of the LGSE is the recently passed Law No. 20.936/2016 (Transmission Law), which establishes important changes including:

- A single National Electric System Coordinator that is independent of market stakeholders. It replaces the Economic Load Dispatch Centers.

- The redefinition of the transmission systems. They are now classified as the National Transmission System (formerly the trunk system), Regional Transmission Systems (formerly sub-transmission) and the Dedicated Systems (formerly additional). In addition, two new segments were added: Developing Poles Transmission Systems and International Interconnection Systems.

Transmission Systems Business Model

(CMF 6.2 ii)

National System

Interconnected substations and lines from Arica to Chiloé. They are economically efficient and necessary to meet demand under various generation availability scenarios.

Regional Systems

These are facilities interconnected to the electric system for the exclusive provision of energy to groups of free or regulated final consumers. They are generally located in and around cities where distribution companies operate.

Dedicated Systems

Transmission lines and equipment mainly used to provide energy to non-regulated customers or to remove the production of a plant or limited group of generator plants. Transportation using these systems Is governed by private agreements between the parties.

Transmission Systems

Electricity lines and substations used to transport the energy generated in a single developing pole to the transmission system, making efficient use of the national territory.

For more information, see the Regulatory Context section of Chapter 9 Annexes.

Rate Studies

New 2020-2023 rate process -National and Regional Transmission Systems

The 2020-2023 rate process for the National and Regional Transmission Systems began in 2019 and continued with the first Transmission Facilities Qualification Process by Law No. 20.936/2016. The consultants responsible for the National Transmission System Assessment Study were Consorcio Synex Ingenieros Consultores Ltda., Estudios Energéticos Consultores S.A., and Equipos Servicios de Ingeniería S.A. The company SIGLA S.A. handled the Regional Transmission Systems. Both studies were launched in 2019.

The stages were completed, and the CNE published the Final Technical Report of the National and Regional Transmission Systems Assessment Studies on March 2, 2022. They were amended by the Authority on March 25, 2022. On April 25, 2022, the Energy Ministry sent Decree No. 7T-2022 to the Office of the Comptroller General of the Republic. The decree sets the National and Regional Transmission Systems' Valuation for 2020-2023. This is still pending, and we hope that it will be published during the first half of 2023. Once the decree is published, the rates will be applied retroactively to January 1, 2020.

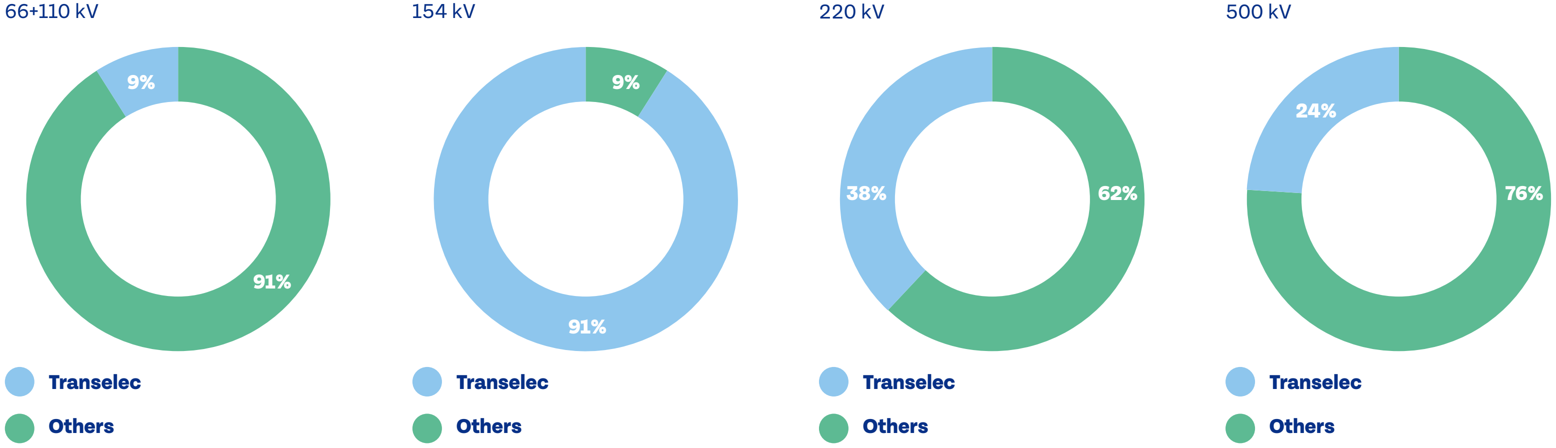
Considering the delay in the publication of the 2020-2023 rates and the retroactive effect to 2020, the Company decided to register a provision for lower income that allows it to try to better reflect the income that it should have received during that period.

On December 31, 2021, the CNE began the National and Regional Transmission Systems Valuation Studies process for 2024-2027.

Market Share

Given the transmission market remuneration system, the Company receives income as profit on the assets that represent its installed transmission capacity. As such, market share is not a key factor. However, Transelec has the following share of transmission lines based on tension level. This reflects its important presence in operational high-tension lines, particularly 154 and 220 kV lines.

Market Share through December 31, 2022



[1] Internal data were used to calculate the number of kilometers of Transelec lines. The authors used data from the National Electric Technical Coordinator for other companies.

Investment Plan

(CMF 4.3)

The Transelec investment plan is subject to regulators' approval of certain initiatives. The National Energy Coordinator must conduct a transmission planning process each year. It must include at least a 20-year horizon. This planning covers the expansion projects required for National, Regional, Developing Poles, and Dedicated Transmission Systems used by public service distribution concessionaires for user supply subject to price regulation. As a result of this process, the CNE developed a technical report. Based on that report, the Energy Ministry will establish the transmission system expansion plan for the next 12 months. The National Electric Coordinator, henceforth "the Coordinator," is the entity responsible for holding annual international tenders to award said transmission projects based on the level of robustness and growth and it considers to be adequate and necessary for the system.

While it is true that the Chilean government makes decisions regarding the Regulated Transmission System, Transelec plays an active role in the promotion and acquisition of regulated expansion projects. It has become a leading stakeholder in the sector, promoting and identifying high value projects for the Company and promoting improvements to regulations in order to make room for a new business that is of interest to it, such as the bilateral agreements that are part of the Dedicated System.

Investment Value

The current regulatory framework establishes mechanisms for calculating and publishing the transmission companies' assessment of investments at market prices. This information is used to set rates for the service. The valuation of Transelec transmission facilities was US$ 4.068 billion as of December 31, 2022.

Investment value (in billions of US$) (T2-3)	US$
2018	3.981
2019	3.942
2020	3.972
2021	4.170
2022	4.068

Projects and New Business

(T8-1, 6.2 ii)

Projects Under Study

Transelec S.A. evaluated new projects under tender through the National Electric Coordinator based on the list from Decree No. 257/2022 (issued in 2023).

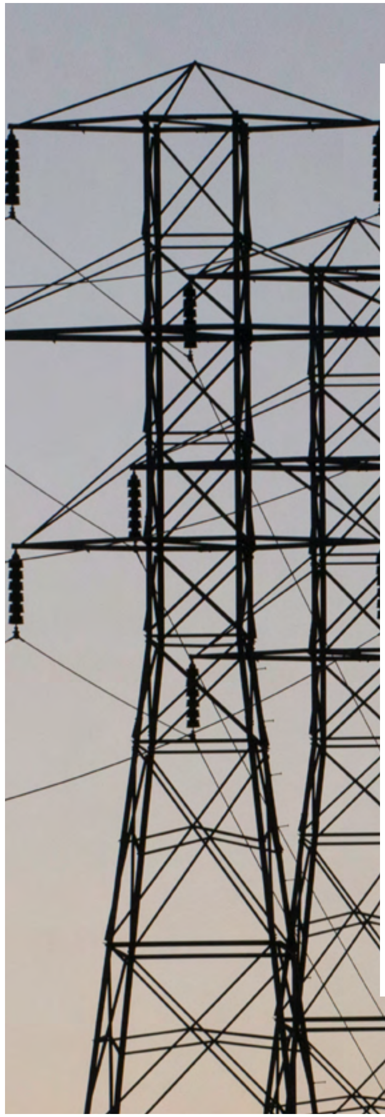
In the case of expansion projects, it participates in associated projects.

Projects Under Development

Transelec S.A. has a portfolio of 43 projects and total related investments of US$ 832 million. More than half of the projects that we are developing involve the expansion of the National and Regional Systems.

In 2022, the following projects were energized as a contribution to efforts to increase the robustness of the electric system. This involved an investment of US$ 307 million.

- New Lastarria 220/66 kV substation: We energized the New Lastarria Substation, making the electric transmission system in the Loncoche area more flexible and robust.
- Capacity increase of the 2x220 kV Tineo - Puerto Montt Line and Tineo substation expansion
- New Río Aconcagua 220/110 kV substation: We energized the Río Aconcagua substation project in the municipality of Llay Llay.



Number of projects and related investments (in millions of US$)		National system		Regional system	
		No.	Investment	No.	Investment
New projects	Awarding of tender	0	0	0	0
	Project development (*)	3	228	2	39
	Start-up of operations	0	0	2	43
Total new projects		**3**	**228**	**4**	**82**
Expansion projects	Awarding of tender	13	96	3	8
	Project development (**)	4	67	9	67
	Start-up of operations	2	12	0	0
Total expansion projects		**19**	**175**	**12**	**75**
Total projects		**22**	**402**	**16**	**157**

Number of projects and related investment (in millions of US$)	Dedicated system	
	No.	Investment
Awarding of tender	2	16
Project development		
Start-up of operations	2	252
Total projects	**4**	**269**

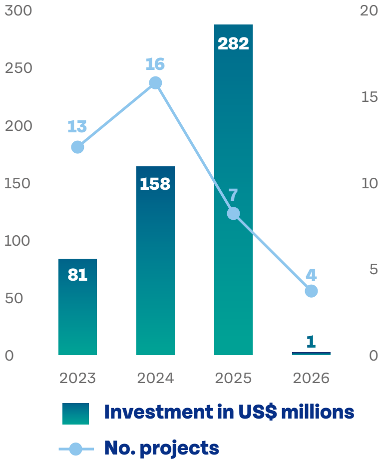
(*): Includes Parinas-Likanantai project while Transmisora Parinas receives the approval of the project ownership.
(**): It includes 4 expansion works that should have been assigned to Transelec Concesiones and Transmisora Pacífico. The respective modification has already been requested to the authorities.

Transelec Renewable Energy Projects

(T9-1)

Conditioning of Valle del Sol Lines (Miraje Substation): Transelec will build, operate, and maintain the electricity transmission system for the Valle del Sol photovoltaic park in the municipality of María Elena. This park will have an installed capacity of 162 MWDC.

Upcoming Energizing and Related Investment Projects for Transelec S.A. 2023-2026 (*), (**)



Quebrada Blanca Transmission System:

We strive to provide the best possible transmission solutions to the mining industry. We built a transmission project for Minera Quebrada Blanca that will allow it to energize its new Quebrada Blanca 2 mine.

The transmission solution consisted of:

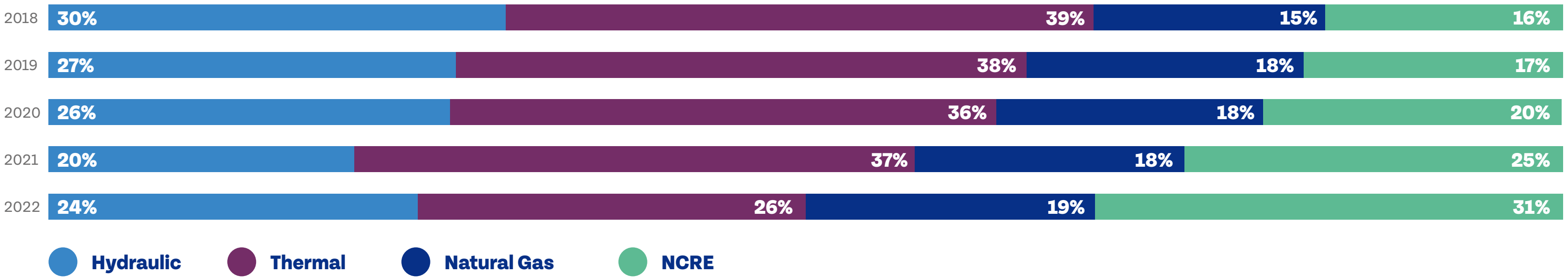
- Building the new 200 kV Puerto Patache, Tarapacá-Cóndores substation
- Building the new 220 kV Geoglifos Tarapacá-Lagunas substation
- Expansion of the 220 kV Tarapacá substation.
- Expansion of the 220 kV Lagunas substation.
- Building a new 2x220 kV line stretching 122 kilometers, including one kilometer of underground line.

This project will be operated using the BOOT modality. The Company will build and operate the facilities during a specific period as the owner and will later transfer them to the client.

For more information on the project, **click here**

Transelec is committed to decarbonizing Chile's energy matrix. We offer transmission solutions for renewable energy projects and efforts to increase the system's capacity to transport energy. We have steadily increased the percentage of renewable energies that we transport since 2018. This year, NCREs represented 31% of our revenues.

Revenues by type of energy



Digital Transformation and Innovation Management

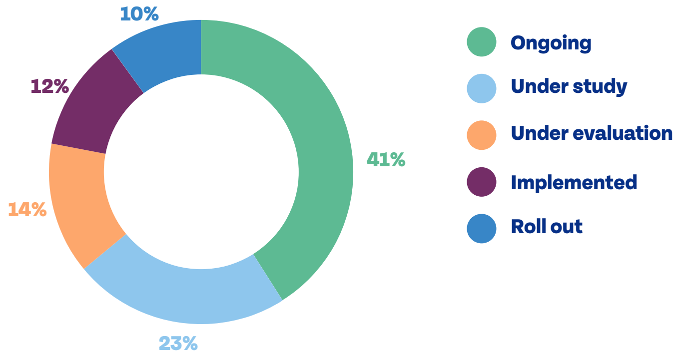
(T7-1, T7-2, CMF 3.1 v)

Digital transformation and innovation are among our strategic levers because their development is critical to ensuring operational continuity through the anticipation of risks and economic decision-making.

Transelec has a Technology and Innovation Department that manages a broad portfolio for the entire Company. Various business units participate in initiatives that offer high-value opportunities. This department has methodological, financial, technical, and technological capacities for promoting and supporting the development of the portfolio in coordination with the product owners that lead each initiative. Innovation and digital transformation are constantly monitored through monthly governance on different levels, from initiative leaders to the Executive Committee, which is comprised of our Vice Presidents and CEO.

Our portfolio has nine development focus areas. In 2022, we included rate automation and processing due to their importance for the Company. This brings the total number of projects to 49.

Status of Innovation Projects 2022



transelec ventures:

This year, we used the Venture Client model to attract start-ups interested in developing innovative solutions to key challenges that our operations consistently face. These include cleaning isolators, achieving zero noise transmission, and developing more efficient data collection and processing systems. This year's call included three challenges:

- Sustainable transmission The challenges we face include keeping isolators clean, reducing, or eliminating the use of water, reducing impurities, and keeping birds away from structures, among other factors.
- Data intelligence This challenge involves improving decision-making processes through the capture and analysis of operational data obtained from facilities, equipment, and systems.
- Zero noise The Company is also looking to decrease the noise level and/or keep it from spreading beyond our facilities.

Click here for more details on Ventures

Digital Culture:

We applied Deloitte's Digital DNA tool for the third consecutive year. It monitors the progress made and maturity of the digital transformation of the business. Sixty-five percent of active Transelec employees participated in this measurement, allowing us to assess our organization's technological maturity so that we can develop plans of action based on the gaps and opportunities identified.

A) Modernization of business resource planning

We endeavor to move forward with our digital transformation, implementing the most modern business resource planning (BRP) software in the market, SAP S/4HANA. BRP systems are key to automating and streamlining internal processes. This project consists of three lines of development:

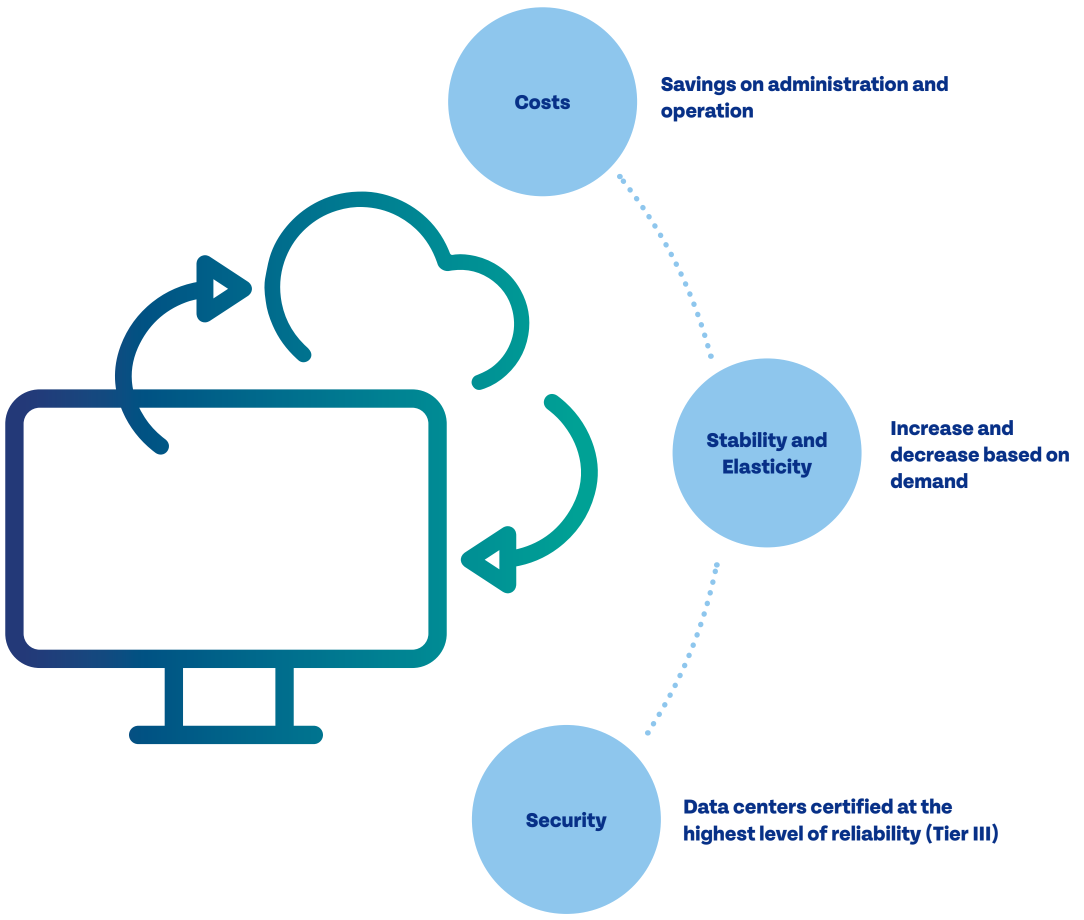
- Technical migration from the current SAP to S4 Hana: This year, we implemented the To Be[1] definitions after gathering As Is[2] processes in 2021. We also gathered personalized developments, which will be redesigned so that they can be implemented using standards native to the new BRP. The migration process will be completed in 2023.
- Finance Modules (CFO): The environments were prepared during 2022, and we defined the processes, implementation of best practices, configurations, data preparation, training for various users, and production outcome.
- People Modules (Success Factor): In 2022, we completed the To Be gathering, prepared environments, and completed configurations, training activities, and production outcomes.

This project involved a major deployment of resources within the Company. A total of 216 processes were identified during the To Be processes through 100 meetings involving over 160 participants from various areas.

The implementation of the project was designed using a Brownfield approach, which consists of conversion and migration from the existing systems, with their functionalities and data, to the new S/4HANA. We plan to complete the final migration and introduction of new processes, modules, and functionalities that did not exist in our old SAP version in 2023.

B) Cybersecurity:

Due to the importance of security and agility in the management of our data, we consistently face the challenge of implementing solutions to respond to business needs and digital transformation. One key decision that we made in this regard was to establish a strategy to migrate a large part of our servers and systems to the Amazon Web Service cloud, a process that involves a series of benefits.



[1] To Be processes refer to the identification of solutions to problems identified during the As Is process.

[2] As Is processes involve describing the processes as they are actually developed.

4

Customers: Comprehensive Vision with *exceptional* service

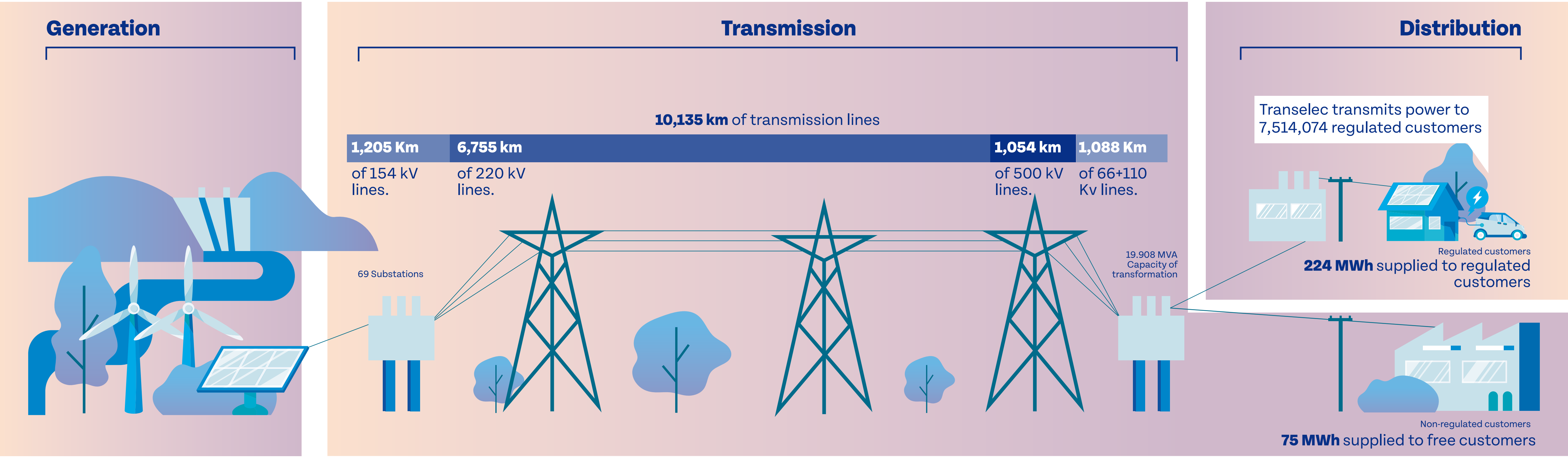
Our Customers

(GRI 2-6, SASB IF-EU-000.A, CMF 6.2 i)

As a Company, we believe that we must ensure that our customers have an excellent experience throughout the life cycle of the business.

Our customers are users that inject or withdraw energy from transmission systems. The majority of them are electricity generators and distributors, industrial clients, and mining companies. Transelec serves as the link between energy generation and energy demand. We have included Customers as one of the three pillars of our new Corporate Strategy in an effort to expand the approach that we have traditionally used. One of the challenges that we face involves including a focus on the final energy user: households, equipment, services, and all of the infrastructure that ensures that all Chileans live well and that the country develops. As such, it is our duty to deliver reliable and uninterrupted energy supply to all of our customers.

In 2022, we restructured the Vice Presidency of Business Development, including a new division called Open Access and Customers. The purpose of the latter entity is to serve as a single window for managing customer relations more efficiently. Last year we also hired a new Vice President of Business Development. She will focus on developing new business within the Company and increasing Transelec's competitiveness in the market and in tender processes.



Our final customers are also our neighbors

April 2022: Transelec made improvements to a key roadway for San Ramón Alto in collaboration with local residents and the municipality of Quilaco. The Company responded to the need identified by the municipality's Neighborhood Council and invited the Municipality of Quilaco to sign a cooperation agreement to improve the route used to access the sector. The project allowed for two kilometers of the San Ramón Alto roadway to be improved. This was done in the context of the construction of Transelec's Los Notros isolator substation.

In the coming years, we will face major challenges related to designing our approach to our customers. These include:

- Implementing a Customer Policy within the Company.
- Enhancing unregulated business, creating business opportunities with dedicated clients, and, in this sense, supporting mining and industrial clients' efforts to move towards decarbonization.
- Ensuring full compliance with all service quality standards.

No. of final customers(*)

(GRI 2-6)

2021
7,318,093

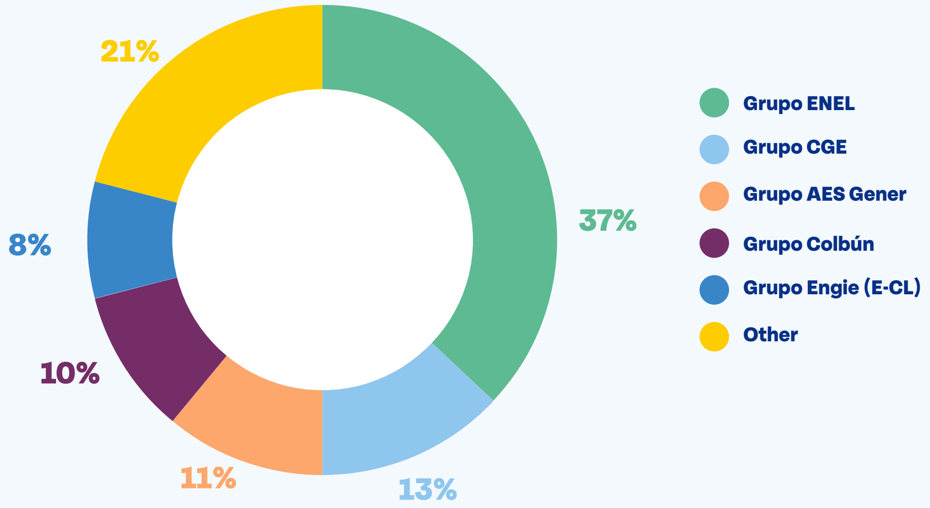
2022
7,514,074

Total electricity provided by customer 2022 (MWh)

(SASB IF-EU-000.B)

Non-regulated customers	Regulated customers	Total
75	224	299

Income by Customer 2022 (%)



(*): Corresponds to the number of electricity meters

Rates

(SASB IF-EU-240a.4)

One key aspect of our Company's performance as a regulated business is the rates that are regulated by law and set every four years for most of our revenue. Rates allow us to obtain revenue based on our installed (take-or-pay) capacity. They guarantee us 20 years of fixed income from the moment new system expansion projects are placed into service. The rest of the rates are the result of bilateral agreements.

It is important to note that the information on rate review is available on the National Energy Commission website, where the final customer can find the exempt resolutions published on bi-annual rates.

For more details on rates in the context of the Regulatory Landscape, **Chapter 3** and **Chapter 9 Annexes**.

Average retail electricity rate for customers (billions of Chilean pesos)	2018	2019	2020	2021	2022
Total revenue	329	379	333	306	440
Generator customers	323	371	268	249	345
Distribution customers	206	224	58	48	84
Mining customers	5	5	5	5	6
Industrial customers	2	2	3	4	4

Service Quality

(CMF 3.6 ix, T4-1)

In an effort to continuously improve its relationship with its customers, Transelec conducts a satisfaction survey. The survey has allowed us to get feedback from critical customers regarding electricity service.

Connection customer satisfaction	2018	2019	2020	2021	2022
Percentage of customers that report that they are "Satisfied"	93%	*	73%	95%	95%

*The survey was not applied due to the protests that took place that year.

Operations

(SASB IF-EU-240a.4)

Transelec is Chile's leading energy transmission company. Our direct commitment to our customers should be reflected in our operations and the management of our assets. Our goal is to provide quality service with high safety standards.

Operational Continuity and Safety

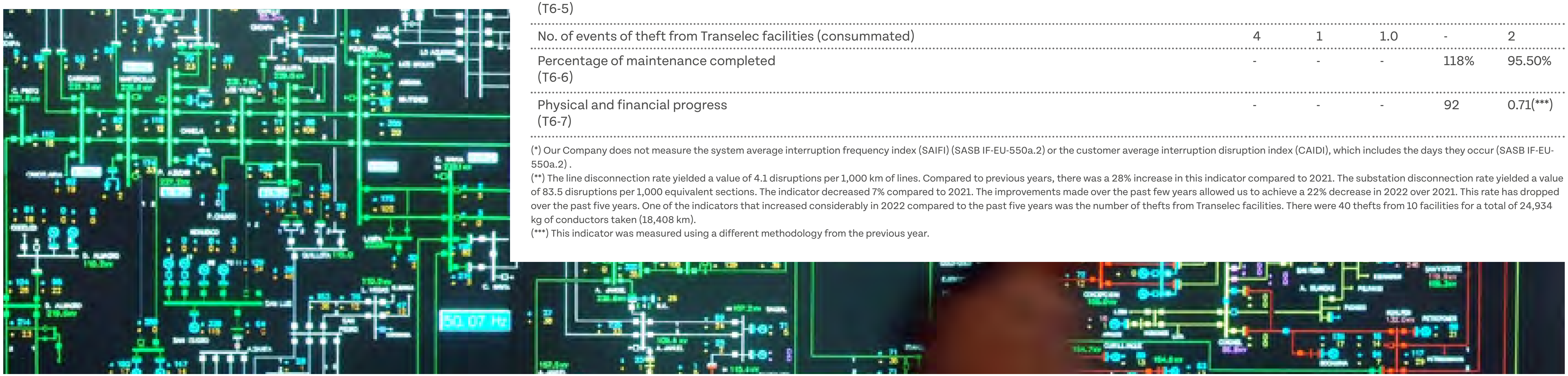
One of the indicators that we use to monitor the performance of the facilities is the Disconnection Rate. This rate measures the number of disruptions due to internal incidents at Transelec´s facilities in relation to the number of assets. It is disaggregated based on transmission line events and substation events. Another strategic indicator that allows us to ascertain the impact on our clients is the Energy Not Provided due to disconnections.

Indicators associated with operational continuity	2018	2019	2020	2021	2022
System Average Interruption Duration Index (SAIDI) (hours) (T6-1, SASB IF-EU-550a.2)(*)	3.4	1.2	0.8	0.066	0.057
No. of high impact events (over 30 MWh equivalent to the 15% of disruptions that produce 80% of total impact) (T6-2, SASB IF-EU-550 a.1)	6	3	4	3	3
Transmission Line Disconnection Rate due to internal causes (number of disconnections forced due to an internal cause per 1,000 km of circuit) (T6-3)	4.3	3.8	3.5	3.2	4.1
Service interruptions (MWh) (T6-4)	1.367	503	905	386	299
Substation disconnection rate (number of disconnections per 1,000 circuit ends)(**)	83.5	67.8	73.1	89.8	83.5
No. of thefts from Transelec facilities (consummated)	6	5	-	1.0	40
Tons of conductors stolen from Transelec facilities (consummated) (T6-5)	3.0	4.2	-	0.4	24.9
No. of events of theft from Transelec facilities (consummated)	4	1	1.0	-	2
Percentage of maintenance completed (T6-6)	-	-	-	118%	95.50%
Physical and financial progress (T6-7)	-	-	-	92	0.71(***)

(*) Our Company does not measure the system average interruption frequency index (SAIFI) (SASB IF-EU-550a.2) or the customer average interruption disruption index (CAIDI), which includes the days they occur (SASB IF-EU-550a.2) .

(**) The line disconnection rate yielded a value of 4.1 disruptions per 1,000 km of lines. Compared to previous years, there was a 28% increase in this indicator compared to 2021. The substation disconnection rate yielded a value of 83.5 disruptions per 1,000 equivalent sections. The indicator decreased 7% compared to 2021. The improvements made over the past few years allowed us to achieve a 22% decrease in 2022 over 2021. This rate has dropped over the past five years. One of the indicators that increased considerably in 2022 compared to the past five years was the number of thefts from Transelec facilities. There were 40 thefts from 10 facilities for a total of 24,934 kg of conductors taken (18,408 km).

(***) This indicator was measured using a different methodology from the previous year.



Asset Management

(T5-1, SASB IF-EU-240 a.4)

In 2022, we continued to develop the Asset Management System implementation project, which was formally launched in 2021 based on ISO 55001, increasing our level of maturity. One of the most emblematic tasks at the internal level was the creation of the Asset Management Strategy Plan (Plan de Estrategia de Gestión de Activos, PEGA). The strategy has evolved in a positive way and is in the final construction phase.

During 2022, our activities were mainly focused on identifying models and techniques for the strategic and tactical phases, training activities related to asset management, and updating processes and standards for comprehensive asset life cycle management. It has been very challenging for the Company to ensure collaboration with the Vice Presidencies of Operations, New Business and Engineering, and Project Development to manage assets throughout their life cycle: from the construction of a project through its operation and maintenance.

The asset management efforts made in 2022 included:

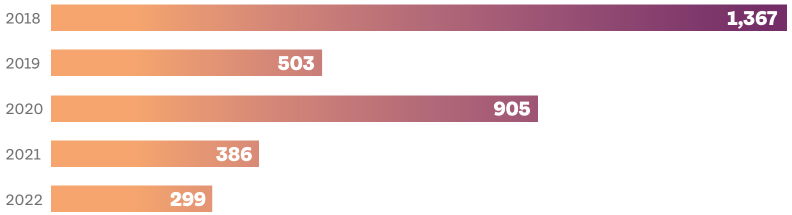
Continuous improvement of the measures and plans of action provided.
This is done to ensure that our assets are dependable.

Exploring innovative maintenance techniques, which strengthens the maintenance strategy with a focus on the final customer (use of drones for inspections or isolator cleaning using helicopters, etc.).

Improving our processes.
To offer a timely asset renewal and maintenance program with prioritized investments in OPEX (Operational Expenditures) and Sustainable CAPEX (Sustainable Capital Expenditures).

Definition of the optimal replacement value of our assets in the medium- and long-terms.
In an effort to ensure that the Company's assets are healthy and to promote the sustainability of the business life cycle, plan the future business plans, and anticipate the organization and structure required to execute the replacement plan (people, suppliers, stock).

Energy not supplied (MWh)



Digital Asset Management

Digital asset management is key to the aforementioned comprehensive life cycle management perspective. We are incorporating various platforms to ensure the health of the assets. Our goal is to increase algorithms in order to cover more of them.

Ventures Zero Noise Challenge:

Click **here** to learn more about the Ventures Zero Noise Challenge

Centinela: Technology for smart monitoring of energy transmission lines

In partnership with LESS Industries, we co-created a device that is installed on electrical lines and connected to the cloud to send data on the status of conductor cables. We are now making this technology available to the entire industry. Over 200 Sentinels have been placed on Transelec lines, particularly in the most isolated, least serviced areas with the greatest risk of disruption. These are managed by the new Safety Management Monitoring Center that the Company is creating.

