Interim Consolidated Financial Statements Unaudited

TRANSELEC S.A. AND SUBSIDIARY

Santiago, Chile
March 31, 2024 and December 31, 2023

Interim Consolidated Financial Statements Unaudited

TRANSELEC S.A. AND SUBSIDIARY

Santiago, Chile
As of March 31, 2024 and December 31, 2023
(Translation of the Financial Statements originally issued in Spanish)

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

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
TRANSELEC S.A. AND SUBSIDIARY
As of March 31, 2024 and December 31, 2023
Expressed in thousands of Chilean pesos (ThCh$)
(Translation of financial statements originally issued in Spanish-See Note 2.1)

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INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
TRANSELEC S.A. AND SUBSIDIARY
As of March 31, 2024 and December 31, 2023
Expressed in thousands of Chilean pesos (ThCh$)
(Translation of financial statements originally issued in Spanish-See Note 2.1)

ASSETS	Note	Unaudited 03-31-2024 ThCh$	Audited 12-31-2023 ThCh$
CURRENT ASSETS			
Cash and cash equivalents	5	156,537,062	178,336,181
Other financial assets	9	2,151,718	1,511,087
Other non-financial assets	14	32,239,056	28,718,941
Trade and other receivables	6	78,654,961	73,627,497
Receivables from related parties	7	19,865,049	20,600,950
Inventory		1,177,540	1,184,549
Sub-Total Current assets		**290,625,386**	**303,979,205**
Non-current asses classified as held for sale	8	515,376	515,376
Total Current assets		**291,140,762**	**304,494,581**
NON-CURRENT ASSETS			
Other financial assets	9	448,271,365	379,278,952
Other non-financial assets	14	7,639,401	7,559,329
Receivables from related parties	7	251,431,691	249,369,998
Intangible assets other than goodwill	10	198,890,236	199,664,482
Goodwill	11	343,059,078	343,059,078
Property plant and equipment net	12	1,935,965,775	1,895,052,261
Assets for rights of use	13	11,530,112	1,048,761
Total Non-Current assets		**3,196,787,658**	**3,075,032,861**
TOTAL ASSETS		**3,487,928,420**	**3,379,527,442**

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

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
TRANSELEC S.A. AND SUBSIDIARY
As of March 31, 2024 and December 31, 2023
Expressed in thousands of Chilean pesos (ThCh$)
(Translation of financial statements originally issued in Spanish-See Note 2.1)

LIABILITIES	Note	Unaudited 03-31-2024 ThCh$	Audited 12-31-2023 ThCh$
CURRENT LIABILITIES			
Other financial liabilities	15	388,645,002	23,109,275
Liabilities for leases	16	1,093,112	306,759
Trade and other payables	17	65,189,774	118,822,157
Accounts payable to related entities	7	54,720,181	54,720,181
Provisions	20	3,633,866	3,445,604
Provisions for employee benefits current	22	7,744,986	11,541,042
Current tax liabilities		2,784,733	848,832
Other non-financial liabilities	14	4,463,809	789,659
Total Current Liabilities		**528,275,463**	**213,583,509**
NON-CURRENT LIABILITIES			
Other financial liabilities	15	1,611,292,440	1,891,774,131
Lease liabilities	16	10,749,613	922,581
Deferred tax liabilities	21	348,181,546	332,084,244
Provisions for employee benefits non-current	22	3,082,291	3,082,291
Other non-financial liabilities	14	3,459,900	3,559,293
Total Non-Current Liabilities		**1,976,765,790**	**2,231,422,540**
TOTAL LIABILITIES		**2,505,041,253**	**2,445,006,049**
EQUITY			
Issued and paid-in capital	24	776,355,048	776,355,048
Retained earnings		230,141,295	175,472,281
Other reserves	24	(23,609,176)	(17,305,936)
Equity attributable to owners of the parent		**982,887,167**	**934,521,393**
Non-controlling interest		-	-
TOTAL EQUITY		**982,887,167**	**934,521,393**
TOTAL EQUITY AND LIABILITIES		**3,487,928,420**	**3,379,527,442**

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

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME BY FUNCTION
TRANSELEC S.A. AND SUBSIDIARY
For the three-month periods ended March 31, 2024 and 2023
Expressed in thousands of Chilean pesos (ThCh$)
(Translation of financial statements originally issued in Spanish-See Note 2.1)

STATEMENT OF COMPREHENSIVE INCOME BY FUNCTION	Note	Unaudited 01-01-2024 03-31-2024 ThCh$	Unaudited 01-01-2023 03-31-2023 ThCh$
Revenue	25	131,160,545	128,001,865
Cost of sales	26	(24,096,002)	(21,806,028)
Gross Margin		**107,064,543**	**106,195,837**
Administrative expenses	26	(7,967,561)	(7,849,711)
Other gains (losses)		112,954	(7,095)
Financial income	26	4,948,691	13,635,458
Financial expenses	26	(20,158,441)	(20,787,476)
Exchange differences	26	422,848	1,810,716
Loss by indexed units	26	(9,384,899)	(19,353,263)
Profit Before Tax		**75,038,135**	**73,644,466**
Income tax expense	27	(20,369,121)	(19,525,049)
Profit from continuing operations		54,669,014	54,119,417
Profit from discontinued operations		-	-
Profit attributable to owners of the parent		**54,669,014**	**54,119,417**
Profit attributable to non-controlling interests		**-**	**-**
Profit		**54,669,014**	**54,119,417**
Earnings Per Share			
Basic/diluted earnings per share from continuing operations ($/s)	28	54,669	54,119
Basic/diluted earnings per share from discontinued operations ($/s)	28	-	-
Basic/diluted earnings per share ($/s)		**54,669**	**54,119**

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

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME BY FUNCTION
TRANSELEC S.A. AND SUBSIDIARY
For the three-month periods ended March 31, 2024 and 2023
Expressed in thousands of Chilean pesos (ThCh$)
(Translation of financial statements originally issued in Spanish-See Note 2.1)

STATEMENT OF COMPREHENSIVE INCOME	Note	Unaudited 01-01-2024 03-31-2024 ThCh$	Unaudited 01-01-2023 03-31-2023 ThCh$
Profit		54,669,014	54,119,417
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	22-24	-	-
Cash flow hedges			
Gains (losses) on cash flow hedges	24	(8,634,576)	17,146,347
Total other comprehensive income that will be reclassified to income for the period before taxes		**(8,634,576)**	**17,146,347**
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	2,331,336	(4,629,514)
Income tax related to remeasurements of defined benefit plans of other comprehensive income	24	-	-
Total income tax related to components of other comprehensive income that will be reclassified to the result of the period		**2,331,336**	**(4,629,514)**
Total comprehensive income		**(6,303,240)**	**12,516,833**
Total comprehensive income		**48,365,774**	**66,636,250**

Comprehensive income attributable to:			
Comprehensive income attributable to owners of the parent		48,365,774	66,636,250
Comprehensive income attributable to non- controlling interests		-	-
Total comprehensive income and expense result		**48,365,774**	**66,636,250**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
TRANSELEC S.A. AND SUBSIDIARY
For the three-month periods ended March 31, 2024 and 2023
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 01-01-2024		776,355,048	(17,242,080)	(63,856)	(17,305,936)	175,472,281	**934,521,393**	-	**934,521,393**
Changes in equity									
Comprehensive income									
Profit (loss)		-	-	-	-	54,669,014	**54,669,014**	-	**54,669,014**
Other comprehensive income	24.4	-	(6,303,240)	-	(6,303,240)	-	**(6,303,240)**	-	**(6,303,240)**
Total comprehensive income		-	(6,303,240)	-	(6,303,240)	54,669,014	**48,365,774**	-	**48,365,774**
Dividends	24.3	-	-	-	-	-	**-**	-	**-**
Total increase (decrease) in equity		-	(6,303,240)	-	(6,303,240)	54,669,014	**48,365,774**	-	**48,365,774**
Equity at the end of 03-31-2024 Unaudited	**24**	**776,355,048**	**(23,545,320)**	**(63,856)**	**(23,609,176)**	**230,141,295**	**982,887,167**	**-**	**982,887,167**

Movimientos	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 01-01-2023		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)		-	-	-	-	54,119,417	**54,119,417**	-	**54,119,417**
Other comprehensive income	24.4	-	12,516,833	-	12,516,833	-	**12,516,833**	-	**12,516,833**
Total comprehensive income		-	12,516,833	-	12,516,833	54,119,417	**66,636,250**	-	**66,636,250**
Dividends	24.3	-	-	-	-	-	**-**	-	**-**
Total increase (decrease) in equity		-	12,516,833	-	12,516,833	54,119,417	**66,636,250**	-	**66,636,250**
Equity at the end of 03-31-2023 Unaudited	**24**	**776,355,048**	**31,786,426**	**704,822**	**32,491,248**	**229,698,370**	**1,038,544,666**	**-**	**1,038,544,666**

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

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
TRANSELEC S.A. AND SUBSIDIARY
For the three-month periods ended March 31, 2024 and 2023
Expressed in thousands of Chilean pesos (ThCh$)
(Translation of financial statements originally issued in Spanish-See Note 2.1)

DIRECT METHOD CASH FLOW STATEMENT	Note	Unaudited 03-31-2024 ThCh$	Unaudited 03-31-2023 ThCh$
Cash flows provided by (used in) operating activities			
Classes of receipts from operating activities:			
Cash receipts from sales of goods and services		95,590,796	159,830,596
Cash receipts from related party for services rendered	7	1,610,790	1,261,366
Cash receipts from related parties for interest	7	3,954,313	-
Other proceeds from operating activities		437,493	58,755
Types of payments for operating activities:			
Payments to suppliers for goods and services		(404,784)	(1,136,355)
Payments of interest for rights of use		(118,891)	(15,373)
Other payments for operating activities		(17,702,260)	(6,707,037)
Payments to and on behalf of employees		(7,943,370)	(9,621,434)
Interest paid	15.2	(23,938,484)	(26,003,896)
Net cash flows provided by operating activities		**51,485,603**	**117,666,622**
Cash Flows Provided by (Used in) Investing Activities			
Additions of property plant and equipment and Intangibles		(73,164,714)	(60,636,217)
Amounts from the sale of property plant and equipment		1,329	782
Collections received from related entities	7	(179,014)	(11,785)
Payments made to related entities	7	78,337	-
Net cash flows used in investing activities		**(73,264,062)**	**(60,647,220)**
Cash Flows Provided by (Used in) Financing Activities			
Payments of lease liabilities		(508,235)	(528,508)
Net cash flows used in financing activities		**(508,235)**	**(528,508)**
Net increase in cash and cash equivalents before the effect of changes in the exchange rate		**(22,286,694)**	**56,490,894**
Effects of changes in the exchange rate on cash and cash equivalents			
Effects of changes in the exchange rate on cash and cash equivalents		487,575	228,397
Net increase in cash and cash equivalents		**(21,799,119)**	**56,719,291**
Cash and cash equivalents at the beginning of the year	5	178,336,181	393,816,311
Cash and cash equivalents at the ending of the year	**5**	**156,537,062**	**450,535,602**

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

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 Interim Consolidated Financial Statements of the Company as of March 31, 2024, were approved by the Board of Directors at its meeting N°257 held on May 15, 2024.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The main accounting policies applied in preparing the Interim Consolidated Financial Statements are detailed below. These policies have been based on IFRS in effect as of March 31, 2024 and applied uniformly for the periods presented.

2.1 Basis of preparation of the Interim Consolidated Financial Statements

These Interim Consolidated Financial Statements consist of the statements of financial position as of March 31, 2024 and December 31, 2023, the comprehensive income of its operations, changes in equity and cash flows for the three-month periods ended March 31, 2024 and 2023 and have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), taking into account the presentation regulations of the CMF, which are not in conflict with IFRS. The presentation of these Interim Consolidated Financial Statements has been made based on the recognition and measurement criteria set out in IAS 34 “Interim Financial Reporting”.

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

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

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

The accounting policies adopted in the preparation of the Interim Consolidated Financial Statements are consistent with those applied in the preparation of the annual Consolidated Financial Statements of the Company for the year ended December 31, 2023, except for the adoption of the new standards and amendments in force as of January 1, 2023, which did not materially affect the Interim Consolidated Financial Statements.

As of March 31, 2024, there were no accounting changes that affect the Interim Consolidated Financial Statements.

As of March 31, 2024, the company has not made reclassifications to the Consolidated Financial Statements as of December 31, 2023 and March 31, 2023.

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

Expressed in thousands of Chilean pesos (ThCh$)

2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

2.2 Basis of Consolidation

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

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

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
		03-31-2024	12-31-2023		
76.538.831-7	Transmisión del Melado SpA	100%	100%	Chile	Ch$

Expressed in thousands of Chilean pesos (ThCh$)

2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

2.3 New standards and interpretations accounting

The following new standards and amendments has been considered in this Consolidated Financial Statements:

Standards	New standards, amendments and interpretations	Mandatory Effective Date
IAS 1	Classification of Liabilities as Current or Non-Current	01-01-2024
IFRS16	Lease Liability in a Sale and Leaseback	01-01-2024
IAS 1	Non-current Liabilities with Covenants	01-01-2024
IAS 7 – IFRS 7	Acuerdos de Financiamiento de Proveedores	01-01-2024

The Company has evaluated that the application of these amendments does not have a significant effect on the amounts reported in these Interim 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 Enhancements and modifications

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

Standards	Enhancements and Modifications	Mandatory Effective Date
IAS 21	Lack of Exchangeability	01-01-2025
SASB	Amendments to the SASB standards to enhance their international applicability	01-01-2025

2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

2.3 New standards and interpretations accounting (continued)

2.3.1 Enhancements and modifications (continued)

Lack of Exchangeability (Amendments to IAS 21)

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

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

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

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

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

Amendments to the SASB standards to enhance their international applicability

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

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

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

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

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

Expressed in thousands of Chilean pesos (ThCh$)

2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

2.4 Foreign currency translation

2.4.1 Functional and presentation currency

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

2.4.2 Transactions and balances

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

2.4.3 Exchange rates

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

Currency or indexing unit	Chilean pesos per unit	
	03-31-2024	12-31-2023
UF	37,093.52	36,789.36
US$	981.71	877.12
Euro	1,060.05	970.05

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 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

2.6 Property, plant and equipment

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

a) All costs directly related placing the asset in the location and condition that enables it to be used in the manner intended by management.

b) Borrowing costs incurred during the construction period that are directly attributable to the acquisition, construction or production of qualified assets, which require a substantial period of time before being ready for use are capitalized. The interest rate used is that of the specific financing or, if none exists, the average financing rate of the company carrying out the investment.

c) Future disbursements that Transelec S.A. and its subsidiary must make to close their facilities are incorporated into the value of the asset at present value, recording the corresponding provision. On an annual basis both existences of such obligations as well as estimate of future disbursements are reviewed, increasing or decreasing the value of the asset based on the results of this estimate.

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

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

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

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

Expressed in thousands of Chilean pesos (ThCh$)

2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

2.6 Propiedades, plantas y equipos (continuación)

Items	Estimated useful life (years)	
	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 expenses.

