

Financial Statements

INTERCHILE S.A.

Santiago, Chile

As of December 31, 2023 and 2022



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Report of the Independent Auditor

(Translation of Financial Statements originally issued in Spanish, see Note 2.1)

To the Shareholders of
Interchile S.A.

Opinion

We have audited the financial statements of Interchile S.A., which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended, and the corresponding notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Interchile S.A. as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate that raise substantial doubt about the ability of Interchile S.A., to continue as a going concern for at least the twelve months following the end of the reporting period, but not limited to that period.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of the internal control relevant to an audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Interchile S.A.. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.



- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the ability of Interchile S.A. to continue as a going concern for a reasonable period of time.

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

A handwritten signature in blue ink, appearing to read 'C. Sepúlveda'.

Cristián Sepúlveda A.
EY Audit Ltda.

Santiago, February 14, 2024

Financial Statements

INTERCHILE S.A.

As of December 31, 2023 and 2022

Contents

Financial Statements

Classified Statements of Financial Position	1
Statements of Comprehensive Income by Function	3
Statements of Cash Flows (Direct Method)	4
Statements of Changes in Equity	5
Notes to the Financial Statements.....	6
Note 1 - Corporate Information and Description of Business	6
Note 2 - Basis of Preparation of the Financial Statements.....	7
2.1) Basis of preparation and statement of compliance	7
2.2) Functional currency.....	7
2.3) Basis of translation.....	8
2.4) Responsibility for the information and estimates made.....	8
2.5) Offsetting of balances and transactions	9
2.6) Classification of balances as current and non-current	10
Note 3 - Summary of Accounting Policies	10
3.1) Financial assets	10
3.2) Property, plant and equipment	14
3.3) Intangible assets other than goodwill	16
3.4) Capitalization of interest.....	18
3.5) Financial liabilities	18
3.6) Provisions	19
3.7) Employee benefits	20
3.8) Income tax and deferred taxes.....	20
3.9) Statement of cash flows	21
3.10) Revenue, costs and expense recognition.....	22
3.11) Leases	24
3.12) Fair value measurement	26
3.13) Environment.....	27
3.14) Share capital.....	28
3.15) Related party disclosures.....	28
3.16) New standards, interpretations and amendments	29

Financial Statements

INTERCHILE S.A.

As of December 31, 2023 and 2022

Contents

Note 4 - Financial Risk Management	38
Note 5 - Business Segments	44
Note 6 - Cash and Cash Equivalents	44
Note 7 - Other Current Financial Assets	45
Note 8 - Trade and Other Receivables, Current	46
Note 9 - Other Non-Financial Assets	47
Note 10 - Related-party Disclosures	47
Note 11 - Income Tax and Deferred Taxes	51
Note 12 - Property, Plant and Equipment	53
Note 13 - Intangible Assets other than Goodwill	55
Note 14 - Trade and Other Payables	56
Note 15 - Financial Instruments	59
Note 16 - Equity Disclosures	62
Note 17 - Revenue	63
Note 18 - Expenses for the Year	63
Note 19 - Commitments and Contingencies	65
Note 20 - Environment	71
Note 21 - Foreign Currency	72
Note 22 - Subsequent Events	73

CLP\$:	Chilean peso
ThCLP\$:	Thousands of Chilean pesos
US\$:	United States dollar
ThUS\$:	Thousands of United States dollars
EUR	:	Euro
UF	:	Unidad de Fomento (Chilean inflation-adjusted units)

Financial Statements

INTERCHILE S.A.

As of December 31, 2023 and 2022

INTERCHILE S.A.

Classified Statements of Financial Position

December 31,

(In thousands of U.S. dollars)

ASSETS	Note	2023 ThUS\$	2022 ThUS\$
Current assets			
Cash and cash equivalents	(6)	170,197	301,953
Other current financial assets	(7)	59,754	60,285
Trade and other receivables, current	(8)	18,239	17,912
Receivables due from related parties	(10)	66,473	49
Other current non-financial assets	(9)	462	107
Total current assets		<u>315,125</u>	<u>380,306</u>
Non-current assets			
Other non-current non-financial assets	(9)	192	151
Property, plant and equipment, net	(12)	997,067	1,004,562
Intangible assets other than goodwill	(13)	113,794	111,732
Deferred tax assets	(11)	23,699	35,589
Total non-current assets		<u>1,134,752</u>	<u>1,152,034</u>
Total assets		<u>1,449,877</u>	<u>1,532,340</u>

The accompanying notes 1 through 22 are an integral part of these financial statements.