For more details, click **here.**

In September 2022, individuals detonated explosives on a 220 kV Hualqui - Lagunillas high tension line structure owned by Transelec in the Biobío Region. The attack caused the tower to collapse, damaged two others, and caused the conductor cable to fall into the Biobío River. Service was not disrupted in residential or industrial areas thanks to the backup systems, but the arduous task of rebuilding the impacted line began that same day. The Company also had to organize itself differently, work in a difficult area, and try to resolve the problem as quickly as possible. This event changed our work environment and introduced new risks that we must mitigate.

However, neither consumers nor employees were impacted, and the Company maintained its level of service quality. We have implemented a temporary solution to keep the line operational while we complete work on a final remedy.

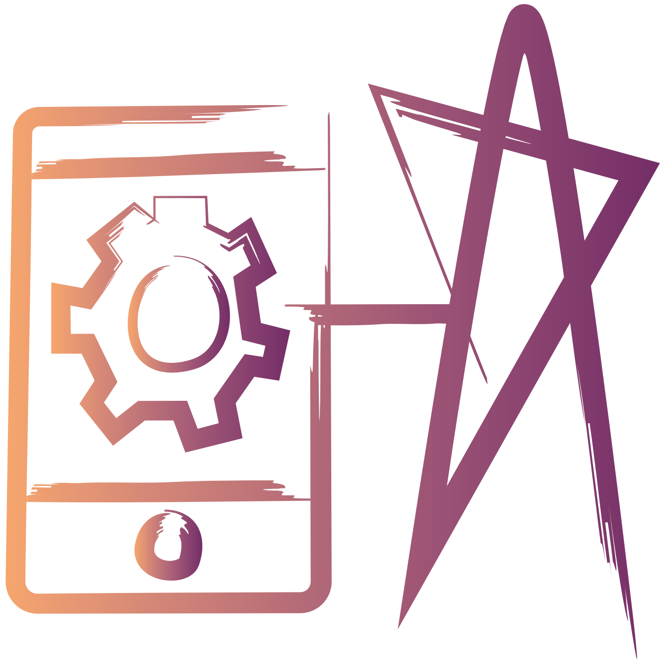
Cybersecurity

As a Company, we are on the cutting edge of our industry in the application of cybersecurity regulations. In 2020, we introduced an online monitoring system that warns us of threats to the system. We have expanded our critical cyber asset protection measures and change management within the organization. No gaps were identified in the National Electric Coordinator reviews.

One of the pending challenges is rate recognition for some of the cybersecurity protections that we have implemented. The goal is for said protections to represent more than added costs. Indeed, we want them to be part of the standard to be applied in the industry. All of the networks and companies are connected, and if one company has a lower standard, it is a point of vulnerability for Transelec as well. We are therefore interested in raising the cybersecurity standard of the electricity industry throughout the country's network.

At the governance level, Transelec has a Transelec Cybersecurity Committee and a corporate Cybersecurity Operations Committee (CISO). There is also a Cybersecurity Incident Response Group (CSIRT) and cybersecurity risk management process. Transelec employees' obligations in regard to cybersecurity are set out in the company's Regulations on Order, Hygiene, and Safety. Our Cybersecurity Policy is also published on the intranet.

We recognize that cybersecurity should be part of our culture. In view of this, we implement an annual training plan, publish information on corporate media such as the intranet and mass emails, conduct fake phishing tests, and offer a cybersecurity talk each year in October.



Suppliers and Contractors

(CMF 5.9)

Our suppliers and contractors are fundamental to our ability to deliver excellent transmission services. They play a role in the operation of high-tension lines and substations and in the development of new projects. They also provide essential services in such diverse areas as meals, maintenance, and cleaning.

We seek to maintain ongoing communication and trust with our suppliers and contractors. One of our main responsibilities is to ensure that both suppliers and contractors follow Transelec policies and meet our standards.

Relationships with Suppliers and Contractors

Our Procurement Policy regulates our relationship with suppliers and contractors. We also have a Procurement Portal that provides easy access to documentation, tender processes, consultations, and observations.

We have used the ARIBA platform to automate purchasing and traceability processes since 2021. Each supplier on the platform has a unique record and ongoing feedback can be provided through:

- An assessment of the Company's purchasing area by the supplier;
- An assessment of the supplier by the Company;
- An assessment of the Company's purchasing area by the internal customer.

Sustainable Supplier Management Program (Programa de Gestión Sostenible de Proveedores, GESPRO): This program was launched in 2018. It establishes guidelines to ensure that purchasing and service engagement processes are transparent and that the entities engaged are of excellent quality. It is also designed to ensure that our suppliers work under equal conditions

For more information on the principles of the GESPRO program, click here.

Contractor Assessment Criteria

We have a Comprehensive Supplier Assessment Policy in place for the tender process for contracts associated with New Projects, Private Projects, or Supplies Procurement. It evaluates each supplier of services, construction or supplies on a scale of 1 to 5 based on their performance. Various technical and administrative aspects are considered, including criteria such accident rates and applicants' financial indicators

For more information on the aspects evaluated, click here to view Chapter 9, Annexes.

Risk Management in the Supply Chain

The risks associated with our supply chain are integrated into the Risk Management System and the audits of the measures adopted to prevent and mitigate risks.

Our contractors are subject to technical, labor, commercial-financial, and compliance information review processes that ensure the quality of the service and confirm that their practices align with our Company's corporate principles. The contracts that we enter into include a clause related to crime prevention and best practices.

Transelec Supply Chain

Statement of Need

Definition of Purchasing Strategy

Purchasing Process Management

Awarding and Satisfaction of Need

Supplier type	Total No.
Number of workers associated with our contractor companies (GRI 2-8)	3,508
Total number of suppliers	1,981
Number of SME suppliers	779

Supplier Payments

(CMF 7.1)

Transelec's payment policy sets a 30-day term. However, following the protests that took place in Chile in late 2019, and in an effort to help SMEs (Small and Medium Enterprises), the Company decided that payments will be issued within approximately seven days for all suppliers. This criterion is still in place.

Average supplier payment term (in days)

2021	2022
27	12

Average supplier payment term for SMEs (in days)

2021	2022
12	9

Amount paid to Chilean suppliers this year (in millions of Chilean pesos)

2021	2022
322,169	286,592

Amount paid to Chilean SME suppliers this year (in millions of Chilean pesos)

2021	2022
205,985	197,403

Complaints Channel for Customers, Suppliers, and Contractors

(GRI 418-1 / CMF 3.6 ix)

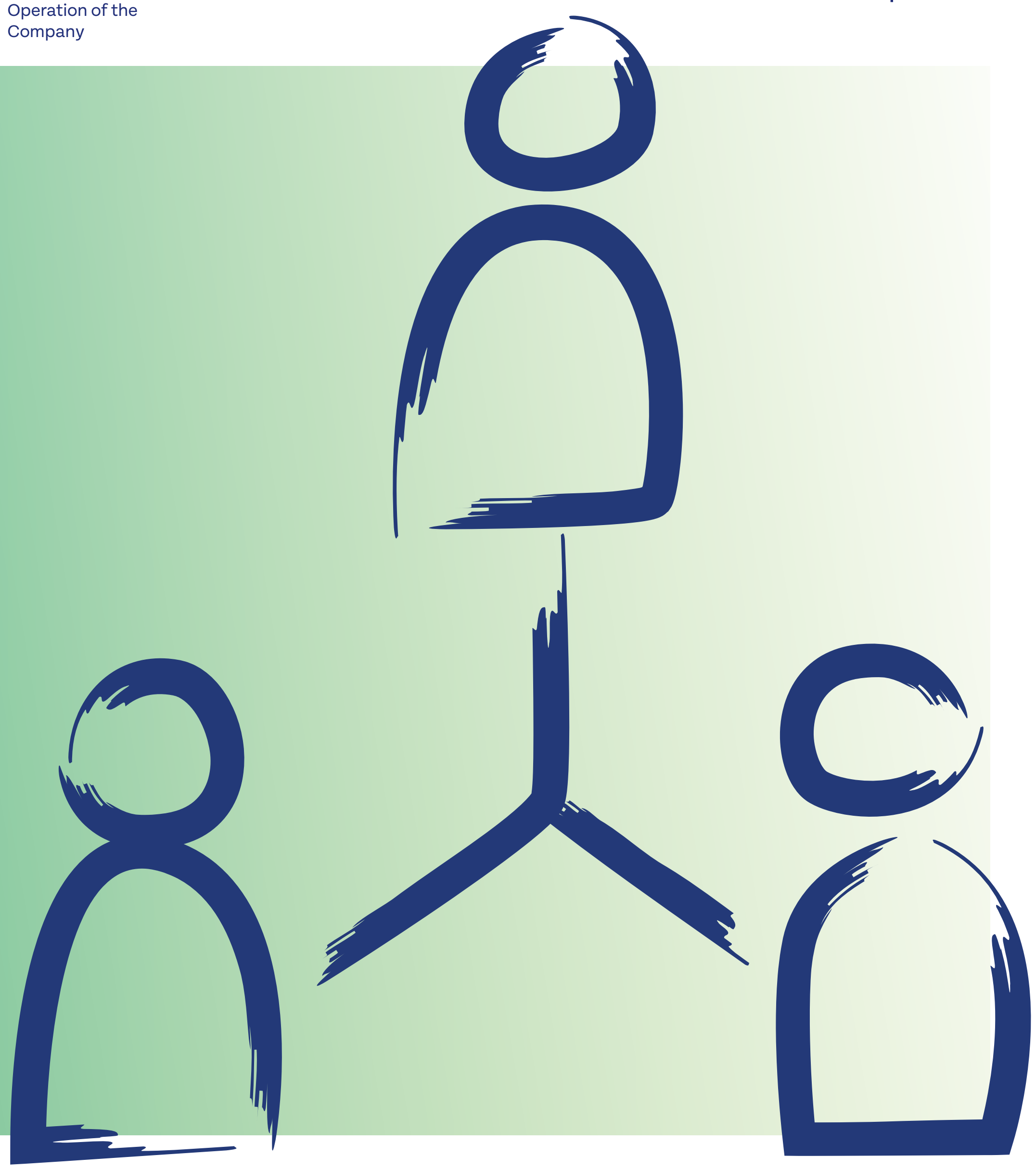
Customers, suppliers, and contractors have a channel available to them to report any irregularities or illegal activities. The channel works through a website that guarantees reporting parties' anonymity. The Company publishes information about the platform through emails and/or training activities. We note that over the past four years we have received no complaints of violations of customer privacy or data loss. Nor did we receive complaints regarding suppliers and contractors.

Medium-term Challenges Related to Our Operations

- Updating our current operations strategy to align it with our new Company Strategy and general goals.
- Expanding what it means for the customer to be a pillar of our Corporate Strategy and measuring the effect of our business operations on each of our customers.


5

Our team



People

(CMF 5)

We know that people are our company's most valuable capital. We seek to create and maintain solid communication channels, opportunities for professional development, and ways to improve our employees' quality of life.

The numeric data presented in this report do not include Paola Basaure, who assumed the position of Vice President of Corporate Affairs and Sustainability on January 1, 2023.

In 2022, we had an opportunity to make the work model developed during the pandemic permanent. It is meant to be adapted to each team. The model has been very well received by our employees.

One of the noteworthy aspects of this period is related to the changes that our executive team underwent. Most of these changes were the result of promotions within Transelec, which demonstrates our commitment to professional advancement within the Company. This is the case of our new CEO, who used to be part of the Transelec Executive Team. This year we also focused on female leadership, and women were hired into the positions of Vice President of Business, Manager of Regulatory Affairs, and Vice President of Corporate Affairs and Sustainability (the latter in January 2023).

Other noteworthy progress made in 2022 is presented below:

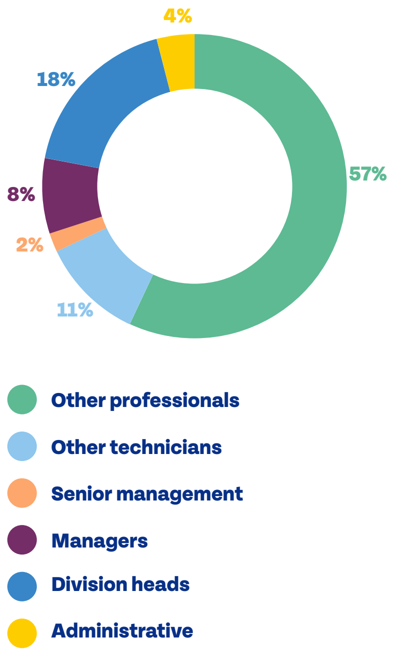
- Approval of the Diversity and Inclusion Policy
- New KPI model for executives
- The CONECT@ project, which has five lines of action meant to make the flexible work model sustainable
- An in-person Inclusive Leadership workshop for all Santiago and regional leaders

Staffing

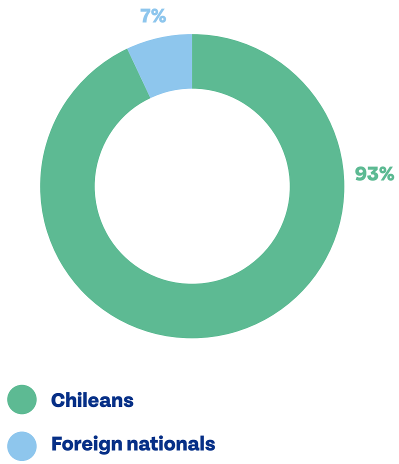
The nature of our business requires ensuring operational continuity. This is achieved through adequate management of our human resources and our employees' commitment to their work. Our team is the Company's greatest asset: it is what makes nationwide energy transmission possible.

As of December 31, 2022, Transelec had 587 employees, 99% of whom had open-term contracts. For more information on contract types (CMF 5.2) and work schedules (CMF 5.3), see Chapter 9 Annexes.

Staffing by position



Staffing by nationality
(CMF 5.1.2)



For more information about our staff by gender, nationality, and role (CMF 5.1.1, 5.1.2), see Chapter 9 Annexes.

Diversity and Inclusion

(GRI 405-1, CMF 3.1 vi)

Cultivating an inclusive culture is a priority for our Company, and we strive to ensure that it permeates every aspect of our work. Transelec's diversity team is responsible for ensuring that all of our employees feel safe, accepted, and respected. The Diversity and Inclusion Policy was designed and approved this year as part of that effort.

We undertook various actions in 2022 to reduce organizational, social, or cultural barriers to the diversity of capacities, experiences, and visions:

- Diversity assessment in collaboration with the consulting firm ARS Global. This included surveys, interviews, and focus groups.
- Unconscious Bias Awareness Program: We invited all employees to engage in workshops and discussions to comment on, share, ask questions or observe in a space designed to encourage reflection.
- Participation in the WEC Chile Women in Energy (WIE) program.
- Training at various levels of the organization: Coaching and workshops.
- Based on the results of the McKinsey Organizational Health Index (OHI), we sought to further explore issues of diversity through focus groups.
- Assessment of Corporate Competencies at 360 and 180 degrees, including the Managing/Working Diversity competency.

Gender Equity

(CMF 5.4.1)

This year, we continued to actively work on the inclusion and development of women in the electricity industry. In addition to working to increase the number of female workers in our Company, we took steps to ensure that they hold influential positions.

- Women represent 24% of our staff.
- We had three female members of our executive committee for the first time (the third beginning in January 2023).

We also worked to secure certification under the Chilean Standard on Gender Equity Management and Work-Life Balance (NCh3262:2012) during 2022. The goal is to have a management system that allows us to monitor our progress towards our diversity and inclusion objectives. In this regard, it is important to note that we have a diversity dashboard.

The following initiatives were developed with a gender perspective:

- Mentorships with a gender focus: These are mentorships framed by the "Gender" pillar of the Diversity and Inclusion Policy. Their purpose is to help build connections within the company. The mentees are women, but both men and women serve as mentors. These opportunities have allowed team members to get to know each other much better. The mentorships culminated in a leadership course in late 2022.

- Transelec Women's Network: One of the goals of this network, which is comprised of all of the women in the Company, is to bring women together through various spaces that the group itself proposes. This year, visits to substations were organized so that groups of network members could learn about the facilities and their operation. The Network also has offered workshops on topics of interest to both men and women and has supported the Company's female employees by giving them opportunities to share their experiences and creating a WhatsApp group that is meant to serve as a support network within the organization.

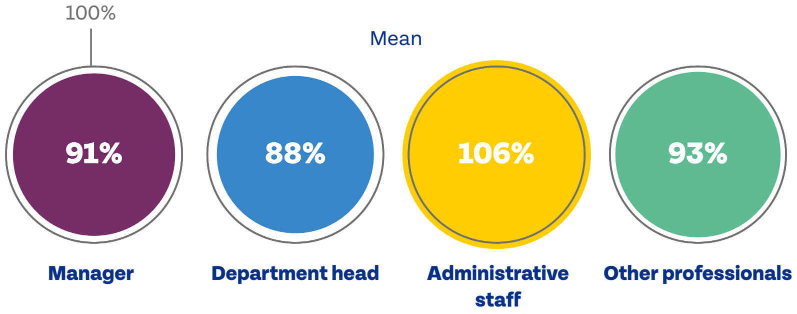
Wage gap

(405-2; CMF 3.2.xiii f,, 5.4.2)

The table below shows the wage gap at Transelec in terms of percentages. It reflects the differences between the salaries paid to men and women within the Company. This gap is based on the average gross salary paid to women as compared to the amounts paid to men (AGS Women / AGS Men).

For further details go to Chapter 9, Annexes.

Salary gap by role(*)



(*) In the graphs, it is indicated that values over 100% reflect that the salary is higher for women. If the percentage is less than 100%, it indicates that the salary is lower for women. A 100% indicates equal salaries. The farther the value is from 100%, the greater the wage gap.

Disabilities

(CMF 5.1.5)

We continued to work on inclusion as it relates to individuals with disabilities in 2022 by organizing lectures and workshops. Transelec's infrastructure is universally accessible, and we are constantly evaluating and remodeling it based on this criterion.

We have conducted a compatibility analysis for each role to identify adjustments that should be made to adapt them as much as possible in case they are filled by an individual with a disability. Today, we have nine people with disabilities on our team who perform duties related to the business.

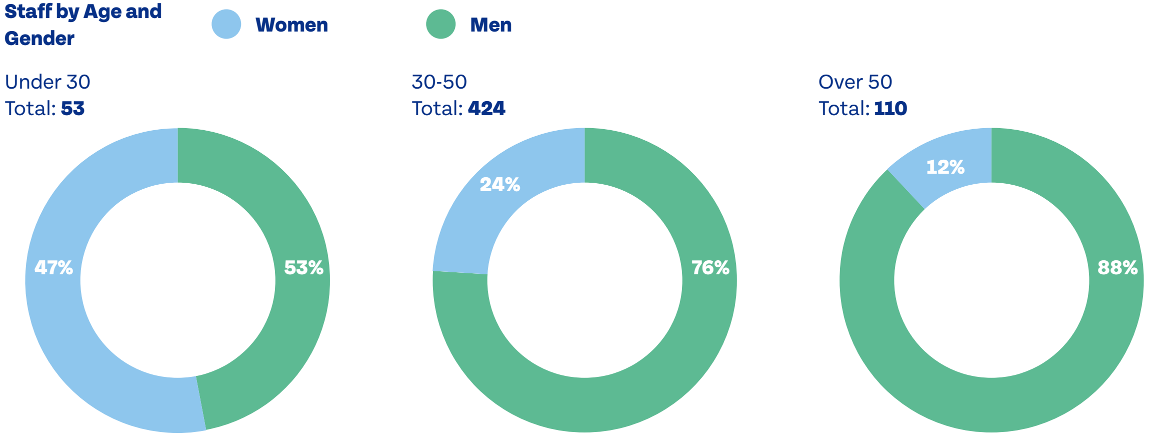
For more information on our staff organized by gender, nationality, and role, see **Chapter 9 Annexes**.

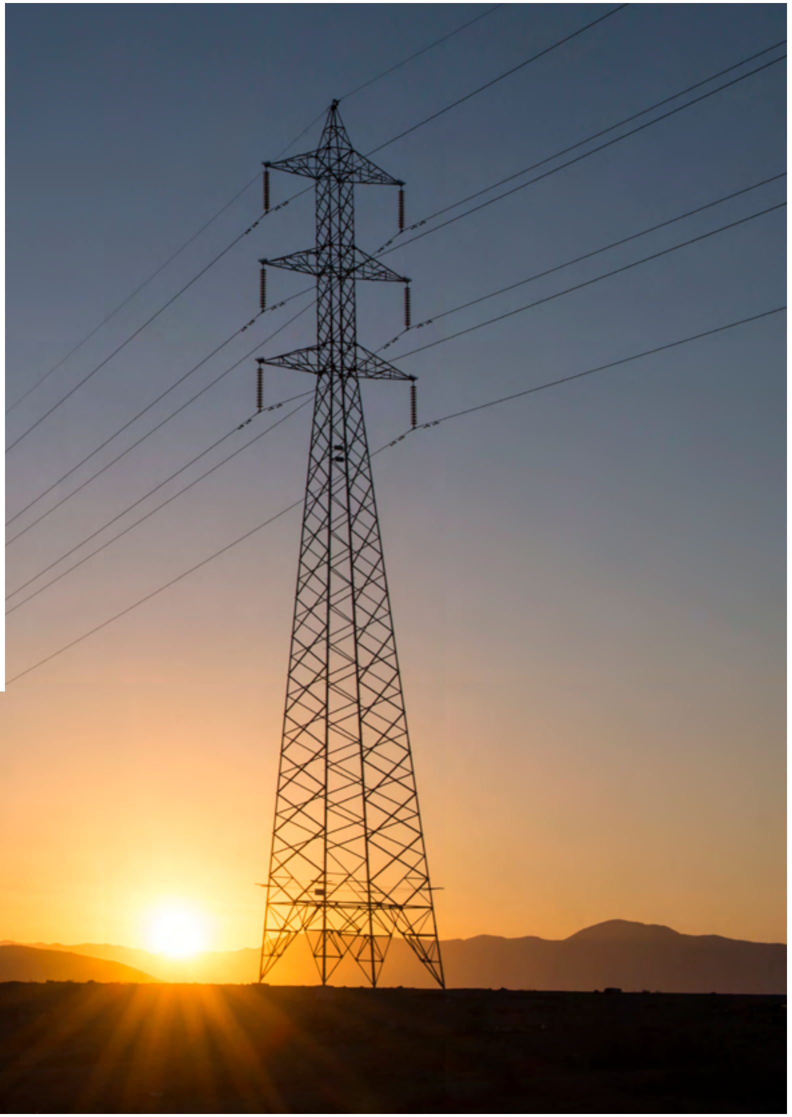
Generation Gap

(GRI 405-1; CMF 5.1.3)

Our Company employs individuals of all ages, allowing us to bring members of various generations together to build beneficial relationships. We have designed mentoring programs in order to create new spaces in which employees from different generations can get to know one another.

Staff by Age and Gender





Labor Development

(GRI 404-2)

Hiring and Turnover

(GRI 401-1, CMF 5.1.5)

In 2022, the hiring rate, which represents the percentage of individuals hired during a period compared to total staffing, was 12.3%. Of these hires, 37.5% were women and 4% were over the age of 50.

The turnover rate, which represents the percentage of people who left the Company during a period compared to total staffing, was 4.6% in the case of women and 8.9% for men.

Of the 79 people who left the Company in 2022, 64 were voluntary resignations, of which 36% were women and 64% were men.

The average number of years of service for male employees is

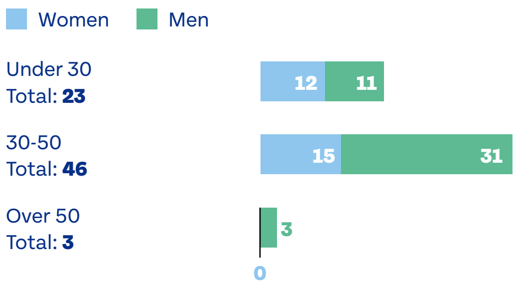
9.9 years

The average for women is

5.6 years

For more information on our employees' years of service with the Company (CMF 5.1.4), see **Chapter 9 Annexes**.

Hires by age



Turnover rate by age

Age	Rate for women (%)	Rate for men (%)
Under 30	1.4	1.4
30-50	2.7	7
Over 50	0.5	2.6
Total	4.6	8.9

% voluntary turnover (resignations, early retirement, or other)	Rate for women (%)	Rate for men (%)
	85	79

Training and Talent Management

(GRI 401-1, 404-2, CMF 5.8 i, ii)

Our team members are deeply knowledgeable and highly specialized. We offer various training opportunities designed to enhance their knowledge and competencies and teach new skills so that our employees can reach their maximum potential.

This year, we focused on understanding the needs of the various areas of the Company by mapping knowledge which allowed us to focus on technical training activities.

We implemented three development programs on cross-cutting skills:

In 2022, we invested US$ 713,500 in training activities and offered 33,600 hours of training. These activities were attended by 99% of the Company's employees (100% of women and 98.2% of men). This represents an average of 57.3 hours of training per employee and an investment of US$ 1,216 per employee. (For more information, see Chapter 9 Annexes).

Development Programs

Name	Number of program participants	Objective
Inclusive leadership program	119	To expand our competencies to become an increasingly diverse and inclusive organization.
Internal mentorship program	30	To develop leadership skills and increase the effectiveness of career development.
Graduate program (Executive MBA)	2	To teach our high potential professionals management skills and develop their leadership abilities.

12%

of our female staff was promoted.

10%

of our male staff was promoted.

Performance Evaluation

(GRI 404-3)

Performance evaluation is a tool that allows us to identify opportunities for improvement and growth in our employees' professional development. We evaluated 98% of our employees in 2022.

98%

of women were evaluated.

98%

of men were evaluated.

Labor Relations

(GRI 2-30, T3-1, T3-2, T3-5)

In an effort to foster trust and promote dialogue within our team, we have held regular meetings with the Company's two unions for many years. There was no collective bargaining in 2022.

73%

of Transelec staff is unionized.

We have not had a strike in

30 years (*)

Workplace Environment

(T3-4)

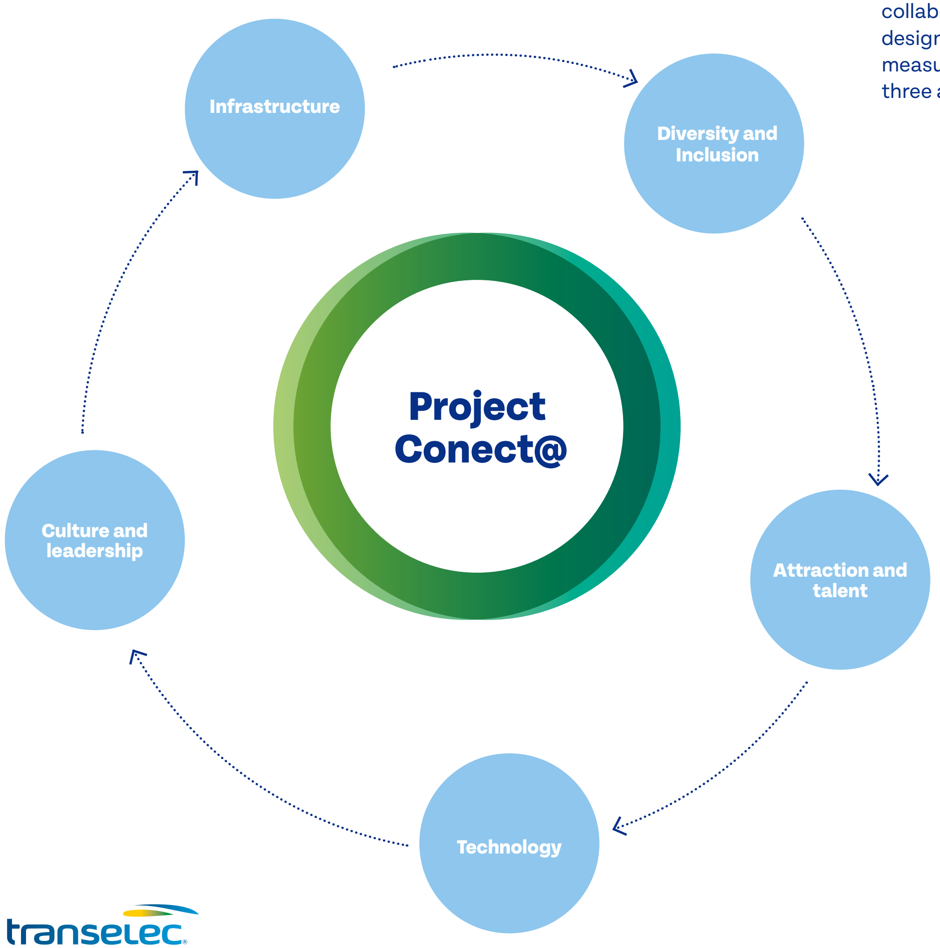
In 2022, we conducted a labor climate assessment using the Organizational Health Index (OHI) developed by the consulting firm McKinsey. The purpose of the OHI is to measure organizational health in an analytical and comparative manner. The index is applied to over 2,500 companies around the world. The results of the survey yielded an overall score of 75% and placed us in the second quartile at the global level. The vice presidencies used the results to develop plans of action to address the weakest points identified in the survey.

(*) Transelec is considered a strategic company so its workers cannot go on strike.

Well-being

Project Conect@

The goal of Conect@ is to make a new way of working sustainable based on current and future business challenges and the various aspects that impact employees. Key elements include talent attraction, diversity and inclusion, infrastructure, technology, and leadership and culture.



Conect@ seeks to create a model that works in the long-term and adapts to employees' needs and those of Transelec so that we can work collaboratively and efficiently. We are designing a group of indicators to measure the results of the project in three areas:

Benefits Plan

(GRI 201-3, 401-2, 401-3, CMF 5.8 iv)

Our team's benefits are established in the various laws, decrees, statutes, and case law that regulate the labor relationship between employees and companies.

- Remote work and flexible schedules
- Promoting diversity and inclusion efforts
- Benefits for employees who have a family member facing a serious illness
- Extending activities to include Transelec family members
- Maintaining spaces for dialogue among the various areas of the Company
- Facilities for nursing mothers
- Afternoon off to celebrate birthdays
- Childcare support. The company has the legal benefit of a nursery until the child is 2 years old, however, the employee may opt for the company benefit of having a caregiver at home, specialized for this role (*).
- Company contributions to Club Transelec: This organization focuses on well-being, recreation, and other activities for the Transelec Family. It is financed by the Company and through employee contributions.

(*) The benefit is extended until the child is 2 years old, and with a lower cash amount until the child's third year of life.

The additional benefits that the Company provides are focused on meeting families' needs and encouraging all Transelec employees to achieve work-life balance.

The collective benefits established in the two collective bargaining agreements between Transelec and its unions cover unionized employees and the extensions that pay 75% of the union dues.

In this case, the benefits may vary depending on the beneficiary employees' salary grade. Some of these benefits exceed the legal minimums. For example, the percentage is applied to the overtime pay rate, the number of extra hours paid if an employee works on a Sunday or holiday, days of leave for the death of a sibling, etc.

Parental Leave

(GRI 401-3, CMF 5.7)

Pre- and post-natal parental leave and other types of parental benefits reflect the requirements set out in Chilean law. We support shared parental responsibility when fathers request the five-day leave granted to them following the birth of a child.

For more information on the average number of days used for post-natal leave by our employees by role (CMF 5.7), see **Chapter 9 Annexes**.

Return from parental leave				% of people who used their post-natal leave (compared to the total number of people eligible to use such leave)	
Women who returned from parental leave	% return	Women who continue to work more than 12 months after their return from maternity leave	% of women who continue to work 12 months after their return from maternity leave	Men	Women
2	100%	100%	100%	100%	100%

Occupational Health and Safety

(GRI 403-1, 403-3, CMF 5.6)

Our priority as a company is to protect the health and safety of our employees, contractors, and those who live near our facilities. As such, we ensure that all of our employees' work is performed in compliance with established standards and procedures.

To generate a safe and healthy labor environment for all Transelec employees and contractors, we have an Occupational Health and Safety Management System that is certified under ISO 45001:2018 and France's Institute for an Industrial Safety Culture (ICSI). This integrated system includes all Transelec employees and contractors.

Transelec and the safety association Mutual de Seguridad renew the work plan that addresses essential insurance aspects under Law 16744 annually, incorporating new focus areas or methodologies to prevent job-related accidents. This allows us to identify and manage the risks that our workers are exposed to on an ongoing basis.

2022 Occupational Health and Safety Indicators(*)(**)

(GRI 403-8, 403-9, 403-10, CMF 5.6, SASB IF-EU-320a.1)

Our employees' health and safety

Accident rate 2022

0.2%

Claims rate 2022

7.8%

Our contractors' health and safety

Accident rate 2022

0.4%

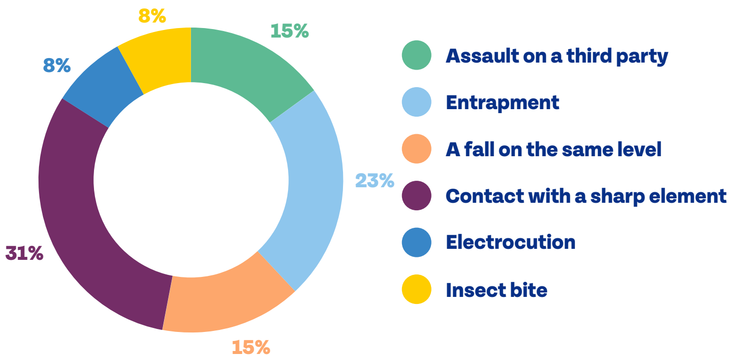
Claims rate 2022

8.5%

- 0 Fatalities
- 100% of our direct employees are covered by the labor health and safety system
- 100% of our indirect employees are covered by the labor health and safety system
- No job-related Illnesses were reported for our employees during this period

Main Job-related Accidents

(GRI 403-10, CMF 5.6)



(*) Goals on page 85
(**) Claims rate is calculated based on the days lost due to accidents during the year.

Safety Culture Model

At Transelec, we look to go one step further, working towards a culture with no accidents. Our goal is to ensure that everyone who works with us knows that their lives are valued and protected. We have a Safety Culture Model from which guidelines and work plans aligned with its seven pillars are derived.

One element of this model is the Fair Organization Strategy, which is designed to

- Establish and define a clear line between acceptable and unacceptable conduct and the actions required to recognize, correct and/or punish such conduct as necessary.
- Ensure that workers can report potentially risky situations without fear of reprisals and that the organization has the opportunity to generate actions to improve factors that lead to errors.
- Be a policy or rule that is discussed, reviewed, and legitimated by the members of the organization as a whole.