2.7 Intangible assets

2.7.1 Goodwill

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

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

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

2.7.2 Easements

Easements are presented at historical cost. These rights have no defined useful life and, therefore, are not amortized. However, these indefinite useful lives are reviewed during each reporting year to determine if they remain indefinite. These assets are tested for impairment at each year end and if there are indicator of impairment.

2.7.3 Computer software

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

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

Expressed in thousands of Chilean pesos (ThCh$)

2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

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	03-31-2024	12-31-2023	Descripction
Discount rate	7.40%	7.40%	The discount rate used is the weighted average cost of capital (WACC) of the Company, measured before taxes.
Growth rate	3.00%	3.00%	The growth rate is applied to the perpetuity and is based on the estimation of the long-term inflation expectation established by the Central Bank of Chile.
Cash Flow estimation period	5 years	5 years	The estimation period is 5 years, based on the Company's internal business plan plus perpetuity.

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

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

2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

2.9 Financial instruments

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

1) Non-derivatives financial assets

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

a) Amortized Cost:

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

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

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

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

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

2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

2.9 Financial instruments (continued)

1) Non-derivatives Financial Assets (continued)

c) Fair value through profit or loss:

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

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

2) Cash and Cash Equivalent

Cash and cash equivalents include cash, bank balances, time deposits and other 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).

2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

2.9 Financial instruments (continued)

5) Derivatives and hedge activities (continued)

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

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

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

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

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

2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

2.9 Financial instruments (continued)

5) Derivatives and hedge activities (continued)

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

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

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

6) Embedded derivatives

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

7) Derecognition of financial assets and liabilities

Financial assets are derecognized when, and only when:

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

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

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

2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

2.9 Financial instruments (continued)

8) Compensation of financial assets and liabilities

The Company compensate financial assets and liabilities, presenting the net amount in its 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.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

2.12 Income tax and deferred taxes (continued)

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

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

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

2.13 Employee benefits

2.13.1 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 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

2.13 Employee benefits (continued)

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 Interim Consolidated Financial Statements, Transelec have no obligation to establish provision for environmental restoration and similar expenses.

2.15 Classification of current and non-current balances

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

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 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

2.16 Revenue recognition

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

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

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

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

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

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

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

2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

2.16 Revenue recognition (continued)

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

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

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

2.17 Leases

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

2.17.1 The Company as lessor

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

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

2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

2.17 Leases (continued)

2.17.2 The Company as lessee

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

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

2.17.3 Rights from use of lease

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

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

2.17.3.1 Leases previously classified as operating leases

The Company recognized assets for right of use and lease liabilities 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.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

2.17 Leases (continued)

2.17.3 Rights from use of lease (continued)

2.17.3.1 Leases previously classified as operating leases (continued)

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

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

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

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

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

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

2.17.3.2 Right of use assets

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

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

2.17.3.3 Lease liabilities

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

2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

2.17 Leases (continued)

2.17.3 Rights from Use of Lease (continued)

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

The Company applies the exception for recognition of short-term leases to its leases that have a term of 12 months or less from the inception date and that do not contain a renewal option. The lease recognition exception also applies for contracts that involve low value assets (less than US$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 March 31, 2024 and December 31, 2023 is reported in Note 24.3.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

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 said 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, has materialized.

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.

Expressed in thousands of Chilean pesos (ThCh$)

3 - RISK MANAGEMENT POLICY (continued)

3.1 Financial risk (continued)

3.1.1 Market risk (continued)

3.1.1.1 Interest rate risk (continued)

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

A comparative table of the Company's debts is shown below, in which it can be seen that all of the Company's debt as of March 31, 2024 and December 31, 2023 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)	
				03-31-2024	12-31-2023
Bono Serie D	UF	4.25%	Fixed	13,500	13,500
Bono Serie H	UF	4.80%	Fixed	3,000	3,000
Bono Serie K	UF	4.60%	Fixed	1,600	1,600
Bono Serie M	UF	4.05%	Fixed	3,400	3,400
Bono Serie N	UF	3.95%	Fixed	3,000	3,000
Bono Serie Q	UF	3.95%	Fixed	3,100	3,100
Bono Serie V	UF	3.30%	Fixed	3,000	3,000
Bono Serie X	UF	3.20%	Fixed	4,000	4,000
Senior Notes	US$	4.250%	Fixed	375,000	375,000
Senior Notes	US$	3.875%	Fixed	350,000	350,000
Revolving Credit Facility	US$	SOFR	Floating (*)	-	-

(*) The floating interest rate of the committed line of credit is broken down into SOFR rate plus a margin of 1.60%. At March 31, 2024 and December 31, 2023, the Company has no amounts drawn under this facility.

Expressed in thousands of Chilean pesos (ThCh$)

3 - RISK MANAGEMENT POLICY (continued)

3.1 Financial risk (continued)

3.1.1 Market risk (continued)

3.1.1.1 Interest rate risk (continued)

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

A comparative table of the Company's debts is shown below, in which it can be seen that all of the Company's debt as of March 31, 2024 and December 31, 2023 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.

Serie	Position in UF	Annual Effect on income (MCh$)		
		Inflation (3%)	Inflation (4%)	Inflation (2%)
D Bond	(13,452,138)	(15,176)	(20,615)	(10,212)
H Bond	(3,000,529)	(3,385)	(4,599)	(2,278)
K Bond	(1,599,181)	(1,804)	(2,451)	(1,214)
M Bond	(1,478,819)	(1,668)	(2,266)	(1,123)
M1 Bond	(1,870,626)	(2,110)	(2,867)	(1,420)
N Bond	(2,893,151)	(3,264)	(4,433)	(2,196)
Q Bond	(3,076,629)	(3,471)	(4,715)	(2,336)
V Bond	(2,942,800)	(3,320)	(4,510)	(2,234)
X Bond	(3,906,582)	(4,407)	(5,986)	(2,965)
Total	(34,220,455)	(38,605)	(52,442)	(25,978)

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 and other).
- Transelec maintains accounts receivable in Dollars.
- Transelec maintains Cross Currency Swap contracts, which offset exchange rate risks of international emissions made in 2014 and 2016, for notional amounts equivalent to US$ 23.5 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:

Expressed in thousands of Chilean pesos (ThCh$)

3 - RISK MANAGEMENT POLICY (continued)

3.1 Financial risk (continued)

3.1.1 Market risk (continued)

3.1.1.2 Exchange rate risk (continued)

Concepts	Liabilities		Assets	
	03-31-2024	12-31-2023	03-31-2024	12-31-2023
	MM$	MM$	MM$	MM$
U.S. dollar (amounts associated with balance sheet items)	742,089	654,736	730,638	653,646
Balance sheet items in Chilean pesos	2,745,825	2,723,271	2,757,277	2,724,361

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$)	3,742	(4)	4	-	-	-
Accounts Receivable (US$)	798	(1)	1	-	-	-
Leasing (US$)	358,502	(406)	406	-	-	-
Forwards (liabilties) (US$)	(11,486)	13	(13)	-	-	-
Senior Notes (US$)	(718,197)	813	(813)	-	-	-
Swaps (US$)	366,669	(415)	415	-	-	-
Intercompany Loans (US$)	942	(1)	1	-	-	-
Total	970	(1)	1	-	-	-

Expressed in thousands of Chilean pesos (ThCh$)

3 - RISK MANAGEMENT POLICY (continued)

3.1 Financial risk (continued)

3.1.2 Credit risk

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

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

Concept	03-31-2024	03-31-2023
	ThCh$	ThCh$
Enel Group	38.487.639	43.340.108
CGE Group	12.968.219	16.814.289
AES Gener Group	11.632.055	10.651.870
Colbún Group	9.987.992	12.943.106
Engie Group (E-CL)	9.324.905	9.030.376
Quebrada Blanca TECK	8.318.904	26.723.510
Others	40.440.831	8.498.606
Total	131.160.545	128.001.865
Concentration % of top customers	69,17%	93,36%

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

Expressed in thousands of Chilean pesos (ThCh$)

3 - RISK MANAGEMENT POLICY (continued)

3.1 Financial risk (continued)

3.1.3 Liquidity risk (continued)

(a) Risk associated to Company's management

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

(a) Amount committed : MMUS$250
(b) Cost for unused amount (Commitment Fee) : 0.30% annual
(c) The margin or spread per amount used : 1.60%

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. In January and February of 2023, Sumitomo Mitsui Banking Corporation novated its stake to Barclays and Banco de Sabadell, respectively. In February 2024, the line was renewed until February 8, 2027 with the group of banks The Bank of Nova Scotia, Bank of China, Bank of Tokyo-Mitsubishi, Bank of America and BBVA.

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 March 31, 2024 and December 31, 2023.

Debt maturity (equity and interest)	Less than 1 Year	1 to 3 Years	3 to 5 Years	5 to 10 Years	More than 10 years	Total
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
03-31-2024	448,469,478	129,364,449	952,664,509	532,031,549	503,365,083	2,565,895,068
12-31-2023	76,547,199	467,533,961	592,661,569	734,013,858	603,907,363	2,474,663,951

El The maturity of derivatives is presented Note 18.3.

3 - RISK MANAGEMENT POLICY (continued)

3.1 Financial risk (continued)

3.1.3 Liquidity risk (continued)

(b) Risk associated with transmission payments with regulated revenues

The law establishes that transmission facilities with regulated revenues have the right to receive the VATT associated with those facilities on an annual basis. This revenue materializes according to the collection instructions issued by the National Electrical Coordinator (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 associated with the SIC and SING Systems and the facilities 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.

Expressed in thousands of Chilean pesos (ThCh$)

5 - CASH AND CASH EQUIVALENTS

As of March 31, 2024 and December 31, 2023, this account is detailed as follows:

Cash and Cash Equivalents	03-31-2024	12-31-2023
	ThCh$	ThCh$
Bank and cash	1,851,193	11,072,720
Short term deposits	6,920,717	16,495,464
Mutual funds	147,765,152	150,767,997
Total	156,537,062	178,336,181

Cash and cash equivalents included in the statement of financial position as of March 31, 2024 and December 31, 2023 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	03-31-2024	12-31-2023
		ThCh$	ThCh$
Cash and cash equivalents	U.S. dollars	3,728,890	7,095,644
Cash and cash equivalents	Euros	12,881	11,787
Cash and cash equivalents	Chilean pesos	152,795,291	171,228,750
Total		156,537,062	178,336,181

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

Expressed in thousands of Chilean pesos (ThCh$)

6 - TRADE AND OTHER RECEIVABLES

The detail as of March 31, 2024 and December 31, 2023 is as follows:

Concept	03-31-2024	12-31-2023
	ThCh$	ThCh$
Invoiced trade debtors	20,584,825	25,374,348
Provisioned trade debtors	57,708,347	47,927,839
Other accounts receivable	361,789	325,310
Total trade and other receivables	78,654,961	73,627,497

The aging analysis for non-impaired debtors as of March 31, 2024 and December 31, 2023 is as follows:

Concept	Invoiced trade debtors	Provisioned trade debtors	Other accounts receivable	03-31-2024
Non past due	13,596,559	57,708,347	361,789	71,666,695
1-30 days	4,354,616	-	-	4,354,616
31-60 days	799,652	-	-	799,652
61-90 days	632,957	-	-	632,957
91-180 days	797,532	-	-	797,532
181-365 days	301,287	-	-	301,287
365 days or more	102,222	-	-	102,222
Total	20,584,825	57,708,347	361,789	78,654,961

Concept	Invoiced trade debtors	Provisioned trade debtors	Other accounts receivable	12-31-2023
Non past due	21,551,415	47,927,839	325,310	69,804,564
1-30 days	2,318,151	-	-	2,318,151
31-60 days	332,634	-	-	332,634
61-90 days	69,850	-	-	69,850
91-180 days	218,470	-	-	218,470
181-365 days	143,137	-	-	143,137
365 days or more	740,691	-	-	740,691
Total	25,374,348	47,927,839	325,310	73,627,497

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

Expressed in thousands of Chilean pesos (ThCh$)

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	Curr.	Start Date	End date	Interest payment	Principal Payment	Interest rate	Current		Non-current	
											03-31-2024	12-31-2023	03-31-2024	12-31-2023
											ThCh$	ThCh$	ThCh$	ThCh$
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%	64,711	-	8,338,721	8,270,346
76.560.200-9	Transelec Holdings Rentas Ltda.	Parent Company	Chile	Loan*	UF	03-23-2023	03-23-2033	Semi-annual	At maturity	3.20%	-	1,971,660	243,092,970	241,099,652
76.560.200-9	Transelec Holdings Rentas Ltda.	Parent Company	Chile	Current account	Ch$	-	-	-	-	-	17,318,000	17,318,000	-	-
76.560.200-9	Transelec Holdings Rentas Ltda.	Parent Company	Chile	Current account	US$	-	-	-	-	-	-	78,337	-	-
B87674974	ETC Transmission Holdings SL	Indirect parent	Spain	Current account	US$	-	-	-	-	-	95,128	84,993	-	-
B87674974	ETC Transmission Holdings SL	Indirect parent	Spain	Current account	EUR	-	-	-	-	-	686,283	517,404	-	-
B87674974	ETC Transmission Holdings SL	Indirect parent	Spain	Current account	Ch$	-	-	-	-	-	16,554	16,554	-	-
76.524.463-3	Transelec Concesiones S.A.	Indirect	Chile	Monthly services	Ch$	-	-	-	-	-	183,822	135,421	-	-
76.920.929-8	Transmisora del Pacifico SA	Indirect	Chile	Monthly services	Ch$	-	-	-	-	-	168,087	129,757	-	-
76.248.725-K	CyT Operaciones SpA	Indirect	Chile	Monthly services	Ch$	-	-	-	-	-	249,567	163,464	-	-
77.504.183-8	Gea Transmisora SpA	Indirect	Chile	Current account	Ch$	-	-	-	-	-	25,679	25,679	-	-
20604938300	Conelsur SV	Indirect	Peru	Monthly services	US$	-	-	-	-	-	129,421	115,633	-	-
20601047005	Conelsur LT SAC	Indirect	Peru	Monthly services	US$	-	-	-	-	-	-	19,183	-	-
20511721912	Compañia Transmisora Norperuana S.A.C	Indirect	Peru	Monthly services	US$	-	-	-	-	-	14,492	24,865	-	-
77.244.437-0	Transmisora Parinas S.A.	Indirect	Chile	Monthly services	Ch$	-	-	-	-	-	913,305	-	-	-
Totales											19,865,049	20,600,950	251,431,691	249,369,998

Expressed in thousands of Chilean pesos (ThCh$)

7 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

7.1 Balances and transactions with related parties (continued)

Account payable to related companies

Tax ID Number	Company	Relation	Country	Description	Curr.	Start Date	End date	Interest payment	Principal Payment	Interest rate	Current		Non-current	
											03-31-2024	12-31-2023	03-31-2024	12-31-2023
											ThCh$	ThCh$	ThCh$	ThCh$
76.560.200-9	Transelec Holdings Rentas Ltda.	Parent Company	Chile	Dividends payable	Ch$	-	-	-	-	-	54,714,708	54,714,708	-	-
76.559.580-0	Rentas Eléctricas I Limitada	Parent Company	Chile	Dividends payable	Ch$	-	-	-	-	-	5,473	5,473	-	-
Totales											54,720,181	54,720,181	-	-