INTERCHILE S.A.

Classified Statements of Financial Position

December 31,

(In thousands of U.S. dollars)

LIABILITIES AND EQUITY	Note	2023 ThUS\$	2022 ThUS\$
Liabilities			
Current Liabilities			
Trade and other payables, current	(14)	43,725	37,061
Payables due to related parties, current	(10)	333	324
Current tax liabilities	(11)	9	10
Total current liabilities		<u>44,067</u>	<u>37,395</u>
Non-Current Liabilities			
Trade and other payables, non-current	(14)	9,171	313
Non-current financial liabilities	(15)	<u>1,058,170</u>	<u>1,184,208</u>
Total non-current liabilities		<u>1,067,341</u>	<u>1,184,521</u>
Total liabilities		<u>1,111,408</u>	<u>1,221,916</u>
Equity			
Issued capital	(16)	370,136	370,136
Retained earnings (accumulated deficit)	(16)	(31,667)	(59,712)
Other reserves		-	-
Total equity		<u>338,469</u>	<u>310,424</u>
Total liabilities and equity		<u>1,449,877</u>	<u>1,532,340</u>

The accompanying notes 1 through 22 are an integral part of these financial statements.

INTERCHILE S.A.

Statements of Comprehensive Income by Function

for the years ended December 31

(In thousands of U.S. dollars)

Statement of profit or loss	Note	2023 ThUS\$	2022 ThUS\$
Revenue	(17)	102,214	94,398
Cost of sales	(18)	<u>(42,426)</u>	<u>(39,203)</u>
Gross profit		<u>59,788</u>	<u>55,195</u>
Administrative expenses	(18)	(13,187)	(9,944)
Other income and expenses		(1,024)	(771)
Finance income and finance costs	(18)	(5,289)	(51,057)
Income (expense) from inflation adjusted units		101	-
Foreign currency translation differences		(445)	91
Profit (loss) before tax		39,944	(6,486)
Income tax	(11)	<u>(11,899)</u>	<u>1,785</u>
Profit (loss) for the year		<u>28,045</u>	<u>(4,701)</u>
Profit (loss)			
Total other comprehensive income (loss)		<u>-</u>	<u>-</u>
Total comprehensive income (loss)		<u>28,045</u>	<u>(4,701)</u>

The accompanying notes 1 through 22 are an integral part of these financial statements.

INTERCHILE S.A.

Statements of Cash Flows (Direct Method)

for the years ended December 31

(In thousands of U.S. dollars)

Statements of Cash Flows - Direct method	2023 ThUS\$	2022 ThUS\$
Cash flows provided by (used in) operating activities		
Proceeds from the provision of goods and services	173,560	141,542
Payments to suppliers for the provision of goods and services	(102,780)	(58,525)
Other cash inflows (outflows)	-	(15)
Net cash flows provided by operating activities	70,780	83,002
Cash flows provided by (used in) investing activities		
Purchase of property, plant and equipment	(3,918)	(5,477)
Purchase of intangible assets	(3,138)	(1,692)
Interest received, recorded as investing activities	19,944	6,351
Other cash inflows (outflows)	-	(36,987)
Net cash flows provided by (used in) investing activities	12,888	(37,805)
Cash flows provided by (used in) financing activities		
Repurchase of Green Bond (Amortization to equity)	(94,973)	-
Amounts for debt recognition	(64,600)	-
Interest and finance costs paid	(55,406)	(57,400)
Cash flows used in financing activities	(214,979)	(57,400)
Net increase (decrease) in cash and cash equivalents, before the effect of movements in exchange rate	(131,311)	(12,203)
Effects of foreign exchange rate changes on cash and cash equivalents	(445)	91
Increase (decrease) in cash and cash equivalents	(131,756)	(12,112)
Cash and cash equivalents at January 1	301,953	314,065
Cash and cash equivalents at December 31	170,197	301,953

The accompanying notes 1 through 22 are an integral part of these financial statements.

INTERCHILE S.A.