Identifying Risks and Hazards

(GRI 403-2, 403-7, CMF 3.6)

Transelec has a procedure called TPE 431 in place to identify hazards that could impact the health and safety of our employees and contractors. We use the procedure to generate a Risk Indicator that helps us to orient our Critical Risk Management toward Critical or High Risks.
We identify and evaluate risks on an ongoing basis, providing our employees with the tools they need to identify and report new risk situations, thus improving our work. The main tools that we have in place are:

- Reportability Program
- Stopwork Campaign
- Safe Work Analysis
- Pre-employment safety talks

In 2022, we implemented Transelec's new Reportability Platform, which is framed by our Reportability Strategy and our focus on process digitalization. This allows for the dynamic identification and communication of new risks. This new platform will allow us to address safety management using information generated by predictive indicators. The goal is to have all Transelec employees develop a habit of reporting and/or proposing ideas to improve our work at all levels of the organization. This in turn strengthens constant communication and dynamic risk management.

Hazards that caused labor accidents and actions developed to eliminate them

Lack of supervision / leadership

Permissiveness with contractors

Complacency

Planning errors

Failing to comply with electrical work procedures and/or standards

The main challenge posed by the COVID-19 pandemic in terms of occupational health and safety is the need to address psycho-social risks. In 2022, we used the ISTAS 21 survey to conduct an assessment. All of the work centers scored low, which gives us a solid foundation for building a robust Occupational Mental Health program.

Joint Committees

(GRI 403-3, 403-4)

Transelec joint committees have biannual work programs that allow them to ensure that employees participate in them and are consulted. This provides a constant flow of information that feeds into the process of identifying new hazards.

We returned to the practice of holding the Joint Committee Meeting in 2022 in order to increase participation and the value of Transelec joint committee work.

Joint committees

Name of employee-company health and safety committee	Number of employees represented	Main activities this year	Responsible parties	Meeting frequency
Norte Grande Division Joint Committee	33	Inspection, dissemination, and investigation of accidents	6 lead members	Monthly
Norte Chico Division Joint Committee	44			
Central Chile Division Joint Committee	41			
Central-South Division Joint Committee	33			
South-Concepción Division Joint Committee	34			
South-Temuco Division Joint Committee	22			
Headquarters Division Committee	382			

Training and Courses on Occupational Health and Safety

(GRI 403-5, 403-6; CMF 5.8, T10-2)

Each year, we develop a program that addresses our training, education, and professional development needs so that we can give our employees the tools they need to identify and control occupational health and safety risks. The annual training program addresses the following topics, among others:

1. Critical risks
2. Legal requirements
3. Liability
4. Critical risk and emergency competencies and training
5. Safety culture
6. ISO Management System
7. Fair Organization

Number of health and safety courses offered to company employees

42

Hours of health and safety training offered to company employees

5,941

Number of company employees trained in health and safety matters

330

Number of health and safety courses offered to contractors

18

Hours of health and safety training offered to contractors

75,898

6

Sustainability: Value for our *Communities and Environment*

Sustainability has been part of our work since our inception. We have always been committed to responsible work with the environment and are aware of the impacts that our activities can have on neighboring communities and our role in Chile.

Our commitment to sustainability includes executing a due diligence process in order to meet our internal standards and environmental requirements. Transelec's Sustainability Policy is designed to contribute to the development of the areas where we operate. It is based on six fundamental pillars.

You can access our Sustainability Policy here

Our people: We value and protect the lives of our internal and external employees as well as the members of the communities where we operate. Transelec is committed to occupational health and safety in all areas and promotes favorable labor environments for the comprehensive development of all of its employees.

Environment: We prioritize caring for the environment, including the application of the precautionary principle. We endeavor to care for our natural and social environment and efficiently use natural resources in all of our activities. This is related to the active role that Transelec plays in connecting renewable energy sources to the system. We are committed to mitigating and adapting to climate change.

Communities: At Transelec, we want to build relationships based on trust and mutual benefits with local communities and their officials. To do so, we must understand the social context in which we are located, recognizing the natural and social riches of each one of these places.

Integrity: We take steps to ensure that we comply with the regulations that apply to our activities, and we are committed to meeting the highest ethical standards. At Transelec, we act in a comprehensive manner and honor each of the commitments voluntarily made.

Collaboration: We understand the importance of promoting collaboration and partnerships for the sustainable development and operation of the transmission system that Transelec is a part of. As such, we seek to apply best practices with internal and external partners and all of our stakeholders.

Quality: Providing service that meets our client's needs is our vocation. We innovate in an effort to continuously improve the quality of our services.

In 2022, Transelec took a major step forward in the area of sustainability by making it a cross-cutting focus area. This took the form of changes to the Company's structures and team and led to a new business strategy that includes sustainability as one of our three fundamental pillars.

Governance for Sustainability

(GRI 2-23, 2-24,CMF 3.2.vii)

The Vice Presidency of Corporate Affairs and Sustainability is responsible for monitoring sustainability management. It has a Sustainability Area that was created in 2022. This milestone involves corporate governance focused on ESG[2] topics that our Company seeks to address in an increasingly strong way.

At the operations level, the Sustainability Policy is implemented at all levels of the Company. Each vice presidency has its own strategies. The Vice Presidency of Corporate Affairs and Sustainability also has structuring initiatives linked to sustainability that provide clear direction regarding how to address sustainability issues within the Company.

The discussion and analysis of key sustainability topics are reviewed by the Company's various committees, including the Executive Committee, Operations Committee, and Projects Committee.

The Board is responsible for providing recommendations to senior management to ensure that all of the decisions made consider environmental, social, and ethical factors (governance).

While there is currently no formal periodic structure for reporting to the Board in regard to ESG aspects such as the risks and opportunities derived from climate change or companies and human rights, the senior management reports to the Board during some of its meetings. It also reports to various shareholders regarding sustainability and other issues and their management. In an effort to improve sustainability monitoring, Transelec has an Integrated Management System (IMS). Its committee monitors (and manages) key indicators that comprise the Sustainability Control Panel.

One mid-range challenge for the Company entails developing a formal reporting unit for these matters with established periodicity. One of the challenges that emerged around sustainability in 2022 is the need to develop strategies for managing the material aspects identified while strengthening governance around them.

[2] ESG stands for Environmental, Social and Governance. In practice, it refers to factors that make a company sustainable through its social, environmental, and governance commitment without ever leaving aside financial aspects.

Commitment to the SDGs

Transelec supports six of the 17 United Nations goals. These goals are meant to contribute to sustainable development by 2030, as described below:

Main examples of Transelec efforts related to the SDGs

5 IGUALDAD DE GÉNERO
- Mentorships with a gender focus
- Creation of Transelec Women´s Network

7 ENERGÍA ASEQUIBLE Y NO CONTAMINANTE
- Decarbonization campaign
- Increased transmission of renewable energies
- New lines and expansion of the existing network to increase access to energy for all Chileans
- Rate studies

8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO
- Payments to suppliers and contractors
- Design and approval of the Diversity and Inclusion Policy
- Flexible work model developed during the pandemic

9 INDUSTRIA, INNOVACIÓN E INFRAESTRUCTURA
- New technologies
- Promoting innovation projects
- Expansion projects

10 REDUCCIÓN DE LAS DESIGUALDADES
- New lines and expansion of the existing network to increase access to energy for all Chileans
- Community Engagement Strategy

13 ACCIÓN POR EL CLIMA
- Combating global warming and stopping the impact of the climate crisis
- Precautionary principle in the Sustainability Policy
- Voluntary environmental commitments

16 PAZ, JUSTICIA E INSTITUCIONES SÓLIDAS
- Transelec's Integrity Model
- Crime Prevention and Anti-Corruption Model

Our commitments to sustainability include executing a due diligence process to meet our internal standards and environmental requirements. Furthermore, as our Sustainability Policy states, the precautionary principle is applied as one of the environmental principles.

Towards Decarbonization

(T9-2)

Transelec is Chile's leading electricity transmission company. As such, we play a key role in the energy transition and the ability to reach decarbonization goals, contributing to the climate targets that Chile proposed in an effort to combat global warming and stop the impact of the climate crisis following the adoption of the Paris Agreement in 2015.

Renewable energies connected for the first time by Transelec to the National Electricity System (MW) and % in relation to the entire system (T9-2)

2018	2019	2020	2021	2022
227	416	310	1,009	324
33%	35%	21%	58%	12%

Learn more about our contribution to decarbonization efforts here

This year, we launched the campaign "We are the key to energy transition in Chile." Its goal is to raise awareness about the matrix decarbonization process that is being promoted through multiple stakeholders in which transmission and Transelec play key roles. We must continue our work with a focus on sustainability, maintaining our alignment with communities and the environment that surrounds us, maintaining the quality of the service provided and the robustness of the system at all times.

Keys to Decarbonization

Renewable energy generation

- Increasing renewable energy production plays a critical role in achieving decarbonization in Chile.
- Between 2011 and 2021, photovoltaic and wind energy together grew from 0.5% to 21.6% of Chile's generation matrix.
- However, by August 2022, the SEN had an installed generation capacity of 32,038 MW, 58% of which corresponds to renewable sources.
- Part of that energy is lost. This problem is known as dumping. Through October 2022, 921 GWh of energy was dumped. This is equivalent to driving 59,653 passenger vehicles for a year.

Increased transmission capacity

- The increased transmission capacity also involves an increase in investments, which means more income.
- Transmission systems allow renewable energies to be transported throughout the country. Most are produced in the far north and south of Chile.
- However, renewable energy generation plant technology and construction progress much more quickly than the transmission line projects required to transport the energy generated.
- The government's 2022-2026 Energy Agenda states that it will:

  a)Propose regulatory changes that allow for the improved development of electricity transmission projects.

  b)Improve electricity transmission standards to promote projects that support Decarbonization.

Storage technologies

- Storage is the process by which electricity is saved for subsequent transmission or distribution.
- These systems are very important for renewable energy because they help prevent dumping.
- There is currently only around 60 MW installed storage capacity in the National Electricity System.
- This number could grow, as various companies are incorporating this element into the projects that they are promoting as part of the current transmission system expansion process.

Energy Storage

In the latest Expansion Plan proposed by the National Energy Commission[2] to the Electric Coordinator, the Transelec initiative named "New Parinas - Seccionadora Lo Aguirre Flow Control through Storage System" was approved. This project includes the installation of a Battery Energy Storage System (BESS) that is capable of controlling power flow using the 500 kV lines that connect the Parinas and Seccionadora Lo Aguirre substations.

This project requires an investment of US$ 211 million and should be capable of controlling the power flow through the 500 kV lines that connect these two substations, acting in a coordinated manner in response to a simple eventuality in any of the lines between the substations. As such, it will allow for an increase of between 400 and 500 MVA of permanent system transmission capacity through the 500 kV corridor listed above.

Environmental Management

At Transelec, we understand that energy transmission plays a key role in our society and has the potential to impact our environment. As such, we believe that a culture of prevention can minimize impacts and result in responsible environmental performance.

Environmental Objectives

The Integrated Management System Committee allows Transelec to set environmental and community goals and targets. The committee is comprised of staff from various areas of the Company and is based on ISO 9.001, ISO 45.001, and ISO 14.001.

It focuses on six main areas:

Objectives of the Environmental Management System:

Socio-environmental Licensing

Managing our **significant environmental impacts**

Cultivating **social license and territorial coexistence**

Recognizing best practices for the design of environmental measures based on the incorporation of lessons that emerge from environmental assessment and operations processes developed by the Company and other stakeholders.

Management and Leadership

Verifying **compliance with legal requirements**

Promoting **awareness of our environmental commitment and the dissemination of our Environmental Management System**

Sustainability

Verifying compliance with legal requirements

Identifying **digital innovation and transformation initiatives** around sustainability in our regional divisions

Quantifying the 2022 **carbon footprint** at the corporate operations level

Managing the **recycling of solid waste and/or residential-like waste** at the operations and corporate levels

Quantifying **water and energy consumption** at the operations level

[2] On July 29, 2022, the Panel of Experts issued Ruling 7/2022 on the Transmission System Expansion Plan for 2021, which was developed by the National Energy Commission.

Waste Management

(GRI 306-1, 306-2, 306-3, 306-4, 306-5)

Transelec recycles waste similar to household waste generated in our Santiago corporate offices and regional offices in Antofagasta, Coquimbo, Santiago (Cerro Navia), Concepción, and Temuco.

In the area of hazardous waste, we dismantle autotransformer equipment for component reuse and recycling. This year, we managed four of these units in the city of Concepción.

Waste generation by type (Tons)(*)

Type	2021	2022
Plastics	1.5	2.5
Paper and Cardboard	0.5	4.7
Wood	12.4	41.1
Metals (aluminum, copper, iron, and steel)	147.1	151.5
Tiles and ceramic materials	457.9	59.9(**)
Electric and electronic equipment	7.2	66.9
Non-hazardous industrial waste in general	116.3	985.6
Hazardous industrial waste in general	67.6	75.4

Waste disposal (tons) and percentage recycled

Type	2019	2020	2021	2022
Hazardous industrial waste	133	78	68	142
Percentage recycled	69%	67%	86%	78%(***)
Non-hazardous industrial waste	676	900	647	1.245
Percentage recycled	82%	44%	85%*	26%

(*) In 2022, some figures present a considerable increase respect to previous year. This is mainly due to the fact that the operational scope was increased, including to a greater extent the activities related to developments projects.

(**)Waste from "ceramic materials for insulation" removed in large quantities in 2021 (457.9 tons) is not included because Chile does not have a viable recovery alternative.

(***)The remaining 22% are disposed of at authorized disposal sites.

For more details on types of waste elimination, see Chapter 9 Annexes.

Energy and Water Consumption

(GRI 302-1, 302-3, 302-4)

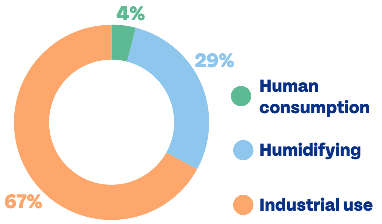
In 2022, we strengthened efforts to gather basic information in order to assess our energy and water consumption. This allowed us to move towards targets that may be proposed in the future in a context in which both topics are part of the structuring sustainability initiatives established in the Vice Presidency.

Energy Consumption 2019-2022
Total Energy consumption(GI)

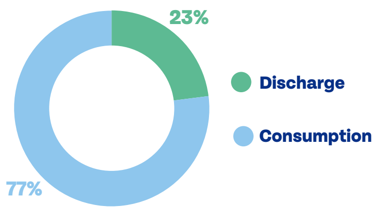
Water Management

(GRI 202-4, 303-2, 303-5, SASB IF-EU-140 a.1)

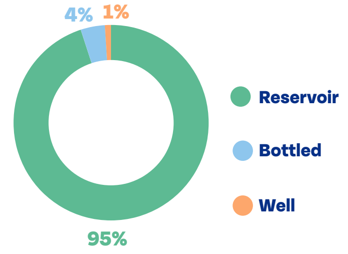
Consumptive activity (m^3)



Type of water output (m^3)



Source (m^3)



Greenhouse Gas Emissions

(GRI 305-1,305-2,305-3 SASB IF-EU-110a.1, IF-EU-110a.2, IF-EU-110a.3, IF-EU-120a.1)

Transelec's mid-range goal is to develop the Greenhouse Gas Mitigation Strategy.

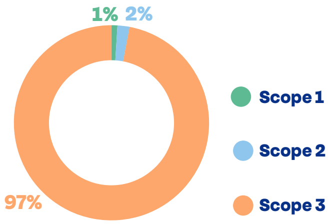
In the coming years, the Company's baseline GHG emissions will be strengthened and consolidated based on historic emissions and an estimate that allows Transelec to make projections based on its long-term operations. This process began with the quantification of the carbon footprint in 2022, which has included Scope 3 categories in addition to those reported during previous years (SASB IF-EU-110a.3).

The additional categories are: Acquisition of capital goods, Activities related to fuel and energy, and Upstream water transportation. These are in addition to those previously reported on Waste Treatment and disposition, Business travel, and Movement of people.

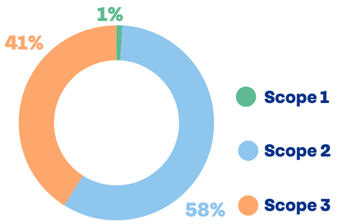
For the first time, the 2022 carbon footprint includes additional Scope 3 categories:
Acquisition of capital goods, Activities related to fuel and energy, and Upstream cargo transport. This wider reported scope is designed to strengthen the Company's baseline.

In addition, emissions from electricity losses (Scope 2) associated with the transmission and distribution of the country's energy matrix are included even though Transelec does not have direct control over them.

Scopes 1, 2 and 3 excluding losses



Scopes 1, 2 and 3 including losses



Greenhouse gas emissions related to energy supplies

5,519
tCO2eq

For more details on Water and Emissions Management, see Chapter 9 Annexes.

Biodiversity

(GRI 304-2, 304-3)

Protecting the natural environment and its biodiversity is fundamental for Transelec. We want to contribute to the fight against climate change and develop sustainable business activities.

Reforested Areas	2022
New areas reforested by Transelec (hectares) through voluntary commitments	2.7
New areas reforested by Transelec (hectares) based on mandatory or regulatory standards	3.1
Total new areas reforested by Transelec	**5.8**

Actions designed to protect biodiversity in 2022

Flora and vegetation:

- As a compensation measure of the Charrúa-Lagunillas 2x220kV Electric Transmission Line and Associated Projects Environmental Impact Study, Transelec committed to reforesting 10 hectares of native forest in addition to the amount required. The location was to be agreed upon in collaboration with the National Forestry Corporation (CONAF). The process began in 2011 and has been ongoing for 10 years. A series of ecological benefits involving the composition, structure, and functioning of the forest have become apparent during this period. We analyzed the pre-restoration condition of five plant species in the area, all of them of exotic origin. A total of 20 species have been identified, and only 10% of them are exotic (GRI 304-3).
- Maintenance of high-tension lines: Pruning prior to the possible cutting of the native forest area. Cutting is done only when strictly necessary, such as when there is a risk that the tree will fall or when not doing so would pose a danger to our staff.
- When cutting is necessary, we work with officials to find the best possible approach to carrying out the activities, especially in the case of protected species. When we undertake new projects, we cut only when strictly necessary to establish the security strip, seeking out routes that minimize intervention.

Fauna:

Our operations include important mitigation measures designed to prevent potential incidents.

- We use flight deterrence and anti-perching devices. These are installed on high tension wires and certain substation equipment based on the studies conducted.
- Periodic preventative maintenance activities are conducted. These include visual pedestrian inspections along the length of all lines and substations. This allows us to effectively assess these mitigation measures and take corrective action in response to possible deviations.
- We began to shut off the lights at night in 2022 in order to eliminate the potential impact of light pollution and to reduce the impact on sensitive birds that fly over our facilities in the Norte Grande area. These practices were applied to the Laguna, Geolglifo, and Patache substations in particular.
- Our internal procedures for handling the discovery of avifauna in the northern region of the country were updated and improved. This includes endangered species and covers dissemination and training for our staff and employees.

No habitats of IUCN Red List species were impacted in 2022. This is due to the fact that the potential impact occurs during the project development stage. During operations, intervention is limited to maintenance, which involves cutting, pruning, and spraying strips that have already been intervened on, not at the species level.

Environmental Compliance

(GRI 2-27, CMF 8.1.3)

Chile's Environmental Impact Assessment System (Sistema de Evaluación de Impacto Ambiental, SEIA) is managed by the Environmental Assessment Service. It is the preventative management tool that allows officials to analyze projects prior to their execution to determine whether they comply with current regulations and address potential significant environmental and social impacts.

It is very important for our Company to be aware of and manage impacts associated with our operations. Based on the categorization of "significant impacts" regulated under Chilean law, no significant impacts have been identified at the operations stage. For more information on how we manage the environmental impact of our operations, see **Chapter 9, Annexes.**

Transelec has submitted all of its projects or their modifications for assessment in accordance with current legislation and the Company's Sustainability Policy. These projects have entered the system through Environmental Impact Studies or Statements, as appropriate, in compliance with the requirements of the General Law on the Environment in place to date and its respective Environmental Impact Assessment Service regulations.

The conditions and measures imposed by environmental officials have been monitored for all of the projects that have entered the system as part of their approval. This is reflected in each project's Environmental Qualification Resolution.

For more information on Chile's Environmental Assessment Service, click here

Measures associated with Compliance Programs for punitive processes began in 2020 were planned and executed in 2022:

- Charrúa-Lagunillas Line Compliance Program (Exp. F-049-2020) is being executed. It was developed after the Company failed to prove that it had reforested 10 hectares and had not maintained the condition of collection of the specimens harvested in the reforested properties. The end date of this Program is March 2023.
- Rincón de Pataguas -Ancoa Substation Compliance Program (Exp. D-094-2020), which is being executed. It was developed due to a failure to comply with night-time noise regulations. The end date for this Program is November 2023.

Two complaints have been filed by the National Forestry Corporation (CONAF). These were processed in 2020 and are related to one case:

- Case No. 4226/2020: Complaint filed by CONAF with the Ovalle Local Police Court in the Coquimbo Region due to the cutting of xerophytic clusters without a work plan approved by the National Forestry Corporation during maintenance on the strip for the La Cebada-Pan de Azúcar 2x220 kV Transmission Line. A plan to correct this was submitted and observed, and a fine was imposed. The correction plan is being processed by the relevant authorities.

To ensure environmental compliance, avoid environmental deterioration, and limit the risk of exposure to sanctions, the system for managing our environmental obligations was strengthened in 2022. This involved, among other things:

- The implementation of technological platforms for data management;
- Environmental compliance audits; and
- The identification and verification of legal requirements.

These tools are managed by the **Environment Sub-Division.** Their scope covers project development and transmission asset operations.

A series of training activities were held in 2022 on environmental components that are important for the operation of transmission assets, providing tools and knowledge to employees and contractors.

For more detailed information, see **Chapter 9 Annexes.**

Community Management

(GRI 203-2, 413-1, 413-2)

Transelec works to create trust-based relationships with neighboring communities. We offer regular working groups, early citizen participation processes, and social investment projects to promote the development of these communities.

The Community Relations and Social Investment Area works with external consultants to address the challenge of designing a new Engagement Strategy in 2023 for the 2024-2027 period. The purpose of this strategy is to build trust-based relationships with the communities located near our operations and projects. It was designed on the basis of:

- A participatory community assessment;
- A dialogue for generating social investment agreements;
- Citizen participation and indigenous consultation for the development of new projects; and
- The implementation of social investment projects that benefit over 60 organizations nationwide.

The methodology for identifying and generating commitments with those communities is based on two main processes:

- Community dialogue for the development of social investment projects; and
- Formally constituted working groups comprised of community leaders and Transelec representatives.

The working group meetings are held bi-weekly and mainly address the following topics:

Early Citizen Participation for New Transmission Project Development: In addition, dialogue with communities for the development of new transmission projects is executed formally through citizen participation processes. In accordance with Company policy, this is implemented for all substation and transmission line projects that require submission to the Environmental Assessment System.

In addition to the bi-weekly work meetings with community leaders and open community assemblies, Transelec has a centralized Communications Management System (CMS) that allows it to monitor and quickly respond to the communications that it receives from the community. This system is known to the communities, and they can use this mechanism to formally submit complaints, claims or congratulations.

What is community engagement management like?

Internal progress has been made that has yielded benefits for the strategy's implementation.

- **Business:** supports planning from the social perspective through analysis (Energy Ministry); new projects decree (Energy Ministry); and due diligence (acquisition of infrastructure - private entities).
- **Project Development:** supports environmental processing through analysis and participation processes (formal and informal) and indigenous consultation processes. During the construction process, compliance with voluntary community environmental agreements and Indigenous Consultation Process agreements are managed.
- **Operations:** Working groups, social investment, and energy ideas are developed with communities located near critical and strategic infrastructure.
- **Cross-cutting programs to support society in general:** We have cross-cutting programs that benefit those who live near our facilities and others in those municipalities. We have expanded the spectrum of beneficiaries and included the environmental assessment process.
- **Strategy development:** Design of the Community Engagement and Social Investment Strategy for 2024-2027; updating of the strategy with owners; Strip Encroachment Strategy.

Energy efficiency program

Main achievements of the Energy and Water Efficiency Program in 2022

440 kits distributed

31 in-person workshops held in 6 regions and 15 towns

440 people trained

- **250** students
- **143** residents of various communities
- **30** municipal officials
- **17** people from indigenous communities

For more information about the Energy Efficiency Program, click here

Social Investment Projects

The social investment projects that we develop with the community are designed in a participatory manner based on the specific characteristics of each community and its surroundings. As such, the projects executed vary widely.

Type of project	Main results for 2022
Community infrastructure projects	→ 40 community infrastructure projects for 49 community organizations
Non-Conventional Renewable Energy access projects	→ Three projects of this nature were developed in three communities.
Energy and Water Efficiency Program	→ The program was implemented in 15 municipalities located in six regions of the country. → A total of 440 people participated in the initiatives, including students, municipal workers, and community members. → A total of 440 energy efficiency kits with home water and energy saving equipment was distributed (LED lighting, aerators to reduce water consumption, etc.).
Kids First Program (Fundación Familias Power)	→ The program was implemented in 2 municipalities. → A total of 21 families participated in the initiative. → Some 535 activities and 66 sessions were held. → A total of 506 books and educational games were distributed.
Growing Together Program (Fundación Simón de Cirene)	→The training course "Techniques for Growing My Business" was offered to 100 micro-enterprise owners from communities located near Transelec operations. →Fifty micro-enterprises were chosen to receive personalized technical advice over the course of four months. →The selected companies received a CLP$ 300,000 grant to help generate value for their business.
Nourishing Networks Program (Fundación Núcleo Nativo)	→ The program was implemented in 6 municipalities located in the Los Lagos region. → Thirty-two workshops were held. → A total of 518 students, teachers, and community members participated in the program, and 416 native trees were planted.

No. of communities with a development program

2019	11
2020	15
2021	22
2022	23

Social investment budget (in thousands of US$)

2019	$866
2020	$1,303
2021	$1,060
2022	$1,586*

*These data include March 2022-March 2023 activities, including consulting, general management, social investment, and donations.

Beneficiary families

2019	6,048
2020	3,090
2021	3,506
2022	3,700

No. of social incidents

2019	2
2020	0
2021	0
2022	0

No. of complaints related to social impacts

2019	2
2020	1
2021	1
2022	1*

*Formal complaint filed with the Environment Superintendency. A related compliance program is being developed.

Communities with programs

2019	21
2020	22
2021	26
2022	43**

**Social investment programs and all programs in which participatory processes were implemented.

Communities with impact evaluation programs

2019	5
2020	5
2021	4
2022	4

No impact evaluations were held for Transelec social investment projects in 2022. However, the **Corporate Reputation Survey** was conducted. This tool measures various stakeholders' perceptions of Transelec. The results show that 78% of respondents evaluated the company and its relationship with the community positively.

7

Finance: Optimal Financing for the Development and Operation *of the Company*

Financial information

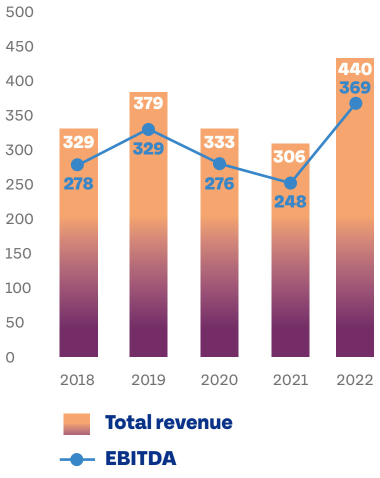
For Transelec, maintaining solid and stable financial performance is fundamental to the sustainability of our business, allowing us to provide quality service to our clients and harness opportunities for growth.

The regulatory framework established in 2004, electricity industry conditions in Chile, and Transelec's solid business model are factors that influence the Company's ability to have a robust financial position with stable long-term cash flow. This context allows us to maintain access to capital markets and banks in order to finance the operation, project development, and acquisitions that enhance our growth.

Transelec finances its operation and investment plans with:

- Its own income generated through the business
- Debt (issued in the capital or bank market)
- Revolving credit facility

Cash Flow Generation
(In billions of Chilean pesos)
(T2-1 y T2-2)



Regulated revenue comes from all of the facilities in which the regulator determines the income that each owner company should receive for each transmission asset it owns. This revenue comes from the national and regional systems.

Contractual revenue is the product of transmission services provided based on bilateral contracts with other companies. These include, among others, transmission assets that form part of the dedicated system.

	2022 (in billions of Chilean pesos)
Regulated revenue	379
Contractual revenue	116
Leasing	6
Rate review	-61

Debt

Transelec maintains a level of debt aligned with its cash generation, which allows it to meet its long-term obligations with a high level of certainty. The Company's public debt is presented below. It allowed us to operate, grow, and strengthen the national electric system:

Debt	Placement date	Interest rate	Maturity	Current amount	Currency
Series D Bond	14 DEC 06	4.25%	15 DEC 27	13,500,000	UF
Series H Bond	13 AUG 09	4.80%	01 AUG 31	3,000,000	UF
Series K Bond	04 DEC 09	4.60%	01 SEPT 31	1,600,000	UF
Series M Bond	19 JAN 11	4.05%	15 JUNE 32	3,400,000	UF
Series N Bond	19 JAN 11	3.95%	15 JUNE 38	3,000,000	UF
Series Q Bond	03 MAY 13	3.95%	08 OCT 42	3,100,000	UF
US$ Bond	26 JUL 13	4.63%	26 JUL 23	300,000,000	US$
US$ Bond	09 JUL 14	4.25%	14 JAN 25	375,000,000	US$
US$ Bond	12 JUL 16	3.88%	12 JAN 29	350,000,000	US$

UF: Unidad de Fomento (adjustable unit set by the Chilean Central Bank, Law 18.840)
All bonds are bullet type (payment of principal at maturity of the last coupon).

The Company will face a debt maturation in 2023. Transelec began the process of refinancing it in 2022.

Risk Ratings

Transelec maintains risk ratings with local and international institutions. Most of these ratings were ratified in 2022 based on the solid results reported over the past few years and Transelec's financial solvency.

The Feller Rate Risk Rating Agency improved our credit rating in 2022 from AA- to AA. This recognition of our solid and stable financial performance and resiliency in the face of a challenging environment, showing stable and long-term flows even during a period shaped by the protests in Chile, the pandemic, and the entry into force of the transmission law, places us in a favorable position. It enhances our ability to secure financing that will allow us to continue to grow through new projects and to implement the Company's new strategy

International Rating		Local Rating	
Moody's Investors Service	Baa1 Ratified in november 2022	Feller Rate Clasificadora de Riesgo	AA Increased in dcember 2022
Standard & Poor's	BBB Ratified in november 2022	Humphreys	AA Ratified in december 2022
Fitch Ratings	BBB Ratified in december 2022	Fitch Ratings	AA- Ratified in december 2022

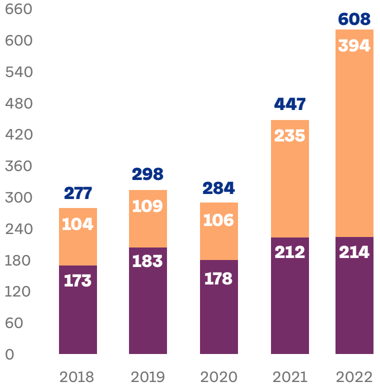
Available Revolving Credit Line

The Company has an unsecured revolving credit line of US$ 250 million. Its purpose is to ensure the availability of the funds necessary to cover working capital, fixed capital investment project financing (developing and potential), the acquisition of transmission lines, and possible debt refinancing.

Relationship with Investors and Risk Rating Agencies

It is fundamental for Transelec to maintain a close, lasting relationship with investors that invest in Company bonds and the agencies that rate us. We deliver information regularly through our website (https://www.transelec.cl/inversionistas/), publishing financial statements, reasoned analysis, and quarterly results. We also provide updated information on our debt, rating, corporate governance, regulatory matters, and other information of interest.
Our goal is to maintain fluid and transparent communication so that these stakeholders can properly evaluate the Company's performance.

Liquidity
(in billions of Chilean pesos)
(T2-4)



Revolving line
Cash and cash equivalents

Transelec presents a solid level of liquidity that allows it to finance its regular operations, future investment plans, and reassessments through the rate review process for 2022-2023.

Dividend Policy

(CMF 2.3.4 ii)

The Dividend Policy establishes that dividends for up to 100% of the net income reported by the Company will be distributed. This includes acquisitions and investment opportunities, the Company's financial situation, obligations assumed by the Company, commitments acquired through the placement of bonds, the emission of any debt instrument, and the impacts associated with the adoption of new IFRS standards. The Board will determine the amount to be distributed as provisional dividends on a quarterly basis if applicable based on the conditions established in advance.

Dividends Distributed

(CMF 2.3.4 iii a)

Over the past few years, Transelec has distributed the following amounts to its shareholders:

Dividends paid each year (*) (Provisional, potential, and definitive)		**Profits distributed** (Charged to each year)		
Year	Historic value (millions of Chilean pesos)	Year	Millions of Chilean pesos (*)	% of revenue from the period
2018	58,599	2018	39,887	38%
2019	96,218	2019	140,070	100%
2020	43,852	2020	28,723	30%
2021	28,723	2021	17,404	30%
2022	17,404	2022(**)	0	0%

(*) Through December of each year.
(**) Corresponds only to interim dividends paid in 2022, since as of December 31 the final dividends to be charged to 2022 were not yet known. These will be determined at the Ordinary Shareholders' Meeting to be held in the course of 2023.

Value Footprint

Recurring Financial Challenges

Our access to financing is based on the stability of Chilean regulations and conditions that are favorable for investors. In this regard, we are committed to maintaining investors' trust through ongoing contact, making information about our financial situation available to them.

Transelec is currently in a situation of financial solvency that makes it attractive in the search for capital. We have been able to maintain access to capital markets and banks based on our robust financial position and consistent business model. The challenge that we currently face involves securing financing that will allow us to make acquisitions to drive the growth of our business and project development.

Transelec S.A.'s Economic Performance

(GRI-201-1)

In 2022, Transelec generated an economic value of $440 billions of chilean pesos, which was distributed among its stakeholders as follows:

Item	Billions of Chilean pesos
Economic value generated	440
Economic value retained	39
Economic value distributed	400
State (taxes)	-
Employees (compensation and benefits)	46
Service providers (payments to providers)	34
Shareholders	32
Funders	66
Reinvestment	218
Community and environment (environmental and social projects, donations)	4

Insurance

In an effort to transfer part of our risks, the Company insures operations and construction of its projects. All of its insurance policies remained current in 2022. A general list is provided below:

- Insurance policies that cover the Company's fixed assets (property). This includes equipment and parts in Transelec and third-party substations. Transelec has an industrial policy that covers physical damage caused by fires, machinery failures, earthquakes, and natural risks. As was the case in previous years, we did not find it necessary to cover physical damage to transmission lines and towers thanks to the best international construction practices, their dispersion, and demanding Chilean standards with the exception of facilities that have been insured because they are considered strategic or based on the requirements set out in contracts with customers.
- We maintained and renewed the terrorism policy, which covers events considered terrorist acts, strikes, riots, civil unrest, and acts of vandalism.
- We maintained civil liability and professional civil liability insurance coverage. The latter covers possible incidents deriving from the actions of executives and Board members.
- Vehicles and mobile equipment remained insured, and we engaged coverage for cabotage and international equipment and materials transport operations.
- In regard to engineering projects, Transelec purchases coverage for all construction and assembly risks, civil liability, and transportation when necessary.
- The Company maintained personal accident insurance contracts for its workers. These include supplemental health insurance, travel assistance, and service commission.