Most significant transactions and their effect on income

Tax ID Number	Company	Relation	Country	Description	03-31-2024		03-31-2023	
					Amount	Effect on income	Amount	Effect on income
					ThCh$	ThCh$	ThCh$	ThCh$
76.560.200-9	Transelec Holdings Rentas Ltda.	Parent company	Chile	Interest earned	2,020,203	2,020,203	2,237,058	2,237,058
76.560.200-9	Transelec Holdings Rentas Ltda.	Parent company	Chile	Interest collected	3,954,313	-	-	-
76.560.200-9	Transelec Holdings Rentas Ltda.	Parent company	Chile	Exchange difference	-	-	9,606,070	(9,606,070)
76.560.200-9	Transelec Holdings Rentas Ltda.	Parent company	Chile	UF readjustment	2,088,854	2,088,854	300,600	300,600
76.560.200-9	Transelec Holdings Rentas Ltda.	Parent company	Chile	Current account collected	78,337	-	-	-

Expressed in thousands of Chilean pesos (ThCh$)

7 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

7.1 Balances and transactions with related parties (continued)

Most significant transactions and their effect on income (continued)

Tax ID Number	Company	Relation	Country	Description	03-31-2024		03-31-2023	
					Amount	Effect on income	Amount	Effect on income
					ThCh$	ThCh$	ThCh$	ThCh$
B87674974	ETC Transmission Holdings SL	Indirect parent	Spain	Current account collected	179,014	-	11,785	11,785
76.524.463-3	Transelec Concesiones S.A.	Indirect	Chile	Monthly services	735,465	735,465	431,437	431,437
76.524.463-3	Transelec Concesiones S.A.	Indirect	Chile	Amounts collected	687,064	-	438,851	-
76.920.929-8	Transmisora del Pacífico S.A.	Indirect	Chile	Monthly services	155,740	155,740	163,086	163,086
76.920.929-8	Transmisora del Pacífico S.A.	Indirect	Chile	Amounts collected	117,410	-	34,850	-
76.248.725-K	CYT Operaciones SpA	Indirect	Chile	Monthly services	587,147	587,147	584,699	584,699
76.248.725-K	CYT Operaciones SpA	Indirect	Chile	Amounts collected	501,044	-	589,331	-
77.244.437-0	Transmisora Parinas S.A.	Indirect	Chile	Leasing and maintenance of facilities	913,305	913,305	-	-
20604938300	Conelsur SV	Indirect	Peru	Monthly services	196,589	196,589	151,039	151,039
20604938300	Conelsur SV	Indirect	Peru	Amounts collected	182,801	-	159,667	-
20601047005	Conelsur LT	Indirect	Peru	Monthly services	8,872	8,872	33,347	33,347
20601047005	Conelsur LT	Indirect	Peru	Amounts collected	28,055	-	38,667	-
20511721912	Compañia Transmisora Norperuana S.A.C	Indirect	Peru	Monthly services	84,043	84,043	-	-
20511721912	Compañia Transmisora Norperuana S.A.C	Indirecta	Peru	Amounts collected	94,416	-	-	-

These operations are in accordance with the provisions of Articles No. 44 and 49 of Law No. 18,046, on Corporations.

7 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

7.2 Board of Directors and management

In accordance with the Company's bylaws, the Board of Directors is composed of nine members appointed by the shareholders at the respective Shareholders' Meeting, who remain in office for two years, with the possibility of being reelected. For each Board Member there is an alternate Board Member

The current Board of Directors was elected at the Ordinary Shareholders' Meeting held on April 28, 2023, which was made up as follows: Mr. Scott Lawrence as regular director and Mr. Alfredo Ergas Segal as his respective alternate director, Mr. Tao He as principal conductor and Mr. Cheng Tai as his respective deputy conductor, Mr. Richard Cacchione as principal conductor and Mr. Michael Rosenfeld as his respective deputy conductor; Mr. Jordan Anderson as principal director and Mr. Jon Perry as his 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 his respective alternate director; Mr. Juan Benabarre Benaiges as regular director and Mr. Roberto Munita Valdés as his respective alternate director; Ms. Ximena Clark Núñez as regular director and Mr. Claudio Campos Bierwirth as her respective substitute director and Ms. Andrea Butelmann Peisajoff as regular director and Mr. Juan Agustín Laso Bambach as her respective substitute director.

In the Board meeting held on May 24, 2023, Mr. Scott Lawrence was elected Chairman of the Board of Transelec.

On May 31, 2023, Mr. Scott Lawrence resigned from his position as Director of Transelec S.A., taking over as interim Director Mr. Alfredo Ergas Segal.

At the Board meeting held on June 27, 2023, Mr. Alfredo Ergas Segal was elected Chairman of the Board.

The Board of Directors of Transelec S.A. It has a fixed monthly calendar that considers all the ordinary sessions to be held during the current year. This administrative body has met systematically from January to March 2024 and has had an extraordinary session in the first quarter.

7.2.1 Board of Directors’ compensation

As established in Article No. 33 of Law No. 18,046 on Corporations, at the Sixteenth Ordinary Shareholders' Meeting of Transelec S.A., held on April 28, 2023, it was agreed to maintain the annual remuneration of directors in US $90,000, gross value, regardless of the number of sessions actually attended or carried out. Per diems are paid quarterly.

The Directors, Mr. Scott Lawrence, Mr. Richard Cacchione, Mr. Jordan Anderson and Mr. Tao He waived their respective allowances for the years 2023 and 2024.

At the year 2023 Ordinary Shareholders' Meeting, it was decided that alternate directors will not receive remuneration.

Expressed in thousands of Chilean pesos (ThCh$)

7 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

7.2 Board of Directors and management (continued)

7.2.1 Board of Directors' compensation (continued)

The per diem received by the members of the Board of Directors for the three-month periods ended March 31, 2024 and 2023 were as follows:

Director	03-31-2024	03-31-2023
	ThCh$	ThCh$
Alfredo Ergas Segal (President)**	-	-
Scott Lawrence (President)*/**	-	-
Blas Tomic Errázuriz	19,735	19,257
Mario Alejandro Valcarce Durán	19,735	19,257
Juan Ramon Benabarre Benaiges	19,735	19,257
Andrea Butelmann Peisajoff	19,735	19,257
Jordan Anderson*	-	-
Tao He*	-	-
Richard Cacchione*	-	-
Ximena Clark Núñez	19,735	19,257

* Mr. Scott Lawrence (Chairman), Richard Cacchione, Jordan Anderson and Tao He resigned their respective allowances for the period 2023 and 2024.

** At the Board meeting held on May 24, 2023, Mr. Scott Lawrence was elected Chairman of the Board of Transelec, who subsequently resigned on May 31, 2023. At the Board meeting held on June 27, 2023, Mr. Alfredo Ergas Segal was elected Chairman of the Board.

7.3 Board expenses

During 2024, a free charge training was carried out for the Board of Directors on compliance due to the economic crimes law.

During 2023, no training or advisory services have been carried out for the board of directors.

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, and 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 one session during 2024.

Expressed in thousands of Chilean pesos (ThCh$)

7 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

7.4 Audit committee (continued)

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

As of the date of these Interim Consolidated Financial Statements, the Audit Committee is maintained. At the sixfteenth Ordinary Shareholders' Meeting of Transelec S.A., held on April 28, 2023, 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 for the three-month periods ended March 31, 2024 and 2023 are as follows:

Director	03-31-2024	03-31-2023
	ThCh$	ThCh$
Mario Alejandro Valcarce Duran (President)	8,771	8,559
Juan Ramón Benabarre Benaiges	8,771	8,559
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	Vice-President of Legal and Territorial Affairs
Claudia Carrasco Arancibia	Vice-President of 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 Development
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
Alejandro Rehbein Oroz	Vice-President of Innovation and Information Technology

Expressed in thousands of Chilean pesos (ThCh$)

7 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

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

The Company has established an incentive plan for its executives based on meeting certain individual goals that contribute to the Company's results, which are structured in a minimum and maximum of gross remuneration. The detail of remuneration of key management personnel for the three-month periods ended March 31, 2024 and 2023, is as follows:

Concept	03-31-2024	03-31-2023
	ThCh$	ThCh$
Salaries	693,606	529,341
Other short-term employee benefits	258,274	203,640
Other long-term employee benefits	134,020	167,612
Total compensation received by key management personnel	1,085,900	900,593

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 March 31, 2024 and December 31, 2023 are as follows:

Concept	03-31-2024	12-31-2023
	ThCh$	ThCh$
Land	515,376	515,376
Total	515,376	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.

Expressed in thousands of Chilean pesos (ThCh$)

9 - OTHER FINANCIAL ASSETS

As of March 31, 2024 and December 31, 2023, this account is detailed as follows:

Concept	03-31-2024		12-31-2023	
	Current	Non-Current	Current	Non-Current
	ThCh$	ThCh$	ThCh$	ThCh$
Finance lease receivables	2,151,718	356,350,372	1,511,087	317,750,329
Swap Contracts (see note 18)	-	91,879,241	-	61,486,871
Other financial assets	-	41,752	-	41,752
Total Other financial assets	2,151,718	448,271,365	1,511,087	379,278,952

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	03-31-2024			12-31-2023		
	Present Value	Interest receivable	Gross investment	Present Value	Interest receivable	Gross investment
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Up to 90 days	584,649	8,095,451	8,680,100	227,855	7,195,972	7,423,827
From 90 days to 1 year	1,567,069	22,272,952	23,840,021	1,283,232	19,848,723	21,131,955
Total current	2,151,718	30,368,403	32,520,121	1,511,087	27,044,695	28,555,782
From 1 to 2 years	2,805,608	30,196,831	33,002,439	2,328,367	26,911,304	29,239,671
From 2 to 3 years	3,536,735	29,958,632	33,495,367	2,960,648	26,717,047	29,677,695
From 3 to 4 years	4,219,061	29,648,589	33,867,650	3,637,427	26,457,519	30,094,946
From 4 to 5 years	4,848,009	29,323,785	34,171,794	4,098,590	26,171,267	30,269,857
More than 5 years	340,940,959	355,339,396	696,280,355	304,725,297	323,045,646	627,770,943
Total non-current	356,350,372	474,467,233	830,817,605	317,750,329	429,302,783	747,053,112

Expressed in thousands of Chilean pesos (ThCh$)

9 - OTHER FINANCIAL ASSETS (continued)

Movements of financial leases:

Concept	03-31-2024	12-31-2023
	ThCh$	ThCh$
Opening balance	319,261,416	43,733,616
Additions	1,265,025	253,022,239
Amortization	(160,783)	131,754
Translation differences	38,136,432	22,373,807
Closing balance	358,502,090	319,261,416

10 - INTANGIBLE ASSETS OTHER THAN GOODWILL

The following tables detail the balances within this account as of March 31, 2024 and December 31, 2023:

Intangible assets, net	03-31-2024	12-31-2023
	ThCh$	ThCh$
Easements	189,536,719	189,536,719
Software	9,353,517	10,127,763
Total identified intangible assets	198,890,236	199,664,482

Gross intangible assets	03-31-2024	12-31-2023
	ThCh$	ThCh$
Easements	189,536,719	189,536,719
Software	32,514,440	32,514,440
Total intangible assets	222,051,159	222,051,159

Accumulated amortization and impairment	03-31-2024	12-31-2023
	ThCh$	ThCh$
Software	(23,160,923)	(22,386,677)
Total accumulated amortization	(23,160,923)	(22,386,677)

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

Expressed in thousands of Chilean pesos (ThCh$)

10- INTANGIBLE ASSETS OTHER THAN GOODWILL (continued)

The movements of intangible assets as of March 31, 2024 and December 31, 2023 are as follow:

Movements	Easements	Software	Net intangible assets
	ThCh$	ThCh$	ThCh$
Opening balance as of 01-01-2024	189,536,719	10,127,763	199,664,482
Amortization (see note 26.3)	-	(774,246)	(774,246)
Closing balance as of 03-31-2024	189,536,719	9,353,517	198,890,236

Movements	Easements	Software	Net intangible assets
	ThCh$	ThCh$	ThCh$
Opening balance as of 01-01-2023	184,449,744	8,098,551	192,548,295
Additions	5,086,975	4,483,232	9,570,207
Amortization (see note 26.3)	-	(2,454,020)	(2,454,020)
Closing balance as of 12-31-2023	189,536,719	10,127,763	199,664,482

Based on estimates made by Management, projections of cash flows attributable to intangible assets allow the carrying value of these assets recorded as of March 31, 2024 and December 31, 2023 to be recovered.

The balance of items fully amortized and in use as of March 31, 2024 and December 31, 2023 is as follows:

Intangible assets concept	03-31-2024	12-31-2023
	ThCh$	ThCh$
Total gross value	14,817,755	14,817,755

Expressed in thousands of Chilean pesos (ThCh$)

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 March 31, 2024 and December 31, 2023 is as follows:

Detail	03-31-2024	12-31-2023
	ThCh$	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

Goodwill does not present movements as of March 31, 2024 and December 31, 2023.

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.

Expressed in thousands of Chilean pesos (ThCh$)

12 - PROPERTY, PLANT AND EQUIPMENT

12.1 Detail of Accounts

The composition corresponds to the following detail:

Property, plant and equipment, net	03-31-2024	12-31-2023
	ThCh$	ThCh$
Land	21,768,878	21,768,878
Buildings and infrastructure	936,489,552	899,205,334
Work in progress	428,647,724	419,194,253
Machinery and equipment	542,285,255	548,487,791
Other property, plant and equipment	6,774,366	6,396,005
Total Property, plant and equipment	1,935,965,775	1,895,052,261

Property, plant and equipment, gross	31-03-2024	12-31-2023
	M$	ThCh$
Land	21,768,878	21,768,878
Buildings and infrastructure	1,359,684,994	1,315,530,587
Work in progress	428,647,724	419,194,253
Machinery and equipment	882,838,608	882,531,476
Other property, plant and equipment	6,774,366	6,396,005
Total property, plant and equipment, gross	2,699,714,570	2,645,421,199

Accumulated depreciation of property, plant and equipment	31-03-2024	12-31-2023
	M$	ThCh$
Buildings and infrastructure	(423,195,442)	(416,325,253)
Machinery and equipment	(340,553,353)	(334,043,685)
Total accumulated depreciation of property, plant and equipment	(763,748,795)	(750,368,938)

Expressed in thousands of Chilean pesos (ThCh$)

12 - PROPERTY, PLANT AND EQUIPMENT (continued)

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 March 31, 2024 and December 31, 2023:

Movement	Land	Buildings and infrastructure	Machinery and equipment	Work in progress	Other property, plant and equipment	Property, plant and equipment, net
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Opening balance as of 01-01-2024	21,768,878	899,205,334	548,487,791	419,194,253	6,396,005	1,895,052,261
Additions	-	-	-	55,423,723	388,896	55,812,619
Withdrawals	-	-	(82,829)	(1,323,349)	-	(1,406,178)
Transfers	-	44,154,407	492,496	(44,636,368)	(10,535)	-
Depreciation expense (see note 26.3)	-	(6,870,189)	(6,612,203)	-	-	(13,482,392)
Other decrements	-	-	-	(10,535)	-	(10,535)
Closing balance as of 03-31-2024	21,768,878	936,489,552	542,285,255	428,647,724	6,774,366	1,935,965,775

Movement	Land	Buildings and infrastructure	Machinery and equipment	Work in progress	Other property, plant and equipment	Property, plant and equipment, net
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Opening balance as of 01-01-2023	21,555,525	891,752,106	496,975,958	533,291,165	6,176,143	1,949,750,897
Additions	-	-	-	243,498,822	235,442	243,734,264
Withdrawals	-	(477,471)	(761,273)	(1,016,620)	-	(2,255,364)
Transfers	213,353	35,119,302	76,697,926	(112,015,001)	(15,580)	-
Depreciation expense (see note 26.3)	-	(27,188,603)	(24,424,820)	-	-	(51,613,423)
Other decrements	-	-	-	(244,564,113)	-	(244,564,113)
Closing balance as of 12-31-2023	21,768,878	899,205,334	548,487,791	419,194,253	6,396,005	1,895,052,261

Expressed in thousands of Chilean pesos (ThCh$)

12 - PROPERTY, PLANT AND EQUIPMENT (continued)

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 March 31, 2024 and December 31, 2023 commitments to purchase items of property, plant and equipment arising from construction contracts under EPC (Engineering-Procurement-Construction) in the amount of ThCh$206,435,045 and ThCh$225,535,297 at the end of each period, respectively.