Statements of Changes in Equity

As of December 31, 2023 and 2022

(In thousands of U.S. dollars)

Statements of Changes in Equity	Issued Capital	Other Reserves	Retained Earnings (Accumulated Deficit)	Total Equity
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance as of January 1, 2023	370,136	-	(59,712)	310,424
Profit for the year	-	-	28,045	28,045
Closing balance as of December 31, 2023	370,136	-	(31,667)	338,469
Opening balance as of January 1, 2022	370,136	-	(55,011)	315,125
Loss for the year	-	-	(4,701)	(4,701)
Closing balance as of December 31, 2022	370,136	-	(59,712)	310,424

The accompanying notes 1 through 22 are an integral part of these financial statements.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 1 - Corporate Information and Description of Business

INTERCHILE S.A. (hereinafter “the Entity”, “the Company” or “INTERCHILE”) was incorporated as a closely-held Shareholders’ Corporation via public deed on December 13, 2012, at the Notary of Santiago Raúl Undurraga Laso. The Company’s registered office is located at Avenida Cerro El Plomo N° 5630 Floor 18 - suite 1802, Las Condes, Metropolitan Region, Santiago, Chile and its Taxpayer ID No. is 76.257.379-2.

The Company is registered under No. 266 in the Register of Reporting Entities of the Financial Market Commission (“CMF”), as the registration is required by the National Energy Commission as a prerequisite for the process of granting rights to which the Company is subject.

The direct parent of the Company is ISA Inversiones Chile SPA, which registered office is located at Avenida Cerro El Plomo N° 5630 Piso 18, oficina 1802 - Las Condes, Metropolitan Region, Santiago, Chile, which in turn is a subsidiary of Interconexión Eléctrica S.A. E.S.P. which is the Parent of Grupo Ecopetrol based in Bogota, Colombia.

The Company is only engaged in the transmission of electricity through national, zonal and/or dedicated transmission systems, or any other classification of transmission facilities that the regulations may provide in the future, either on its own or on behalf of third parties; the commercialization of the capacity to transmit and transform electricity in the Central Interconnected System or in the Big North Interconnected System; the construction, management and/or operation of electric transmission facilities, either on its own or on behalf of third parties; the provision of services in activities related to the corporate purpose, either in the country or abroad; the performance of any other activities related to the electric power transmission and transportation industry; and, in general, the execution of all types of contracts and agreements directly or indirectly related to the corporate purpose, which may be performed directly or through other companies.

INTERCHILE is currently building the following projects:

- a) Synchronized control for 500/220 kV autotransformers in Nueva Cardones Substation, Nueva Maitencillo Substation and Nueva Pan de Azúcar Substation.
- b) Capacity Increase in the 2x220 KV Line, Maitencillo - Nueva Maitencillo.
- c) Expansion in the Nueva Pan de Azúcar substation.

The Company is currently generating revenue from operating projects related to the development of its core business.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 2 - Basis of Preparation of the Financial Statements

2.1) Basis of preparation and statement of compliance

These financial statements correspond to the statements of financial position and the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Certain specific instructions for the presentation of financial information and disclosures in the financial statements issued by the CMF were also applied.

The accounting policies adopted in the preparation of the financial statements have been designed in accordance with the IFRS in force as of December 31, 2023, and are consistent with those applied in the preparation of the Company's annual financial statements for the year ended December 31, 2022.

The financial statements have been prepared on a historical cost basis, which is generally based on the fair value of the consideration given in exchange for goods and services, except for cash, variable income investments and certain fixed income investments. The Company prepares its financial statements on an accrual basis, except for the statement of cash flows, which is prepared on a cash basis. INTERCHILE has prepared the financial statements on the basis that it will continue to operate as a going concern.

The financial statements were authorized for issue by the Company's Board on February 14, 2024.

For the convenience of the reader, these Financial Statements and their accompanying notes have been translated from Spanish into English.

2.2) Functional currency

The functional currency is the currency of the main economic environment in which the Company operates, the United States dollar, which is also the presentation currency of the financial statements.

All information in these financial statements is presented in thousands of United States dollars (ThUS\$), except when indicated otherwise.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 2 - Basis of Preparation of the Financial Statements (continued)

2.3) Basis of translation

Transactions in foreign currency and inflation-adjusted units (as the UF or UTM) are recorded at the exchange rate of the related currency or inflation-adjusted unit at the date in which the transaction meets the requirements for its initial recognition. At year-end, the balances of monetary assets and liabilities in Chilean pesos are valued at the exchange rate prevailing at that date, and exchange differences arising from such valuation are recorded in the statement of comprehensive income. Assets and liabilities in Euros, Chilean pesos and Inflation-adjusted Units are translated into U.S. dollars at the exchange rates in effect at the date of the financial statements, in accordance with the following detail (US\$1 equivalents):

	2023 US\$	2022 US\$
Unidad de Fomento (Chilean inflation-adjusted units)	0.0238	0.0244
Chilean peso	0.0011	0.0012
Euro	<u>0.90</u>	<u>0.92</u>

2.4) Responsibility for the information and estimates made

The information contained in the accompanying financial statements is the responsibility of the Company's Board of Directors which expressly indicates that IFRS has been fully implemented.