In addition to the aforementioned policies, this year we engaged a cybersecurity insurance policy for the first time in order to reinforce our capacity to respond to incidents that place our operations at risk.

8

Transelec Group

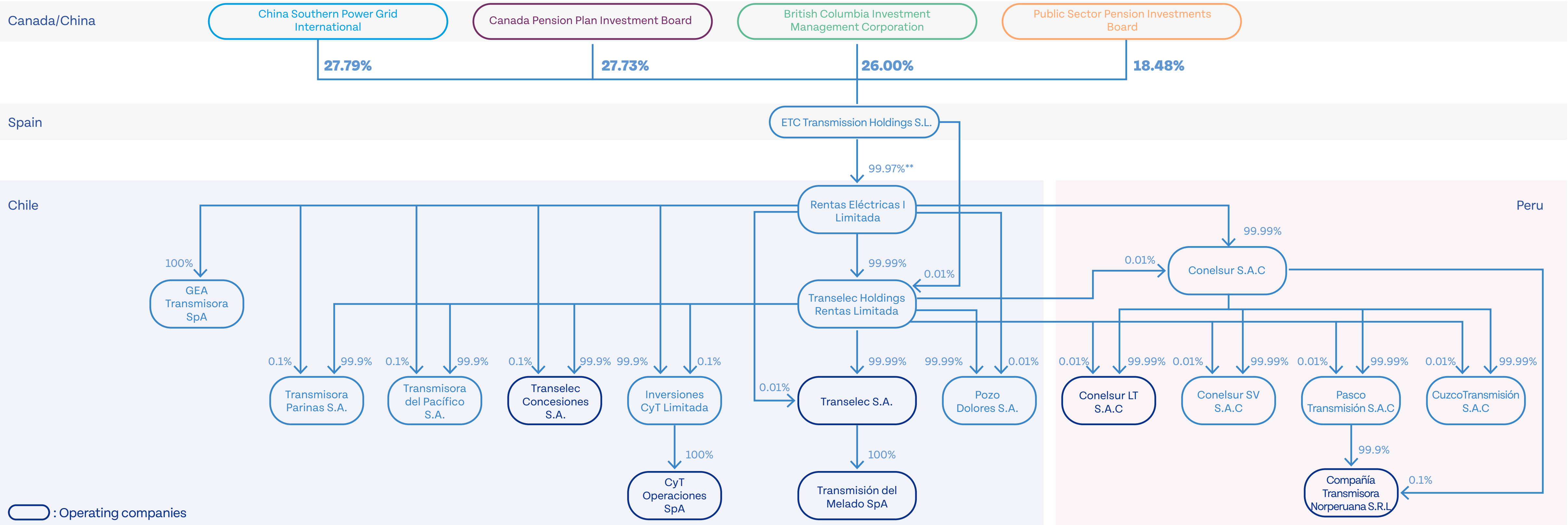
Transelec S.A. is owned by a consortium or holding comprised of the company China Southern Power Grid International (CSGI) and the Canadian funds Canadian Pension Plan Investment Board (CPP), British Columbia Investment Management Corp. (BCI), and Public Sector Pension Investment Board (PSP).

As the consortium structure shows, the final shareholders and Grupo Transelec have a presence in Canada, China, Spain, Chile, and Peru. It is important to note that our relationship with some of the companies in this consortium is based on contracts through which Transelec S.A. offers its operations, maintenance, and administration services through its human capital. The above notwithstanding, from the financial perspective, the consortium companies with which these contracts are maintained are self-sufficient and fully independent from Transelec S.A.

Our final shareholders define our participation in various projects through Transelec S.A. or another Group company depending on their nature and conditions. The elements considered include their size, participation with other counterparts through the consortium, the feasibility of financing it at the corporate level or through other project funding, and the country where they are located.

The Group operates 10,838 km of lines in Chile and 1,000 km of lines in Peru for a total of 23.215 MVA capacity of transformation

Structure of the holding that Transelec S.A. is part of



Transelec S.A.'s Contribution to Grupo Global Projects

The provision of services in projects that involve other companies from the Group is important to the Company. On the one hand, our employees contribute their experience and dedication to their daily tasks. On the other, they are indispensable to the development of projects that are meant to have a high impact at the national level. In view of this, we wanted to share the major contribution that our employees made to high impact projects for Chile's development in the entire Transelec Group in our Annual Report for 2022.

Kimal - Lo Aguirre Line Project as a Consortium

The Kimal - Lo Aguirre line is a project managed by the Chilean government through the National Electric Coordinator. The annual transmission value of the tender is US$ 116.3 million.

It was awarded to the Yallique Consortium, which is comprised in equal parts of Transelec Holdings Rentas, ISA, and China Southern Power Grid International (CSGI). The consortium subsequently registered the company Conexión Kimal Lo Aguirre S.A. It will be responsible for building, operating, and maintaining a new 500 kV HVDC (High Voltage Direct Current) technology line. The Kimal - Lo Aguirre Line will be the first continuous current HVDC of its kind in Chile. This technology offers greater transmission capacity in a smaller easement strip, reducing the space required for its operations by approximately 50% in addition to requiring fewer intermediate substations.

Since it was awarded in December 2021, consortium teams and highly specialized consultants have worked to gather information to ensure that the project has the smallest possible impact on its surroundings and local communities.

Transelec will continue to contribute to decarbonizing Chile's energy matrix through this project. It will allow large amounts of renewable energy to be transported from the north of the country to its central and southern regions, significantly contributing to the energy transmission and delivering on the government's promise to achieve carbon neutrality by 2050.

1,350 km in transmission lines

3,000 MW to be transported

5 regions of Chile, 28 municipalities, connecting the Antofagasta Region to the Metropolitan Region

2 converter substations located in the Antofagasta Region and Metropolitan Region

US $1.5 billion in investments

The country's first project using HVDC technology

84 months in construction time

Codelco Desalination Plant Project

The project formed by the Marubeni Corporation (60% owner) and Transelec Holdings Rentas (40% owner) consortium will be responsible for the desalinization plant, pipeline, and delivery systems for Codelco's northern district. The goal of building this plant is to meet the water resource needs of the mining operations Chiquicamata, Radomíro Tomic, and Ministro Hales, which are located in Calama (Antofagasta Region).

The plant will be located to the south of Tocopilla and will use inverse osmosis. It will have a capacity of 840 liters per second and its capacity could be more than doubled. The project will involve maritime projects and an impulsion system that will carry water from the ocean to the industrial water reservoirs at Codelco's operations, which sit 3,000 meters above sea level, using three pumping substations.

This project allows us to contribute to efforts to allow the mining industry to take a step towards sustainable production by reducing the amount of continental water used. The project will be executed using the BOOT model (Build, Own, Operate, and Transfer), which means that the consortium will build, own, and operate the plant and will then transfer it to Codelco. The desalination plant is expected to be operational in the coming years.

Grupo Transelec decided to participate in this type of business for the first time. The business model is similar to that of electric transmission, and the counterparts are the prestigious firms Codelco (client) and Marubeni (partner). This type of business is aligned with our shareholders' goals of participating in projects with predictable, long-term operational flows.

34 months of construction time

28 years of useful life

2,700 people will be working at the peak of construction

US$ 2 billion invested

Presence in Peru

Grupo Transelec has had a presence in Peru since 2016 through the company Conelsur SAC and its subsidiaries.

Conelsur LT SAC is the Group's main operations company in Peru. This company operates nearly one thousand kilometers of transmission lines with around 180 MVA of transmission capacity in 18 substations in six regions of that country.

Conelsur LT has developed two important projects in recent years:

- In the midst of its digital transformation, Conelsur LT invested nearly US$ 7 million in Lima to implement a Transmission Operation Control Center. The goal is not only to supervise and operate the facilities in a centralized manner in real time, but also to connect to the National Interconnected System's Economic Operation Committee and the control center of its headquarters in Chile.
- The Company is currently finishing the construction of the Portillo substation. This project is a milestone for the Company, as it is the first time a construction project has been awarded for Conelsur LT.

Other projects

Grupo Transelec is currently operating and developing important transmission projects within Chile that also enjoy the support of Transelec S.A. staff for building, maintenance, operations, and administration. The main projects are:

- Transelec Concessions: A group of four operational regulated electric transmission projects in various regions of the country.
- CyT: A dedicated electric transmission line for the Caserones mining company.
- Transmisora del Pacífico: A regulated electric transmission line that is under construction and connects the continent to the island of Chiloé.

9

Annexes

About This Report

This is Transelec's first Integrated Report. It describes our corporate governance, financial, social, and environmental performance during the period between January 1 and December 31, 2022.

The document was developed in accordance with the Global Reporting Initiative (GRI) standards, Essential option, and meets some of the reporting requirements requested under General Regulation No. 461 of Chile's Financial Market Commission. This in turn includes some of the indicators required by the Sustainability Accounting Standard Board (SASB) for electric companies and electricity generators.

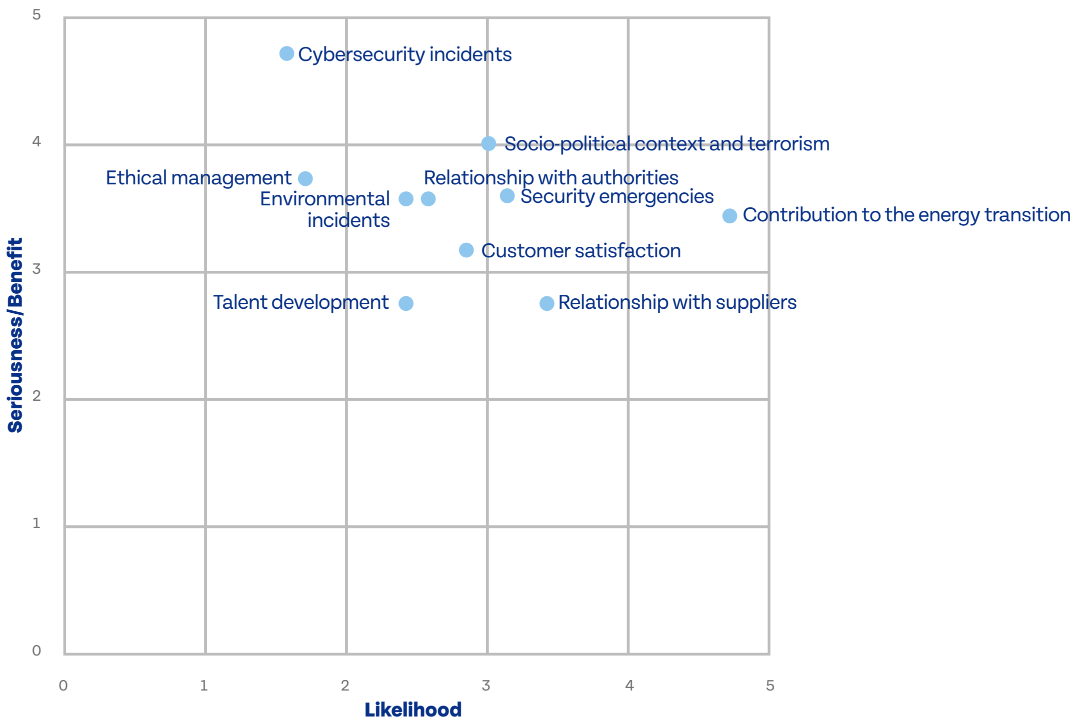
Transelec's Vice Presidency of Finance led the process of developing this report, which benefited from the active participation of all areas of the Company under the leadership of their respective vice presidents. Each of them contributed content and validated the report. This effort also benefited from the participation of Gestión Social, a consulting firm with expertise in the area of reporting.

Materiality

The material topics were identified through a review of the main impacts identified in the industry and among our stakeholders. We describe the activities completed to identify the material topics below:

- Benchmarking of the electric transmission industry and the energy industry at the international and national levels
- Review of key standards in the area of sustainability
- Interviews with representatives of all areas of the Company
- Review of internal information, including the Corporate Reputation Study, which measures knowledge of and perceptions about the role and activities of Transelec, including our employees, community, contractors, customers, the business finance segment, informed leaders, landowners, and regulators
-

Based on the material topics identified, a materiality workshop was held for all Transelec vice presidents. The goal of the workshop was to create a reflexive process around the impacts that Transelec has on governance, social and environmental issues, and human rights. The impacts were evaluated in a participatory space based on their seriousness/benefit and likelihood/occurrence and the context in which the Company works. The workshop results led to the development of the following matrix:

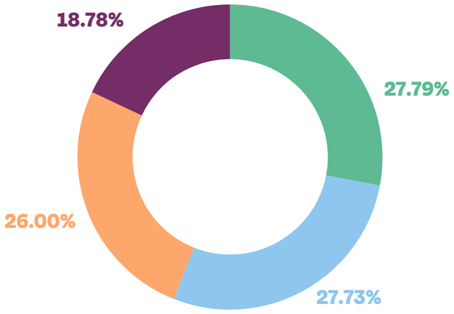


Supplementary Information

A. Corporate Governance and Compliance

Ownership

(GRI 201-1)



- China Southern Power Grid International
- Canada Pension Plan Investment Board
- British Columbia Investment Management
- Public Sector Pension Investment Board

Información Adicional Directores

(CMF 3.2 iv, 3.3 ii)

Name	Position	Genre	Country	Ocupation	Age	Disability	Experience	Attendance %
Scott Lawrence	Chairman of the Board	Male	Canada	Business and Finance	50	No	Business and Finance	100
Richard Cacchione	Board member	Male	Canada	Engineering and Accounting	68	No	Business and Finance	100
Jordan Anderson	Board member	Male	Canada	Trade	44	No	Business and Finance	100
Tao He	Board member	Male	China	Negocios y Finanzas	44	No	Business and Finance	100
Mario Valcarce	Board member	Male	Chile	Commercial Engineer	73	No	Business and Finance	100
Blas Tomic	Board member	Male	Chile	Civil Industrial Engineer	73	No	Business and Finance	100
Juan Benabarre	Board member	Male	Chile	Mechanical Engineer	72	No	Business and Finance	100
Andrea Butelmann	Board member	Female	Chile	Economist	64	No	Business and Finance	100
Ximena Clark	Board member	Female	Chile	Economist/Commercial Engineer	53	No	Business and Finance	100

Alternate Directors

(CMF 3.2 xiii a, b, c, d)

Name	Position	Genre	Country	Ocupation	Age	Disability	Entry date	Tax ID No.
José Miguel Bambach	Alternate Director	Male	Chile	Abogado	58	No	26.04.2019	7.010.468-7
Juan Agustín Laso	Alternate Director	Male	Chile	Abogado	56	No	26.04.2019	7.021.933-6
Alfredo Ergas	Alternate Director	Male	Chile	Ingeniero comercial	56	No	26.04.2019	9.574.296-3
Patricio Reyes	Alternate Director	Male	Chile	Abogado	51	No	26.04.2019	10.034.607-9
Claudio Campos	Alternate Director	Male	Chile	Abogado	55	No	26.04.2019	10.266.027-7
Roberto Munita	Alternate Director	Male	Chile	Abogado	45	No	26.04.2019	14.428.999-4
Michael Rosenfeld	Alternate Director	Male	Canada	Comercio	40	No	26.04.2019	0-E (Extranjero)

Complaints

(GRI 205-3, 406-1 y CMF 3.1; 5.5; 8.1.2; 8.1.3, 8.1.5)

Type and Number of Complaints	2022
Complaints received	2
Complaints dismissed due to lack of information	0
Complaints investigated	0
Complaints pending	0
Complaints that resulted in terminations	0
Complaints that resulted in reprimand	0
Complaints that resulted in retraining	0
Complaints involving workplace harassment	2*
Complaints involving sexual harassment	0
Conflict of interest	0
Corruption, robbery, theft, fraud	0
Discrimination	0
Improper use of confidential or privileged information	0
Information security	0
Environment	0
Other (please explain)	0

*Aligns with the number of complaints that were received and declared inadmissible due to a lack of required elements

Fines

(GRI 2-7, 206-1, CMF 8.1.1, 8.1.2, 8.1.4)

Type of Fine	No.	Monetary Value	Fine Description
Customers	0	0	-
Employees	1	42 UTM	Issued in 2021 regarding disability
Environment*			
Free competition	0	0	-
Law No. 20.393	0	0	-

(*) In 2022, we took steps related to Compliance Programs as part of disciplinary proceedings begun in 2020 that are part of a single case:

1) Charrúa-Lagunillas Line Compliance Program (Record F-049-2020):
-Status: Ongoing
-Related Infraction: Failing to prove the reforestation of 10 hectares and to preserve specimens in the reforested property.
-Completion Date: March 2023

2) Rincón de Pataguas -Ancoa Substation Compliance Program (Record D-094-2020):
-Status: Ongoing
-Related Infraction: Exceeding nighttime noise limits.
-Completion Date: November 2023

In regard to the other type of proceedings, two fines associated with a single complaint filed by CONAF were issued:

3) Case No. 4226/2020: Complaint filed by CONAF with the Ovalle Local Police Court in the Coquimbo Region for cutting xerophytic scrub without a workplan approved by the National Forestry Corporation during maintenance of the La Cebada-Pan de Azúcar 2x220 kV transmission line strip. A corrective plan was submitted and observed, and were fined for a second time for failing to meet the submission deadline set by the authority. We are currently processing a correction plan with the respective authority

Anti-corruption and Unfair Competition Training

(CMF 8.1.4, 8.1.5)

Number of employees trained on the anti-corruption policy and/or procedures 2022	Female	Male
Senior management	3	8
Management	8	37
Department head	13	83
Administrative staff	19	7
Other professionals	95	250
Other technicians	1	63
Total	**139**	**448**

Number of employees trained on the anti-corruption policy and/or fair competition procedures 2022	Female	Male
Senior management	3	8
Management	4	19
Department head	3	6
Administrative staff	1	1
Other professionals	17	29
Other technicians	-	2
Total	**28**	**65**

We have various communication channels in place that allow us to respond to the concerns of our various counterparts. Our stakeholders and their concerns are also varied. For example, formal responses to concerns submitted directly by shareholders or other financial entities are addressed by the Vice Presidency of Finance regardless of their nature. Questions posed by government entities are managed by the various vice presidencies based on their roles. Those submitted by the Environment Superintendency are answered by the Vice Presidency of Corporate Affairs. The various areas of the Company work together to address concerns, maintaining specific communication channels with our various interest groups.

Overall, and from the perspective of the nature of the information requested, the most frequent topics and areas that support the provision of responses are outlined in this table:

Nature of the Request for Information	Responding Area
Electric and systems issues, frequently asked questions from the sectorial regulator	Operations Team
Legal information, especially from the National Energy Commission, Energy Ministry and Electricity and Fuel Superintendency.	Legal Counsel
Environmental and community questions	The VP of Corporate Affairs and Sustainability together with the legal team: The Environment Area addresses impacts associated with the environment per the projects' Environmental Impact Qualification Resolutions
Information on other topics such as: attacks, physical security, service interruptions and other issues	Various vice presidencies as appropriate. In the case information that is more or less critical, the Crisis Committee review it. It plays a communications outlet role if necessary
Financial information, requests from the financial sector	Vice Presidency of Finance

B. Customers and Operations

Supplier Assessment and Payments

(CMF 7.2)

Transelec S.A. has a Comprehensive Supplier Assessment Policy that rates each supplier -whether of services, construction or supplies- on a scale of 1 to 5 based on their performance in the following areas:

Technical Aspects (Services)
- Meeting service deadlines
- Timely and high-quality delivery of service documentation
- Quality execution of services and work
- Staff technical competencies
- Equipment / technological back-up / software that is optimal for the development of the service / tools

Technical Aspects (Projects)
- Engineering quality
- Building strategy
- Projects placed into service
- Staff technical competencies

Safety and Environmental Aspects
- Compliance with TSG / Applicable OHS regulations / Accreditation
- Compliance with regulations regarding the disposal and disposition of surplus and waste
- Compliance with environmental regulations
- Relationships with communities / owners

Contractual Aspects
- Proactive and timely compliance with labor laws
- Compliance with awarded contractual conditions
- Compliance with the delivery of financial guarantees
- Submission of additional resources based on the prices awarded and with a level of details that facilitates review / approval
- Review of financial solvency, compliance with payment commitments, and other matters
- Supply delivery times
- Compliance with the submission of plans for manufacturing in Rev. 0
- Compliance with agreed upon delivery times for supplies

Supply Quality Aspects
- Quality of technical factory plans / documents
- Quality of the sourcing, good, or equipment
- Transportation conditions (safety, quality)
- Technical service quality (FAT, PES, post-sale)
- Training of Transelec staff

Supplier Payment 2022	Timeframes		
	Up to 30 days	Between 31 and 60 days	More than 60 days
No. of Invoices Paid	12,856	4	3
Total Amount of Invoices Paid (millions of pesos)	304,635	2.1	18.9
Total Interest Paid Due to Delay in Invoice Payment	0	0	0
No. of Suppliers Paid	2,043	3	3
Nº de acuerdos inscritos en Registros de Acuerdos con Plazo Excepcional de Pago	0	0	0

C. Our Team

The numeric data presented presented in this section do not include Paola Basaure, who assumed the position of Vice President of Corporate Affairs and Sustainability on January 1, 2023.

Nationality by Role

(CMF 3.2 xiii b, 5.1.2)

Nationality by Role 2022	Chile		Venezuela		Colombia		Other	
	No. of Women	No. of Men	No. of Women	No. of Men	No. of Women	No. of Men	No. of Women	No. of Men
Senior management	1	8	0	0	0	0	1	0
Management	8	36	0	0	1	0	0	1
Department head	15	85	0	1	1	1	0	3
Operators	0	0	0	0	0	0	0	0
Sales force	0	0	0	0	0	0	0	0
Administrative Staff	17	7	0	0	0	0	1	0
Auxiliary Staff	0	0	0	0	0	0	0	0
Other Professionals	80	228	6	14	2	0	4	1
Other Technicians	1	61	0	2	1	0	0	0
Total	**122**	**425**	**6**	**17**	**5**	**1**	**6**	**5**

Staff by Role and Gender

(CMF 5.1.1)

Nationality by Role 2022	2022		Total
	Women	Men	
Senior Management	2	8	10
Managers	9	37	46
Heads	16	90	106
Operators	0	0	0
Administrative Staff	18	7	25
Other Professionals	92	243	335
Other Technicians	2	63	65
Total	**139**	**448**	**587**

Staffing by Geographic Location and Gender in Chile

(CMF 5.1.1)

Region	2021	2022
Arica and Parinacota (XV)	1	1
Tarapacá (I)	9	8
Antofagasta (II)	26	26
Atacama (III)	14	13
Coquimbo (IV)	30	32
Valparaíso (V)	3	4
Libertador General Bernardo O'Higgins (VI)	1	0
Maule (VII)	33	33
Ñuble (XVI)	-	6
Bío-Bío (VIII)	34	27
Araucanía (IX)	21	20
Los Ríos (XIV)	-	-
Los Lagos (X)	4	4
Aysén (XI)	-	-
Magallanes and Chilean Antarctic Territory (XII)	-	-
Metropolitan Region (XIII)	416	413
Total	**592**	**587**

Staff by age

(CMF 5.1.3)

Staff by age	Senior Managment		Managment		Department Head		Administrative Staff		Other Professionals		Other Technicians	
	N° of Women	N° of Men	N° of Women	N° of Men	N°of Women	N° of Men	"N° of Women	N° of Men"	N° of Women	N° Men	N° of Women	N° of Menen
Under 30	0	0	0	0	0	1	0	0	23	22	2	5
30-40 years	0	1	2	7	10	29	6	2	47	135	0	18
41-50 years	2	4	3	12	5	39	7	3	19	61	0	12
51-60 years	0	3	4	10	1	11	5	1	3	16	0	16
61-70 years	0	0	0	8	0	10	0	0	0	9	0	12
Over 70 years	0	0	0	0	0	0	0	1	0	0	0	0
Total	**2**	**8**	**9**	**37**	**16**	**90**	**18**	**7**	**92**	**243**	**2**	**63**

Staffing by Contract Type

(CMF 5.2)

Employees by Contract Type 2022	2020			2021			2022		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Open term	116	448	564	134	452	586	137	447	584
Fixed-term contract	1	2	3	2	4	6	2	1	3
Project-based	4	14	18	6	17	23	7	11	18
Total	**117**	**450**	**567**	**136**	**456**	**592**	**146**	**459**	**605**

Workforce by Region and Contract Type 2022	Open-term contract		Fixed-term contract		Hourly worker		Freelance worker	
	No. of Women	No. of Men	No. of Women	No. of Men	No. of Women	No. of Men	No. of Women	No. of Men
Region I	0	8	0	0	0	0	0	0
Region II	5	21	0	0	0	3	0	0
Region III	2	11	0	0	0	0	0	0
Region IV	4	28	0	0	0	0	0	0
Region V	0	4	0	0	0	0	0	0
Region VI	0	0	0	0	0	0	0	0
Region VII	4	27	1	1	0	0	0	0
Region VIII	5	22	0	0	1	0	0	0
Region IX	5	15	0	0	0	0	0	0
Region X	1	3	0	0	0	2	0	0
Region XI	0	0	0	0	0	0	0	0
Region XII	0	0	0	0	0	0	0	0
Region XIV	0	0	0	0	0	0	0	0
Region XV	0	1	0	0	0	0	0	0
Region XVI	0	6	0	0	0	0	0	0
Metropolitan Region	111	301	1	0	6	6	0	0
TOTAL	**137**	**447**	**2**	**1**	**7**	**11**	**0**	**0**

Staffing by Schedule Type

(CMF 5.3)

Workforce by Region and Schedule Type 2022	Full-time*	
	No. of Women	No. of Men
Region I	0	8
Region II	5	21
Region III	2	11
Region IV	4	28
Region V	0	4
Region VI	0	0
Region VII	5	28
Region VIII	5	22
Region IX	5	15
Region X	1	3
Region XI	0	0
Region XII	0	0
Region XIV	0	0
Region XV	0	1
Region XVI	0	6
Metropolitan Region	112	301
Total	**139**	**448**

* There are no part-time employees or adaptability agreements.

Health and Safety Goals

Health and Safety Goals	Total
Accident rate	0.45
Fatality rate	0
Job-related rate	0
Claims rate	15

Workforce by Years of Service

(GRI 2-7 iv, v CMF 5.1.4)

Workforce by Years of Service 2022	Senior Managment		Managment		Department Head		Administrative Staff		Other Professionals		Other Technicians	
	N° Women	N° of Men	N° Women	N° of Men	N° Women	N° of Men	N° Women	N° of Men	N° Women	N° of Men	N° Women	N° of Men
Under 30	1	1	4	7	5	11	2	1	46	71	1	13
30-40 years	0	0	1	5	3	8	4	2	20	59	1	12
41-50 years	0	2	0	4	3	10	5	2	10	45	0	5
51-60 years	1	1	0	5	3	16	1	0	9	33	0	5
61-70 years	0	4	4	16	2	45	6	2	7	35	0	28
Over 70 years	**2**	**8**	**9**	**37**	**16**	**90**	**18**	**7**	**92**	**243**	**2**	**63**

Salary Gap by Role

(CMF 3.2 xiii f, 5.4.2)

Salary Gap by Role	2021	2022	
	Mean	Mean	Median
Management	90.3%	91.2%	88.3 %
Department Head	88.6%	88.3%	86.3%
Administrative Staff	110.9%	105.9%	111.8 %
Other Professionals	92.3%	92.9%	93.7 %

(*) Includes hours taken in MBA Executive.

Hours of Training and Number of Employees by Role

(GRI 404-1, CMF 5.8 iii)

Hours of Training by Role 2022	Number of Women	Number of Men	Average hours for women	Average hours for men	% women (of total workforce)	% men (of total workforce)
Senior management	2	8	275(*)	23.6	100%	75%
Managers	8	43	56.4	57.0	100%	100%
Heads	14	89	57.4	52.8	100%	96%
Operator	-	-	-	-	-	-
Sales force	-	-	-	-	-	-
Administrative staff	19	7	19.2	20.7	100%	100%
Auxiliary staff	-	-	-	-	-	-
Other professionals	108	266	55.5	53.7	100%	99%
Other technicians	1	77	36.0	46.6	100%	100%
Total	**153**	**490**	**53.7**	**51.7**	**100%**	**98.2%**

Performance Evaluation by Role and Gender

Number of People Evaluated by Role 2022	No. of Women	Percentage	No. of Men	Percentage
Senior management	2	100%	8	100%
Managers	9	100%	37	100%
Heads	16	100%	90	100%
Operators	-	-	-	-
Sales force	-	-	-	-
Administrative staff	17	94%	7	100%
Auxiliary staff	-	-	-	-
Other professionals	90	98%	235	97%
Other technicians	2	100%	63	100%
Total	**136**	**98%**	**440**	**98%**

People with Disabilities by Role and Gender

(CMF 3.2.xiii f, 5.1.5)

People with Disabilities 2022	People without Disabilities		People with Disabilities	
Role	Women	Men	Women	Men
Senior Management	2	8	0	0
Managers	9	37	0	0
Heads	15	89	1	1
Operators	0	0	0	0
Sales force	0	0	0	0
Administrative staff	17	6	1	1
Auxiliary staff	-	-	-	-
Other professionals	92	239	0	4
Other technicians	2	62	0	1
Total	**137**	**441**	**2**	**7**

Parental Leave by Role

(CMF 5.7)

Average Number of Days Used (Parental Leave) 2022	Men	Women
Senior management	-	-
Management	5	
Department head	5	84
Operators	-	-
Sales force	-	-
Administrative staff	-	-
Auxiliary Staff	-	-
Other professionals	5	84
Other Technicians	5	84

*Los días corresponden a los legales. Todos los colaboradores han tomado el 100% de los días, aunque puede que en algunos casos no hayan sido 100% en un año en curso.

D. Sustainability and the Environment

Waste Management

(GRI 306-3, 306-4, 306-5)

Types of Waste Elimination	Hazardous waste (plants)		Non-hazardous Waste (Plants, EDS, offices, and Arcoprime)	
	2021	2022	2021	2022
Elimination through recycling	58	111	166	323
Elimination in landfills	10	31	481	923
Total waste	68	142	647	1245

Greenhouse Gas Emissions

(GRI 305-1, 305-2, 305-3 SASB IF-EU 110a.1, EU-110a.2)

Scope	Emissions (tCO2eq)
Direct emissions (Scope 1)- Consumption of fuels and fugitive emissions	1,017
Direct emissions (Scope 1)- Fugitive emissions	1,808
Indirect emissions (Scope 2)- Electricity consumption	4,502
Indirect emissions (Scope 2)- Losses of electricity due to transmission and distribution	277,790
Indirect emissions (Scope 3) (*)	195,795
Total Scope 1 and 2 excluding losses	7,326
Total Scope 1 and 2, including losses	285,116
Total Scope 1, 2 and 3, excluding losses	205,122
Total Scope 1, 2 and 3, including losses	482,911
Greenhouse Gas Emissions (GHG) associated with energy supplies (**)	5,519

(*) Includes categories: Capital goods acquisition, Activities related to fuel and energy, Upstream cargo transport, Waste treatment and disposition, Business travel, and Movement of people.
(**) Includes consumption of fuels and electricity consumption. Does not include network losses.

Water Management

(GRI 303-3, 303-5 y SASB IF-EU-140a.1)

(1) Total water extracted and %	Cubic meters	%	(2) Total water consumed and % 2022	Cubic meters	%
	653,629	100%		501,819	77%

Note: Percentage of each one in regions with high or extremely initial high water stress.

Water captured 2022	Cubic meters	%	Water discharged 2022	Cubic meters %	%
	-	0		151,810	23
Total 2021	653,629	-	**Total 2022**	653,629	-

Training in sustainability

Name of sustainability training	Topics addressed	Target audience	No. employee participants
2021 GRI Standards updating	GRI Standards and 2021 update	Environment Division	1
Waste control	Awareness about noise and its management in our operations in the context of International Noise Awareness Day	Norte Grande, Norte Chico, Central, Central-South Regional Divisions	57
Implementation of recycling program in Transelec's general offices	Classification of waste and use of recycling modules	Regional offices	127
Environmental incidents	Disseminating the importance of identifying and reporting environmental incidents or semi-incidents	Southern Regional Division and contractors	50
Managing leaks and spills of hazardous substances or waste	Management of events involving leaks or spills of hazardous substances or waste with a preventative approach	Norte Grande, Norte Chico, Central, Central-South Regional Divisions	58
Solid waste management	Managing solid waste considering environmental and public health aspects	Central and Central-South Regional Divisions	63
Waste and hazardous substance management	Reinforcing employees' knowledge of Transelec procedures for waste and hazardous substance management	Norte Grande and Norte Chico Regional Divisions and contractors	7
SF6 handling, management, and storage	Presenting requirements and reinforcing knowledge about handling SF6 gas.	Norte Grande, Norte Chico, Central, Central-South Regional Divisions	23
Bird interaction protocol	Training on caring for birds based on the Company's operations	Norte Grande, Norte Chico, Central, Central-South Regional Divisions	60
Recognizing flora species	Recognizing flora in the field in order to promote care of such species	Norte Grande, Norte Chico, and Central-South Regional Division	25
Biodiversity Toolkit/ Company Action	Impact and dependence of biodiversity	Environment Division and Sustainability Area	2
Carbon Footprint Toolkit/ Company Action	Quantifying our carbon footprint	Environment Division and Sustainability Area	8
Water Footprint Toolkit/ Company Action	Water footprint	Environment Division and Sustainability Area	2

Impacts Management

The potential impacts on local communities vary in nature and stem from project construction and operation activities. The Company has established various risk management tools to prevent and/or mitigate said impacts.

For projects submitted to the Environmental Impact Assessment System (EIAS), Transelec closely follows regulations and environmental impact prediction methodologies to make improvements with a minimal impact on the territory. Early citizen participation processes are held to incorporate the social dimension early on in the project design. This comes in addition to the participation processes regulated as part of the environmental assessment, such as citizen participation and indigenous consultations.

The Company strives to minimize the impact of projects in the construction stage on local communities. When this is not possible, mitigation measures are implemented to reduce negative consequences. These include:

- Wetting down roadways to limit particulate matter;
- Installing acoustic barriers; and
- Establishing work schedules that align with local human groups' life systems and customs.

During the operations stage, controls are left in place to prevent adverse impacts due to the noise levels produced by transmission equipment. These include cleaning conductors, asset maintenance, and the installation of noise barriers. In addition, the Company takes measures to monitor its activities and has implemented a communications management system to channel community members' concerns. Transelec is also committed to managing potential impacts due to noise levels, which is reflected in its innovation initiatives. The organization's open innovation model includes a "zero noise" challenge.