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

Concepts	03-31-2024	12-31-2023
Capitalization rate (Annual basis)	4.50%	4.67%
Capitalized interest costs (ThCh$)	2,912,835	7,820,074

Work in progress balances as of March 31, 2024 and December 31, 2023, amounts to ThCh$428,647,724 and ThCh$419,194,253, respectively.

The balances of fully depreciated items in use as of March 31, 2024 and December 31, 2023are as follows:

Property, plant and equipment concept	03-31-2024	12-31-2023
	ThCh$	ThCh$
Total gross value	83,044,668	82,960,782

Expressed in thousands of Chilean pesos (ThCh$)

13 - ASSETS FOR RIGHT OF USE

The composition of assets for rights of use as of March 31, 2024 and December 31, 2023, corresponds to the following detail:

Assets for right of use	03-31-2024	12-31-2023
	ThCh$	ThCh$
Right of use Land	23,630	27,148
Right of use Buildings	11,467,947	867,471
Right to use Vehicles	38,535	154,142
Total assets for right of use	11,530,112	1,048,761

Assets for right of use, gross	03-31-2024	12-31-2023
	ThCh$	ThCh$
Right of use Land	101,789	101,788
Right of use Buildings	17,265,605	6,358,941
Right to use Vehicles	2,206,627	2,206,628
Total Assets for right of use, gross	19,574,021	8,667,357

Accumulated depreciation of assets for rights of use	03-31-2024	12-31-2023
	ThCh$	ThCh$
Right of use Land	(78,159)	(74,640)
Right of use Buildings	(5,797,658)	(5,491,470)
Right to use Vehicles	(2,168,092)	(2,052,486)
Total Accumulated depreciation of assets for rights of use	(8,043,909)	(7,618,596)

Expressed in thousands of Chilean pesos (ThCh$)

13 - ASSETS FOR RIGHT OF USE (continued)

13.1 Movements in Assets for rights of use

The book values of assets for right-of-use and their movements as of March 31, 2024 and December 31, 2023 are detailed below:

Movement	Right of use Land	Right of use Buildings	Right of use Vehicles	Assets for right of use
	ThCh$	ThCh$	ThCh$	ThCh$
Opening balance as of 01-01-2024	27,148	867,471	154,142	1,048,761
Additions	-	10,906,942	-	10,906,942
Depreciation (see note 26.3)	(3,518)	(306,466)	(115,607)	(425,591)
Closing balance as of 03-31-2024	23,630	11,467,947	38,535	11,530,112

Movement	Right of use Land	Right of use Buildings	Right of use Vehicles	Assets for right of use
	ThCh$	ThCh$	ThCh$	ThCh$
Opening balance as of 01-01-2023	41,222	1,869,853	94,636	2,005,711
Additions	-	428,399	462,425	890,824
Withdrawals	-	(303,181)	-	(303,181)
Depreciation (see note 26.3)	(14,074)	(1,127,600)	(402,919)	(1,544,593)
Closing balance as of 12-31-2023	27,148	867,471	154,142	1,048,761

Expressed in thousands of Chilean pesos (ThCh$)

14 - OTHER NON-FINANCIAL ASSETS AND LIABILITIES

14.1 Other non-financial assets

The composition of the Other non-financial assets as of March 31, 2024 and December 31, 2023 is as follows:

Concept	03-31-2024		12-31-2023	
	Current	Non-Current	Current	Non-Current
	ThCh$	ThCh$	ThCh$	ThCh$
Funds for yielding easements and land	2,049,829	-	2,049,829	-
Advances to suppliers	12,582,912	6,698,710	10,319,586	6,698,710
Advance insurance	2,230,376	-	3,081,599	-
Consignments and guarantees	114,082	-	114,082	-
Tax credit (VAT)	12,790,105	-	12,108,303	-
Other non-financial assets	2,471,752	940,691	1,045,542	860,619
Total other non-financial assets	32,239,056	7,639,401	28,718,941	7,559,329

14.2 Other non-financial liabilities

The composition of the Other non-financial liabilities as of March 31, 2024 and December 31, 2023 is as follows:

Concept	03-31-2024		12-31-2023	
	Current	Non-Current	Current	Non-Current
	ThCh$	ThCh$	ThCh$	ThCh$
VAT payable	2,711,184	-	34,247	-
Deferred income	-	3,245,268	-	3,344,661
Other non-financial liabilities	1,752,625	214,632	755,412	214,632
Total other non-financial liabilities	4,463,809	3,459,900	789,659	3,559,293

15 - OTHER FINANCIAL LIABILITIES

The detail of current and non-current financial liabilities as of March 31, 2024 and December 31, 2023 is as follows:

Concept	03-31-2024		12-31-2023	
	Current	Non-Current	Current	Non-Current
	ThCh$	ThCh$	ThCh$	ThCh$
Bonds payable	386,722,796	1,611,292,440	20,584,667	1,891,774,131
Swap contract (see note 18)	1,002,324	-	2,184,022	-
Forward contract (see note 18)	919,882	-	340,586	-
Total Other financial liabilities	388,645,002	1,611,292,440	23,109,275	1,891,774,131

Expressed in thousands of Chilean pesos (ThCh$)

15 - OTHER FINANCIAL LIABILITIES (continued)

15.1 Bonds payable

The obligations with the public by series, currency, effective rate and expiration date as of March 31, 2024 and December 31, 2023 are as follow:

Taxpayer ID number	Debtor name	Country	Creditor	Placement in Chile or abroad	Instrument registration number	Series	Curr.	Effective interest rate	Nominal interest rate	Principal payment	Interest payment	Final maturity	03-31-2024	12-31-2023
													ThCh$	ThCh$
76.555.400-4	Transelec S.A.	Chile	Bondholders	Chile	480	D	UF	4.37%	4.25%	At maturity	Semiannual	12-15-2027	505,331,301	495,874,582
76.555.400-4	Transelec S.A.	Chile	Bondholders	Chile	599	H	UF	4.79%	4.80%	At maturity	Semiannual	08-01-2031	112,155,843	112,550,911
76.555.400-4	Transelec S.A.	Chile	Bondholders	Chile	599	K	UF	4.61%	4.60%	At maturity	Semiannual	09-01-2031	59,569,244	59,752,501
76.555.400-4	Transelec S.A.	Chile	Bondholders	Chile	599	M	UF	4.26%	4.05%	At maturity	Semiannual	06-15-2032	55,515,604	54,480,310
76.555.400-4	Transelec S.A.	Chile	Bondholders	Chile	599	M-1	UF	4.23%	4.05%	At maturity	Semiannual	06-15-2032	70,227,856	68,913,700
76.555.400-4	Transelec S.A.	Chile	Bondholders	Chile	599	N	UF	4.29%	3.95%	At maturity	Semiannual	12-15-2038	108,563,166	106,499,368
76.555.400-4	Transelec S.A.	Chile	Bondholders	Chile	744	Q	UF	4.02%	3.95%	At maturity	Semiannual	10-15-2042	116,338,870	114,260,233
76.555.400-4	Transelec S.A.	Chile	Bondholders	Chile	1142	X	UF	3.20%	3.20%	At maturity	Semiannual	03-01-2034	146,034,136	145,917,378
76.555.400-4	Transelec S.A.	Chile	Bondholders	Chile	1142	V	UF	3.30%	3.30%	At maturity	Semiannual	03-01-2048	110,283,910	110,261,046
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	370,982,553	334,848,544
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	343,012,753	309,000,225
Total													1,998,015,236	1,912,358,798

The fair value of current and non-current bonds payable, both secured and unsecured, amounts to ThCh$2,003,823,676 and ThCh$1,932,137,038 as of March 31, 2024 and December 31, 2023, respectively (it does not include other current and non-current liabilities such as swap agreements which are presented in the Interim Consolidated Financial Statements at fair value). The fair value of the bonds is estimated by discounting future cash flows using discount rates available for debt with similar terms of credit risk and similar maturities. This value is categorized as level 2 according to the hierarchy of fair value.

Expressed in thousands of Chilean pesos (ThCh$)

15 - OTHER FINANCIAL LIABILITIES (continued)

15.1 Bonds payable (continued)

Debtor taxpayer ID number	Debtor Name	Instrument registration number	Expiration								
			Current			Non-current					
			Maturity less than 90 days	Maturity more than 90 days	Total Current 03-31-2024	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 03-31-2024
			ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
76.555.400-4	Transelec S.A.	480	6,157,199	-	6,157,199	-	-	499,174,102	-	-	499,174,102
76.555.400-4	Transelec S.A.	599	855,639	-	855,639	-	-	-	-	111,300,204	111,300,204
76.555.400-4	Transelec S.A.	599	220,058	-	220,058	-	-	-	-	59,349,186	59,349,186
76.555.400-4	Transelec S.A.	599	652,227	-	652,227	-	-	-	-	54,863,377	54,863,377
76.555.400-4	Transelec S.A.	599	826,185	-	826,185	-	-	-	-	69,401,671	69,401,671
76.555.400-4	Transelec S.A.	599	1,272,602	-	1,272,602	-	-	-	-	107,290,564	107,290,564
76.555.400-4	Transelec S.A.	744	2,064,707	-	2,064,707	-	-	-	-	114,274,163	114,274,163
76.555.400-4	Transelec S.A.	1142	384,315	-	384,315	-	-	-	-	145,649,821	145,649,821
76.555.400-4	Transelec S.A.	1142	297,235	-	297,235	-	-	-	-	109,986,675	109,986,675
76.555.400-4	Transelec S.A.	2nd issuance	3,255,385	367,727,168	370,982,553	-	-	-	-	-	-
76.555.400-4	Transelec S.A.	3rd issuance	3,010,076	-	3,010,076	-	-	-	340,002,677	-	340,002,677
Total			18,995,628	367,727,168	386,722,796	-	-	499,174,102	340,002,677	772,115,661	1,611,292,440

Expressed in thousands of Chilean pesos (ThCh$)

15 - OTHER FINANCIAL LIABILITIES (continued)

15.1 Bonds payable (continued)

Debtor taxpayer ID number	Debtor Name	Instrument registration number	Expiration								
			Current			Non-current					
			Maturity less than 90 days	Maturity more than 90 days	Total Current 12-31-2023	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 12-31-2023
			ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
76.555.400-4	Transelec S.A.	480	-	913,154	913,154	-	-	494,961,428	-	-	494,961,428
76.555.400-4	Transelec S.A.	599	-	2,162,521	2,162,521	-	-	-	-	110,388,390	110,388,390
76.555.400-4	Transelec S.A.	599	-	889,966	889,966	-	-	-	-	58,862,535	58,862,535
76.555.400-4	Transelec S.A.	599	-	96,733	96,733	-	-	-	-	54,383,577	54,383,577
76.555.400-4	Transelec S.A.	599	-	122,529	122,529	-	-	-	-	68,791,171	68,791,171
76.555.400-4	Transelec S.A.	599	-	188,736	188,736	-	-	-	-	106,310,632	106,310,632
76.555.400-4	Transelec S.A.	744	-	938,564	938,564	-	-	-	-	113,321,669	113,321,669
76.555.400-4	Transelec S.A.	1142	-	1,553,046	1,553,046	-	-	-	-	144,364,332	144,364,332
76.555.400-4	Transelec S.A.	1142	-	1,200,882	1,200,882	-	-	-	-	109,060,164	109,060,164
76.555.400-4	Transelec S.A.	2nd issuance	-	6,726,808	6,726,808	328,121,736	-	-	-	-	328,121,736
76.555.400-4	Transelec S.A.	3rd issuance	-	5,791,728	5,791,728	-	-	-	-	303,208,497	303,208,497
Total			-	20,584,667	20,584,667	328,121,736	-	494,961,428	-	1,068,690,967	1,891,774,131

Expressed in thousands of Chilean pesos (ThCh$)

15 - OTHER FINANCIAL LIABILITIES (continued)

15.2 Changes in liabilities arising from financing activities

The movement of other financial liabilities as of March 31, 2024 and December 31, 2023 is as follows:

Movements	Opening balance as of 01-01-2024	Changes representing cash flow					Changes that do not represent cash flow					Final balance as of 03-31-2024
		New liabilities	Payments of principal	Payments of interests	Payments of withholding tax	Borrowing costs	Interests accrued	Amortization of Borrowing Costs	Revaluation	Changes in Fair Value	Other movements	
Bonds payable												
US$ Bonds	643,848,769	-	-	(13,494,923)	(572,951)	-	7,353,021	379,609	76,481,781	-	-	713,995,306
UF Bonds	1,268,510,029	-	-	(8,105,579)	-	-	12,693,916	321,929	10,598,747	-	888	1,284,019,930
Total	**1,912,358,798**	**-**	**-**	**(21,600,502)**	**(572,951)**	**-**	**20,046,937**	**701,538**	**87,080,528**		**888**	**1,998,015,236**
Financial instruments												
Swap contract	2,184,022	-	-	(2,337,983)	-	-	1,156,285	-	-	-	-	1,002,324
Forward	340,586	-	-	-	-	-	-	-	-	579,296	-	919,882
Total	**2,524,608**	**-**	**-**	**(2,337,983)**	**-**	**-**	**1,156,285**	**-**	**-**	**579,296**	**-**	**1,922,206**
Total	**1,914,883,406**	**-**	**-**	**(23,938,485)**	**(572,951)**	**-**	**21,203,222**	**701,538**	**87,080,528**	**579,296**	**888**	**1,999,937,442**

Expressed in thousands of Chilean pesos (ThCh$)

15 - OTHER FINANCIAL LIABILITIES (continued)

15.2 Changes in liabilities arising from financing activities (continuación)

Movements	Opening balance as of 01-01-2023	Cambios que representan flujo					Cambios que no representan flujo					Final balance as of 12-31-2023
		New liabilities	Payments of principal	Payments of interests	Payments of withholding tax	Borrowing costs	Interests accrued	Amortization of Borrowing Costs	Revaluation		Other movements	
Bonds payable												
US$ Bonds	888,819,729	-	(241,563,000)	(32,578,988)	(1,243,458)	-	29,806,454	1,336,300	(610,875)	-	(117,393)	643,848,769
UF Bonds	965,263,302	249,865,560	-	(45,978,621)	-	(4,397,452)	48,609,302	1,052,768	54,095,170	-	-	1,268,510,029
Total	**1,854,083,031**	**249,865,560**	**(241,563,000)**	**(78,557,609)**	**(1,243,458)**	**(4,397,452)**	**78,415,756**	**2,389,068**	**53,484,295**		**(117,393)**	**1,912,358,798**
Financial instruments												
Swap contract	4,070,487	-	-	(5,578,932)	-	-	3,692,467	-	-	-	-	2,184,022
Forward	-	-	-	-	-	-	-	-	-	340,586	-	340,586
Total	**4,070,487**	**-**	**-**	**(5,578,932)**	**-**	**-**	**3,692,467**	**-**	**-**	**340,586**	**-**	**2,524,608**
Total	**1,858,153,518**	**249,865,560**	**(241,563,000)**	**(84,136,541)**	**(1,243,458)**	**(4,397,452)**	**82,108,223**	**2,389,068**	**53,484,295**	**340,586**	**(117,393)**	**1,914,883,406**

15.3 Other aspects

As of March 31, 2024 and December 31, 2023, 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.

Expressed in thousands of Chilean pesos (ThCh$)

16 - LEASE LIABILITIES

The detail of this short- and long-term item as of March 31, 2024 and December 31, 2023, is as follows:

Concept	03-31-2024		12-31-2023	
	Current	Non-Current	Current	Non-Current
	ThCh$	ThCh$	ThCh$	ThCh$
Lease liabilities land	19,022	118,357	18,760	135,079
Lease liabilities buildings	1,033,225	10,631,256	126,881	787,502
Lease liabilities vehicles	40,865	-	161,118	-
Total Lease liabilities	1,093,112	10,749,613	306,759	922,581

16.1 Movements in Lease Liabilities

The book values of lease liabilities and their movements as of March 31, 2024 and December 31, 2023 are detailed below:

Movement	Lease obligations Land	Lease obligations Buildings	Lease obligations Vehicles	Total lease obligations
	ThCh$	ThCh$	ThCh$	ThCh$
Opening balance as of 01-01-2024	153,839	914,383	161,118	1,229,340
Lease obligations	-	10,906,943	-	10,906,943
Withdrawals	-	-	-	-
Interest expenses	785	116,601	1,505	118,891
Payments	(18,354)	(367,441)	(122,440)	(508,235)
Other movements	1,109	93,995	682	95,786
Closing balance as of 03-31-2024	137,379	11,664,481	40,865	11,842,725

Movement	Lease obligations Land	Lease obligations Buildings	Lease obligations Vehicles	Total lease obligations
	ThCh$	ThCh$	ThCh$	ThCh$
Opening balance as of 01-01-2023	38,668	1,691,477	89,453	1,819,598
Lease obligations	-	428,397	462,425	890,822
Withdrawals	-	(451,100)	-	(451,100)
Interest expenses	942	50,791	11,252	62,985
Payments	(20,272)	(1,464,539)	(430,281)	(1,915,092)
Other movements	134,501	659,357	28,269	822,127
Closing balance as of 12-31-2023	153,839	914,383	161,118	1,229,340

Expressed in thousands of Chilean pesos (ThCh$)

16 - LEASE LIABILITIES (continued)

16.2 Details of future obligations for lease liabilities

Lease obligations	Maturities								
	Current			Non Current					
	Less than 90 days	More than 90 days	Total Current 03-31-2024	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 03-31-2024
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Land	(786)	19,808	19,022	19,461	16,339	16,715	5,930	59,912	118,357
Buildings	254,476	778,749	1,033,225	1,075,040	1,123,861	1,185,605	1,143,976	6,102,774	10,631,256
Vehicles	40,865	-	40,865	-	-	-	-	-	-
Total	294,555	798,557	1,093,112	1,094,501	1,140,200	1,202,320	1,149,906	6,162,686	10,749,613

Lease obligations	Maturities								
	Current			Non Current					
	Less than 90 days	More than 90 days	Total Current 12-31-2023	More than 1 up to 2 years	More than 2 up to 3 years	More than 3 up to 4 years	More than 4 up to 5 years	More than 5 years	Total Non-current 12-31-2023
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Land	17,586	1,174	18,760	19,192	16,113	16,484	16,864	66,426	135,079
Buildings	31,229	95,652	126,881	132,254	137,857	143,696	85,493	288,202	787,502
Vehicles	120,589	40,529	161,118	-	-	-	-	-	-
Total	169,404	137,355	306,759	151,446	153,970	160,180	102,357	354,628	922,581

Expressed in thousands of Chilean pesos (ThCh$)

16 - LEASE LIABILITIES (continued)

16.3 Details of lease liabilities

Lease obligations	03-31-2024		12-31-2023	
	Current	Non-Current	Current	Non-Current
	ThCh$	ThCh$	ThCh$	ThCh$
Lease obligations	1,539,463	12,702,357	346,642	1,051,903
Deferred interest for lease obligations	(446,351)	(1,952,744)	(39,883)	(129,322)
Total Lease obligations	1,093,112	10,749,613	306,759	922,581

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	
	Min	Max	Min	Max
Rate in UF	4.33%	5.08%	2.30%	4.07%

Expressed in thousands of Chilean pesos (ThCh$)

17 - TRADE AND OTHER PAYABLES

Trade and other payables as of March 31, 2024 and December 31, 2023, are detailed as follows:

Trade and other payables	03-31-2024	12-31-2023
	ThCh$	ThCh$
Trade payable billed*	13,278,632	19,519,388
Trade payable unbilled	51,911,142	99,302,769
Total	65,189,774	118,822,157

As of March 31, 2024 and December 31, 2023, the average payment period to suppliers is lower than 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 March 31, 2024 and December 31, 2023 is as follows:

Trade payable billed	Suppliers up to date		Suppliers overdue	
	03-31-2024	12-31-2023	03-31-2024	12-31-2023
	ThCh$	ThCh$	ThCh$	ThCh$
Up to 30 days	4,272,426	17,083,458	2,352,725	1,889,117
31 to 60 days	-	-	3,674,437	231,353
61 to 90 days	-	-	1,073,779	59,227
91 to 120 days	-	-	1,511,124	1,334
121 to 365 days	-	-	282,290	142,497
More than 365 days	-	-	111,851	112,402
Total Trade payable billed*	4,272,426	17,083,458	9,006,206	2,435,930

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 March 31, 2024, the Company maintains the following derivative instruments:

a) Six Cross Currency Swaps for a total notional amount of ThUS$373,500 (associated with the bonds issued on July 14, 2014 and July 12, 2016) to cover exchange 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 March 31, 2024, the fair value recorded for these derivatives corresponds to a net asset of ThCh$90,876,917.

b) Five USD-CLP currency sale forwards for a total notional amount of ThUS$11,700 in the short term with Banco Estado, Scotiabank, Itau and Banco Santander. These instruments have not been designated as hedge accounting, so changes in their fair value are recorded in the net income of the year. As of March 31, 2024, the fair value recorded for these derivatives corresponds to a net current liability of ThCh$919,882.

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

a) Six Cross Currency Swaps for a total notional amount of ThUS$373,500 (associated with the bonds issued on July 14, 2014 and July 12, 2016) to cover exchange 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, 2023, the fair value recorded for these derivatives corresponds to a net asset of ThCh$59,302,849.

   During the month of April 2023, the Company settled two Cross Currency Swaps held with Banco Santander and Goldman Sachs for a total notional amount of ThUS$300,000, monetizing the market value of such instruments for a total of ThUS$75,000.

   During the month of June 2023, the Company carried out the partial settlement of the Cross Currency Swap held with Goldman Sachs for a total notional amount of ThUS$51,500, monetizing the market value of said instrument for a total of ThUS$13,108.

b) Three US$-CLP currency sale forwards for a total notional amount of MUS$6,100 in the short and long term with Banco Estado, Banco Itaú and Banco Santander. These instruments have not been designated as hedge accounting, so changes in their fair value are recorded in the net income of the year. As of December 31, 2023, the fair value recorded for these derivatives corresponds to a net current liabilities of ThCh$340,586.

Expressed in thousands of Chilean pesos (ThCh$)

18 - DERIVATIVE INSTRUMENTS (continued)

18.2 Derivatives assets and liabilities

Concept	03-31-2024				12-31-2023			
	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	-	91,879,241	1,002,324	-	-	61,486,871	2,184,022	-
Forward (non-hedging)	-	-	919,882	-	-	-	340,586	-
Total	-	91,879,241	1,922,206	-	-	61,486,871	2,524,608	-

18.3 Other information

The detail of the derivatives contracted by the company as of March 31, 2024 and December 31, 2023, their fair value and breakdown by maturity are as follow:

Derivative Instruments	Vencimientos									
	Less than 90 days	More than 90 days	Total current as of 03-31-2024	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 03-31-2024	Fair value as of 03-31-2024
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Currency hedge swap	-	4,733,344	4,733,344	(4,023,079)	(3,857,405)	(3,685,743)	97,709,800	-	86,143,573	90,876,917
Forward contracts (non-hedge)	(526,943)	(392,939)	(919,882)	-	-	-	-	-	-	(919,882)

Derivative Instruments	Vencimientos									
	Less than 90 days	More than 90 days	Total current as of 12-31-2023	More than 1 up to 2 years	More than 2 up to 3 years	More than 3 up to 4 years	More than 4 up to 5 years	More than 5 years	Total non-current as of 12-31-2023	Fair value as of 12-31-2023
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Currency hedge swap	(2,334,307)	(2,229,881)	(4,564,188)	2,674,229	(3,909,070)	(3,750,992)	(3,610,562)	72,463,432	63,867,037	59,302,849
Forward contracts (non-hedge)	(227,416)	(113,170)	(340,586)	-	-	-	-	-	-	(340,586)

Expressed in thousands of Chilean pesos (ThCh$)

18 - DERIVATIVE INSTRUMENTS (continued)

18.3 Other information (continued)

The contractual notional amount of these contracts does not represent the risk assumed by Transelec as it is only in response to the basis with which derivative settlements are calculated. In the periods presented as of March 31, 2024 and December 31, 2023, 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 (pesos and dollar).

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 March 31, 2024 and December 31, 2023:

Financial instrumental measured at fair value	Fair value measured at the end of the reporting period using			
	03-31-2024	Level 1	Level 2	Level 3
	ThCh$	ThCh$	ThCh$	ThCh$
Currency hedging swap	90,876,917	-	90,876,917	-
Forward Contract	(919,882)	-	(919,882)	-
Total net derivative	89,957,035	-	89,957,035	-

Financial instrumental measured at fair value	Fair value measured at the end of the reporting period using			
	12-31-2023	Level 1	Level 2	Level 3
	ThCh$	ThCh$	ThCh$	ThCh$
Currency hedging swap	59,302,849	-	59,302,849	-
Forward Contract	-340,586	-	-340,586	-
Total net derivative	58,962,263	-	58,962,263	-

Expressed in thousands of Chilean pesos (ThCh$)

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	03-31-2024
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Cash and cash equivalents	8,771,910	147,765,152	-	-	-	156,537,062
Other financial assets, current	2,151,718	-	-	-	-	2,151,718
Trade and other receivables	78,654,961	-	-	-	-	78,654,961
Receivables from related parties, current	19,865,049	-	-	-	-	19,865,049
Other financial assets, non-current	356,350,372	41,752	-	91,879,241	-	448,271,365
Receivables from related parties, non-current	251,431,691	-	-	-	-	251,431,691
Total	717,225,701	147,806,904	-	91,879,241	-	956,911,846

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	12-31-2023
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Cash and cash equivalents	27,568,184	150,767,997	-	-	-	178,336,181
Other financial assets, current	1,511,087	-	-	-	-	1,511,087
Trade and other receivables	73,627,497	-	-	-	-	73,627,497
Receivables from related parties, current	20,600,950	-	-	-	-	20,600,950
Other financial assets, non-current	317,750,329	41,752	-	61,486,871	-	379,278,952
Receivables from related parties, non-current	249,369,998	-	-	-	-	249,369,998
Total	690,428,045	150,809,749	-	61,486,871	-	902,724,665

Expressed in thousands of Chilean pesos (ThCh$)

19 - FINANCIAL INSTRUMENTS (continued)

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

Concepts	Financial liabilities to Amortized Cost	Financial Liabilities to Fair Value		Derivative Instruments		Total
		Through profit or loss	Through Other Comprehensive Income	Hedge	No Hedge	03-31-2024
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Other financial liabilities, current	386,722,796	-	-	1,002,324	919,882	388,645,002
Lease liabilities, current	1,093,112	-	-	-	-	1,093,112
Trade and other payables	65,189,774	-	-	-	-	65,189,774
Accounts payable to related entities, current	54,720,181	-	-	-	-	54,720,181
Other financial liabilities, non-current	1,611,292,440	-	-	-	-	1,611,292,440
Lease liabilities, non-current	10,749,613	-	-	-	-	10,749,613
Total	2,129,767,916	-	-	1,002,324	919,882	2,131,690,122

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	12-31-2023
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Other financial liabilities, current	20,584,667	-	-	2,184,022	340,586	23,109,275
Lease liabilities, current	306,759	-	-	-	-	306,759
Trade and other payables	118,822,157	-	-	-	-	118,822,157
Accounts payable to related entities, current	54,720,181	-	-	-	-	54,720,181
Other financial liabilities, non-current	1,891,774,131	-	-	-	-	1,891,774,131
Lease liabilities, non-current	922,581	-	-	-	-	922,581
Total	2,087,130,476	-	-	2,184,022	340,586	2,089,655,084

Expressed in thousands of Chilean pesos (ThCh$)

20 – PROVISIONS

The detail of the provisions as of March 31, 2024 and December 31, 2023 is as follows:

Provisions	03-31-2024	12-31-2023
	ThCh$	ThCh$
Fines and lawsuits	3,633,866	3,445,604
Total	3,633,866	3,445,604

The detail of fines and lawsuits are presented in note 34.