E. Finances

Financial Liability

(GRI 2-6)

	2018	2019	2020	2021	2022
Total Revenue	329	379	333	306	440
EBITDA	278	329	276	248	369
Transmission Lines	9,672	9,792	9,857	10,045	10,117
Projects in the Innovation Portfolio	47	68	38	48	49

F. Transelec Group

Subsidiaries and Related Entities

(CMF 6.5.1)

	INVERSIONES C y T LTDA.	CyT OPERACIONES SpA	GEA TRANSMISORA SPA	TRANSELEC CONCESIONES S.A.
Name, domicile and legal status (CMF 6.5.1 i)	76.137.683-7 Orinoco 90, Piso 14 Las Condes, Santiago, Chile	76.248.725-K Orinoco 90, Piso 14 Las Condes, Santiago, Chile	77.504.183-8 Orinoco 90, Piso 14 Las Condes, Santiago, Chile	76.524.463-3 Orinoco 90, Piso 14 Las Condes, Santiago, Chile
Subscribed and paid-in capital (CMF 6.5. ii)	US$ 1.5 million	US$ 1.5 million	US$ 1,000	US$ 5 million
Corporate purpose and activities (CMF 6.5.1 iii)	The company's purpose is to: a) invest its own or other entities' resources in securities, publicly traded and private companies or any other type of company, especially joint-stock companies, bonds, debentures and other trade bills; b) the acquisition and exploitation of all types of movable or immovable, tangible or intangible goods; and c) other similar investments related to those listed above or to real estate activities or movable tangible and intangible goods and their yields.	To exploit and develop electricity systems owned by the Company for the transport or transmission of electric energy. It may, for these purposes, obtain, acquire and use the respective concessions and permits and exercise all of the rights and powers that legislation confers on electric companies.	To exploit and develop electricity systems owned by the Company for the transport or transmission of electric energy. It may, for these purposes, obtain, acquire and use the respective concessions and permits and exercise all of the rights and powers that legislation confers on electric companies.	To exploit and develop electricity systems owned by the Company for the transport or transmission of electric energy. It may, for these purposes, obtain, acquire and use the respective concessions and permits and exercise all of the rights and powers that legislation confers on electric companies.
Full names of the Board member(s), senior management and, if applicable, CEO (CMF 6.5.1 iv)	Arturo Le Blanc Cerda	Arturo Le Blanc Cerda	Arturo Le Blanc (CEO and Chairman of the Board), Bernardo Canales Fuenzalida (Board member) and Francisco Castro Crichton (Board member)	Arturo Le Blanc (CEO and Chairman of the Board), Jorge Vargas (Board member) and Francisco Castro Crichton (Board member)
Changes in ownership during the most recent period (CMF 6.5.1 v)	0%	0%	0%	0%
Ownership Interest (%)	99,90%	100%	100%	99,90%
Full name of director, CEO or senior executives of the parent or investing entity that holds any of these positions in the subsidiary or associate (CMF 6.5.1 vii)	Arturo Le Blanc Cerda	Arturo Le Blanc Cerda	Arturo Le Blanc Cerda	Arturo Le Blanc Cerda

	TRANSMISIÓN DEL MELADO SpA	RENTAS ELÉCTRICAS I LIMITADA	TRANSELEC HOLDINGS RENTAS LIMITADA	POZO DOLORES S.A.	TRANSMISORA DEL PACIFICO S.A.
Name, domicile and legal status (CMF 6.5.1 i)	76.538.831-7	76.559.580-0	76.560.200-9	76.736.646-9	76.920.929-8
	Orinoco 90, Piso 14 Las Condes, Santiago, Chile	Orinoco 90, Piso 14 Las Condes, Santiago, Chile	Orinoco 90, Piso 14 Las Condes, Santiago, Chile	Orinoco 90, Piso 14 Las Condes, Santiago, Chile	Orinoco 90, Piso 14 Las Condes, Santiago, Chile
Subscribed and paid-in capital (CMF 6.5. ii)	CLP$ 5.45 billion	US$ 496 million	US$ 1.3 billion	US$ 1,000	US$ 1,000
Corporate purpose and activities (CMF 6.5.1 iii)	The sale of 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 corporate purpose is to obtain income from all types of real estate and investments, pensions or any other product derived from its shares, ownership, possession or custody of any type of investment regardless of its original denomination, including profits from bonds and debentures, credit documents of any kind, dividends and other benefits derived from the ownership, possession or custody of the shares of corporations or partnerships, cash, deposits and other instruments as well as any other activity that is directly or indirectly related to the aforementioned elements.	To obtain income from all types of real estate and investments, pensions or any other product derived from its shares, ownership, possession or custody of any type of investment regardless of its original denomination, including profits from bonds and debentures, credit documents of any kind, dividends and other benefits derived from the ownership, possession or custody of the shares of corporations or partnerships, cash, deposits and other instruments as well as any other activity that is directly or indirectly related to the aforementioned elements.	To exploit and develop electricity systems owned by the Company or third parties for the transport or transmission of electric energy. It may, for these purposes, obtain, acquire and use the respective concessions and permits and exercise all of the rights and powers that legislation confers on electric companies.	To exploit and develop electricity systems owned by the Company or third parties for the transport or transmission of electric energy. It may, for these purposes, obtain, acquire and use the respective concessions and permits and exercise all of the rights and powers that legislation confers on electric companies.
Full names of the Board member(s), senior management and, if applicable, CEO (CMF 6.5.1 iv)	Francisco Castro Crichton (Board member), Arturo Le Blanc Cerda (Board member and CEO), Jorge Vargas Romero (Board member), Olivia Heuts (Board member)	Scott Lawrence (Board member), Richard Cacchione (Board member), Jordan Anderson (Board member), Tao He (Board member), Blas Tomic Errázuriz (Board member), Juan Benabarre Benaiges (Board member), Andrea Butelmann Peisajoff (Board member), Mario Valcarce Durán (Board member) and Ximena Clark Núñez (Board member) Arturo Le Blanc (CEO)	Arturo Le Blanc Cerda	Arturo Le Blanc (CEO and Chairman of the Board), Jorge Vargas (Board member) and Francisco Castro Crichton (Board member)	Arturo Le Blanc (CEO and Chairman of the Board), Jorge Vargas (Board member) and Francisco Castro Crichton (Board member)
Changes in ownership during the most recent period (CMF 6.5.1 v)	0%	0%	0%	0%	0%
Ownership Interest (%)	100%	99,97%	99,99%	99,90%	99,90%
Full name of director, CEO or senior executives of the parent or investing entity that holds any of these positions in the subsidiary or associate (CMF 6.5.1 vii)	Arturo Le Blanc Cerda	Scott Lawrence (Board member), Richard Cacchione (Board member), Jordan Anderson (Board member), Tao He (Board member), Blas Tomic Errázuriz (Board member), Juan Benabarre Benaiges (Board member), Andrea Butelmann Peisajoff (Board member), Mario Valcarce Durán (Board member) and Ximena Clark Núñez (Board member) Arturo Le Blanc Cerda, CEO	Arturo Le Blanc Cerda	Arturo Le Blanc Cerda	Arturo Le Blanc Cerda

	TRANSMISORA PARINAS S.A.	CONELSUR S.A.C.	CONELSUR SV S.A.C.	CONELSUR LT S.A.C.
Name, domicile and legal status (CMF 6.5.1 i)	77.244.437-0	Tax ID Number: 20600734271	Tax ID Number: 20604938300	Tax ID Number: 20601047005
	Orinoco 90, Piso 14 Las Condes, Santiago, Chile	Av. Armendariz 480, Of. 201 A, Miraflores, Lima, Peru	Av. Armendariz 480, Of. 201 A, Miraflores, Lima, Peru	Av. Armendariz 480, Of. 201 A, Miraflores, Lima, Peru
Subscribed and paid-in capital (CMF 6.5. ii)	US$ 1,000	US$ 31.5 million	SOL$ 1,000	SOL$ 94.5 million
Corporate purpose and activities (CMF 6.5.1 iii)	To exploit and develop electricity systems of its own or third parties for the transport or transmission of electric energy through the sale of the line transport capacity and transformation of substations and equipment associated with them; to provide consulting services in the areas of engineering and the management of companies related to its exclusive purpose; and to develop other commercial and industrial activities related to the use of infrastructure meant to be used in electricity transmission.	The corporate purpose is based on the ownership of all manner of immovable goods and real estate capital, including interests, pensions or any other products derived from the ownership, possession or custody of any type of real estate capital regardless of their denomination and origin, including profits from bonds and debentures, negotiable instruments of any kind, dividends and other benefits derived from the ownership, possession or custody of any type of shares of corporations or rights in partnerships, cash deposits and other instruments. This includes all auxiliary, complementary, affiliated, related or necessary activities and those that allow it to achieve such goals and align with its rights and, specifically, the Peruvian electricity concessions law and regulations regarding electric energy transmission and the operation of electric energy transmission systems within the national interconnected energy system.	"To manage the activities of the companies Conelsu LT and Pasco CTNP. To provide services to other companies in the electricity transmission sector."	To engage in electric energy transmission in any concession awarded by the Peruvian State to the company or third parties to which the company provides operating service or maintains facilities and any energy electricity transmission system that society freely develops without the need to obtain an operating permit. The company may also plan, design, build, exploit, maintain, modify and close all manner of its own or third party facilities that comprise transmission systems and enter into electricity transmission service and transmission contracts, interconnection agreements and in the broadest sense engage in the management, operation and maintenance of electricity transmission system networks or systems.
Full names of the Board member(s), senior management and, if applicable, CEO (CMF 6.5.1 iv)	Arturo Le Blanc (CEO and Chairman of the Board), Jorge Vargas (Board member) and Francisco Castro Crichton (Board member)	Rodrigo Moncada (CEO), Arturo Le Blanc Cerda (Chairman of the Board), Juan Benabarre Benaiges (Board member), Olivia Heuts (Board member), Jorge Vargas Romero (Board member), Francisco Castro Crichton (Board member)	Rodrigo Moncada (CEO)	Rodrigo Moncada (CEO)
Changes in ownership during the most recent period (CMF 6.5.1 v)	0%	0%	0%	0%
Ownership Interest (%)	99,90%	99,99%	99,90%	99.90%
Full name of director, CEO or senior executives of the parent or investing entity that holds any of these positions in the subsidiary or associate (CMF 6.5.1 vii)	Arturo Le Blanc Cerda	Arturo Le Blanc Cerda, Juan Benabarre Benaiges	N/A	N/A

	PASCO TRANSMISIÓN S.A.C.	CUZCO TRANSMISIÓN S.A.C.	COMPAÑÍA TRANSMISORA NORPERUANA S.A.C.	AGUAS HORIZONTE SpA	CONEXIÓN KIMAL LO AGUIRRE S.A.
Name, domicile and legal status (CMF 6.5.1 i)	Tax ID Number: 20604953147	Tax ID Number: 20604952825	Tax ID Number: 20511721912	77.565.191-1	77.590.896-3
	Av. Armendariz 480, Of. 201 A, Miraflores, Lima, Peru	Av. Armendariz 480, Of. 201 A, Miraflores, Lima, Peru	Av. Armendariz 480, Of. 201 A, Miraflores, Lima, Peru	Avenida Isidora Goyenechea 3600, Of. 602, Las Condes, Santiago, Chile	Apoquindo 4800, Torre 2, piso 5, Las Condes, Santiago, Chile
Subscribed and paid-in capital (CMF 6.5. ii)	US$ 3.3 million	SOL$ 1,000	SOL$ 2.61 million	US$ 700 million	US$ 105,000
Corporate purpose and activities (CMF 6.5.1 iii)	To be the lead firm in the acquisition of 100% of the shares of Compañía Transmisora Norperuana S.R.L (CTNP).	To engage in electric energy transmission in any concession awarded by the Peruvian State to the company or third parties to which the company provides operating service and maintains facilities and any energy electricity transmission system that society freely develops without the need to have an operating permit.	The Company's economic activity consists of transmitting the electric energy that connects the Cajamarca Norte Substation and the Cerro Corona Substation of the National Interconnected Power System (Sistema Eléctrico Interconectado Nacional, SEIN). The Company's electric energy transmission activities are developed in accordance with the Electric Concessions Law and its regulations and are regulated and supervised by the Supervisory Agency for Investment in Energy and Mines (Organismo Supervisor de la Inversión en Energía y Minería, OSINERGMIN).	Design, development, financing, construction, operation and supply of desalinized water through a desalinization plant, including the sea water capture system, plumbing, reservoir, electrical facilities and, in general, all of the facilities and equipment necessary to develop the project.	Design, development, financing, construction and operation of the Kimal-Lo Aguirre HVDC transmission line.
Full names of the Board member(s), senior management and, if applicable, CEO (CMF 6.5.1 iv)	Rodrigo Moncada (CEO)	Rodrigo Moncada (CEO)	Rodrigo Moncada (CEO)	Seijiro Chiba (Board member), Kazuaki Shibuya (Board member), Hikaru Sanuki (Board member), Akira Terao (Board member), Arturo le Blanc Cerda (Board member), Francisco Castro Crichton (Board member), Bernardo Canales Fuenzalida (Board member), Alex Miquel Eggers (CEO)	Gabriel Melguizo (Chairman of the Board), Francisco Castro Crichton (Board member), Xue Yu (Board member), Francisca Castro (Board member), Juan Pablo Schaeffer (Board member), Sebastián Fernández Cox (CEO)
Changes in ownership during the most recent period (CMF 6.5.1 v)	0%	0%	0%	0%	0%
Ownership Interest (%)	99.90%	99.90%	99.90%	40%	33%
Full name of director, CEO or senior executives of the parent or investing entity that holds any of these positions in the subsidiary or associate (CMF 6.5.1 vii)	N/A	N/A	N/A	Arturo Le Blanc (Board member), Francisco Castro (Board member) and Bernardo Canales (Board member)	Francisco Castro Crichton (Board member)

F. Regulatory Context and Rate Studies

(CMF 6.1 iii, iv)

Regulatory context

Other transmission law measures (In addition from those covered in Chapter 3)

- The incorporation of energy and transmission planning with a long-term horizon that contemplates system expansions and where the goal is to achieve a more robust and safe system.
- Preliminary definition of plans for new electricity transmission projects of public interest through a Strip Study[1] conducted by the Ministry.
- Open Access to Universal Transmission Systems
- Regulates rate setting for the National, Regional, and Development Pole Transmission Systems and payment for the use of the Dedicated Transmission System facilities by users subject to price regulation, among other things.
- Payment for the National, Regional, and Dedicated Systems used by customers subject to rate regulation will be billed to free and regulated final users in contrast to the previous law, where generator companies were responsible for such payments.

Transelec's business is mainly focused on compensation for the transportation service that its facilities provide in accordance with the service safety and quality standards set out in current regulations. The legal framework that currently governs electricity transmission in Chile classifies its facilities based on four[2] categories:

- **National Transmission System:** This system is comprised of the electricity lines and substations that allow other transmission segments to be developed in this interconnected market. They also make it possible to meet all electricity system demand under various generation facility availability scenarios, including emergencies and interruptions.

- **Regional Transmission Systems:** These systems are comprised of the electricity lines and substations essentially meant to provide current and future supply for regulated, territorially identifiable clients. Free clients or generation media connected directly or through transmission systems dedicated to said transmission systems may also be included.

- **Development Pole Transmission Systems:** These systems are comprised of the electricity lines and substations used to transport the electricity generated in a single development pole to the transmission system, making efficient use of the national territory.

- **Dedicated Transmission Systems:** These systems are comprised of the electricity lines and substations that are connected to the electricity system and are essentially meant to supply electricity to users that are not subject to price regulation or to inject plants' production into the electricity system.

The first three systems are public. Their rates are set by the Energy Ministry, and they are subject to a universal open access regime under equitable conditions. Dedicated transmission systems must provide access if the Coordinator determines that there is a technical capacity for transmission, notwithstanding the contracted capacity or projects that the company has reliably considered when the third party submits a request to use it.

[1] Strip Study: A specific participatory and transparent tool for deciding where to place new transmission lines. It was established in Article 92 and following of the LGSE (introduced by Law 20.936). Its purpose is to subject certain new project proposals (defined by the Energy Ministry) to an evaluation process that seeks to obtain higher levels of certainty for project execution. The State is assigned a key role in the plans, decreasing risks, and legitimating the project socially and environmentally prior to bidding and adjudication.

[2] Article 73 of the LGSE: International interconnection systems are also part of the transmission system, and they are subject to the special rules issued for said purpose. (Our translation.)

Compensation for the national, regional, development pole, and dedicated transmission systems used by users subject to price regulation

Revenue from existing National, Regional, and Developing Pole Transmission System facilities are comprised of the "annual transmission value per segment" (VATT for its Spanish acronym), which is calculated based on the "annual investment value" (AVI for its Spanish acronym), plus "operating, maintenance and administrative costs" (COMA), adjusted for the effects of income tax for each section that comprises said systems. Furthermore, income from use of dedicated transmission facilities by users subject to price regulation are comprised of a proportion of the VATT that can be assigned to said users.

System Valuation Studies

The existing segments that comprise these systems and their corresponding VATT are determined every four years by the CNE based on the Transmission System Valuation Study or Studies conducted by a consultant chosen through an international public tender. The CNE drafts a technical report that reflects the results of this process. This allows the Energy Ministry to set rates for the next four years for the National, Regional, and Development Poles Transmission Systems and to establish payments for the use of dedicated transmission facilities by users subject to price regulation. During the four-year period between the rate processes, both the AVI and COMA of each segment are indexed using formulae meant to maintain the real value of the AVI and COMA during that period. Both the indexation formulas and periodicity of their application are determined in the corresponding rate process.

Transmission System Payment

Payment for National, Regional, and Dedicated Systems used by customers subject to rate regulation will be billed to free and regulated final users. For the payment of Development Pole Transmission Systems, a single charge is established such that the collection associated with it compensates the proportion of the facilities for development poles not used by the existing generation. The VATT not covered by that charge will be covered by the generators that inject their production into the corresponding pole. In the case of the National Transmission System, Law 20.936/2016 established a transition period (2019-2034) to gradually replace the old compensation and payment regime with the new one described above. In the case of Regional Transmission Systems, the new compensation and payment regime will be applied starting on January 1, 2018.

The Coordinator is responsible for holding international public tenders for both new projects and expansion projects. The tender for building and executing the projects for expanding existing facilities will be awarded based on the VI offered and will be paid for by the owner of the respective facility. This stands in contrast to the plan for new projects, where the exploitation and execution rights will be awarded to the bidder who presents the lowest VATT for the project. The owner of the expansion project will receive the AVI and the corresponding COMA as compensation for that VATT project. The AVI will be determined based on the VI awarded and will remain in effect for five rate periods of four years each. In the case of new projects, the VATT resulting from the tender will constitute its compensation and it will be applied for five rate periods. Following the aforementioned five rate periods, expansion projects and new projects begin to be considered existing facilities for the purposes of their valuation and compensation with rate reviews every four years.

The Energy Ministry announced that it would stabilize electricity rates for final customers as a result of the social protests that began in October 2019. The authority has taken the following measures in that respect:

i) On November 2, 2019, Law No. 21.185 was published in the Official Gazette. It establishes a provisional mechanism for stabilizing electric energy prices for customers subject to rate regulation associated with supply contracts of generator companies and their clients.
ii) On December 21, 2019, Law No. 21.194 was published in the Official Gazette. Among other things, it temporarily stabilizes price levels associated with the added value based on distribution costs that are being applied or lower rates than the maximum rates that are being billed through the publication of Law No. 21.194.
iii) The process of evaluating national and regional transmission facilities is ongoing and it will be retroactive to January 1, 2020. Charges are expected to decrease as well due to reasons such as the decrease in the discount rate provided for under Law 20.936/2016. On December 26, 2019, the CNE issued Exempt Resolution No. 815, which set single charges referred to in Articles 115 and 116 of the General Electricity Services Law. These include single charges associated with transmission, where the CNE determined that charges that can be transferred to final customers would remain in place through December 2019. As such, only minor adjustments to these changes would be made in an effort to avoid negatively impacting final customers.

Dedicated System Compensation

Los Income generated through the use of facilities that belong to the Dedicated Transmission Systems is obtained through the transportation agreements signed by users and the owner of the same. The price is generally established by calculating AVI plus COMA by mutual agreement between the parties.

Dedicated facilities are essentially used to inject generator plants' production into the system or to supply electricity to free clients. However, the authority may declare them National, Regional, or Developed Poles if their operating conditions change and it meets the corresponding requirements. The review is conducted by the CNE every four years through a transmission system facility rating process or if said dedicated facilities undergo expansion projects.

Equivalent Transmission Charge

On July 20, 2016, Law No. 20,936 was published in the Official Gazette. It establishes a new electricity transmission system and creates an independent coordinating agency for the National Electric System. According to this legal body, final users pay a single charge to use transmission lines. Suppliers must give this to their transmitters, which will complement the rate revenue produced by energy injection and removal balances from the short-term market in order to complement the VATT to which they have a right.

However, Law 20.936 establishes two provisional application periods. The first went into effect on its publication date and remained in place until December 31, 2018, as the period in which transmission companies should receive compensation in accordance with the rule in place prior to the legal change, that is, by charging generating companies' transmission tools and rate income as outlined above. The second period began on January 1, 2019 and ends on December 31, 2034. During that time, the National Transmission System will be paid partially under the old rule and partially under the new one. This transition period involves a gradual migration of both methods for this transmission system.

During the transition period, Law 20.936 established a mechanism under which generator companies could exempt themselves from the payment of injection tolls for the use of the National Transmission System through the modification of supply contracts signed prior to the publication of said law. Under the law, generator companies had until July 2018 to reach agreements with their customers for permanent reductions of the energy and power supply price for an amount equivalent to the injection toll. Said amount is called the Equivalent Transmission Charge (Cargo Equivalente de Transmisión or CET). It was to be set by the National Energy Commission for each individual energy and power supply contract for each generator company. Based on the above, unique transmission charges for the first half of 2019 should have contained the exemption from injection tolls for generator companies that reached agreements to reduce their supply contracts with their customers.

The process of setting CET prices culminated in late 2019 after more than a year of delays. This means that during 2019, generator companies continued to pay injection tolls to transmission companies. During the first half of 2020, the National Electric Coordinator reliquidated the toll for National Transmission System use based on the agreements signed by the generator companies and their customers based on the application of the CET mechanism.

This reliquidation meant that Transelec had to pay generator companies $68 billion in June 2020. This represents an important part of the compensation for the use of the National Transmission System in 2019. Beginning in the second half of 2020, the National Energy Commission incorporated an adjustment to the single transmission charge in order to collect said compensation from 2019.

Rate Studies

National/trunk transmission system

In February 2016, the Energy Ministry published Supreme Decree No. 23 T, which launched new rates for Trunk and National Transmission System facilities for 2016-2019 as appropriate.

Law 20.936/2016 created two provisional periods for the National Transmission System collection, payment, and compensation regime. They will be governed by the following rules:

- 2016-2018: The collection, payment, and compensation regime set out in Law No. 19,940 dated March 2004 (Short Law I).
- 2019-2034: The collection, payment, and compensation regime set out in Provisional Article 25 of the new Law No. 20.936/2016. This provisional rule seeks to avoid double payment for transmission due to current supply contracts between generator companies and final free or regulated customers that were established prior to the entry into force of said law.

Regional/subtransmission transmission system

Provisional Article Eleven of Law 20.936/2016 establishes that between January 1, 2016 and December 31, 2017, Supreme Decree 14/2013 will remain in force with the adjustments determined by the Energy Ministry through a decree issued "by order of the President of the Republic." These adjustments to Supreme Decree 14/2013 were established by the Ministry through Decree 1T dated February 2017. Provisional Article 12 of Law 20.936/2016 establishes that during the period of extended validity of Decree 14/2013, the process of determining the annual value of the sub-transmission systems will continue in 2018 and 2019.

As such, during the extended validity period of Supreme Decree No. 14/2013, the process of determining the annual value of the sub-transmission and additional transmission systems used by users subject to price regulation in place when the new Law No. 20.936/2016 was published has ended. On July 19, 2018, the CNE published Exempt Resolution No. 531, which replaces the technical report that determines the VATT of Regional Transmission Systems and the provision of the use of the dedicated transmission of users subject to price regulation during 2018 and 2019 approve through CNE Exempt Resolution No. 414 dated July 31, 2017 in accordance with the new Law No. 20.936/2016. This technical report served as the basis for issuing Decree 6T, published in the official gazette on October 5, 2018. The decree sets its rates and indexation formulas for 2018-2019 and the annual value of regional and dedicated transmission facilities used by users subject to price regulation.

[3] Decree No. 14 of 2012 of the Energy Ministry sets the sub-transmission and additional transmission system rates and their indexing formulas for 2011-2014. The validity of this decree was extended once to December 31, 2015 through Decree No. 8 issued in March 2015.

New 2020-2023 rate process -national and regional transmission systems

In April 2019, the Qualification Process ended with the publication of CNE Exempt Resolution No. 244 approving the Final Facilities Qualification Technical Report, considering the ruling of the Panel of Experts. Furthermore, CNE Exempt Resolution No. 272 was published. It approves the technical and administrative guidelines for valuation studies and begins the international public tender call for these studies. The Supervisory Committee for said studies was constituted, and Transelec was chosen as a representative of the National Transmission System companies.

In December 2020, the National and Regional Transmission Systems Valuation Study Consultants published their respective final reports. In November and December 2020, public hearings were held in which National and Regional Transmission System consultants presented the results of these valuation studies.

On April 6, 2021, the CNE published the Preliminary Technical Report of National and Regional Transmission System Valuation Studies. The industry companies submitted their observations on this report. On August 3, 2021, the CNE published the Final Technical Report on the National and Regional System Valuation Studies as well as the responses to the companies' observations. The panel of experts then received and reviewed the companies' observations on the last report and presented its ruling on January 2022.

Considering the delay in the publication of the 2020-2023 rates and the retroactive effect, beginning in 2020, the Company decided to register a provision for lower income that allows it to try to better reflect the income that it should have received during that period. On December 31, 2021, the CNE began the National and Regional Transmission Systems Valuation Studies Technical and Administrative Guidelines process for 2024-2027. The industry companies submitted their observations on this report. On April 26, 2022, the CNE published the Administrative and Technical Guidelines for the National and Regional System Valuation Studies as well as the responses to the companies' observations. The panel of experts then received and reviewed the companies' observations on the last report and presented its ruling on September 20, 2022.

The Transmission System Facilities Qualification process for 2024-2027 has not yet begun because the CNE is working with the National Electric Coordinator to determine which facilities will be included in the process.

The next stages of this national and regional rate process are: a) 2024-2027 Transmission System Facilities Qualification, which should be performed in 2023; and b) beginning the bidding process for consultants who develop National and Regional Transmission System Valuation Studies for 2024-2027, which should begin during the last quarter of 2023.

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406-1	Cases of discrimination and corrective actions undertaken	Chapter 9 - Annexes	81
413-1	Operations with local community engagement, impact assessments, and development programs	Chapter 6 - Sustainability	65
413-2	Operations with significant actual and potential negative impacts on local communities	Chapter 6 - Sustainability	65
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Chapter 2 - Governance Chapter 4 - Customers	25 44

General Regulation 461, CMF Chile

Content	Specific indicator	Location	Observation	Page
1. Table of contents				
Table of contents	1	Chapter 1- Transelec Chapter 9- Annexes		3 95
2. Entity Profile				
Mission, Vision, and Values	2.1	Chapter 1- Transelec	Does not adhere to human rights	12
Historical Information	2.2	Chapter 1- Transelec Chapter 10 - Financial Statements		10 112
Oversight situation	2.3.1	Back cover		2
Identification of partners or majority shareholders	2.3.2	Chapter 1- Transelec Chapter 9-Annexes		9 90
2.3.4 Actions, Characteristics, and Rights	**2.3.4**			
i. Description of series of shares	2.3.4.i		Transelec Holdings Renta Limitada, 76.560.200-9, 99.99% Does not adhere to human rights	
ii. Dividend Policy	2.3.4 ii	Chapter 7- Finance		72
iii Statistical Information	2.3.4 iii			
a. Dividends	2.3.4 iii a	Chapter 7-Finance		72
b. Stock Transactions	2.3.4 iii b		Not applicable	
c. Number of Shareholders	2.3.4 iii c	Chapter 1 – Transelec		9
Other values	2.3.5	Not applicable		

Content	Specific indicator	Location	Observation	Page
3. Corporate Governance				
3.1 Governance Framework				**23 & 24**
Governance Framework	3.1 i	Chapter 2– Governance		16
Governance Framework	3.1 ii	Chapter 2– Governance Chapter 6 - Sustainability		16
Governance Framework	3.1 iii	Chapter 2– Governance Chapter 9 – Annexes		24 81
Governance Framework	3.1 iv	Chapter 1- Transelec		14
Governance Framework	3.1 v	Chapter 2– Governance Chapter 3 - Growth		16 34
Governance Framework	3.1 vi	Chapter 5 -People		47
Governance Framework	3.1 vii	Chapter 2 Governance		22
3.2 Board of Directors				
Board of Directors	3.2 i	Chapter 2 Governance		16
Board of Directors	3.2 ii	Chapter 2 Governance		18
Board of Directors	3.2 iii	Chapter 2 Governance		18
Board of Directors	3.2 iv	Chapter 9 Annexes		80
Board of Directors	3.2 v	Chapter 2 Governance		16
Board of Directors	3.2 vi	Chapter 2 Governance		16
Board of Directors	3.2 vii	Chapter 6 Sustainability		58
Board of Directors	3.2 viii	Chapter 2 Governance		16
Board of Directors	3.2 ix	Chapter 2 Governance		
Board of Directors	3.2 ix a	Chapter 2 Governance -		16
Board of Directors	3.2 ix b	Chapter 2 Governance		16
Board of Directors	3.2 ix c	Chapter 2 Governance		18
Board of Directors	3.2 x	Chapter 2 Governance	Included in the Statutes of the Board of Directors of Transelec S.A.	16
Board of Directors	3.2 xi		There is no written procedure.	
Board of Directors	3.2 xii a	Chapter 2 Governance		16
Board of Directors	3.2 xii b	Chapter 2 Governance		16

Content	Specific indicator	Location	Observation	Page
3.2 Board of Directors (continued)	**3.2 xii c**	**Chapter 2 Governance**		
Board of Directors	3.2 xii d	Chapter 2 Governance		16
Board of Directors	3.2 xiii a	Chapter 2 Governance Chapter 9 Annexes		17
Board of Directors	3.2 xiii b	Chapter 2 Governance Chapter 9 Annexes		17
Board of Directors	3.2 xiii c	Chapter 2 Governance Chapter 9 Annexes		17
Board of Directors	3.2 xiii d	Chapter 2 Governance Chapter 9 Annexes		17
Board of Directors	3.2 xiii e	Chapter 2 Governance Chapter 9 Annexes		17
Board of Directors	3.2 xiii f	Chapter 5 Our Team Chapter 9 Annexes		47 86
3.3 Board Committees				
Board Committees	3.3 i	Chapter 2 Governance		19
Board Committees	3.3 ii	Chapter 9 Annexes		80
Board Committees	3.3 iii	Chapter 2 Governance	Confidential information	19
Board Committees	3.3 iv	Chapter 2 Governance		19
Board Committees	3.3 v	Chapter 10 Financial Statements		112
Board Committees	3.3 vi	Chapter 2 Governance		26
Board Committees	3.3 vii	Chapter 2 Governance		19
3.4 Main Executives				
Main Executives	3.4 i	Chapter 2 Governance		20
Main Executives	3.4 ii	Chapter 2 Governance		20
Main Executives	3.4 iii		Confidential information	
Main Executives	3.4 iv		Not applicable	

Content	Specific indicator	Location	Observation	Page
3.5 Adherence to National or International Codes				
Adherence to National or International Codes	3.5		Does not adhere to international codes as such, but follows the example issued by the UN regarding sustainability and human rights.	
3.6 Risk Management				**54**
Risk Management	3.6 i	Chapter 2 – Governance		25
Risk Management	3.6 ii	Chapter 2 – Governance		27
Risk Management	3.6 ii a	Chapter 2 – Governance		25
Risk Management	3.6 ii b		Unidentified risk. Given the nature of our business, we do not handle external data with customer information	
Risk Management	3.6 ii c	Chapter 2 Governance		27
Risk Management	3.6 ii d		Not applicable	
Risk Management	3.6 ii e	Chapter 2 Governance		27
Risk Management	3.6 iii	Chapter 2 Governance		25
Risk Management	3.6 iv	Chapter 2 Governance		26
Risk Management	3.6 v	Chapter 2 Governance		25
Risk Management	3.6 vi	Chapter 2 Governance		25
Risk Management	3.6 vii	Chapter 2 Governance		23
Risk Management	3.6 viii	Chapter 2 Governance		24 & 26
Risk Management	3.6 ix	Chapter 4 Clients		39 & 44
Risk Management	3.6 x	Chapter 2 Governance		16
Risk Management	3.6 xi	Chapter 2 Governance		19
Risk Management	3.6 xii	Chapter 2 Governance		19
Risk Management	3.6 xiii	Chapter 2 Governance		24

Content	Specific indicator	Location	Observation	Page
3.7 Relationship with Stakeholders and the General Public				
Relationship with stakeholders and the general public	3.7 i	Chapter 1 Transelec		14 & 19
Relationship with stakeholders and the general public	3.7 ii		We introduce improvements on an ongoing basis in order to identify and implement potential improvements to the processes referred to in this section. We do not have external advising for said purposes.	
Relationship with stakeholders and the general public	3.7 iii		We do not have written procedures, but we make this information available to shareholders through formal channels.	
Relationship with stakeholders and the general public	3.7iv	Chapter 1 Transelec	We have tools for remote connections to shareholders and communication with the general public regarding the agreements adopted during shareholders' meetings.	14
4. Strategy: Strategic Goals and Investment Plans				
Temporal Horizons	4.1	Chapter 1 Transelec		12
Strategic Objectives	4.2	Chapter 6 Sustainability		
Investment Plans	4.3	Chapter 3 Growth		31
5. People				
5.1 Staffing				
Number of people by sex	5.1.1	Chapter 5 Our Team Chapter 9 Annexes		46 84
Number of people by nationality	5.1.2	Chapter 5 Our Team Chapter 9 Annexes		46 84
Number of people by age range	5.1.3	Chapter 5 Our Team		48
Years of service	5.1.4	Chapter 5 Our Team Chapter 9 Annexes		49 86
Number of people with disabilities	5.1.5	Chapter 5 Our Team Chapter 9 Annexes		48 & 49 87
5.2 Labor formality				
Labor formality	5.2	Chapter 9 Annexes		85
5.3 Labor adaptability				
Labor adaptability	5.3	Chapter 9 Annexes		85

Content	Specific indicator	Location	Observation	Page
5.4 Salary equity by sex				
Equity policy	5.4.1	Chapter 5 Our Team		47
Salary gap	5.4.2	Chapter 5 Our Team Chapter 9 Annexes		47 86
5.5 Labor and Sexual Harassment				
Labor and Sexual Harassment	5.6	Chapter 2 Governance, Chapter 9 Annexes		23 & 24 81
5.6 Work Safety				
Work Safety	5.6	Chapter 5 Our Team		53
5.7 Parental Leave				
Parental Leave	5.7	Chapter 5 Our Team Chapter 9 Annexes		52 87
5.8 Training and Benefits				**50**
Training and Benefits	5.8 i	Chapter 5 Our Team		50
Training and Benefits	5.8 ii	Chapter 9 Annexes		86
Training and Benefits	5.8 iii	Chapter 9 Annexes		86
Training and Benefits	5.8 iv	Chapter 5 Our Team		52 & 55
5.9 Subcontracting Policy				
Subcontracting Policy	5.9	Chapter 4 Customers		43
6. Business Model				
6.1 Industrial Sector				
Industrial Sector	6.1 i	Chapter 1 Transelec		8
Industrial Sector	6.1 ii	Chapter 1 Transelec		8
Industrial Sector	6.1 iii	Chapter 3 Growth Chapter 9 Annexes		29 91
Industrial Sector	6.1 iv	Chapter 3 Growth Chapter 9 Annexes	Commission for the Financial Market, National Electric Coordinator, Superintendency of Electricity and Fuels, Internal Revenue Service	29 91
Industrial Sector	6.1 v	Chapter 1 Transelec		14
Industrial Sector	6.1 vi		Affiliated with the Asociación deTransmisoras AG.	