The movements of the provisions as of March 31, 2024 and December 31, 2023 is as follows:

Movement	03-31-2024	12-31-2023
	ThCh$	ThCh$
Opening balance	3,445,604	6,677,736
Increase (decrease) in existing provisions	188,262	141,672
New provisions	-	1,866,788
Provisions used	-	(5,240,592)
Closing balance	3,633,866	3,445,604

Expressed in thousands of Chilean pesos (ThCh$)

21 - DEFERRED TAXES

21.1 Detail of deferred tax liabilities

The origin of deferred taxes recorded as of March 31, 2024 and December 31, 2023 is detailed below:

Temporary Difference Assets / (Liabilities)	Net deferred taxes	
	03-31-2024	12-31-2023
	ThCh$	ThCh$
Depreciable fixed assets	(258,717,229)	(253,556,689)
Leased assets	(78,121,059)	(65,529,044)
Materials and spare parts	560,628	557,334
Tax losses	845,931	875,629
Staff severance indemnities provision	(208,842)	(118,191)
Deferred income	876,222	903,058
Obsolescence provision	2,044,683	2,044,683
Work in progress	(29,061,989)	(29,891,596)
Vacation provisions	766,468	832,771
Intangible assets	9,376,420	9,146,297
Adjustment of effective interest rate of bonds	(878,544)	(1,672,608)
Land	4,182,118	4,114,316
Tax Goodwill	153,647	209,796
Total deferred tax liabilities	(348,181,546)	(332,084,244)

Presentation in the Statement of Financial Position:		
Deferred tax Assets	-	-
Deferred tax liabilities	(348,181,546)	(332,084,244)
Deferred taxes, net assets / (liabilities)	(348,181,546)	(332,084,244)

Accumulated tax losses balance classified as deferred tax liabilities as of March 31, 2024 correspond to Transmisión del Melado SpA for ThCh$3,133,078 (ThUS$3,243,069 as of December 31, 2023).

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.

Expressed in thousands of Chilean pesos (ThCh$)

21 - DEFERRED TAXES (continued)

21.2 Deferred tax movements

The movements of balances of "deferred taxes" in the statement of financial position for the periods as of March 31, 2024 and December 31, 2023 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	-	258,717,229	(258,717,229)	(5,160,540)	-	(5,160,540)
Leased assets	-	78,121,059	(78,121,059)	(12,592,015)	-	(12,592,015)
Materials and spare parts	560,628	-	560,628	3,294	-	3,294
Tax losses	845,931	-	845,931	(2,361,034)	-	(2,361,034)
Tax losses - Cash flow hedge reserve	-	-	-	-	2,331,336	2,331,336
Severance indemnities provision	-	208,842	(208,842)	(90,651)	-	(90,651)
Deferred revenue	876,222	-	876,222	(26,836)	-	(26,836)
Obsolescence provision	2,044,683	-	2,044,683	-	-	-
Work in progress	-	29,061,989	(29,061,989)	829,607	-	829,607
Vacation provisions	766,468	-	766,468	(66,303)	-	(66,303)
Intangible assets	9,376,420	-	9,376,420	230,123	-	230,123
Adjustment of effective interest rate of bonds	-	878,544	(878,544)	794,064	-	794,064
Land	4,182,118	-	4,182,118	67,802	-	67,802
Provision for tariff review	-	-	-	-	-	-
Tax Goodwill	153,647	-	153,647	(56,149)	-	(56,149)
Total as of 03-31-2024	18,806,117	366,987,663	(348,181,546)	(18,428,638)	2,331,336	(16,097,302)

Expressed in thousands of Chilean pesos (ThCh$)

21 - DEFERRED TAXES (continued)

21.2 Deferred tax movements (continued)

Items	Assets	Liabilities	Net Assets/ (Liabilities)	Impact of the period		
				Income	Equity	Total Variation
	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Depreciable fixed assets	-	253,556,689	(253,556,689)	(31,324,909)	-	(31,324,909)
Leased assets	-	65,529,044	(65,529,044)	(56,639,314)	-	(56,639,314)
Materials and spare parts	557,334	-	557,334	(9,069)	-	(9,069)
Tax losses	875,629	-	875,629	(34,536,473)	-	(34,536,473)
Tax losses - Cash flow hedge reserve	-	-	-	-	(2,050,935)	(2,050,935)
Tax losses- Actuarial profit (loss) reserve for benefit plans	-	-	-	-	48,734	48,734
Severance indemnities provision	-	118,191	(118,191)	(70,679)	-	(70,679)
Deferred revenue	903,058	-	903,058	(107,345)	-	(107,345)
Obsolescence provision	2,044,683	-	2,044,683	-	-	-
Work in progress	-	29,891,596	(29,891,596)	58,858,968	-	58,858,968
Vacation provisions	832,771	-	832,771	40,793	-	40,793
Intangible assets	9,146,297	-	9,146,297	2,657,858	-	2,657,858
Adjustment of effective interest rate of bonds	-	1,672,608	(1,672,608)	337,706	-	337,706
Land	4,114,316	-	4,114,316	461,787	-	461,787
Provision for tariff review	-	-	-	(10,878,125)	-	(10,878,125)
Tax Goodwill	209,796	-	209,796	(208,777)	-	(208,777)
Total as of 12-31-2023	18,683,884	350,768,128	(332,084,244)	(71,417,579)	(2,002,201)	(73,419,780)

Expressed in thousands of Chilean pesos (ThCh$)

22 – PROVISIONS FOR EMPLOYEE BENEFITS

22.1 Detail of provisions

The breakdown of this item as of March 31, 2024 and December 31, 2023 is as follows:

Detail	03-31-2024		12-31-2023	
	Current	Non-Current	Current	Non-Current
	ThCh$	ThCh$	ThCh$	ThCh$
Severance indemnities	846,843	3,082,291	846,843	3,082,291
Accrued vacations	2,838,772	-	3,084,335	-
Annual benefits	4,059,371	-	7,609,864	-
Total	7,744,986	3,082,291	11,541,042	3,082,291

22.2 Provision movements

The movement of provisions as of March 31, 2024 and December 31, 2023 is as follows:

Movements	Severance indemnities	Annual benefits	Accrued vacations	Total
	ThCh$	ThCh$	ThCh$	ThCh$
Opening balance as of 01-01-2024	3.929.134	7.609.864	3.084.335	14.623.333
Provisions during the year	-	2.639.178	633.945	3.273.123
Payments	-	(6.189.671)	(879.508)	(7.069.179)
Balance as of 03-31-2024	3.929.134	4.059.371	2.838.772	10.827.277

Movements	Severance indemnities	Annual benefits	Accrued vacations	Total
	ThCh$	ThCh$	ThCh$	ThCh$
Opening balance as of 01-01-2023	3.842.261	6.183.369	2.933.253	12.958.883
Provisions during the year	961.974	8.926.290	2.220.778	12.109.042
Payments	(875.101)	(7.499.795)	(2.069.696)	(10.444.592)
Balance as of 12-31-2023	3.929.134	7.609.864	3.084.335	14.623.333

Expressed in thousands of Chilean pesos (ThCh$)

22 - PROVISIONS FOR EMPLOYEE BENEFITS (continued)

22.2 Provision movements (continued)

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

Detail	03-31-2024			
	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	846,843	1,023,412	304,829	1,754,050
Accrued vacations	2,838,772	-	-	-
Annual benefits	4,059,371	-	-	-
Total	7,744,986	1,023,412	304,829	1,754,050

Detail	12-31-2023			
	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	846,843	1,023,412	304,829	1,754,050
Accrued vacations	3,084,335	-	-	-
Annual benefits	7,609,864	-	-	-
Total	11,541,042	1,023,412	304,829	1,754,050

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.

Expressed in thousands of Chilean pesos (ThCh$)

23 - OBLIGATIONS FOR SEVERANCE INDEMNITIES

23.1 Detail of account

Employee benefit obligations	03-31-2024	12-31-2023
	ThCh$	ThCh$
Severance indemnities – current	846,843	846,843
Severance indemnities non – current	3,082,291	3,082,291
Total Employee benefit obligations current and non-current	3,929,134	3,929,134

23.2 Movement of obligations for severance indemnities

The movement of the obligation in the period ended March 31, 2024 and December 31, 2023 is as follows:

Movements	03-31-2024	12-31-2023
	ThCh$	ThCh$
Present value of defined benefit plan obligations, opening balance	3.929.134	3.842.261
Current service	-	221.931
Interest cost	-	171.920
Actuarial Gain/Loss on Hypotheses	-	(110.175)
Experience Actuarial Gain/Loss	-	290.669
Settlements defined benefit plan obligation	-	(487.472)
Present value of defined benefit obligations, ending balance	3.929.134	3.929.134

23.3 Balance of obligations for severance indemnities

Concepts	03-31-2024	12-31-2023
	ThCh$	ThCh$
Present value of defined benefit obligations, ending balance	3,929,134	3,929,134
Present obligation with defined benefit plan funds	3,929,134	3,929,134
Balance of defined benefit obligations, ending balance	3,929,134	3,929,134

Expressed in thousands of Chilean pesos (ThCh$)

23 - OBLIGATIONS FOR SEVERANCE INDEMNITIES (continued)

23.4 Expenses recognized in income statement

Cost	01-01-2024 03-31-2024 ThCh$	01-01-2023 03-31-2023 ThCh$	Income statement line item where recognized
Current service defined benefit plan	-	221,931	Cost of sales and administrative expenses
Interest defined benefit plan	-	171,920	Cost of sales and administrative expenses
Total expense recognized in profit or loss	-	393,851	

23.5 Actuarial hypothesis

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

Detail	Actuarial hypothesis	
	03-31-2024	12-31-2023
Discount rate used	2.33%	2.33%
Inflation rate	3.00%	3.00%
Future salary increases	0.50%	0.50%
Mortality table	RV-2020	RV-2020
Disability table	30% RV-2020	30% RV-2020
Rotation table	3,44%/0,34%	3,44%/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 March 31, 2024:

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	(162,877)	181,521	-	-	183,096	(84,991)

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, 2023.

Expressed in thousands of Chilean pesos (ThCh$)

23 - OBLIGATIONS FOR SEVERANCE INDEMNITIES (continued)

23.6 Sensitivity analysis (continued)

The payments of expected employee benefit obligation are presented below:

Concepts	03-31-2024	12-31-2023
	ThCh$	ThCh$
During the upcoming 12 month	846,843	846,843
Between 2 to 5 years	1,328,241	1,328,241
Between 5 to 10 years	977,301	977,301
More than 10 years	776,749	776,749
Total Expected Payments	3,929,134	3,929,134

24 - EQUITY

24.1 Subscribed and paid-in capital

As of March 31, 2024 and December 31, 2023 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 March 31, 2024, the Company has not distributed dividends.

As of December 31, 2023, the company made a distribution of a final dividend with charge to the results of the year 2022 period in the amount of ThCh$32,336,962, which was paid during the month of May 2023. This dividend distribution does not represent a change in equity during the year 2023.

In December 2023, the company recognized the distribution of dividends according to the legal minimum for the result of the year 2023, for an amount of ThCh$54,720,181.

In August 2023, the company distributed dividends of ThCh$201,630,000 on account of the company's retained earnings.

Expressed in thousands of Chilean pesos (ThCh$)

24 - EQUITY (continued)

24.4 Other reserves

The detail of other reserves as of March 31, 2024 and December 31, 2023 is as follows:

Concept	03-31-2024	12-31-2023
	ThCh$	ThCh$
Gains (losses) from cash flow hedges	(32,253,863)	(23,619,287)
Gain (loss) on other reserves	(87,474)	(87,474)
Income tax related to cash flow hedges	8,708,543	6,377,207
Income tax related to other reserves	23,618	23,618
Other Comprehensive Income	(23,609,176)	(17,305,936)

The movements of other reserves as of March 31, 2024 and December 31, 2023, are presented below:

Movements	Cash flow hedges reserve	Other Reserves	Total
	ThCh$	ThCh$	ThCh$
Opening balance as of 01-01-2024	(17,242,080)	(63,856)	(17,305,936)
Cash flow hedge	(8,634,576)	-	(8,634,576)
Deferred tax	2,331,336	-	2,331,336
Total resultado integral	(6,303,240)	-	(6,303,240)
Closing balance as of 03-31-2024	(23,545,320)	(63,856)	(23,609,176)

Movements	Cash flow hedges reserve	Other Reserves	Total
	ThCh$	ThCh$	ThCh$
Opening balance as of 01-01-2023	(22,787,198)	67,905	(22,719,293)
Cash flow hedge	7,596,053	-	7,596,053
Actuarial losses	-	(180,495)	(180,495)
Deferred tax	(2,050,935)	48,734	(2,002,201)
Total resultado integral	5,545,118	(131,761)	5,413,357
Closing balance as of 12-31-2023	(17,242,080)	(63,856)	(17,305,936)

24 - EQUITY (continued)

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 contracts of local bond series C, D, H, K, M, N and Q.

2) Maintain a minimum equity of fifteen million UF equivalent to ThCh$556,402,800 as of March 31, 2024 as that term is defined in the respective contracts of local bond series C, D, H, K, M and N.

3) 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 contracts of local bond Series Q, V and X.

4) Maintain a debt leverage at which the Net Debt / Ebitda ratio does not exceed 7 times, as these terms are defined in the respective contracts of local bond Series V and X local bond contract.

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 D, H, K, M and N.

Expressed in thousands of Chilean pesos (ThCh$)

24 - EQUITY (continued)

24.5 Capital management (continued)

The following tables present the calculation of the aforementioned covenants as of March 31, 2024 and December 31, 2023, as well as the distribution test.:

Covenant # 1	Total debt / Total capitalization	03-31-2024	12-31-2023
	Less or equal to 0.70	MCh$	MCh$
A	Other financial liabilities, current	388,645	23,109
B	Account payables to related parties, current	54,720	54,720
C	Other financial liabilities, non-current	1,611,292	1,891,774
D	Account payables to related parties, non-current	-	-
E=A+B+C+D	**Covenants debt**	**2,054,657**	**1,969,603**
G	Debt with guarantees	-	-
DT=E+G	**Total debt**	**2,054,657**	**1,969,603**
H	Non-controlling interest	-	-
P	Equity attributable to owners of the parent	982,887	934,521
I	Accumulated amortization of goodwill (as of the transition date to IFRS)	24,970	24,970
CT=DT+H+I+P	**Total capitalization**	**3,062,514**	**2,929,094**
DT/CT	Total debt / Total capitalization ratio	0.67	0.67

Covenant # 2	Minimum equity	03-31-2024	12-31-2023
	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	982,887	934,521
I	Accumulated amortization of goodwill (as of the transition date to IFRS)	24,970	24,970
P+I	**Equity (in MCh$)**	**1,007,857**	**959,491**
UF	UF value	37,094	36,789
(P+I)/UF	Equity (in UF millions)	27.17	26.08

Covenant # 3	Restricted payments test*	03-31-2024	12-31-2023
	Cash flow from operations / Financial costs > 1.5	MCh$	MCh$
FO	Cash flow from operating activities	130,707	196,888
CF	Absolute value of financial costs	83,387	84,016
IG	Absolute value of income tax expense	73,106	72,262
FNO=FO+CF+IG	**Cash flow from operations (FNO in its Spanish Acronym)**	**287,200**	**353,166**
FNO/CF	Cash flow from operations / Financial costs	3.44	4.20

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

Expressed in thousands of Chilean pesos (ThCh$)

24 - EQUITY (continued)

24.5 Capital management (continued)

Covenant # 4	Total debt / Adjusted EBITDA	03-31-2024	12-31-2023
	Lower or equal to 8.0	MCh$	MCh$
A	Other financial liabilities, (current and non-current)	1,999,937	1,914,883
B	Total rights of use	-	-
C	Cash and cash equivalents	156,537	178,336
D	Other financial assets (current and non-current)	450,423	380,790
E	Finance leases receivable (current and non-current)	358,502	319,261
DN=A-B-(C+D-E)	**Net debt**	**1,751,479**	**1,675,018**
G	Revenues	474,426	471,267
H	Cost of sales	(97,900)	(95,610)
I	Administrative expenses	(35,605)	(35,487)
J	Depreciation and Amortization	58,173	57,435
K	Other gains	309	189
L	Finance lease amortization	(361)	(69)
EA = G+H+I+J+K+L	**Adjusted EBITDA***	**399,042**	**397,725**
DN/EA	Net debt /Adjusted EBITDA	4.39	4.21

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

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

Expressed in thousands of Chilean pesos (ThCh$)

25 - REVENUE

The breakdown of operating revenue for the three-month periods ended March 31, 2024 and 2023, is as follows:

Type of ordinary revenue	01-01-2024	01-01-2023
	03-31-2024	03-31-2023
	ThCh$	ThCh$
Regulated revenues	103.882.778	77.172.370
Contractual revenue	18.545.269	20.815.747
Leasing revenues	8.732.498	30.013.748
Total revenues	131.160.545	128.001.865

Type of ordinary revenue	01-01-2024	01-01-2023
	03-31-2024	03-31-2023
	ThCh$	ThCh$
Regulated revenues:	**103.882.778**	**77.172.370**
National Transmission System	83.654.832	62.423.610
Zonal Transmission System	19.929.931	14.511.801
Dedicated Transmission System	163.990	128.050
Complementary services	134.025	108.909
Contractual revenue:	**18.545.269**	**20.815.747**
Transmission facilities	16.146.256	18.766.383
Others	2.399.008	2.049.364
Leasing revenues:	**8.732.498**	**30.013.748**
Leasing interest earned	7.449.685	7.208.641
Initial leasing recognition	-	21.527.447
Indexing leasing contracts	1.282.813	1.277.660
Total	131.160.545	128.001.865

Type of ordinary revenue	01-01-2024	01-01-2023
	03-31-2024	03-31-2023
	ThCh$	ThCh$
Transferred services over a period of time	131.160.545	128.001.865
Total	131.160.545	128.001.865

25 – REVENUE (continued)

The tariff review process for the four-year period 2020-2023, which largely sets the Company's revenue, established the tariffs for the use of the National, Zonal transmission system for development and dedicated poles used by users subject to price regulation.

Indeed, on March 2, 2022, the National Energy Commission issued the Exempt Resolution Number 118, which approves the Definitive Technical Report on the Valuation of Transmission System Facilities for the four-year period 2020-2023 for the review by the Ministry of Energy. Subsequently, on March 25, 2022, said Commission issued Exempt Resolution Number 199 which rectified some detailed elements of the aforementioned Technical Report. Then, on April 25, 2022, the Ministry of Energy sent the Supreme Decree 7T/2022 to the General Comptroller of the Republic for its favorable report.

On December 15, 2022, the National Energy Commission issued Exempt Resolution Number 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 Number 199 of 2022 and modify the stabilization mechanism of charges 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, along with safeguarding the stability of regulated customer rates.

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.

Pursuant to the law, the rates from the previous rate review process are transitory until the entry into force of the new rates. Therefore, Supreme Decree 7T/2022 has a retroactive effect on the Company's income as of January 1, 2020. However, this Decree did not affect the amounts provisioned as a Company lower revenue that were accounted for as of December 31, 2023.

In June 2023, the National Electricity Coordinator issued a settlement between the owners of the transmission facilities that substantially reduced the excess collected by the Company during the transitory period. The remaining balance will be gradually reduced as established by the exempt resolutions of the National Energy Commission that set the unique transmission charges every six months. This reliquidation and gradual reductions will only have an effect on Cash Flow, without affecting the Income Statement.

Expressed in thousands of Chilean pesos (ThCh$)

26 - RELEVANT INCOME STATEMENT ACCOUNTS

26.1 Expenses by nature

The composition of cost of sales and administrative expenses for the three-month periods ended March 31, 2024 and 2023, is as follows:

Concepts	01-01-2024 03-31-2024 ThCh$	01-01-2023 03-31-2023 ThCh$
Cost of sales		
Personnel expenses	3,604,308	3,749,241
Operating expenses	2,532,386	2,224,642
Maintenance expenses	4,098,069	2,734,321
Depreciation, amortization and write-off	13,759,863	13,022,297
Other	101,376	75,527
Total	24,096,002	21,806,028
Administration Expenses		
Personnel expenses	3,856,616	4,415,214
Operating expenses	2,462,457	2,173,202
Maintenance expenses	35,936	112,195
Depreciation, amortization and write-off	922,366	564,258
Other	690,186	584,842
Total	7,967,561	7,849,711
Total	32,063,563	29,655,739

Expressed in thousands of Chilean pesos (ThCh$)

26 - RELEVANT INCOME STATEMENT ACCOUNTS (continued)

26.2 Personnel expenses

The composition of personnel expenses for the three-month periods ended March 31, 2024 and 2023 is as follows:

Concepts	01-01-2024 03-31-2024 ThCh$	01-01-2023 03-31-2023 ThCh$
Salaries and wages	7,486,961	7,227,949
Short-term employee benefits	553,676	520,082
Other long-term benefits	472,217	681,145
Other personnel expenses	2,582,075	2,699,431
Personnel expenses capitalized on construction in progress	(3,634,005)	(2,964,152)
Total	7,460,924	8,164,455

26.3 Depreciation, amortization and write-off

The detail of this item in the income statement for the three-month periods ended March 31, 2024 and 2023, is as follows:

Concepts	01-01-2024 03-31-2024 M$	01-01-2023 03-31-2023 M$
Depreciation (PP&E)	13,482,392	12,632,486
Amortization (Intangible)	774,246	559,480
Amortization (Rights of use)	425,591	394,589
Total	14,682,229	13,586,555

Expressed in thousands of Chilean pesos (ThCh$)

26 - RELEVANT INCOME STATEMENT ACCOUNTS (continued)

26.4 Financial results

The detail of the financial result for the three-month periods ended March 31, 2024 and 2023, is as follows:

Conceptos	01-01-2024 03-31-2024 ThCh$	01-01-2023 03-31-2023 ThCh$
Financial income:	**4,948,691**	**13,635,458**
Commercial interest earned	41,686	16,512
Bank interest earned	2,886,802	11,381,887
Interest earned from related parties	2,020,203	2,237,059
Financial expenses:	**(20,158,441)**	**(20,787,476)**
Interest and expenses on bonds	(17,836,185)	(18,520,445)
Interest rate Swap	(1,156,285)	(2,142,296)
Other expenses	(1,165,971)	(124,735)
Gain (loss) from indexation units	**(9,384,899)**	**(19,353,263)**
Gain (loss) from indexation of bonds	(10,599,091)	(12,796,425)
Gain (loss) from indexation of loans to related parties	2,088,854	299,987
Other Gain (loss) from indexation of UF	(874,662)	(6,856,825)
Foreign exchange gains (losses), net	**422,848**	**1,810,716**
Obligations with public	(76,481,780)	67,493,073
Intercompany Loan	74,614	(9,625,692)
Financial instruments	37,990,079	(46,429,517)
Finance lease	38,136,432	(9,117,592)
Other	703,503	(509,556)
Total financial result, net	(24,171,801)	(24,694,565)

Expressed in thousands of Chilean pesos (ThCh$)

27 - INCOME TAX

The income tax for the three-month periods ended March 31, 2024 and 2023 is as follows:

Concepts	01-01-2024 03-31-2024 ThCh$	01-01-2023 03-31-2023 ThCh$
Current tax expense	1,940,483	3,372
Deferred tax expense relating to origination and reversal of temporary differences	18,428,638	19,521,677
Income tax expense	20,369,121	19,525,049

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 three-month periods ended March 31, 2024 and 2023:

Concepts	01-01-2024 03-31-2024 ThCh$	01-01-2023 03-31-2023 ThCh$
Tax expense using the legal rate	**20,260,296**	**19,884,006**
Price-level restatement tax capital	-	(9,660)
Price-level restatement of Investment	22,977	34,453
Expenses not accepted	84,771	(2,450)
Price-level restatement of tax loss	(6,129)	(410,611)
Other differences	7,206	29,311
Total adjustments to tax expense using statutory rate	108,825	(358,957)
Tax expense using effective tax rate	20,369,121	19,525,049

Concepts	01-01-2024 03-31-2024	01-01-2023 03-31-2023
Tax expense using the legal rate	**27.00%**	**27.00%**
Price-level restatement tax capital	-	(0.01%)
Price-level restatement of Investment	0.03%	0.05%
Expenses not accepted	0.12%	0.00%
Price-level restatement of tax loss	(0.01%)	(0.56%)
Other differences	0.01%	0.04%
Total adjustments to tax expense using statutory rate	0.15%	(0.48%)
Tax expense using effective tax rate	27.15%	26.52%

Expressed in thousands of Chilean pesos (ThCh$)

27 - INCOME TAX (continued)

The tax rate used for the years 2024 and 2023 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	03-31-2024	03-31-2023
	ThCh$	ThCh$
Profit Attributable to Holders of Equity Participation Instruments of the Parent Company	54,669,014	54,119,417
Earnings available to common shareholders, basic	54,669,014	54,119,417
Total basic shares	1,000,000	1,000,000
Basic earnings per share (Ch$)	54,669	54,119

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.

Expressed in thousands of Chilean pesos (ThCh$)

29 - SEGMENT REPORTING (continued)

The law distinguishes between the different systems in order to ensure that tariffs are appropriate for each case. However, the facilities in a certain voltage (220 KV, for example) are of the same type, be it National, Zonal or Dedicated. Thus, a 220 KV facility requires a given type of maintenance, fundamentally because of its geographic location, its proximity to the ocean, the climate, etc., but in no case does this maintenance depend on whether that facility is National, Zonal 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 segments. 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	03-31-2024	03-31-2023
	ThCh$	ThCh$
Transmission services	131,160,545	128,001,865

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 March 31, 2024, the Company has received performance guarantees from contractors and third parties, primarily to guarantee performance of construction and maintenance works, amounting to ThCh$55,656,822 (ThCh$58,541,210 as of December 31, 2023).

As of March 31, 2024, 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$54,663,555 (ThCh$52,244,286 as of December 31, 2023).

Expressed in thousands of Chilean pesos (ThCh$)

31 - DISTRIBUTION OF PERSONNEL

As of March 31, 2024 and December 31, 2023, personnel employed by Transelec S.A. are detailed as follows:

Concept	Managers and Executives	Professionals	Technical personnel and other	Total	Average of the year
Total as of 31-03-2024	18	481	94	593	590
Total as of 31-12-2023	18	476	96	590	590

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 three-month periods ended March 31, 2024 and 2023, the Company has made the following environmental disbursements:

Company making disbursement	Project	03-31-2024	03-31-2023
		ThCh$	ThCh$
Transelec	Environmental management, elaboration of DIA and EIA and the follow up of environmental matters (includes environmental permissions for sectors)	1,039,533	339,538
Total		1,039,533	339,538

Expressed in thousands of Chilean pesos (ThCh$)

33 - ASSETS AND LIABILITIES IN FOREIGN CURRENCY

a) Current assets and liabilities

Classification	Headings	Foreign Currency	Functional Currency	03-31-2024		12-31-2023	
				Up to 90 days	Up to 90 days	Up to 90 days	Up to 90 days
				ThCh$	ThCh$	ThCh$	ThCh$
Current Assets	Cash and cash equivalents	US Dollar	Ch$	3,728,890	-	7,095,644	-
		Other Currency	Ch$	12,881	-	11,787	-
Current Assets	Other financial assets	US Dollar	Ch$	584,649	1,567,069	227,855	1,283,232
Current Liabilities	Other financial liabilities	US Dollar	Ch$	6,265,461	367,727,168	-	15,272,464

b) Non-current assets and liabilities

Classification	Headings	Foreign Currency	Functional Currency	03-31-2024					12-31-2023				
				More than 1 up to 2 years	More than 2 up to 3 years	More than 3 up to 4 years	More than 4 up to 5 years	More than 5 years	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
				ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$	ThCh$
Non-current assets	Other financial assets	US Dollar	Ch$	2,805,608	3,536,735	4,219,061	4,848,009	340,940,959	2,328,367	2,960,648	3,637,427	4,098,590	304,725,297
Non-current liabilities	Other financial liabilities	US Dollar	Ch$	-	-	-	340,002,677	-	328,121,736	-	-	-	303,208,497

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 March 31, 2024, the Company maintains a provision for this obligation in the amount of ThCh$1,767,078, equivalent to US$1,800,000.

2. As of March 31, 2024, the Company recorded a provision of ThCh$1,866,788, equivalent to US$2,128,315, corresponding to the potential fine and performance guarantee collection by the Government authority in relation to a project awarded. The Company has not exhausted its resources to amend the conditions that may lead to the potential collection, which are currently under review and assessment by the Ministry of Energy.

35 - SUBSEQUENT EVENTS

Between March 31, 2024, closing date of these Interim consolidated financial statements and their issuance date, there has been no others significant financial and accounting events that may affect the equity of the Company or the interpretation of these Interim consolidated financial statements.

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

TRANSELEC S.A AND SUBSIDIARY

Santiago, Chile
March 31, 2024

SUMMARY

As of March 31, 2024, revenues reached MCh$131,161 showing an increase of 2.5% compared to the same period of 2023 (MCh$128,002), mainly explained by macroeconomic effects and due to regulatory effect on assets not included in the 2020-2023 tariff process partially offset by an accounting effect due to the record in the first quarter of this year, under IFRS 16 criteria, of a leasing contract for a dedicated project commissioned (one-time effect, which will not be kept over time. For March 2024 Financial Statements, revenues are determined in accordance with Supreme Decree 7T published on February 16, 2023.

As of March 31, 2024, Transelec obtained an EBITDA[1] of MCh$114,057, a 25.2% higher than the one obtained in the same period of 2023 (MCh$91,099), mainly due to abovementioned macroeconomic and regulatory effects , with an EBITDA Margin[2] of 87.0%. For comparison purposes, the EBITDA as of March 31, 2023, has excluded the income associated to a one-time effect of the accounting effect of the leasing contract, so that the EBITDA better reflects cash.

The loss in Non-Operating Income as of March 2024 was MCh$24,059, representing a decrease of the loss of 2.6% compared to the same period of 2023 (MCh$24,702). This result is mostly explained by a lower loss for indexed assets and liabilities partially offset by lower financial income.

Net Income recorded by the Company as of March 31, 2024, was MCh$54,670, and MCh$ 54,119 in the same period of 2023.

During the first quarter of 2024, the Company has incorporated the equivalent of US$2.4 million of new facilities, which correspond to one upgrade in the Zonal system.

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

[2] EBITDA Margin= EBITDA/Revenues

Relevant events of the period:

- In January, Feller Rate ratified Transelec's local risk rating of AA, with an stable outlook.

- In February, the Revolving Credit Facility (RCF) was successfully renewed until February 2027. The terms remained the same, just adjusting the spread.