Content	Specific indicator	Location	Observation	Page
6.2 Business				
Business	6.2 i	Chapter 4 Clients		37
Business	6.2 ii	Chapter 3 Growth		29 & 31
Business	6.2 iii	Chapter 2 Suppliers		
Business	6.2 iv	Chapter 4 Clients		
Business	6.2 v		Transelec S.A. Subsidiary Transmisión del Melado	
Business	6.2 vi		Not applicable	
Business	6.2 vii		Financial Statements	
Business	6.2 viii		The authors mention external factors and the impacts of the environment on the business throughout the report. See Chapters 2, 3 and 5.	
6.3 Stakeholders				
Stakeholders	6.3	Chapter 1 Transelec		
6.4 Properties and Facilities				
Properties and Facilities	6.4 i	Chapter 1 Transelec	The Company is exclusively focused on the provision of services associated with electricity transmission. To that end, it has electricity transmission lines and substations placed throughout the country that form the Transelec Transmission System. This covers the area between the Arica and Parinacota Region and the Los Lagos Region. The Company's administration analyzes the business based on a set of transmission assets that allow it to provide services to its portfolio of clients. As such, the allocation of resources and performance measurements are analyzed in aggregate terms. The above notwithstanding, the Company's internal management considers revenue and cost classification criteria for purely descriptive purposes, not to engage in segmentation of the business.	
Properties and Facilities	6.4 ii		Not applicable	
Properties and Facilities	6.4 iii		Transelec S.A. owns and holds the rights to operate all of its facilities throughout Chile. It does not have financial or operational leases in which it acts as a lessee.	

Content	Specific indicator	Location	Observation	Page
6.5 Subsidiaries, Related Entities, and Investments in Other Companies				
Subsidiaries and Related Entities	6.5.1	Chapter 9 Annexes		90
Subsidiaries and Related Entities	6.5.1 i	Chapter 9 Annexes		90
Subsidiaries and Related Entities	6.5.1 ii	Chapter 9 Annexes		90
Subsidiaries and Related Entities	6.5.1 iii	Chapter 9 Annexes		90
Subsidiaries and Related Entities	6.5.1 iv	Chapter 9 Annexes		90
Subsidiaries and Related Entities	6.5.1 v	Chapter 8 Transelec Group		75
Subsidiaries and Related Entities	6.5.1 vi	Chapter 9 Annexes		90
Subsidiaries and Related Entities	6.5.1 vii	Chapter 9 Annexes		90
Subsidiaries and Related Entities	6.5.1 viii	Chapter 9 Annexes		90
Subsidiaries and Related Entities	6.5.1 ix	Chapter 9 Annexes		90
Subsidiaries and Related Entities	6.5.1 x	Chapter 8 Transelec Group		75
6.5.2 Investments in Other Companies				
Investments in Other Companies	6.5.2 i		Not applicable	
Investments in Other Companies	6.5.2 ii		Not applicable	
Investments in Other Companies	6.5.2 iii		Not applicable	
Investments in Other Companies	6.5.2 iv		Not applicable	
7. Supplier Management				
7.1 Supplier Payments				
Supplier Payments	7.1	Chapter 4 Clients		44
Supplier Payments	7.1 i	Chapter 9 Annexes		44
Supplier Payments	7.1 ii	Chapter 9 Annexes		44
Supplier Payments	7.1 iii	Chapter 9 Annexes		44
Supplier Payments	7.1 iv	Chapter 9 Annexes		44
Supplier Payments	7.1 v	Chapter 9 Annexes		44
7.2 Supplier Assessment				
Supplier Assessment	7.2	Chapter 4 Clients Chapter 9 Annexes		93

Content	Specific indicator	Location	Observation	Page
8. Indicadores				
8.1 Legal and Regulatory Compliance				
Legal and Regulatory Compliance in regard to Clients	8.1.1	Chapter 9 Annexes		81
Legal and Regulatory Compliance in regard to Employees	8.1.2	Chapter 2 Governance Chapter 9 Annexes		23 & 24 81
Legal and Regulatory Compliance -Environmental	8.1.3	Chapter 6 Sustainability Chapter 9 Annexes		64 81
Legal and Regulatory Compliance – Free Competition	8.1.4	Chapter 2 Governance Chapter 9 Annexes		23 & 24 81
Legal and Regulatory Compliance – Others	8.1.5	Chapter 2 Governance		24 & 25 81
8.2 Sustainability Indicators by Industry Type				
Sustainability Indicators by Industry Type	8.2		See table of SASB indicators.	
9. Relevant or Essential Facts				
Relevant or Essential Facts	9	Chapter 10 Financial Statements		112
10. Comments from Shareholders and the Board Committee				
Comments from Shareholders and the Board Committee	10	Chapter 10 Financial Statements		112
11. Financial Reports				
Financial Reports	11	Chapter 10 Financial Statements		112

SASB Electricity Industry Indicators

Code	Topic	Section or Answer	Page
IF-EU-240a.1	Energy accessibility	Chapter 4 Clients	39
IF-EU-240a.2		Not applicable	
IF-EU-240a.3		Not applicable	
IF-EU-240a.4		Chapter 4 Clients	39 & 40
IF-EU-110a.1	Greenhouse gas emissions and energy resource planning Energy	Chapter 6 Sustainability Chapter 9 Annexes	62 87
IF-EU-110a.2		Chapter 6 Sustainability Chapter 9 Annexes	62 87
IF-EU-110a.3		Chapter 6 Sustainability	62
IF-EU-120 a.1		Not measured	
IF-EU-120a.1	Air quality	Chapter 6 Sustainability Chapter 9 Annexes	62 87
IF-EU-140a.1	Water management	Chapter 6 Sustainability	62
IF-EU-140a.2		No associated incidents have been identified this year	
IF-EU-140a.3		There is no Water Resource Strategy as such. This is a pending challenge.	
IF-EU-110a.4	Greenhouse gas emissions and energy resource planning Energy	Chapter 1 Transelec	7
IF-EU-150a 1	Coal ash management	Not applicable	
IF-EU-150a 2		Not applicable	
IF-EU-550a.1	Resistance of the electricity network	3	
IF-E-550a.2		Chapter 4 Clients SAIDI and CAIDI are not measured.	
IF-EU-420a 1	Final use and demand efficiency	100%	
IF-EU-420a 2		Not applicable	
IF-EU-420a 3		Not applicable	
IF-EU-540a 1	Nuclear security and emergency management	Not applicable	
IF-EU-540a 2		Not applicable	

Code	Topic	Section or Answer	Page
IF-EU-000 A	Parameter of Activity	Chapter 4 Clients	37
IF-EU-000 B		Chapter 4 Clients	38
IF-EU-000 C		Chapter 1 Transelec	8
IF-EU-000 D		Not applicable	
IF-EU-000 E		Not applicable	
IF-EU-320a.1	Workforce Health and Safety	Chapter 5 Our Team	53

In-house Indicators

Code	Information	Location	Page
C2-2	Emerging risks	Chapter 2 Governance	26
T1-1	Risk management system	Chapter 2 Governance	25
T2-1	Revenue evolution	Chapter 7 Finance	70
T2-2	EBITDA evolution	Chapter 7 Finance	70
T2-3	Investment value	Chapter 3 Growth	31
T2-4	Liquidity	Chapter 7 Finances	71
T3-1	Percentage unionized	Chapter 5 Our Team	50
T3-2	Number of strikes	Chapter 5 Our Team	50
T3-4	Labor climate index	Chapter 5 Our Team	50
T3-5	Number of years without strikes	Chapter 5 Our Team	50
T4-1	Customer satisfaction rate	Chapter 4 Customers	39
T5-1	Shares for asset management	Chapter 3 Growth	41
T6-1	SAIDI	Chapter 3 Growth	40
T6-2	EAI	Chapter 3 Growth	40
T6-3	Disconnection rate	Chapter 3 Growth	40
T6-4	Service interruptions	Chapter 3 Growth	40
T6-5	Conductor theft	Chapter 3 Growth	40

Code	Information	Location	Page
T6-6	Percentage of maintenance completed	Chapter 3 Growth	40
T6-7	Physical and financial progress	Chapter 3 Growth	40
T7-1	T7-1 Digital transformation and innovation initiatives	Chapter 3 Growth	34
T7-2	T7-2 Number of projects in the innovation portfolio	Chapter 3 Growth Chapter 9 Annexes	34
T7-3	Initiatives to enhance cyber security	Chapter 3 Growth	42
T8-1	Projects to strengthen the transmission system in the future	Chapter 3 Growth	31
T9-1	Initiatives for connecting renewable energies	Chapter 3 Growth	32
T9-2	MW of renewable energy connected by Transelec	Chapter 6 Sustainability	59
T10-2	Contractors and subcontractors trained on occupational health and safety issues	Chapter 5 Our Team	55

10

Financial **Statements**

CONSOLIDATED FINANCIAL STATEMENTS

TRANSELEC S.A. AND SUBSIDIARY

Santiago, Chile

December 31, 2022 and 2021

$	:	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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
TRANSELEC S.A. AND SUBSIDIARY

As of December 31, 2022 and 2021
Expressed in thousands of Chilean pesos (ThCh$)
(Translation of financial statements originally issued in Spanish-See Note 2.1)

ASSETS	Note	12-31-2022 ThCh$	12-31-2021 ThCh$
CURRENT ASSETS			
Cash and cash equivalents	5	393,816,311	234,518,965
Other financial assets	9	808,338	1,649,550
Other non-financial assets	14	13,139,139	8,485,831
Trade and other receivables	6	100,005,222	83,703,176
Receivables from related parties	7	6,894,154	2,636,917
Inventory		879,458	644,500
Sub-Total Current assets		**515,542,622**	**331,638,939**
Non-current asses classified as held for sale	8	515,376	-
Total Current assets		**516,057,998**	**331,638,939**
NON-CURRENT ASSETS			
Other financial assets	9	185,771,474	233,009,180
Other non-financial assets	14	18,190,346	1,216,073
Receivables from related parties	7	248,543,924	242,500,186
Intangible assets other than goodwill	10	192,548,295	186,073,067
Goodwill	11	343,059,078	343,059,078
Property, plant and equipment, net	12	1,949,750,897	1,815,852,103
Assets for rights of use	13	2,005,711	3,039,468
Total Non-Current assets		**2,939,869,725**	**2,824,749,155**
TOTAL ASSETS		**3,455,927,723**	**3,156,388,094**

LIABILITIES	Note	12-31-2022 ThCh$	12-31-2021 ThCh$
CURRENT LIABILITIES			
Other financial liabilities	15	283,188,355	26,072,718
Liabilities for leases	16	1,067,202	1,575,598
Trade and other payables	17	274,485,028	171,695,169
Accounts payable to related entities	7	32,336,962	17,404,007
Provisions	20	6,677,736	4,716,531
Provisions for employee benefits	22	9,488,963	8,490,205
Other non-financial liabilities	14	902,078	3,606,708
Total Current Liabilities		**608,146,324**	**233,560,936**
NON-CURRENT LIABILITIES			
Other financial liabilities	15	1,574,965,163	1,704,954,466
Lease liabilities	16	752,396	1,533,445
Deferred tax liabilities	21	258,664,464	236,608,096
Provisions for employee benefits, non-current	22	3,469,920	3,468,299
Other non-financial liabilities	14	3,956,865	4,354,436
Total Non-Current Liabilities		**1,841,808,808**	**1,950,918,742**
TOTAL LIABILITIES		**2,449,955,132**	**2,184,479,678**
EQUITY			
Issued and paid-in capital	24	776,355,048	776,355,048
Retained earnings		252,336,836	175,578,953
Other reserves	24	(22,719,293)	19,974,415
Equity attributable to owners of the parent		**1,005,972,591**	**971,908,416**
Non-controlling interest		-	-
TOTAL EQUITY		**1,005,972,591**	**971,908,416**
TOTAL EQUITY AND LIABILITIES		**3,455,927,723**	**3,156,388,094**

The accompanying notes number 1 to 35 form an integral part of these Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME BY FUNCTION TRANSELEC S.A. AND SUBSIDIARY

For the years ended December 31, 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	01-01-2022 12-31-2022 ThCh$	01-01-2021 12-31-2021 ThCh$
Revenue	25	439,592,219	305,857,910
Cost of sales	26	(93,078,900)	(88,388,890)
GROSS MARGIN		**346,513,319**	**217,469,020**
Administrative expenses	26	(35,196,143)	(26,301,884)
Other gains (losses)	25	(29,515)	754,255
Financial income	26	48,641,001	10,646,541
Financial expenses	26	(75,067,697)	(70,228,788)
Exchange differences	26	(224,523)	389,325
Income by indexed units	26	(137,689,822)	(51,560,390)
Profit Before Tax		**146,946,620**	**81,168,079**
Income tax expense	27	(37,851,775)	(22,419,011)
Profit from continuing operations		109,094,845	58,749,068
Profit from discontinued operations		-	-
Profit attributable to owners of the parent		**109,094,845**	**58,749,068**
Profit attributable to non-controlling interests		-	-
Profit		**109,094,845**	**58,749,068**
Earnings Per Share			
Basic/diluted earnings per share from continuing operations ($/s)	28	109,095	58,749
Basic/diluted earnings per share from discontinued operations ($/s)	28	-	-
Basic/diluted earnings per share ($/s)		**109,095**	**58,749**

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME BY FUNCTION TRANSELEC S.A. AND SUBSIDIARY

For the years ended December 31, 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	01-01-2022 12-31-2022 ThCh$	01-01-2021 12-31-2021 ThCh$
Profit		109,094,845	58,749,068
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	23-24	(872,488)	221,873
Cash flow hedges			
Gains (losses) on cash flow hedges	24	(57,612,043)	51,111,813
Total other comprehensive income that will be reclassified to income for the period, before taxes		**(58,484,531)**	**51,333,686**
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	24	15,555,252	(13,800,190)
Income tax related to remeasurements of defined benefit plans of other comprehensive income	24	235,571	(59,905)
Total income tax related to components of other comprehensive in-come that will be reclassified to the result of the period		**15,790,823**	**(13,860,095)**
Total comprehensive income		**(42,693,708)**	**37,473,591**
Total comprehensive income		**66,401,137**	**96,222,659**
Comprehensive income attributable to:			
Comprehensive income attributable to owners of the parent		66,401,137	96,222,659
Comprehensive income attributable to non- controlling interests		-	-
Total comprehensive income and expense result		**66,401,137**	**96,222,659**

The accompanying notes number 1 to 35 form an integral part of these Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
TRANSELEC S.A. AND SUBSIDIARY

For the years ended December 31, 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 ThCh$	Reserves for cash flow hedges ThCh$	Actuarial Losses ThCh$	Total reserves ThCh$	Accumulated gains (losses) ThCh$	Equity attributable to owners of the parent ThCh$	Non-controlling interests ThCh$	Total equity 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)		-	-	-	-	109,094,845	**109,094,845**	-	**109,094,845**
Other comprehensive income		-	(42,056,791)	(636,917)	(42,693,708)	-	**(42,693,708)**	-	**(42,693,708)**
Total comprehensive income		-	(42,056,791)	(636,917)	(42,693,708)	109,094,845	**66,401,137**	-	**66,401,137**
Dividends	24.3	-	-	-	-	(32,336,962)	**(32,336,962)**	-	**(32,336,962)**
Total increase (decrease) in equity		-	(42,056,791)	(636,917)	(42,693,708)	76,757,883	**34,064,175**	-	**34,064,175**
Equity at the end of 12-31-2022	**24**	**776,355,048**	**(22,787,198)**	**67,905**	**(22,719,293)**	**252,336,836**	**1,005,972,591**	**-**	**1,005,972,591**

Movements	Note	Paid-in capital ThCh$	Reserves for cash flow hedges ThCh$	Actuarial Losses ThCh$	Total reserves ThCh$	Accumulated gains (losses) ThCh$	Equity attributable to owners of the parent ThCh$	Non-controlling interests ThCh$	Total equity 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)		-		-	-	58,749,068	**58,749,068**	-	**58,749,068**
Other comprehensive income		-	37,311,623	161,968	37,473,591	-	**37,473,591**	-	**37,473,591**
Total comprehensive income		-	37,311,623	161,968	37,473,591	58,749,068	**96,222,659**	-	**96,222,659**
Dividends	24.3	-	-	-	-	(17,404,535)	**(17,404,535)**	-	**(17,404,535)**
Total increase (decrease) in equity		-	37,311,623	161,968	37,473,591	41,344,533	**78,818,124**	-	**78,818,124**
Equity at the end of 12-31-2021	**24**	**776,355,048**	**19,269,593**	**704,822**	**19,974,415**	**175,578,953**	**971,908,416**	-	**971,908,416**

The accompanying notes number 1 to 35 form an integral part of these Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CASH FLOWS
TRANSELEC S.A. AND SUBSIDIARY

For the years ended December 31, 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	12-31-2022 M$	12-31-2021 M$
Cash flows provided by (used in) operating activities			
Classes of receipts from operating activities:			
Cash receipts from sales of goods and services		607,286,207	562,766,663
Cash receipts from related party for services rendered	7	5,552,551	6,897,521
Cash receipts from related parties for interest	7	9,974,970	8,954,870
Other proceeds from operating activities		320,718	571,476
Types of payments for operating activities:			
Payments to suppliers for goods and services		(12,687,006)	(18,891,240)
Payments of interest for rights of use		(60,314)	(88,469)
Other payments for operating activities		(91,748,615)	(90,587,975)
Payments to and on behalf of employees		(22,482,385)	(20,735,073)
Interest paid		(74,372,444)	(75,390,145)
Net cash flows provided by operating activities		**421,783,682**	**373,497,628**
Cash Flows Provided by (Used in) Investing Activities			
Additions of property, plant and equipment and Intangibles		(238,906,464)	(213,729,214)
Amounts from the sale of property, plant and equipment		52,898	-
Collections received from related entities	7	-	29,192,846
Payments made to related entities	7	(4,402,310)	(31,120,742)
Net cash flows used in investing activities		**(243,255,876)**	**(215,657,110)**
Cash Flows Provided by (Used in) Financing Activities			
Payments of lease liabilities		(1,905,445)	(1,455,982)
Dividends paid	24.3	(17,404,007)	(28,723,000)
Net cash flows used in financing activities		**(19.309.452)**	**(30.178.982)**
Net increase in cash and cash equivalents, before the effect of changes in the exchange rate		**159,218,354**	**127,661,536**
Effects of changes in the exchange rate on cash and cash equivalents		78,992	1,017,279
Net increase in cash and cash equivalents		159,297,346	128,678,815
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**	**393,816,311**	**234,518,965)**

The accompanying notes number 1 to 35 form an integral part of these Consolidated Financial Statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
TRANSELEC S.A. AND SUBSIDIARY

As of December 31, 2022 and 2021
Expressed in thousands of Chilean pesos (ThCh$)
(Translation of financial statements originally issued in Spanish-See Note 2.1)

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, 14th 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.

The Consolidated Financial Statements of the Company for the year ended December 31, 2022, were approved by the Board of Directors at its meeting N°239 held on March 30, 2023.

2- SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The main accounting policies applied in preparing the Consolidated Financial Statements are detailed below. These policies have been based on IFRS in effect as of December 31, 2022 and applied uniformly for the periods presented.

2.1 Basis of preparation of the Consolidated Financial Statements

These Consolidated Financial Statements comprise the Statement of Financial Position as of December 31, 2022 and 2021, the Comprehensive Income of its operations, the Changes in Stockholders' Equity and Cash Flows for the years ended December 31, 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.

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

In preparing these 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 Consolidated Financial Statements are described in Note 4.

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

The accounting policies adopted in the preparation of the 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.

During the year ended December 31, 2022, no accounting changes were recorded that affect the 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.

As of December 31, 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 December 31, 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 Consolidated Financial Statement as of 12-31-2021 M$	Disclosed in this Consolidated Financial Statement as of 12-31-2021 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

Reclassification of financial lease

As of December 31, 2022, the book value of a portion of the financial lease with the client Metro S.A. was classified under Other financial assets non-current, which was presented in the Consolidated Financial Statement as of December 31, 2021 under Other non-financial assets non-current.

Financial Statement Item	Disclosed in Consolidated Financial Statement as of 12-31-2021 M$	Disclosed in this Consolidated Financial Statement as of 12-31-2021 M$
Statements of Financial Position, item "Other non financial assets" in Non-current assets	8,193,431	1,216,073
Statements of Financial Position, item "Other financial assets" in Non-current assets	226,031,822	233,009,180

2.2 Basis of Consolidation

The 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:

Tax ID #	Subsidiary	Participation share		Country of origin	Functional currency
		12-31- 2022	12-31-2021		
76.538.831-7	Transmisión del Melado SpA	100%	100%	Chile	Ch$

2.3 New standards and interpretations accounting

The following new standards, amendments and interpretations has been considered in this 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 Company has evaluated that the application of these amendments does not have a significant effect on the amounts reported in these Consolidated Financial Statements and will evaluate their impact on future transactions or contracts.

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

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 in the 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 Consolidated Financial Statements, are detailed below:

Amendments	Enhancements and Modifications	Mandatory Effective Date
IAS 1	Classification of Liabilities as Current or Non-Current	January 1 2024
IAS 1 and IFRS-Practice Statement 2	Disclosure of Accounting Policies	January 1 2023
IAS 8	Definition of Accounting Estimates	January 1, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
IFRS16	Lease Liability in a Sale and Leaseback	January 1, 2024
IAS 1	Non-current Liabilities with Covenants	January 1, 2024

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 anticipates that the application of this regulation will not have a significant impact in the Consolidated Financial Statements.

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 January 1, 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 anticipates that the application of this regulation will not have a significant impact in the 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.

The amendments are effective for annual periods beginning on or after January 1, 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 anticipates that the application of this regulation will not have a significant impact in the 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 January 1, 2023, with earlier application permitted.

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

Lease liability in a sale and leaseback (amendments to IFRS 16)

The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognize a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date. The amendments do not affect the gain or loss recognized by the seller-lessee relating to the partial or full termination of a lease. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

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

Non-current Liabilities with covenants (amendments to IAS 1)

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

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

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

2.4 Foreign currency translation

2.4.1 Functional and presentation currency

The Company's functional currency is the Chilean peso. These 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	
	12-31-2022	12-31-2021
Unidad de fomento	35,110.98	30,991.74
US$	855.86	844.69
Euro	915.95	955.64

2.5 Financial reporting by operating segments

The Company manages its operations and presents information in the 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.

2.6 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:

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.

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 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.

2.8 Impairment of non-financial assets

Assets with an indefinite useful life, such as 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	12-31-2022	12-31-2021	Description
Discount rate	7.40%	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.

2.9 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.

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 short-term investments 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).

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.

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 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.

8) Compensation of financial assets and liabilities

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

a) There is a legal right to compensated both amounts; and

b) There is an 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.

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 Vacation

The Company recognize the vacation expense 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.

2.13.2 Severance indemnity

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.

2.13.3 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 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.

In the case that 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.

2.16 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.

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.

2.17.2 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 regarding 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.

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.

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.

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 Controlling Company".

The distribution of dividends as of December 31, 2022 and 2021 is reported in Note 24.3.

2.19 Non-current asses classified as held for sale

On the Company classifies as non-current assets (or group of assets for disposal) held for sale, property, plant and equipment, intangibles and groups subject to divestment (group of assets to be sold together with their directly associated liabilities), for which, on the closing date of the Statement of Financial Position, active efforts have been made for their sale, and it is estimated that it is highly probable that the operation will be materialize during the period of twelve months following such date.

Assets or groups subject to divestment classified as held for sale are valued at the lower of their book value or their fair value less costs to sell and are no longer amortized from the moment, they acquire this classification.

Assets that are no longer classified as held for sale, or no longer form part of a group of alienable items, are valued at the lower of their book value prior to their classification, less any depreciation, amortization or revaluation that would have been recognized if they had not been classified as such, and the recoverable value on the date on which they will be reclassified to Non-current assets.

Non-current assets held for sale and the components of the groups subject to divestiture classified as held for sale or as held for distribution to owners are presented in the Consolidated Statement of Financial Position as follows: Assets in a single line called Non-current assets or groups of assets for disposal classified as held for sale and liabilities also on a single line called Liabilities included in groups of assets for disposal classified as held for sale.

In turn, a discontinued operation is a component of the Group that has been sold or otherwise disposed of, or that has been classified as held for sale, and represents a line of business or a geographical area, which it is significant and can be considered separate from the rest; it is part of an individual and coordinated plan to have a line of business or a geographic area of operation that is significant and can be considered separate from the rest; or is a subsidiary entity acquired solely for the purpose of resale.

The results after taxes of discontinued operations are presented in a single line of the income statement called Profit (loss) from discontinued operations, also including the gain or loss after taxes generated by the divestment operation once it is completed.

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.

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 December 31, 2022 and 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) 12-31-2022	Amount in Original Currency (thousand) 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	5.7673%	Floating (*)	-	-

(*) The floating interest rate of 5.7673% of the committed line of credit is broken down into a 3-month LIBOR rate plus a margin of 1.00%. As of December 31, 2022 and 2021, the Company does not maintain amounts drawn by this line.

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	(13,435,147)	(14,347)	(19,489)	(9,654)
H Bond	(3,000,630)	(3,205)	(4,353)	(2,156)
K Bond	(1,599,068)	(1,708)	(2,320)	(1,149)
M Bond	(1,476,179)	(1,576)	(2,141)	(1,061)
M1 Bond	(1,866,968)	(1,994)	(2,708)	(1,341)
N Bond	(2,886,458)	(3,082)	(4,187)	(2,074)
Q Bond	(3,075,549)	(3,284)	(4,462)	(2,210)
Total	**(27,340,001)**	**(29,196)**	**(39,660)**	**(19,646)**

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 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.

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:

Concepts	Liabilities		Assets	
	12-31-2022 MCh$	12-31-2021 MCh$	12-31-2022 MCh$	12-31-2021 MCh$
U.S. dollar (amounts associated with balance sheet items)	889,100	875,783	888,932	868,719
Balance sheet items in Chilean pesos	2,560,149	2,275,571	2,560,317	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$)	17,362	(23)	23	-	-	-
Leasing (US$)	43,734	(57)	57	-	-	-
Forwards (assets) (US$)	8,864	-	-	970	(1)	1
Senior Notes (US$)	(889,100)	1,154	(1,154)	-	-	-
Swaps	615,071	(799)	799	142,430	(185)	185
Intercompany loan (US$)	221,691	(288)	288	-	-	-
Total	**17,622**	**(13)**	**13**	**143,400**	**(186)**	**186**

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	12-31-2022 ThCh$	12-31-2021 ThCh$
Enel Group	164,025,587	106,657,350
CGE Group	54,751,163	47.700.907
AES Gener Group	47,093,841	51,178,496
Colbún Group	44,950,991	37,121,869
Engie Group (E-CL)	35,632,358	27,689,610
Others	93,138.279	35,509,678
Total	**439,592,219**	**305,857,910**
Concentration % of top customers	**78.81%**	**88.39%**

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.

(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 December 31, 2022 and 2021.

Debt maturity (equity and interest)	Less than 1 Year ThCh$	1 to 3 Years ThCh$	3 to 5 Years ThCh$	5 to 10 Years ThCh$	More than 10 years ThCh$	Total ThCh$
December 31, 2022	303,869,478	402,253,474	475,411,488	598,111,317	230,144,575	2,009,790,332
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.

(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 (CEN in its Spanish Acronym), 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.

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 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 December 31, 2022 and 2021, this account is detailed as follows:

Cash and Cash Equivalents	12-31-2022 ThCh$	12-31-2021 ThCh$
Bank and cash	5,818,861	8,092,654
Short term deposits	273,451,995	140,957,540
Mutual funds	114,545,455	85,468,771
Total	**393,816,311**	**234,518,965**

Cash and cash equivalents included in the statement of financial position as of December 31, 2022 and 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	12-31-2022 ThCh$	12-31-2021 ThCh$
Cash and cash equivalents	U.S. dollars	17,448,122	478,354
Cash and cash equivalents	Euros	10,400	11,612
Cash and cash equivalents	Chilean pesos	376,357,789	234,028,999
Total		**393,816,311**	**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 December 31, 2022 and 2021 is as follows:

Concept	12-31-2022 ThCh$	12-31-2021 ThCh$
Invoiced trade debtors	29,348,326	23,939,257
Provisioned trade debtors	69,764,203	59,329,306
Other accounts receivable	892,693	434,613
Total trade and other receivables	**100,005,222**	**83,703,176**

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

Concept	Invoiced trade debtors	Provisioned trade debtors	Other accounts receivable	12-31-2022
Non past due	7,072,879	69,764,203	892,693	77,729,775
1-30 days	17,415,333	-	-	17,415,333
31-60 days	4,291,333	-	-	4,291,333
61-90 days	102,880	-	-	102,880
91-180 days	288,492	-	-	288,492
181-365 days	177,409	-	-	177,409
365 days or more	-	-	-	-
Total	**29,348,326**	**69,764,203**	**892,693**	**100,005,222**

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

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	
											12-31-2022 ThCh$	12-31-2021 ThCh$	12-31-2022 ThCh$	12-31-2021 ThCh$
76.560.200-9	Transelec Holdings Rentas Ltda.	Parent Company	Chile	Loan	USD	06-30-2015	06-30-2025	Semi-annual	At maturity	3.97%	-	-	191,479,096	188,980,065
76.560.200-9	Transelec Holdings Rentas Ltda.	Parent Company	Chile	Loan	USD	11-28-2017	11-28-2027	Semi-annual	At maturity	3.82%	-	-	30,211,858	29,817,557
76.560.200-9	Transelec Holdings Rentas Ltda.	Parent Company	Chile	Loan	UF	09-21-2015	09-21-2025	Semi-annual	At maturity	3.07%	-	-	7,893,041	6,967,025
76.560.200-9	Transelec Holdings Rentas Ltda.	Parent Company	Chile	Loan	UF	11-28-2017	11-28-2027	Semi-annual	At maturity	2.50%	-	-	18,959,929	16,735,539
76.560.200-9	Transelec Holdings Rentas Ltda.	Parent Company	Chile	Accounts receivable	Ch$	-	-	-	-	-	6,120,222	1,964,559	-	-
B87674974	ETC Transmission Holdings SL	Indirect	Spain	Accounts receivable	USD	-	-	-	-	-	43,590	-	-	-
B87674974	ETC Transmission Holdings SL	Indirect	Spain	Accounts receivable	EUR	-	-	-	-	-	189,281	-	-	-
76.524.463-3	Transelec Concesiones S,A,	Indirect	Chile	Monthly services	Ch$	-	-	-	-	-	138,746	279,805	-	-
76.248.725-K	CyT Operaciones SpA	Indirect	Chile	Monthly services	Ch$	-	-	-	-	-	163,238	144,362	-	-
77.504.183-8	Gea Transmisora SpA.	Indirect	Chile	Accounts receivable	Ch$	-	-	-	-	-	13,776	-	-	-
20604938300	Conelsur SV	Indirect	Peru	Monthly services	Ch$	-	-	-	-	-	112,830	167,036	-	-
20601047005	Conelsur LT SAC	Indirect	Peru	Monthly services	Ch$	-	-	-	-	-	13,239	18,725	-	-
76.920.929-8	Transmisora del Pacifico SA	Indirect	Chile	Monthly services	Ch$	-	-	-	-	-	99,232	62,430	-	-
Total											**6,894,154**	**2,636,917**	**248,543,924**	**242,500,186**

Account payable to related companies

Tax ID Numb	Company	Relation	Country	Description	Currency	Start Date	End date	Interest payment	Principal Payment	Interest rate	Current 12/31/2022 ThCh$	Current 12/31/2021 ThCh$	Non-current 12/31/2022 ThCh$	Non-current 12/31/2021 ThCh$
76.560.200-9	Transelec Holdings Rentas Ltda.	Parent Company	Chile	Dividends payable	Ch$	-	-	-	-	-	32,333,728	17,402,267	-	-
76.559.580-0	Rentas Eléctricas I Limitada	Parent Company	Chile	Dividends payable	Ch$	-	-	-	-	-	3,234	1,740	-	-
Total											**32,336,962**	**17,404,007**	-	-

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	12-31-2022 Amount ThCh$	12-31-2022 Effect on income ThCh$	12-31-2021 Amount ThCh$	12-31-2021 Effect on income ThCh$
76.560.200-9	Transelec Holdings Rentas Ltda.	Parent Company	Chile	Interest earned	9,719,369	9,719,369	8,554,062	8,554,062
76.560.200-9	Transelec Holdings Rentas Ltda.	Parent Company	Chile	Interest collected	9,974,970	-	8,954,870	-
76.560.200-9	Transelec Holdings Rentas Ltda.	Parent Company	Chile	Exchange difference	3,130,464	3,130,464	35,033,300	35,033,300
76.560.200-9	Transelec Holdings Rentas Ltda.	Parent Company	Chile	UF readjustment	3,168,875	3,168,875	1,479,803	1,479,803
76.560.200-9	Transelec Holdings Rentas Ltda.	Parent Company	Chile	Commercial current account granted	4,155,663	-	30,783,546	-
76.560.200-9	Transelec Holdings Rentas Ltda.	Parent Company	Chile	Commercial current account paid	-	-	28,818,987	-
76.560.200-9	Transelec Holdings Rentas Ltda.	Parent Company	Chile	Dividend paid	17,402,267	-	28,720,128	-
76.560.200-9	Transelec Holdings Rentas Ltda.	Parent Company	Chile	Dividend payable	32,333,728	-	17,402,267	-

Most significant transactions and their effect on income (continued)

Tax ID Number	Company	Relation	Country	Description	12-31-2022 Amount ThCh$	12-31-2022 Effect on income ThCh$	12-31-2021 Amount ThCh$	12-31-2021 Effect on income ThCh$
76.559.580-0	Rentas Eléctricas I Ltda	Indirect Parent	Chile	Dividend paid	1,740	-	2,872	-
76.559.580-0	Rentas Eléctricas I Ltda	Indirect Parent	Chile	Dividend payable	3,234	-	1,740	-
76.559.580-0	Rentas Eléctricas I Ltda	Indirect Parent	Chile	Commercial current account granted	-	-	337,196	-
76.559.580-0	Rentas Eléctricas I Ltda	Indirect Parent	Chile	Commercial current account paid	-	-	373,859	-
B87674974	ETC Transmission Holdings SL	Indirect Parent	Spain	Commercial current account granted	232,871	-	-	-
77.504.183-8	Gea Transmisora SpA	Indirect	Chile	Commercial current account granted	13,776	-	-	-
76.524.463-3	Transelec Concesiones S.A.	Indirect	Chile	Monthly services	1,845,608	1,845,608	2,629,641	2,629,641
76.524.463-3	Transelec Concesiones S.A.	Indirect	Chile	Amounts charged	1,986,667	-	3,394,893	-
76.920.929-8	Transmisora del Pacífico S.A.	Indirect	Chile	Monthly services	544,074	544,074	934,917	934,917
76.920.929-8	Transmisora del Pacífico S.A.	Indirect	Chile	Amounts charged	507,272	-	840,413	-
76.248.725-K	CYT Operaciones SpA	Indirect	Chile	Monthly services	2,213,628	2,213,628	1,816,566	1,816,566
76.248.725-K	CYT Operaciones SpA	Indirect	Chile	Amounts charged	2,194,752	-	1,993,752	-
20604938300	Conelsur SV	Indirect	Peru	Monthly services	649,400	649,400	607,253	607,253
20604938300	Conelsur SV	Indirect	Peru	Amounts charged	703,606	-	598,500	-
20601047005	Conelsur LT	Indirect	Peru	Monthly services	154,768	154,768	88,688	88,688
20601047005	Conelsur LT	Indirect	Peru	Amounts charged	160,254	-	69,963	-

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

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 as a President of the Board.

At the Board meeting held on October 26, 2022, Mr Ganxiang Tang submitted his resignation from his position as Director of Transelec S.A., assuming as interim the alternate Director Mr. Tao He until the election of the Board of Directors at the next Ordinary Shareholders' Meeting.

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 December 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 on a quarterly basis.

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.

Director	12-31-2022 ThCh$	12-31-2021 ThCh$
Scott Lawrence (President)*	-	-
Blas Tomic Errázuriz	79,312	66,880
Mario Alejandro Valcarce Durán	79,312	66,880
Patricia Angelina Nuñez Figueroa	-	43,154
Juan Ramon Benabarre Benaiges	79,312	66,880
Andrea Butelmann Peisajoff	79,312	66,880
Jordan Anderson*	-	-
Ganxiang Tang*	-	-
Richard Cacchione*	-	-
Ximena Clark Núñez	42,577	-

* 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

During December 2022, a training was carried out for the Board of Directors on cybersecurity and responsibilities of the Board related to new legislation on cybercrimes, for an amount of 150 UF. As of December 31, 2021, Transelec's board of directors received a Compliance trainning, held on October 6, 2021, amounted to 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 auditors as well as the Company's balance sheets, other 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 four sessions during 2022.

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, 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 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 December 31, 2022 and 2021 are as follows:

Director	12-31-2022 ThCh$	12-31-2021 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
Paola Basaure Barros****	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.

**** Mr. David Noe Scheinwald served as Vice President of Corporate Affairs and Environment until December 23, 2022, assuming the position Mrs. Paola Basaure Barros as of January 1, 2023.

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 years ended December 31, 2022 and 2021, is as follows:

Concept	12-31-2022 ThCh$	12-31-2021 ThCh$
Salaries	2,009,850	2,121,140
Short-term employee benefits	1,116,976	797,950
Long-term employee benefits	2,702,487	720,250
Total compensation received by key management personnel	**5,829,313**	**3,639,340**

8 – NON-CURRENT ASSETS OR DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

The non-current assets or disposal groups classified as held for sale as of December 31, 2022 and 2021 are as follows:

Concept	12-31-2022 ThCh$	12-31-2021 ThCh$
Land	515,376	-
Total	**515,376**	**-**

The balances are presented at the lowest of their book value and fair value less cost of sale. The fair value of the assets was determined based on valuations in active markets for a similar class of assets.

These assets were reclassified from Property, Plants and Equipment to non-current assets or disposal groups classified as held for sale.

The sale of these assets is considered highly probable and the Company's intention to sell is expected to materialize over the course of the next twelve months.

9- OTHER FINANCIAL ASSETS

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

Concept	12-31-2022 Current ThCh$	12-31-2022 Non-Current ThCh$	12-31-2021 Current ThCh$	12-31-2021 Non-Current ThCh$
Finance lease receivables	434,080	43,299,536	1,561,768	41,121,624
Swap Contracts (see note 18)	-	142,430,186	-	191,845,804
Forward Contracts (see note 18)	374,258	-	87,782	-
Other financial assets	-	41,752	-	41,752
Total Other financial assets	**808,338**	**185,771,474**	**1,649,550**	**233,009,180**

9.1 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:

Maturities	12-31-2022 Present Value ThCh$	12-31-2022 Interest receivable ThCh$	12-31-2022 Gross investment ThCh$	12-31-2021 Present Value ThCh$	12-31-2021 Interest receivable ThCh$	12-31-2021 Gross investment ThCh$
Up to 90 days	151,911	1,062,132	1,214,043	390,755	1,012,134	1,402,889
More than 90 days up to 1 year	282,169	3,196,808	3,478,977	1,171,013	2,998,700	4,169,713
Total current	**434,080**	**4,258,940**	**4,693,020**	**1,561,768**	**4,010,834**	**5,572,602**
More than 1 year up to 2 years	1,449,746	4,260,397	5,710,143	1,552,577	3,905,263	5,457,840
More than 2 years up to 3 years	1,811,306	4,147,944	5,959,250	1,427,305	3,815,334	5,242,639
More than 3 years up to 4 years	1,944,930	4,014,320	5,959,250	1,522,860	3,719,779	5,242,639
More than 4 years up to 5 years	2,072,401	3,859,450	5,931,851	1,634,241	3,608,398	5,242,639
More than 5 years	36,021,153	39,823,612	75,844,765	34,984,641	41,745,908	76,730,549
Total non-current	**43,299,536**	**56,105,723**	**99,405,259**	**41,121,624**	**56,794,682**	**97,916,306**

Movements of financial leases:

Concept	12-31-2022 ThCh$	12-31-2021 ThCh$
Opening balance	**42,683,392**	**28,832,140**
Additions	1,464,940	2,678,127
Amortization	(1,697,056)	(1,492,458)
Translation differences	397,134	5,688,225
Other movements*	885,206	6,977,358
Final balance	**43,733,616**	**42,683,392**

*The other movements correspond to a reclassification of a balance held in other non-current non-financial assets, related to the financial lease with the client Metro S.A.

10- INTANGIBLE ASSETS OTHER THAN GOODWILL

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

Intangible assets, net	12-31-2022 ThCh$	12-31-2021 ThCh$
Easements	184,449,744	181,321,476
Software	8,098,551	4,751,591
Total identified intangible assets	**192,548,295**	**186,073,067**

Gross intangible assets	12-31-2022 ThCh$	12-31-2021 ThCh$
Easements	184,449,744	181,321,476
Software	28,031,208	22,925,698
Total intangible assets	**212,480,952**	**204,247,174**

Accumulated amortization and impairment	12-31-2022 ThCh$	12-31-2021 ThCh$
Software	(19,932,657)	(18,174,107)
Total accumulated amortization	**(19,932,657)**	**(18,174,107)**

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

The movements of intangible assets as of December 31, 2022 and 2021 are as follow:

Movements in intangible assets	Easements ThCh$	Software ThCh$	Net intangible assets ThCh$
Opening balance as of 01-01-2022	**181,321,476**	**4,751,591**	**186,073,067**
Additions	3,128,268	5,105,509	8,233,777
Withdrawals	-	-	-
Amortization	-	(1,758,549)	(1,758,549)
Final balance as of 12-31-2022	**184,449,744**	**8,098,551**	**192,548,295**

Movements in intangible assets	Easements ThCh$	Software ThCh$	Net intangible assets 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
Withdrawals	(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 December 31, 2022 and 2021 to be recovered.

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

Intangible assets concept	12-31-2022 ThCh$	12-31-2021 ThCh$
Total gross value	**14,458,343**	**11,903,333**

11- 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.

11.1 Measurement of the recoverable value of goodwill

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

Detail	12-31-2022 ThCh$	12-31-2021 ThCh$
Goodwill	343,059,078	343,059,078
Total	**343,059,078**	**343,059,078**

11.2 Movement of goodwill in the Consolidated Financial Statements

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

Concept	12-31-2022 ThCh$
Opening balance as of 01-01-2022	343,059,078
Final balance as of 12-31-2022	**343,059,078**

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

11. 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.

12- PROPERTY, PLANT AND EQUIPMENT

12.1 Detail of accounts

The composition corresponds to the following detail:

Property, plant and equipment, net	12-31-2022 ThCh$	12-31-2021 ThCh$
Land	21,555,525	22,070,900
Buildings and infrastructure	891,752,106	906,740,407
Work in progress	533,291,165	402,151,009
Machinery and equipment	496,975,958	479,078,128
Other property, plant and equipment	6,176,143	5,811,659
Total Property, plant and equipment	**1,949,750,897**	**1,815,852,103**

Property, plant and equipment, gross	12-31-2022 ThCh$	12-31-2021 ThCh$
Land	21,555,525	22,070,900
Buildings and infrastructure	1,281,376,768	1,270,051,622
Work in progress	533,291,165	402,151,009
Machinery and equipment	809,715,879	769,601,252
Other property, plant and equipment	6,176,143	5,811,659
Total property, plant and equipment, gross	**2,652,115,480**	**2,469,686,442**

Accumulated depreciation of property, plant and equipment	12-31-2022 ThCh$	12-31-2021 ThCh$
Buildings and infrastructure	(389,624,662)	(363,311,215)
Machinery and equipment	(312,739,921)	(290,523,124)
Total accumulated depreciation of property, plant and equipment	**(702,364,583)**	**(653,834,339)**

12.2 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 December 31, 2022 and 2021:

Movement period 2022	Land ThCh$	Buildings and infrastructure ThCh$	Machinery and equipment ThCh$	Work in progress ThCh$	Other property, plant and equipment ThCh$	Property, plant and equipment, net 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	-	-	-	212,809,401	390,096	213,199,497
Withdrawals	-	(411,715)	(521,140)	(155,722)	-	(1,088,577)
Transfers	-	13,070,955	41,912,393	(54,957,736)	(25,612)	-
Depreciation expense	-	(26,631,941)	(23,469,199)	-	-	(50,101,140)
Other decrements	(515,375)	(1,015,600)	(24,224)	(26,555,787)	-	(28,110,986)
Closing balance as of 12-31-2022	**21,555,525**	**891,752,106**	**496,975,958**	**533,291,165**	**6,176,143**	**1,949,750,897**

Movement period 2021	Land ThCh$	Buildings and infrastructure ThCh$	Machinery and equipment ThCh$	Work in progress ThCh$	Other property, plant and equipment ThCh$	Property, plant and equipment, net 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**

12.3 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 December 31, 2022 and 2021 commitments to purchase items of property, plant and equipment arising from construction contracts under EPC (Engineering-Procurement- Construction) in the amount of ThCh$198,643,165 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	12-31-2022	12-31-2021
Capitalization rate (Annual basis)	4.99%	4.82%
Capitalized interest costs (ThCh$)	15,227,754	11,392,079

Work in progress balances as of December 31, 2022 and 2021, amounts to ThCh$533,291,165 and ThCh$402,151,009, respectively.

The balances of fully depreciated items in use as of December 31, 2022 and 2021 are as follows:

Property, plant and equipment concept	12-31-2022 ThCh$	12-31-2021 ThCh$
Total gross value	**74,893,126**	**63,095,405**

13 - ASSETS FOR RIGHT OF USE

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

Assets for right of use	12-31-2022 ThCh$	12-31-2021 ThCh$
Right of use Land	41,222	55,296
Right of use Buildings	1,869,853	2,510,990
Right to use Vehicles	94,636	473,182
Total assets for right of use	**2,005,711**	**3,039,468**

Assets for right of use, gross	12-31-2022 ThCh$	12-31-2021 ThCh$
Right of use Land	101,788	101,788
Right of use Buildings	6,618,844	6,010,917
Right to use Vehicles	1,744,202	1,744,202
Total Assets for right of use, gross	**8,464,834**	**7,856,907**

Accumulated depreciation of assets for rights of use	12-31-2022 ThCh$	12-31-2021 ThCh$
Right of use Land	(60,566)	(46,492)
Right of use Buildings	(4,748,991)	(3,499,927)
Right to use Vehicles	(1,649,566)	(1,271,020)
Total Accumulated depreciation of assets for rights of use	**(6,459,123)**	**(4,817,439)**

13.1 Movements in Assets for rights of use

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

Movement period 2022	Right of use Land ThCh$	Right of use Buildings ThCh$	Right of use Vehicles ThCh$	Assets for right of use ThCh$
Opening balance 01-01-2022	**55,296**	**2,510,990**	**473,182**	**3,039,468**
Additions	-	607,927	-	607,927
Depreciation expense	(14,074)	(1,249,064)	(378,546)	(1,641,684)
Closing balance as of 12-31-2022	**41,222**	**1,869,853**	**94,636**	**2,005,711**

Movement period 2021	Right of use Land ThCh$	Right of use Buildings ThCh$	Right of use Vehicles ThCh$	Assets for right of use 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 December 31, 2022 and 2021 one of the main assets for rights of use and liabilities for leases (Note 16), comes from the contract between Seguros Vida Security Previsión 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%.

14 - OTHER NON-FINANCIAL ASSETS AND LIABILITIES

14.1 Other non-financial assets

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

Concept	Current		Non-Current	
	12-31-2022 ThCh$	12-31-2021 ThCh$	12-31-2022 ThCh$	12-31-2021 ThCh$
Funds for yielding easements and land	1,107,419	2,479,899	-	-
Advances to suppliers	6,093,459	2,054,195	17,299,348	-
Advance insurance	2,977,295	636,300	-	-
Consignments and guarantees	2,318,370	1,553,428	-	-
Other non-financial assets	642,596	1,762,009	890,998	1,216,073
Total other non-financial assets	**13,139,139**	**8,485,831**	**18,190,346**	**1,216,073**

14.2 Other non-financial liabilities

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

Concept	Current		Non-Current	
	12-31-2022 ThCh$	12-31-2021 ThCh$	12-31-2022 ThCh$	12-31-2021 ThCh$
VAT payable	584,895	2,726,415	-	-
Deferred income	-	412,589	3,742,233	4,139,804
Other non-financial liabilities	317,183	467,704	214,632	214,632
Total other non-financial liabilities	**902,078**	**3,606,708**	**3,956,865**	**4,354,436**

15- OTHER FINANCIAL LIABILITIES

The detail of current and non-current financial liabilities as of December 31, 2022 and 2021 is as follows:

Concept	12-31-2022		12-31-2021	
	Current ThCh$	Non-Current ThCh$	Current ThCh$	Non-Current ThCh$
Bonds payable	279,117,868	1,574,965,163	22,002,230	1,704,954,466
Swap contract (see note 18)	4,070,487	-	4,070,488	-
Total Other financial liabilities	**283,188,355**	**1,574,965,163**	**26,072,718**	**1,704,954,466**

15.1 Bonds payable

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

Taxpayer ID number	Debtor name	Country	Creditor	Placement in Chile or abroad	Instrument registration number	Series	Indexation unit	Effective interest rate	Nominal interest rate	Peridicity principal payment	Interest payment	Final maturity	12-31-2022 ThCh$	12-31-2021 ThCh$
76.555.400-4	Transelec S.A.	Chile	Bondholders	Chile	480	D	UF	4.37%	4.25%	At maturity	Semiannual	12-15-2027	472,774,291	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	107,539,326	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	55,218,066	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	51,923,670	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	65,671,344	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	101,465,555	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	110,671,050	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	261,814,047	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	326,046,616	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	300,959,066	296,505,920
Total													**1,854,083,031**	**1,726,956,696**

The fair value of current and non-current bonds payable, both secured and unsecured, amounts to ThCh$1,848,332,247 and ThCh$1,793,970,669 as of December 31, 2022 and 2021, respectively (it does not include other current and non-current liabilities such as swap agreements which are presented in the 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.

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 12-31-2022	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 12-31-2022
			ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
76.555.400-4	Transelec S.A.	480	-	874,527	874,527	-	-	-	-	471,899,764	471,899,764
76.555.400-4	Transelec S.A.	599	2,072,911	-	2,072,911	-	-	-	-	105,466,415	105,466,415
76.555.400-4	Transelec S.A.	599	847,961	-	847,961	-	-	-	-	54,370,105	54,370,105
76.555.400-4	Transelec S.A.	599	-	92,644	92,644	-	-	-	-	51,831,026	51,831,026
76.555.400-4	Transelec S.A.	599	-	117,705	117,705	-	-	-	-	65,553,639	65,553,639
76.555.400-4	Transelec S.A.	599	-	182,355	182,355	-	-	-	-	101,283,200	101,283,200
76.555.400-4	Transelec S.A.	744	-	900,611	900,611	-	-	-	-	109,770,439	109,770,439
76.555.400-4	Transelec S.A.	1st issuance	5,310,969	256,503,078	261,814,047	-	-	-	-	-	-
76.555.400-4	Transelec S.A.	2nd issuance	6,563,762	-	6,563,762	-	319,482,854	-	-	-	319,482,854
76.555.400-4	Transelec S.A.	3rd issuance	5,651,345	-	5,651,345	-	-	-	-	295,307,721	295,307,721
Total			**20,446,948**	**258,670,920**	**279,117,868**	**-**	**319,482,854**	**-**	**-**	**1,255,482,309**	**1,574,965,163**

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 12-31-2021	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 12-31-2021
			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 December 31, 2022 and 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 24.5), 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 December 31, 2022 and 2021, is as follows:

Concept	12-31-2022		12-31-2021	
	Current	Non-Current	Current	Non-Current
	ThCh$	ThCh$	ThCh$	ThCh$
Lease liabilities land	15,367	23,301	15,119	31,509
Lease liabilities buildings	962,382	729,095	1,195,731	1,339,600
Lease liabilities vehicles	89,453	-	364,748	162,336
Total Lease liabilities	**1,067,202**	**752,396**	**1,575,598**	**1,533,445**

16.1 Movements in Lease Liabilities

The book values of lease liabilities and their movements as of December 31, 2022 and 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	-	607,927	-	607,927
Interest expenses	1,285	83,946	4,200	89,431
Payments	(9,245)	(1,535,727)	(441,831)	(1,986,803)
Closing balance as of 12-31-2022	**38,668**	**1,691,477**	**89,453**	**1,819,598**

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**

16.2 Details of future obligations for lease liabilities

Lease obligations	Maturities								
	Current			Non Current					
	Less than 90 days	More than 90 days	Total as of 12-31-2022	More than 1 up to 2 years	More than 2 up to 3 years	More than 3 up to 4 years	More than 4 up to 5 years	More than 5 years	Total non-current as of 12-31-2022
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Land	-	15,367	15,367	15,797	7,504	-	-	-	23,301
Buildings	284,570	677,812	962,382	130,875	134,614	105,252	33,034	325,320	729,095
Vehicles	89,453	-	89,453	-	-	-	-	-	-
Total	**374,023**	**693,179**	**1,067,202**	**146,672**	**142,118**	**105,252**	**33,034**	**325,320**	**752,396**

Lease obligations	Vencimientos								
	Corriente			No Corriente					
	Less than 90 days	More than 90 days	Total as of 12-31-2021	More than 1 up to 2 years	More than 2 up to 3 years	More than 3 up to 4 years	More than 4 up to 5 years	More than 5 years	Total non-current as of 12-31-2021
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Land	-	15,119	15,119	15,800	16,099	(390)	-	-	31,509
Buildings	340,145	855,586	1,195,731	1,057,771	101,246	103,845	76,738	-	1,339,600
Vehicles	103,887	260,861	364,748	162,336	-	-	-	-	162,336
Total	**444,032**	**1,131,566**	**1,575,598**	**1,235,907**	**117,345**	**103,455**	**76,738**	**-**	**1,533,445**

16.3 Details of lease liabilities

Lease obligations	12-31-2022 Current ThCh$	12-31-2022 Non-Current ThCh$	12-31-2021 Current ThCh$	12-31-2021 Non-Current ThCh$
Lease obligations	1,102,206	867,523	1,627,358	1,563,347
Deferred interest for lease obligations	(35,004)	(115,127)	(51,760)	(29,902)
Total Lease obligations	**1,067,202**	**752,396**	**1,575,598**	**1,533,445**

16.4 Additional information on 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 UF	1.27%	2.84%

17 - TRADE AND OTHER PAYABLES

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

Trade and other payables	12-31-2022 ThCh$	12-31-2021 ThCh$
Trade payable billed*	6,351,100	14,114,596
Trade payable unbilled	268,133,928	157,580,573
Total	**274,485,028**	**171,695,169**

As of December 31, 2022 and 2021, 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 December 31, 2022 and 2021 is as follows:

Trade payable billed	Suppliers up to date 12-31-2022 M$	Suppliers up to date 12-31-2021 M$	Suppliers overdue 12-31-2022 M$	Suppliers overdue 12-31-2021 M$
Up to 30 days	4,390,518	13,409,279	1,117,502	418,061
31 to 60 days	-	-	194,606	7,947
61 to 90 days	-	-	8,297	11,884
91 to 120 days	-	-	11,632	5,489
121 to 365 days	-	-	575,943	141,390
More than 365 days	-	-	52,602	120,546
Total Trade payable billed*	**4,390,518**	**13,409,279**	**1,960,582**	**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 December 31, 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 December 31, 2022, the fair value recorded for these derivatives corresponds to a net asset of ThCh$138,359,699.

b) A short-term USD-CLP currency purchase forward for a total notional amount of MUSD$10,000 with Banco Itaú. 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, 2022, the fair value recorded for this derivative corresponds to a net asset of ThCh$374,258.

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.

18.2 Derivatives assets and liabilities

Concept	12-31-2022				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	-	142,430,186	4,070,487	-	-	191,845,804	4,070,488	-
Forward (non-hedging)	374,258	-	-	-	87,782	-	-	-
Total	**374,258**	**142,430,186**	**4,070,487**	**-**	**87,782**	**191,845,804**	**4,070,488**	**-**

18.3 Other information

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

Financial Derivatives	Matiruties									
	Less than 90 days	More than 90 days	Total current as of 12-31-2022	More than 1 up to 2 years	More than 2 up to 3 years	More than 3 up to 4 years	More than 4 up to 5 years	More than 5 years	Total non-current as of 12-31-2022	Fair value as of 12-31-2022
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Currency hedge Swap	(4,405,453)	(4,067,391)	(8,472,844)	(7,929,820)	98,702,544	(3,648,888)	(3,508,803)	63,217,510	146,832,543	138,359,699
Forward contracts (non-hedge)	374,258	-	374,258	-	-	-	-	-	-	374,258

Financial Derivatives	Matiruties									
	Less than 90 days	More than 90 days	Total corriente al 31-12-2021	Less than 90 days	More than 90 days	Más de 3 hasta 4 años	Less than 90 days	More than 90 days	Total no corriente al 31-12-2021	Less than 90 days
	ThCh$	ThCh$	M$	ThCh$	ThCh$	M$	ThCh$	ThCh$	M$	ThCh$
Currency hedge Swap	(4,376,309)	(4,166,072)	(8,542,381)	(8,114,364)	(7,774,317)	115,900,371	(3,478,053)	99,784,060	196,317,697	187,775,316
Forward contracts (non-hedge)	87,782	-	87,782	-	-	-	-	-	-	87,782

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 December 31, 2022 and 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:

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

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

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

The following table details financial assets and liabilities measured at fair value as of December 31, 2022 and 2021

Financial instrumental measured at fair value	Fair value measured at the end of the reporting period using			
	12-31-2022	Level 1	Level 2	Level 3
	ThCh$	ThCh$	ThCh$	ThCh$
Currency hedging swap	138,359,699	-	138,359,699	-
Forward Contract	374,258	-	374,258	-
Total net derivative	**138,733,957**	**-**	**138,733,957**	**-**

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	12-31-2022
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Cash and cash equivalents	279,270,856	114,545,455	-	-	-	393,816,311
Other financial assets, current	434,080	-	-	-	374,258	808,338
Trade and other receivables	100,005,222	-	-	-	-	100,005,222
Receivables from related parties, current	6,894,154	-	-	-	-	6,894,154
Other financial assets, non-current	43,299,536	41,752	-	142,430,186	-	185,771,474
Receivables from related parties, non-current	248,543,924	-	-	-	-	248,543,924
Total	**678,447,772**	**114,587,207**	**-**	**142,430,186**	**374,258**	**935,839,423**

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**

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	12-31-2022
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Other financial liabilities, current	279,117,868	-	-	4,070,487	-	283,188,355
Lease liabilities, current	1,067,202	-	-	-	-	1,067,202
Trade and other payables	274,485,028	-	-	-	-	274,485,028
Current accounts payable related entities	32,336,962	-	-	-	-	32,336,962
Other financial liabilities, non-current	1,574,965,163	-	-	-	-	1,574,965,163
Lease liabilities, non-current	752,396	-	-	-	-	752,396
Total	**2,162,724,619**	**-**	**-**	**4,070,487**	**-**	**2,166,795,106**

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 December 31, 2022 and 2021 is as follows:

Provisions	12-31-2022 ThCh$	12-31-2021 ThCh$
Fines and lawsuits	6,677,736	4,716,531
Total	**6,677,736**	**4,716,531**

The detail of fines and lawsuits are presented in note 34.

21- DEFERRED TAXES

21.1 Detail of deferred tax liabilities

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

Temporary Difference Assets / (Liabilities)	Net deferred taxes	
	12-31-2022	12-31-2021
	ThCh$	ThCh$
Depreciable fixed assets	(222,231,780)	(210,868,982)
Leased assets	(8,889,730)	(8,330,563)
Materials and spare parts	566,403	323,545
Tax losses	37,414,303	5,634,406
Staff severance indemnities provision	(47,512)	(183,577)
Deferred income	1,010,403	1,229,146
Obsolescence provision	2,044,683	1,723,366
Work in progress	(88,750,564)	(67,427,672)
Vacation provisions	791,978	774,821
Intangible assets	6,488,439	89,141
Adjustment of effective interest rate of bonds	(2,010,314)	(2,313,177)
Land	3,652,529	2,546,597
Provision Tariff Review	10,878,125	39,632,665
Tax Goodwill	418,573	562,188
Total deferred tax liabilities	**(258,664,464)**	**(236,608,096)**

Presentation in the Statement of Financial Position:		
Deferred tax Assets	-	-
Deferred tax liabilities	(258,664,464)	(236,608,096)
Deferred taxes, net assets / (liabilities)	**(258,664,464)**	**(236,608,096)**

Accumulated tax losses balance the give rise to the balance recorded as deferred tax liabilities as of December 31, 2022, correspond to Transelec S.A. for ThCh$135,071,690 (ThUS$17,367,507 as of December 31, 2021) and Transmisión del Melado SpA for ThCh$3,499,802 (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.

21.2 Deferred tax movements

The movements of balances of "deferred taxes" in the statement of financial position for the periods as of December 31, 2022 and 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	-	222,231,780	(222,231,780)	(11,362,798)	-	(11,362,798)
Leased assets	-	8,889,730	(8,889,730)	(559,167)	-	(559,167)
Materials and spare parts	566,403	-	566,403	242,858	-	242,858
Tax losses	37,414,303	-	37,414,303	15,989,074	-	15,989,074
Tax losses - Cash flow hedge reserve	-	-	-	-	15,555,252	15,555,252
Tax losses- Actuarial profit (loss) reserve for benefit plans	-	-	-	-	235,571	235,571
Severance indemnities provision	-	47,512	(47,512)	136,065	-	136,065
Deferred revenue	1,010,403	-	1,010,403	(218,743)	-	(218,743)
Obsolescence provision	2,044,683	-	2,044,683	321,317	-	321,317
Work in progress	-	88,750,564	(88,750,564)	(21,322,892)	-	(21,322,892)
Vacation provisions	791,978	-	791,978	17,157	-	17,157
Intangible assets	6,488,439	-	6,488,439	6,399,298	-	6,399,298
Adjustment of effective interest rate of bonds	-	2,010,314	(2,010,314)	302,863	-	302,863
Land	3,652,529	-	3,652,529	1,105,932	-	1,105,932
Provision for tariff review	10,878,125	-	10,878,125	(28,754,540)	-	(28,754,540)
Tax Goodwill	418,573	-	418,573	(143,615)	-	(143,615)
Total as of 12-31-2022	**63,265,436**	**321,929,900**	**(258,664,464)**	**(37,847,191)**	**15,790,823**	**(22,056,368)**

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	-	12,366,114
Tax losses - Cash flow hedge reserve	-	-	-	-	(13,800,190)	(13,800,190)
Tax losses- Actuarial profit (loss) reserve for benefit plans	-	-	-	-	(59,905)	(59,905)
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
Tax 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)**

22 – PROVISIONS FOR EMPLOYEE BENEFITS

22.1 Detail of provisions

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

Detail	12-31-2022		12-31-2021	
	Current	Non-Current	Current	Non-Current
	ThCh$	ThCh$	ThCh$	ThCh$
Severance indemnities	372,341	3,469,920	318,594	3,468,299
Accrued vacations	2,933,253	-	2,869,706	-
Annual benefits	6,183,369	-	5,301,905	-
Total	**9,488,963**	**3,469,920**	**8,490,205**	**3,468,299**

22.2 Provision movements

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

Movements in provisions 2022	Severance indemnities ThCh$	Annual benefits ThCh$	Accrued vacations ThCh$	Other provisions ThCh$	Total ThCh$
Opening balance as of 01-01-2022	**3,786,893**	**5,301,905**	**2,869,706**	-	**11,958,504**
Provisions during the year	1,332,827	11,335,403	2,194,073	-	14,862,303
Payments	(1,277,459)	(10,453,939)	(2,130,526)	-	(13,861,924)
Ending balance as of 12-31-2022	**3,842,261**	**6,183,369**	**2,933,253**	-	**12,958,883**

Movements in provisions 2021	Severance indemnities ThCh$	Annual benefits ThCh$	Accrued vacations ThCh$	Other provisions ThCh$	Total 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**

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

Detail	12-31-2022			
	Less than 1 year	More than 1 year up to 3 years	More than 3 years up to 5 years	More than 5 years
	ThCh$	ThCh$	ThCh$	ThCh$
Staff severance indemnities	372,341	1,309,038	569,140	1,591,742
Accrued vacations	2,933,253	-	-	-
Annual benefits	6,183,369	-	-	-
Total	9,488,963	1,309,038	569,140	1,591,742

Detail	12-31-2021			
	Less than 1 year	More than 1 year up to 3 years	More than 3 years 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**

22.3 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 23).

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.

23 - OBLIGATIONS FOR SEVERANCE INDEMNITIES

23.1 Detail of account

Employee benefit obligations	12-31-2022 ThCh$	12-31-2021 ThCh$
Severance indemnities – current	372,341	318,594
Severance indemnities non – current	3,469,920	3,468,299
Total Employee benefit obligations current and non-current	**3,842,261**	**3,786,893**

23.2 Movement of obligations for severance indemnities

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

Movements	12-31-2022 ThCh$	12-31-2021 ThCh$
Present value of defined benefit plan obligations, opening balance	**3.786.893**	**3.950.390**
Current service	211.972	195.812
Interest cost	140.265	104.381
Actuarial Gain/Loss on Hypotheses	115.483	(380.609)
Experience Actuarial Gain/Loss	757.005	158.736
Settlements defined benefit plan obligation	(1.169.357)	(241.817)
Present value of defined benefit obligations, ending balance	**3.842.261**	**3.786.893**

23.3 Balance of obligations for severance indemnities

Concepts	12-31-2022 ThCh$	12-31-2021 ThCh$
Present value of defined benefit obligations, ending balance	3,842,261	3,786,893
Present obligation with defined benefit plan funds	3,842,261	3,786,893
Balance of defined benefit obligations, ending balance	**3,842,261**	**3,786,893**

23.4 Expenses recognized in income statement

Cost	01-01-2022 12-31-2022 ThCh$	01-01-2021 12-31-2021 ThCh$	Income statement line item where recognized
Current service defined benefit plan	211,972	195,812	Cost of sales and Administrative expenses
Interest defined benefit plan	140,265	104,381	Cost of sales and administrative expenses
Total expense recognized in profit or loss	**352,237**	**300,193**	

23.5 Actuarial hypothesis

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

Detail	Actuarial hypothesis 12-31-2022	Actuarial hypothesis 12-31-2021
Discount rate used	1.71%	2.29%
Inflation rate	3.00%	3.00%
Future salary increases	0.50%	0.72%
Mortality table	RV-2014	RV-2014
Disability table	30% RV-2014	30% RV-2014
Rotation table	3.44%/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.

23.6 Sensitivity analysis

The table below shows the sensitivity analysis of the significant hypotheses as of December 31, 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	(167,507)	186,572	-	-	186,985	(86,875)

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 December 31, 2022.

The payments of expected employee benefit obligation are presented below:

Concepts	12-31-2022	12-31-2021
	ThCh$	ThCh$
During the upcoming 12 month	372,341	318,594
Between 2 to 5 years	1,878,178	2,007,719
Between 5 to 10 years	924,157	1,232,633
More than 10 years	667,585	227,947
Total Expected Payments	**3,842,261**	**3,786,893**

24 -EQUITY

24.1 Subscribed and paid-in capital

As of December 31, 2022 and 2021 authorized, subscribed and paid-in capital amounts to ThCh$776,355,048.

24.2 Number of shares subscribed and paid

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.

24.3 Dividends

As of December 31, 2022, the company made the distribution of a definitive dividend with charge to 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.

In December 2022, the company recognized the distribution of dividends according to the legal minimum for the result of the year 2022, for an amount of ThCh$32,336,962.

As of December 31, 2021, the company made the distribution of a final dividend with charge to 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.