1. INCOME STATEMENT ANALYSIS

ITEMS	March 2024 MCh$	March 2023 MCh$	Variation 2024/2023 MCh$	Variation 2024/2023 %
Revenues	**131.161**	**128.002**	**3.159**	**2,5%**
Sales	127.848	125.952	1.896	1,5%
Services	3.312	2.049	1.263	61,6%
Operation Costs and Expenses	**-32.063**	**-29.656**	**-2.407**	**-8,1%**
Sales Costs	-10.332	-8.784	-1.548	-17,6%
Administrative Expenses	-7.045	-7.285	240	3,3%
Depreciation and Amortization	-14.687	-13.587	-1.100	-8,1%
Operating Income	**99.098**	**98.346**	**752**	**0,8%**
Financial Income	4.949	13.635	-8.686	-63,7%
Financial Costs	-20.158	-20.787	629	3,0%
Foreign exchange differences	423	1.811	-1.388	-76,6%
Gain (loss) for indexed assets and liabilities	-9.385	-19.353	9.968	51,5%
Other income (Losses)	113	-7	120	1691,3%
Non-Operating Income	**-24.059**	**-24.702**	**643**	**2,6%**
Income before Taxes	**75.039**	**73.644**	**1.395**	**1,9%**
Income Tax	-20.369	-19.525	-844	-4,3%
Net Income	**54.670**	**54.119**	**551**	**1,0%**
EBITDA[1]	**114.057**	**91.099**	**22.958**	**25,2%**
EBITDA Margin[2]	**87,0%**	**71,2%**		

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

[2] EBITDA Margin= EBITDA/Revenues

a) Operating Income

During 2024, Revenues reached MCh$131,161 increasing a 2.5% compared to the same period of 2023 (MCh$128,002). The increase is mainly explained by higher revenues from sales which as of March 2024, reached MCh$127,848, 1.5% higher compared to March 2023 (MCh$125,952).

Overall, higher revenues are mainly due to macroeconomic effects (mainly associated with exchange rate) and regulatory effect on assets not included in the 2020-2023 tariff process (explained below) partially offset by an accounting effect generated by the registration of the contract for the start-up of the transmission solution for the Quebrada Blanca 2 mine, where the works in progress are counted as leasing, generating a one-time accounting effect. During March 2024, the Final Interperiod Report was published (the first time that this process has been carried out), which approves the price of facilities that to date only had a reference value to the current decree and includes an inventory of old assets that had not initially been considered in the 2020-2023 rates. This considers a retroactive effect from 2020.

It should be noted that the financial statements as of March 31, 2024, consider the DS7T in the revenues.

Total Transelec Operational Costs and Expenses as of March 31, 2024, were MCh$32,064, a 8.1% higher than the comparison period in 2023 that reached MCh$29,656. Total Costs and Expenses are composed by the following main items.

Sales Costs during the analysis period amounted MCh$10,332, a 17.6% higher than the same period of 2023 (MCh$8,784). The increase is explained by higher maintenance costs.

Administrative Expenses amounted to MCh$7,045 in March 2024, 3.3% lower than those obtained in the same period in 2023 (MCh$7,285). The decrease is mainly explained by lower personnel costs, partially offset by higher advisory costs.

Total Depreciation and Amortization as of March 31, 2024, reached MCh$14,687, a 8.1% higher than the same period in 2023 (MCh$13,587).

b) Non-Operating Income

The Non-Operating Income at the end of March 2024, was a loss of MCh$24,059, a 2.6% lower loss than the same period of 2023 (MCh$24,702). This is mainly explained by lower loss for indexed assets and liabilities partially offset by lower financial income.

The loss for Indexed Assets and Liabilities was MCh$9,385 as of March 31, 2024. This is mainly due to a variation of 0.83% in the value of the UF during 2024, which mainly affects our UF bonds, and due to other effects. In the same period of 2023, the loss was MCh$19,353, associated to a 1.32% variation in UF value.

The Financial Income registered until March 2024 amounted to MCh$4,949. The amount registered in the same period of 2023 was MCh$13,635. This decrease is mainly due to bank interest earned in 2023 in local currency (higher cash and better rate).

The Exchange Differences as of March 2024 result in a profit of MCh$423, while during the same period of 2023, the balance was a profit of MCh$1,811. The Exchange Differences remain limited, associated with the foreign currency hedging policy.

Financial Costs registered as of March 2024 reached MCh$20,158, decreasing by 3.0% compared to the same period of 2023 (MCh$20,787). The increase is mainly due to higher interest earned on ongoing projects.

Other Income, as of March 2024, were a profit of MCh$113, while in March 2023 were a loss of MCh$7. This difference is mainly due to the sale of equipment and vehicles.

c) Income tax

Income Tax as of March 31, 2024, was MCh$20,369, while in the same period of 2023 was MCh$19,525. This rise in income tax expenditure is mainly explained by an increase in the company's Income before Taxes in MCh$1,395, which directly impacts on higher tax expenditure.

2. BALANCE SHEET ANALYSIS

ITEMS	March 2024 MCh$	December 2023 MCh$	Variation 2024/2023 MCh$	Variation 2024/2023 %
Current assets	291.141	304.495	-13.354	-4,4%
Non-current assets	3.196.788	3.075.033	121.755	4,0%
Total Assets	**3.487.928**	**3.379.527**	**108.401**	**3,2%**
Current liabilities	528.275	213.584	314.691	147,3%
Non current liabilities	1.976.766	2.231.423	-254.657	-11,4%
Equity	982.887	934.521	48.366	5,2%
Total Liabilities & Equity	**3.487.928**	**3.379.527**	**108.401**	**3,2%**

The decrease in Assets between March 2024 and December 2023 is mainly explained by an increase in Non-current Assets. This increase is mostly due to higher balance in other financial assets and property, plant and equipment.

The increase in Liabilities and Equity is mainly due to an increase in current other financial liabilities, which corresponds mainly to the reclassification of the US$ 375 million senior bond maturing in January 2025 in the international market. An increase in equity is also seen due to an increase in accumulated earnings.

Value of the Main PP&E in Operation

ASSETS	March 2024 MCh$	December 2023 MCh$	Variation 2024/2023 MCh$	Variation 2024/2023 %
Land	21.769	21.769	0	0,0%
Building, Infraestucture, works in progress	1.315.531	1.315.531	0	0,0%
Work in progress	428.648	419.194	9.454	2,3%
Machinery and equipment	926.993	882.531	44.462	5,0%
Other fixed assets	6.774	6.396	378	5,9%
Right of use	19.574	8.667	10.907	125,8%
Depreciation (less)	-771.793	-757.988	-13.805	-1,8%
Total	**1.947.496**	**1.896.101**	**51.395**	**2,7%**

Current Debt

Debt	Currency or index	Interest rate	Type of rate	Maturity Date	Amount in original currency (million) (unpaid capital) March 2024	December 2023
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 V bond	UF	3,30%	Fixed	01-Mar-48	3,00	-
Series X bond	UF	3,20%	Fixed	01-Mar-34	4,00	-
Series Senior Notes bond @2023	USD	4,63%	Fixed	26-Jul-23	-	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	SOFR	Floating	08-Feb-27	-	-

[1] Revolving Credit Facility of US$250 million: The floating rate breaks down in SOFR plus a margin. As of March 31, 2024, the Company maintains this line fully available. This facility was renegotiated for 3 additional years in February 2024.

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.

In February 2024, the company renewed the revolving credit facility, maturing in February 2027.

3. CASH FLOW ANALYSIS

ITEMS	March 2024 MM$	March 2023 MM$	Variation 2024/2023 MM$	Variation 2024/2023 %
Cash flows provided by (used in) operating activities	51.486	117.667	-66.181	-56,2%
Cash flows provided by (used in) investing activities	-73.264	-60.647	-12.617	-20,8%
Cash flows provided by (used in) financing activities	-508	-529	21	3,8%
Net increase (decrease) of cash and cash equivalent	**-22.287**	**56.491**	**-78.778**	**N/A**
Effect of changes in the exchanges rate	488	228	260	113,5%
Net increase (decrease) of cash and cash equivalent	**-21.799**	**56.719**	**-78.518**	**N/A**
Cash and cash equivalent at the begining of the period	178.336	393.816	-215.480	-54,7%
Cash and cash equivalent at the end of the period	**156.537**	**450.536**	**-293.999**	**-65,3%**

As of March 31, 2024, cash flow from activities of the operation reached MCh$51,486, which decreased by 56.2% compared to the same period of 2023 (MCh$117,667). This decrease is mainly due to the lower collection that the company has while it finishes returning the excess cash received prior to the publication of DS7..

During the same period, cash flow used in investment activities was MCh$73,264. As of March 31, 2023, the cash flow used in investment activities was MCh$60,647. The increase is due to higher investment in capex.

As of March 2024, the cash flow from financing activities was MCh$508, while as of March 2023 it was MCh$529. In both cases, it is mainly explained by the payments of capital for rights of use.

It should also be noted that, to ensure the immediate availability of funds to cover working capital needs, as of March 31, 2024, the company has the following revolving credit facility for an amount of US$ 250 million (this revolving credit facility was renegotiated and extended during February 2024 for three additional years).

Bank	Amount (up to)	Maturity	Type of Credit
The Bank of Nova Scotia, MUFG Bank Ltd, Bank of China Ltd, Banco Bilbao Vizcaya Argentaria S.A., Bank of America	US$250,000,000	08-Feb-27	Working Capital

4. INDICATORS

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

Covenants	Debt Contract	Limit	March 2024	December 2023
Capitalization Ratio[1]	All local Bonds	< 0.70	0,67	0,67
Shareholder's Equity[1] MMUF	D, H, K, M and N local Bonds	> 15.00	27,17	26,08
Shareholder's Equity[1] MCh$	Q, V & X local Bonds and Revolving Credit Facility	> 350,000	1.007.857	959.491
Net Debt/Ebitda*	V & X local Bonds and Revolving Credit Facility	< 7.0x	4,39	4,21

Test	Bonds	Limit	March 2024	December 2023
Distribution Test[2] FNO[3]/Financial Expenses	D, H, K, M and N local Series	> 1.50	3,44	4,2

[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 March 31, 2024, 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.

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

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

RATIOS		March 2024	December 2023	Variation 2024/2023
Profitability[1]				
Shareholders' Equity profitability[2]	(%)	19,9%	22,6%	-270 pbs
Assets profitability[3]	(%)	5,6%	6,2%	-60 pbs
Operating assets profitability[4]	(%)	10,0%	11,1%	-110 pbs
Earnings per share[5]	($)	195.282	211.003	-7,5%
Liquidity & Indebtedness				
Current Ratio	(times)	0,55	1,43	-61,5%
Acid-Test Ratio	(times)	0,55	1,43	-61,5%
Debt to Equity	(times)	2,55	2,62	-2,7%
Short term debt/Total debt	(%)	21,1%	8,7%	1240 pbs
Log term debt/Total debt	(%)	28,0%	28,0%	0 pbs
Financial expenses coverage	(times)	5,66	4,48	26,3%

[1] Profitability ratios are presented under last twelve months criteria.
[2] Shareholders' Equity profitability is calculated as Net Income over Equity.
[3] Asset's profitability is calculated as Net Income over Total Assets.
[4] Operating assets profitability is calculated as Net Income over total value of the Main PP&E.
[5] Earnings per share is calculated as Net Income over total shares.

5. THE TRANSMISION MARKET

5.1. The transmission activity and its regulation

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

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

The legal framework that governs the electrical transmission business in Chile is contained in DFL No. 4/2006, which establishes the modified, coordinated, and systemized text of Decree with Force of Law No. 1 from the Ministry of Mining, issued in 1982, and the General Electricity Services Law. (DFL No. 1/82), hereafter LGSE, and its subsequent modifications, including Law 19,940 ('Ley Corta I') published on March 13, 2004, and the Law 20.936 issued on July 20, 2016, which stablishes a new electric transmission system and creates an independent coordinator of the National Electric System "The Transmission Law". Additionally, those who explodes and operates transmission facilities must comply at every time with the provisions of the Regulations of Law N°20.936, and in its Technical Standards, highlighting the Current Technical Standard for Safety and Service Quality, as well as their respective Technical Annexes.

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

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

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

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

5.2. Valuation and pricing of facilities

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

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

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

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

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

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

The tariff valuation process 2020 – 2023 was 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. Conducting 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:

	March 2024		December 2023	
In million pesos	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Dollar (amounts associated with balance sheet items)	730.638	742.089	653.646	654.736
Chilean peso	2.757.277	2.745.825	2.724.361	2.723.271

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

MONTH	Average 2024 ($)	Last Day 2024 ($)	Average 2023 ($)	Last Day 2023 ($)
January	907,99	932,66	826,34	810,37
February	963,44	980,19	798,26	831,24
March	967,93	982,38	809,50	789,32
Average of the period	**946,45**	**965,08**	**811,37**	**810,31**

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	March 2024 MM$	March 2024 %	March 2023 MM$	March 2023 %
Enel Group	38.488	29,3%	43.340	33,9%
Quebrada Blanca TECK	8.319	6,3%	26.724	20,9%
CGE Group	12.968	9,9%	16.814	13,1%
Colbún Group	9.988	7,6%	12.943	10,1%
AES Gener Group	11.632	8,9%	10.652	8,3%
Engie Group	9.325	7,1%	9.030	7,1%
Others	40.441	30,8%	8.499	6,6%
Total	**131.161**		**128.002**	
% Concentration	**69,17%**		**93,36%**	

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. In January 2023, Barclays Bank incorporated to the bank syndicate, and Banco Sabadell in February 2023.

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 March 31, 2024, and December 31, 2023.

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
March 31, 2024	448.469	129.364	952.665	532.032	503.365	2.565.895
December 31, 2023	76.547	467.534	592.662	734.014	603.907	2.474.664

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 March 31, 2024, and as of March 31, 2023, 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 2023 ($)	Last Day 2023 ($)	Average 2022 ($)	Last Day 2022 ($)
January	36.805,73	36.733,04	35.227,24	35.287,50
February	36.750,98	36.856,50	35.382,14	35.509,68
March	36.984,32	37.093,52	35.579,62	35.575,48
Average of the period	**36.847,01**	**36.894,35**	**35.396,33**	**35.457,55**

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) In compliance with the provisions of Article 9 and the second paragraph of Stock Market Law Nº 18.045 Article 10, the following relevant fact was reported on March 28, 2024:

   At a meeting held on March 27, 2024, the Transelec S.A. Board of Directors agreed to announce the schedule of a shareholders meeting on April 30, 2024 in order to announce the following issues to the shareholders and request their approval:

   1. The Annual Report, General Balance Sheet, Financial Statements and External Auditors Report corresponding to the period ending on December 31st 2023.

   2. Final dividend distribution. In this regard, the Transelec S.A. Board of Directors agreed to propose to the shareholders the distribution of the amount of CLP$54.720 MM as a final dividend corresponding to the 2023 fiscal year.

   3. Board of Directors election.

   4. Board of Directors and Audit Committee salaries.

   5. Appointment of External Auditors.

   6. The newspaper to be used to announce shareholder meetings.

   7. Agreements reached by the Board of Directors regarding issues contained in Articles 146 and following of the Corporations Law.

   8. Other issues of interest for the corporation and for consideration by the Board of Directors.