24.4 Other reserves

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

Concept	12-31-2022 ThCh$	12-31-2021 ThCh$
Gains (losses) from cash flow hedges	(31,215,340)	26,396,703
Gain (loss) on other reserves	93,021	965,509
Income tax related to cash flow hedges	8,428,142	(7,127,110)
Income tax related to other reserves	(25,116)	(260,687)
Other Comprehensive Income	**(22,719,293)**	**19,974,415**

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

Movements	Cash flow hedges reserve ThCh$	Other Reserves ThCh$	Total ThCh$
Opening balance as of 01-01-2022	**19,269,593**	**704,822**	**19,974,415**
Cash flow hedge	(57,612,043)	-	(57,612,043)
Actuarial losses	-	(872,488)	(872,488)
Deferred tax	15,555,252	235,571	15,790,823
Total Comprehensive Income	**(42,056,791)**	**(636,917)**	**(42,693,708)**
Closing balance as of 12-31-2022	**(22,787,198)**	**67,905**	**(22,719,293)**

Movements	Cash flow hedges reserve ThCh$	Other Reserves ThCh$	Total 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**

24.5 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 a minimum equity of fifteen million UF equivalent to ThCh$526,664,700 as of December 31, 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.

The calculation of the two covenants mentioned above as of December 31, 2022 and 2021, and also the calculation of a third ratio that the Company has to comply, which does not depend on capital (equity) amount are presented below:

Covenant # 1	Total debt / Total capitalization	12-31-2022	12-31-2021
	Less or equal to 0.70	**MCh$**	**MCh$**
A	Other financial liabilities, current	283,188	26,073
B	Account payables to related parties, current	32,337	17,404
C	Other financial liabilities, non-current	1,574,965	1,704,954
D	Account payables to related parties, non-current	-	-
E=A+B+C+D	**Covenants debt**	**1,890,490**	**1,748,431**
G	Debt with guarantees	-	-
DT=E+G	**Total debt**	**1,890,490**	**1,748,431**
H	Non-controlling interest	-	-
P	Equity attributable to owners of the parent	1,005,973	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**	**2,921,433**	**2,745,309**
DT/CT	**Total debt / Total capitalization ratio**	**0.65**	**0.64**

Covenant # 2	Minimum equity	12-31-2022	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	1,005,973	971,908
I	Accumulated amortization of goodwill (as of the transition date to IFRS)	24,970	24,970
P+I	**Equity (in MCh$)**	**1,030,943**	**996,878**
UF	UF value	35,110.98	30,991.74
(P+I)/UF	**Equity (in UF millions)**	**29.36**	**32.17**

Covenant # 3	Restricted payments test*	12-31-2022	12-31-2021
	Cash flow from operations / Financial costs > 1.5	**MCh$**	**MCh$**
FO	Cash flow from operating activities	421,784	373,498
CF	Absolute value of financial costs	75,068	70,229
IG	Absolute value of income tax expense	37,852	22,419
FNO=FO+CF+IG	**Cash flow from operations (FNO in its Spanish Acronym)**	**534,704**	**466,146**
FNO/CF	**Cash flow from operations / Financial costs**	**7.12**	**6.64**

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

Covenant # 4	Total debt / Adjusted EBITDA	12-31-2022	12-31-2021
	Lower or equal to 8.0	**MCh$**	**MCh$**
A	Other financial liabilities, (current and non-current)	1,858,154	1,731,027
B	Total rights of use	-	-
C	Cash and cash equivalents	393,816	234,519
D	Other financial assets (current and non-current)	186,580	227,681
E	Finance leases receivable (current and non-current)	43,734	35,706
DN=A-B-(C+D-E)	**Net debt**	**1,321,492**	**1,304,533**
G	Revenues	439,592	305,858
H	Cost of sales	(93,079)	(88,389)
I	Administrative expenses	(35,196)	(26,302)
J	Depreciation and Amortization	55,780	54,701
K	Other gains	(30)	754
L	Finance lease amortization	1,697	1,492
EA = G+H+I+J+K+L	**Adjusted EBITDA***	**368,765**	**248,114**
DN/EA	**Net debt /Adjusted EBITDA**	**3.58**	**5.26**

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

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

25 -REVENUE

25.1 Revenue

The breakdown of operating revenue for the years ended December 31, 2022 and 2021, is as follows:

Type of ordinary revenue	01-01-2022 12-31-2022 ThCh$	01-01-2021 12-31-2021 ThCh$
Regulated revenues	378,629,499	316,326,398
Contractual revenue	86,175,927	74,739,307
Leasing revenues	5,697,959	4,093,748
Provision for Tariff Review	(30,911,166)	(89,301,543)
Total revenues	**439,592,219**	**305,857,910**

Type of ordinary revenue	01-01-2022 12-31-2022 ThCh$	01-01-2021 12-31-2021 ThCh$
Regulated revenues:	**378,629,499**	**316,326,398**
National Transmission System	269,080,522	226,892,733
Zonal Transmission System	103,867,630	84,476,293
Dedicated Transmission System	5,214,636	4,475,471
Complementary services	466,711	481,901
Contractual revenue:	**86,175,927**	**74,739,307**
Transmission facilities	78,891,946	66,655,972
Engineering and Construction Services	-	229,764
Others	7,283,981	7,853,571
Leasing revenues:	**5,697,959**	**4,093,748**
Provision for Tariff Review:	**(30,911,166)**	**(89,301,543)**
Total	**439,592,219**	**305,857,910**

Type of ordinary revenue	01-01-2022 12-31-2022 ThCh$	01-01-2021 12-31-2021 ThCh$
Transferred services over a period of time	439,592,219	305,857,910
Total	**439,592,219**	**305,857,910**

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 first half of 2023.

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 up to date 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 2, 2022, the National Energy Commission issued Exempt Resolution No. 118, which approves the Definitive Technical Report on the Valuation of the Transmission System Facilities for the four-year period 2020-2023 for review by the Ministry of Energy. Subsequently, on March 25, 2022, said Commission issued Exempt Resolution No. 199 that rectified some detailed elements of the aforementioned Technical Report. Then, on April 25, 2022, the Ministry of Energy sent Supreme Decree 7T/2022 to the Comptroller General of the Republic for its favorable report in order to proceed with its publication in the Official Gazette, this being the last review of the process. rate setting 2020-2023.

On December 15, 2022, the National Energy Commission issued Exempt Resolution No. 898 that set the unique transmission charges for the first semester of 2023, in which it deemed it appropriate to use the background of Exempt Resolution No. 199 of 2022 and modify the charge stabilization mechanism used from the first half of 2020 to the second half of 2022, in order to mitigate the magnitude of re-settlements between the parties involved, together with safeguarding the stability of the rates of regulated customers . In this way, the National Energy Commission determined the unique transmission charges with the values of Supreme Decree 7T/2022 that is still pending in the Comptroller General of the Republic.

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 twelve-month period ended December 31, 2022 for ThCh$30,911,166 (ThCh$89,301,543 as of December 31, 2021).

25.2 Other operating revenues

The detail of other operating revenues for the year ended December 31, 2022 and 2021, is as follows:

Concepts	01-01-2022 12-31-2022 ThCh$	01-01-2021 12-31-2021 ThCh$
Financial income (Note 26.4)	48,641,001	10,646,541
Other gains (losses), net	(29,515)	754,255
Total	**48,611,486**	**11,400,796**

26 - RELEVANT INCOME STATEMENT ACCOUNTS

26.1 Expenses by nature

The composition of cost of sales and administrative expenses for the years ended December 31, 2022 and 2021, is as follows:

Concepts	01-01-2022 12-31-2022 ThCh$	01-01-2021 12-31-2021 ThCh$
Cost of sales		
Personnel expenses	15,210,541	15,090,152
Operating expenses	13,547,945	11,373,051
Maintenance expenses	10,876,982	9,539,983
Depreciation, amortization and write-off	51,929,040	51,894,322
Other	1,514,392	491,382
Total	**93,078,900**	**88,388,890**
Administration Expenses		
Personnel expenses	17,037,536	12,475,825
Operation expenses	10,416,193	8,920,562
maintenance	311,587	207,484
Depreciation, amortization and write-off	3,850,974	2,806,422
Other	3,579,853	1,891,591
Total Administration expenses	**35,196,143**	**26,301,884**
Total	**128,275,043**	**114,690,774**

26.2 Personnel expenses

The composition of personnel expenses for the years ended December 31, 2022 and 2021 is as follows:

Concepts	01-01-2022 12-31-2022 ThCh$	01-01-2021 12-31-2021 ThCh$
Salaries and wages	26,220,529	23,696,571
Short-term employee benefits	1,952,273	3,059,560
Severance indemnity	608,270	357,060
Other long-term benefits	2,114,216	1,640,885
Other personnel expenses	14,247,520	9,137,515
Expenses capitalized on construction in progress	(12,894,731)	(10,325,614)
Total	**32,248,077**	**27,565,977**

26.3 Depreciation, amortization and write-off

The detail of this item in the income statement for the years ended December 31, 2022 and 2021, is as follows:

Concepts	01-01-2022 12-31-2022 ThCh$	01-01-2021 12-31-2021 ThCh$
Depreciation (PP&E)	50,101,140	49,191,024
Amortization (Intangible)	1,758,549	1,762,178
Amortization (Rights of use)	1,641,684	1,579,524
Losses from withdrawal and damages*	2,278,641	2,168,018
Total	**55,780,014**	**54,700,744**

* 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.

26.4 Financial results

The detail of the financial result for the years ended December 31, 2022 and 2021, is as follows:

Concepts	01-01-2022 12-31-2022 ThCh$	01-01-2021 12-31-2021 ThCh$
Financial income:	**48,641,001**	**10,646,541**
Commercial interest earned	405,876	118,955
Bank interest earned	26,515,024	1,973,524
Interest earned on derivatives	12,000,732	-
Interest earned from related parties	9,719,369	8,554,062
Financial expenses:	**(75,067,697)**	**(70,228,788)**
Interest on bonds	(65,222,790)	(59,966,375)
Interest rate Swap	(8,688,200)	(8,688,200)
Other expenses	(1,156,707)	(1,574,213)
Gain (loss) from indexation of UF	**(137,689,822)**	**(51,560,390)**
Gain (loss) from indexation of bonds	(113,693,303)	(53,035,279)
Gain (loss) from indexation of loans to related parties	3,150,406	1,469,499
Other Gain (loss) from indexation of UF	(27,146,925)	5,390
Foreign exchange gains (losses), net	**(224,523)**	**389,325**
Obligations with public	(12,602,481)	(137,461,741)
Intercompany Loan	3,098,472	35,078,775
Financial instruments	9,009,938	96,109,834
Other	269,548	6,662,457
Total financial result, net	**(164,341,041)**	**(110,753,312)**

27 - INCOME TAX

The income tax for the years ended December 31, 2022 and 2021 is as follows:

Concepts	01-01-2022 12-31-2022 ThCh$	01-01-2021 12-31-2021 ThCh$
Current tax expense	4,584	17,638
Deferred tax expense relating to origination and reversal of temporary differences	37,847,191	22,401,373
Income tax expense	**37,851,775**	**22,419,011**

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 years ended December 31, 2022 and 2021:

Concepts	01-01-2022 12-31-2022 ThCh$	01-01-2021 12-31-2021 ThCh$
Tax expense using the legal rate	**39,675,587**	**21,915,381**
Price-level restatement tax capital	243,018	302,546
Price-level restatement of Investment	367,667	173,586
Expenses not accepted	908,812	300,924
Price-level restatement of tax loss	(706,559)	(472,216)
Other differences	(2,636,750)	198,790
Total adjustments to tax expense using statutory rate	**(1,823,812)**	**503,630**
Tax expense using effective tax rate	**37,851,775**	**22,419,011**

Concepts	01-01-2022 12-31-2022 ThCh$	01-01-2021 12-31-2021 ThCh$
Tax expense using the legal rate	**27.00%**	**27.00%**
Price-level restatement tax capital	0.17%	0.37%
Price-level restatement of Investment	0.25%	0.21%
Expenses not accepted	0.62%	0.37%
Price-level restatement of tax loss	(0.48%)	(0.58%)
Other differences	(1.79%)	0.24%
Total adjustments to tax expense using statutory rate	**(1.23%)**	**0.61%**
Tax expense using effective tax rate	**25.77%**	**27.61%**

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.

28 - 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	12-31-2022 ThCh$	12-31-2021 ThCh$
Profit Attributable to Holders of Equity Participation Instruments of the Parent Company	109,094,845	58,749,068
Earnings available to common shareholders, basic	109,094,845	58,749,068
Total basic shares	1,000,000	1,000,000
Basic earnings per share (Ch$)	**109,095**	**58,749**

29 - 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 10,117 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, Sub transmission 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.

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	12-31-2022	12-31-2021
	ThCh$	ThCh$
Transmission services	439,592,219	305,857,910

Information about sales and principal customers

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

30- THIRD-PARTY GUARANTEES, OTHER CONTINGENT ASSETS AND LIABILITIES AND OTHER COMMITMENTS

As of December 31, 2022, the Company has received performance guarantees from contractors and third parties, primarily to guarantee performance of construction and maintenance works, amounting to ThCh$37,378,422 (ThCh$26,489,024 as of December 31, 2021).

As of December 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$87,079,040, (ThCh$69,825,025, as of December 31, 2021).

31- DISTRIBUTION OF PERSONNEL

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

Concept	Manager and Executives	Professionals and technical personnel	Other employees	Total	Average of the year
Total as of 12-31-2022	17	472	98	587	587
Total as of 12-31-2021	17	453	122	592	582

32- 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 years ended December 31, 2022 and 2021, the Company has made the following environmental disbursements:

Company making disbursement	Project	12-31-2022	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)	3,197,573	1,570,684
Total		**3,197,573**	**1,570,684**

33- ASSETS AND LIABILITIES IN FOREIGN CURRENCY

a. Current assets and liabilities

Current Assets	Foreign Currency	Functional Currency	12-31-2022		12-31-2021	
			Up to 90 days	More than 91 up to 1 year	Up to 90 days	More than 91 up to 1 year
			ThCh$	ThCh$	ThCh$	ThCh$
Cash and cash equivalents	Dollar	Ch$	17,448,122	-	478,354	-
	Other Currency	Ch$	10,400	-	11,612	-

Current Liabilities	Foreign Currency	Functional Currency	12-31-2022		12-31-2021	
			Up to 90 days	More than 91 up to 1 year	Up to 90 days	More than 91 up to 1 year
			ThCh$	ThCh$	ThCh$	ThCh$
Other financial liabilities, current	Dollar	Ch$	17,526,076	256,503,078	17,509,760	-

b. Non-current assets and liabilities

Non-current liabilities	Foreign Currency	Functional Currency	31-12-2022					31-12-2021				
			More than 1 up to 2 years	More than 2 up to 3 years	More than 3 up to 4 years	More than 4 up to 5 years	More than 5 years	More than 1 up to 2 years	More than 2 up to 3 years	More than 3 up to 4 years	More than 4 up to 5 years	More than 5 years
			M$	M$	M$	M$	M$	M$	M$	M$	M$	M$
Other non-current financial liabilities	Dollar	Ch$	-	319,482,854	-	-	95,307,721	252,654,928	-	314,651,972	-	290,857,524

34- 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. Up to date, this fine has not been informed to the General Treasury of the Republic.

As of December 31, 2022, the Company maintains a provision for this obligation in the amount of ThCh$1,540,548, equivalent to US$1,800,000.

2. As of December 31, 2022, Transelec maintains a provision of ThCh$5,137,188, equivalent to UTM84,000, 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 UTM9,000 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) Regarding of the sanctions resolutions applied by the Superintendence of Electricity and Fuels (SEC in its Spanish Acronym) for a failure in Quillota SE dated May 4, 2019 and in the Mulchén-Cautín line dated August 5, 2018, in December 2022, the Court of Appeals of Santiago accepted the presentations of the SEC by virtue of which the legal arguments presented by Transelec in the claims filed in September 2022 were complied with. Consequently, the resolutions that imposed fines on Transelec for UTM45,000 and 40,000 respectively for which 50% had been provisions, were annulled.

In May 2022, a fine of UTM25,000 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.

35 - SUBSEQUENT EVENTS

On February 16, 2023, Supreme Decree 7T/2022 of the Ministry of Energy was published in the Official Gazette which sets the annual value of national, zonal and dedicated transmission facilities used by users subject to price regulation, for the four-year period between January 1, 2020 and December 31, 2023. The issuance of the Decree does not significantly affect the amounts provisioned as lower income tariff by the Company as of December 31, 2022

As of December 31, 2022, closing date of these consolidated financial statements and their issuance date, there has been no other significant financial and accounting events that may affect the equity of the Company or the interpretation of these consolidated financial statements.

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

TRANSELEC S.A AND SUBSIDIARY

Santiago, Chile

December 31, 2022

SUMMARY

As of December 31, 2022, revenues reached MCh$439,592 showing an increase of 43.7% compared to the same period of 2021 (MCh$305,858). In December 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 December 2022 Financial Statements, the provision was determined according to the Supreme Decree 7T published on February 16th, 2023. These revenues increase in 2022 compared to the same period of 2021, is mainly explained by macroeconomic effects and by adjustments made to the provision for lower revenues.

As of December 31, 2022, Transelec obtained an EBITDA[1] of MCh$368,765, an 48.6% higher than the one obtained in the same period of 2021 (MCh$248,115), with an EBITDA Margin[2] of 83,9%. The EBITDA increase is mainly due to the increase in income explained above.

The loss in Non-Operating Income as of December 2022 was MCh$164,371, representing a rise of 49.4% compared to the same period of 2021 (MCh$109,999). 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 December 31, 2022, was MCh$109,095, registering an increase of 85.7% less compared to the same period of 2021, in which a Net Income of MCh$58,749 was registered.

During 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.

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 potential repercussions 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 entry into force of Supreme Decree 7T (DS7T) issued on February 16th. 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 DS7T, and has proceeded to make a provision as of December 31, 2022, including adjustments to provisions made in 2020 and 2021.

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

- On April 29, 2022, 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 was paid in May 2022.
- 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.
- In December, Feller Rate raised the local rating of Transelec S.A. from AA- to AA in recognition of its stable and solid financial situation even in recent difficult years.

1. INCOME STATEMENT ANALYSIS

ITEMS	December 2022 MCh$	December 2021 MCh$	Variation 2022/2021 MCh$	Variation 2022/2021 %
Revenues	**439.592**	**305.858**	**133.734**	**43,7%**
Sales	432.308	297.775	134.533	45,2%
Services	7.284	8.083	-799	-9,9%
Operation Costs and Expenses	-128.275	-114.690	-13.585	-11,8%
Sales Costs	-41.150	-36.495	-4.655	-12,8%
Administrative Expenses	-31.345	-23.495	-7.850	-33,4%
Depreciation and Amortization	-55.780	-54.701	-1.079	-2,0%
Operating Income	311.317	191.168	120.149	62,9%
Financial Income	48.641	10.647	37.994	356,9%
Financial Costs	-75.068	-70.229	-4.839	-6,9%
Foreign exchange differences	-225	389	-614	-157,7%
Gain (loss) for indexed assets and liabilities	-137.690	-51.560	-86.130	-167,0%
Other income (Losses)	-30	754	-784	-103,9%
Non-Operating Income	-164.371	-109.999	-54.372	-49,4%
Income before Taxes	146.947	81.168	65.779	81,0%
Income Tax	-37.852	-22.419	-15.433	-68,8%
Net Income	109.095	58.749	50.346	85,7%
EBITDA1	**368.765**	**248.115**	**120.650**	**48,6%**
EBITDA Margin2	**83,9%**	**81,1%**		

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 2022, Revenues reached MCh$439,592 increasing a 43.7% compared to the same period of 2021 (MCh$305,858). The increase is mainly explained by higher revenues from sales which as of December 2022, reached MCh$432,308, 45.2% higher compared to December 2021 (MCh$297,775) and due to lower revenues from services to third parties that reached MCh$7,284 in December 2022, 9.9% lower than the same period of 2021 (MCh$8,083).

Overall, higher revenues are mainly due to macroeconomic effects (mainly associated with the exchange rate) and adjustments to the provision for lower revenues according to tariff 2020-2023

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 in the second half of 2023, nevertheless, it considers the Company's revenues from January 1, 2020) continues in process but incorporates the DS7T by the close of 2022, which differs partially from the provision recorded in December 2021.

Total Transelec Operational Costs and Expenses as of December 31, 2022, were MCh$128,275, a 11.8% higher than the comparison period in 2021 that reached MCh$114,690. Total Costs and Expenses are composed by the following main items.

Sales Costs during the analysis period amounted MCh$41,150, a 12.8% higher than the same period of 2021 (MCh$36,495). The increase is explained by higher costs associated with higher provisions for fines, higher maintenance costs and higher costs due to penalties for projects not awarded.

Administrative Expenses amounted to MCh$31,345 in December 2022, 33.4% higher than those obtained in the same period in 2021 (MCh$23,495). The increase is mainly explained by higher personnel costs, higher IT costs and higher costs due to penalties for projects not awarded.

Total Depreciation and Amortization as of December 31, 2022, reached MCh$55,780, a 2.0% higher than the same period in 2021 (MCh$54,701).

b) Non-Operating Income

The Non-Operating Income at the end of December 2022, was a loss of MCh$164,371, a 49.4% higher than the same period of 2021 (MCh109,999). This is mainly explained by higher losses for indexed Assets and Liabilities, and higher financial costs, partially offset by higher financial income.

The loss for Indexed Assets and Liabilities was MCh$137,690 as of December 31, 2022. This is mainly due to a variation of 13.29% in the value of the UF during 2022, which mainly affects our UF bonds. In the same period of 2021, the loss was MCh$51,560, associated to a 6.61% variation in UF value.

The Financial Income registered to September 2022 amounted to MCh$48,641. The amount registered in the same period of 2021 was MCh$10,647. This increase is mainly due to higher bank interests earned in local currency.

The Exchange Differences as of December 2022 result in a loss of MCh$225, while during the same period of 2021, the balance was a profit of MCh$389. The Exchange Differences remain limited, associated with the foreign currency hedging policy.

Financial Costs registered as of December 2022 reached MCh$75,068, increasing by 6.9% compared to the same period of 2021 (MCh70,229). 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 December 2022, were MCh$30, while in December 2021 were MCh$754. This difference is mainly due to the regularization of expenditure from prior years.

c) Income tax

Income Tax as of December 31, 2022, was MCh$37,852, decreasing by 68.8% in relation to the same period of 2021 (MCh$22,419). This decrease in income tax expenditure is mainly explained by an increase in the company's Income before Taxes in MCh$65,779, which directly impact on higher tax expenditure of MCh$15.433.

2. BALANCE SHEET ANALYSIS

ITEMS	December 2022 MCh$	December 2021 MCh$	Variation 2022/2021 MCh$	Variation 2022/2021 %
Current assets	516.058	331.639	184.419	55,6%
Non-current assets	2.939.870	2.824.749	115.121	4,1%
Total Assets	**3.455.928**	**3.156.388**	**299.540**	**9,5%**
Current liabilities	608.146	233.561	374.585	160,4%
Non current liabilities	1.841.809	1.950.919	-109.110	-5,6%
Equity	1.005.973	971.908	34.065	3,5%
Total Liabilities & Equity	**3.455.928**	**3.156.388**	**299.540**	**9,5%**

The increase in Assets between December 2021 and December 2022 is explained by an increase in Current and Non-Current Assets. This increase is mostly due to higher balance in cash, Properties, Plant and Equipment.

The increase in Liabilities and Equity is due to an increase in Current Liabilities, which corresponds mainly to higher other financial liabilities. It is noteworthy that the company has a bond maturity of US$ 300 million in July 2023, so in December 2022 it turned from Non-Current to Current.

Value of the Main PP&E in Operation

ASSETS	December 2022 MCh$	December 2021 MCh$	Variation 2022/2021 MCh$	Variation 2022/2021 %
Land	21.556	22.071	-515	-2,3%
Building, Infraestucture, works in progress	1.281.377	1.270.052	11.325	0,9%
Work in progress	533.291	402.151	131.140	32,6%
Machinery and equipment	809.716	769.601	40.115	5,2%
Other fixed assets	6.176	5.812	364	6,3%
Right of use	8.465	7.857	608	7,7%
Depreciation (less)	-708.824	-658.652	-50.172	-7,6%
Total	**2.639.025**	**1.818.892**	**820.133**	**45,1%**

Current Debt

Debt	Currency or index	Interest rate	Type of rate	Maturity Date	Amount in original currency (million) (unpaid capital) December 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	5,767%	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	December 2022 MM$	December 2021 MM$	Variation 2022/2021 MM$	Variation 2022/2021 %
Cash flows provided by (used in) operating activities	421.784	373.498	48.286	12,9%
Cash flows provided by (used in) investing activities	-243.256	-215.657	-27.599	-12,8%
Cash flows provided by (used in) financing activities	-19.309	-30.179	10.870	36,0%
Net increase (decrease) of cash and cash equivalent	**159.218**	**127.662**	**31.556**	**24,7%**
Effect of changes in the exchanges rate	79	1.017	-938	-92,2%
Net increase (decrease) of cash and cash equivalent	**159.297**	**128.679**	**30.618**	**23,8%**
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	**393.816**	**234.519**	**159.297**	**67,9%**

As of December 31, 2022, cash flow from activities of the operation reached MCh$421,784, which increased by 12.9% compared to the same period of 2021 (MCh$373,498). 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$243,256. As of December 31, 2021, the cash flow used in investment activities was MCh$215,657. The increase is due to higher disbursements for property, plant and equipment.

As of December 2022, the cash flow from financing activities was MCh19,309, while as of December 2021 it was MCh$30,179. 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 December 31, 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	December 2022	December 2021
Capitalization Ratio[1]	All local Bonds	< 0.70	0,65	0,64
Shareholder's Equity1 MMUF	D, H, K, M and N local Bonds	> 15.00	29,36	32,17
Shareholder's Equity1 MCh$	Q local Bond and Revolving Credit Facility	> 350,000	1.030.943	996.878
Net Debt/Ebitda	Revolving Credit Facility	< 8.0x4	3,58	5,26

Test	Bonds	Limit	December 2022	December 2021
Distribution Test[2]	D, H, K, M and N local Series	> 1.50	7,12	6,64
FNO[3]/Financial Expenses				

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.

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

RATIOS		December 2022	December 2021	Variation 2022/2021
Profitability[1]				
Shareholders' Equity profitability[2]	(%)	19,0%	10,6%	840 pbs
Assets profitability[3]	(%)	5,5%	3,3%	220 pbs
Operating assets profitability[4]	(%)	7,2%	5,7%	150 pbs
Earnings per share[5]	($)	109.095	58.749	85,7%
Liquidity & Indebtedness				
Current Ratio	(times)	0,85	1,42	-40,1%
Acid-Test Ratio	(times)	0,85	1,42	-40,1%
Debt to Equity	(times)	2,44	2,25	8,4%
Short term debt/Total debt	(%)	24,8%	10,7%	1410 pbs
Log term debt/Total debt	(%)	75,2%	89,3%	-1410 pbs
Financial expenses coverage	(times)	4,91	3,53	39,1%

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 3 years but the corresponding decree was published in El Diario Oficial (Official Gazette) On February 16th, 2023. It is expected that the Companies affected by regulated tariffs in the National and Zonal Systems will receive the new tariff from the second semester of 2023, 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, which was reviewed by the Office of the General Comptroller of the Republic, and subsequently the Ministry of Energy promulgated Decree 7T of 2022.

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, fires, 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:

In million pesos	December 2022 Assets	#REF! #REF! Liabilities	December 2021 Assets	#REF! Liabilities
Dollar (amounts associated with balance sheet items)	888.932	889.100	868.719	875.783
Chilean peso	2.560.317	2.560.149	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
October	955,89	945,31	813,95	810,91
November	917,05	905,70	812,62	837,55
December	875,66	859,51	849,12	844,69
Average of the period	**873,19**	**872,95**	**759,07**	**764,81**

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	December 2022 MM$	December 2022 %	December 2021 MM$	December 2021 %
Enel Group	164.026	37,3%	106.657	34,9%
AES Gener Group	54.751	12,5%	47.701	15,6%
CGE Group	47.094	10,7%	51.178	16,7%
Colbún Group	44.951	10,2%	37.122	12,1%
Engie Group	35.632	8,1%	27.690	9,1%
Others	93.138	21,2%	35.510	11,6%
Total	**439.592**		**305.858**	
% Concentration	**78,81%**		**88,39%**	

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 December 31, 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
December 31, 2022	303.869	402.253	475.411	598.111	230.145	2.009.790
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	31.096,09	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
October	34.446,46	34.600,35	30.214,65	30.380,53
November	34.722,91	34.811,80	30.573,24	30.762,80
December	34.948,74	35.110,98	30.907,42	30.991,74
Average of the period	**33.037,33**	**33.204,80**	**29.799,35**	**29.878,27**

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.

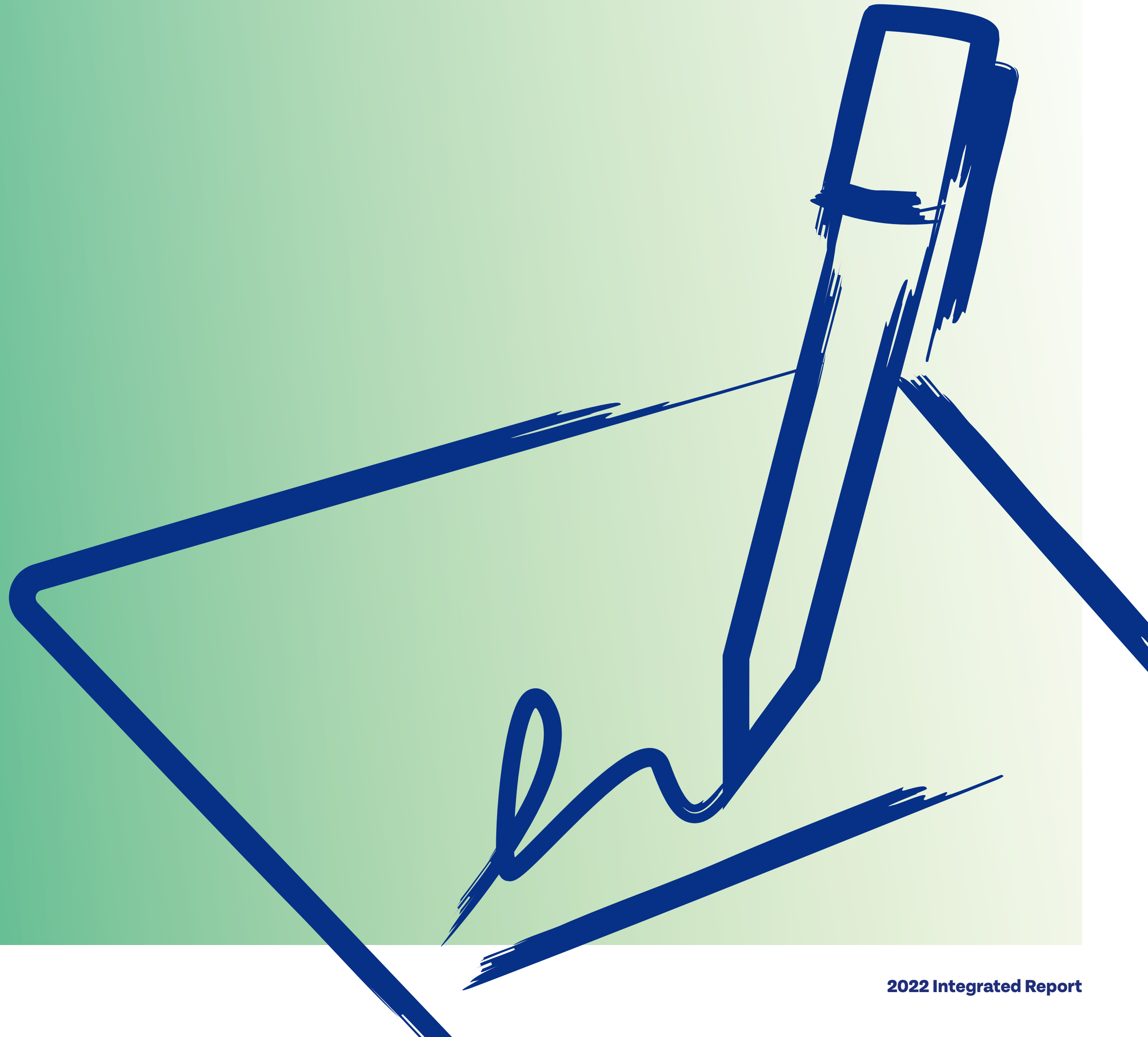
10) On October 26, 2022, and in compliance with the provisions of article 9 and the second paragraph of article 10 of Law No. 18,045, on the Securities Market, it was reported as an essential fact that, in the ordinary session of board of Transelec S.A. of said date, the Chairman of the Board of Directors acknowledged and accepted the resignation presented by Mr. Ganxiang Tang from his position as Director of the company, effective immediately.

Later in said session, Mr. Tao He was elected as the new Interim Director of the company until the next Ordinary Shareholders' Meeting is held, date on which the Board of Directors of Transelec S.A. will be renewed.

11) On December 21, 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 was reported as an essential fact that, in session Board of Directors of Transelec S.A. held on that same date, it was agreed to approve the new "Policy on Habitual Operations of the Social Turn of Transelec S.A.", as indicated in article 147 letter b) of law 18,046 on Corporations. A copy of the new Policy was attached to that submission.

11

Statement of *Responsibility*



Statement of Responsibility

DECLARACIÓN DE RESPONSABILIDAD

Tanto los Directores como el Gerente General de Transelec S.A. que suscriben esta declaración se hacen responsables, bajo juramento, respecto de la veracidad de la información proporcionada en la presente Memoria anual 2022, en cumplimiento de la Norma de Carácter General Nº 461, emitida por la Superintendencia de Valores y Seguros, hoy la Comisión para el Mercado Financiero.

16 abr. 2023 21:43:24 GMT-4
Scott Lawrence
Presidente
Extranjero

14 abr. 2023 13:14:28 GMT-4
Richard Cacchione
Director
Extranjero

22 abr. 2023 11:01:31 GMT-4
Tao He
Director
Extranjero

14 abr. 2023 16:05:54 GMT-4
Jordan Anderson
Director
Extranjero

15 abr. 2023 18:43:31 GMT-4
Andrea Butelmann Peisajoff
Director
I.D.: 6.383.159-K

14 abr. 2023 14:16:17 GMT-4
Blas Tomic Errázuriz
Director
I.D.: 5.390.891-8

14 abr. 2023 12:34:34 GMT-4
Mario Valcarce Durán
Director
I.D.:5.850.972-8

14 abr. 2023 12:38:37 GMT-4
Juan Benabarre Benaiges
Director
I.D.: 5.899.848-6

14 abr. 2023 15:49:50 GMT-4
Ximena Clark Núñez
Director
I.D.: 11.493.586-7

17 abr. 2023 20:41:46 GMT-4
Arturo Le Blanc Cerda
CEO
I.D.: 10.601.441-8