The preparation of the financial statements requires the use of estimates and assumptions that affect the amounts assets and liabilities at the reporting date, and expense amounts during the reporting period. These estimates are based on Management's best knowledge of reported amounts, events or actions.

These estimates have been made based on the best information available at the reporting date, however, it is possible that future events may require adjustments (upwards or downwards) in future periods, which would be done in accordance with the provisions of IAS 8 in a manner that would be forward-looking, recognizing the effects of the change in estimate on the corresponding future financial statements.

The information about significant areas of estimation of uncertainty and critical judgments in applying accounting policies that have most significant effect on amounts recognized in the financial statements, are described in each applicable note.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 2 - Basis of Preparation of the Financial Statements (continued)

2.4) Responsibility for the information and estimates made (continued)

The Company's estimates relate mainly to:

- Lease contracts, their classification is based on the degree of expected risks and rewards of ownership of the asset, including the possibility of losses due to idle capacity or technological obsolescence and variations in performance due to changes in economic conditions. This classification is made at the inception of the contract and is not changed during its term, unless the lessee and the lessor agree to modify the clauses of the lease. However, changes in estimates of the economic life or residual value of the asset, shall not give rise to a reclassification of that lease.
- Useful life of plant and equipment property; which are reviewed and adjusted prospectively if any changes are identified.
- Impairment of receivables; the amount of such losses is updated at each reporting date to reflect changes in credit risk since initial recognition.
- Recovery of deferred taxes; the use of professional judgment is required to determine whether deferred tax assets should be recognized in the statement of financial position. To use deferred tax assets, the probability that the Company will generate taxable profits in future periods is evaluated. In addition, future changes in tax laws could limit the Company's ability to obtain tax deductions in future periods. Any difference between the estimates and subsequent actual disbursements is recorded in the year in which it occurs.
- Provision for legal and administrative processes: To estimate the value of the contingency of loss in the processes that are pending against INTERCHILE, the legal advisors evaluate, among other aspects, the merits of the claims, the jurisprudence of the courts in this regard and the current status of the proceedings. This provision is associated with the probability of occurrence, as well as professional judgment and the opinion of legal advisors.

2.5) Offsetting of balances and transactions

Generally, assets and liabilities or income and expenses are not offset in the financial statements, except in cases where the offsetting is required or allowed by any standard and this presentation reflects the economic substance of the transaction.

Income or expenses generated by transactions which contractually or mandatorily under the law, include the possibility of offsetting and the Company has the intent to settle its net amount or to realize the asset and settle the liability simultaneously are recorded as net amounts in the statement of comprehensive income.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 2 - Basis of Preparation of the Financial Statements (continued)

2.6) Classification of balances as current and non-current

In the accompanying statement of financial position, balances are classified according to their maturities; i.e., balances maturing in twelve months or less as current and balances maturing in periods exceeding twelve months as non-current. For obligations maturing in less than twelve months but whose refinancing at long-term is secured at the Company's discretion, through unconditionally available credit agreements maturing at long-term, such obligations could be classified as non-current liabilities.

Note 3 - Summary of Accounting Policies

The following are the Company's significant accounting policies adopted in preparing these financial statements. As required by IFRS, these policies have been designed based on IFRS in effect as of December 31, 2023, and have been applied consistently to all periods presented in these financial statements.

3.1) Financial assets

Acquisitions and disposals of financial assets are recognized at the trading date, i.e., the date in which the Company commits to acquire or dispose the asset.

Financial assets are classified as follows:

- Financial assets at fair value through profit or loss
- Financial assets at amortized cost
- Financial assets at fair value through other comprehensive income

The classification depends on the nature and purpose for which the financial assets were acquired. The Company's Management determines the classification of its financial assets at the time of their initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are held principally for the purpose of selling in the short term. Assets classified as at fair value through profit or loss are classified as current assets.

Investments in marketable securities are initially recorded at cost and subsequently their value is restated based on their market value (fair value); changes in their value are recorded in profit or loss when they occur.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 3 - Summary of Accounting Policies (continued)

3.1) Financial assets (continued)

Financial assets at amortized cost

This category includes financial assets that meet the following conditions:

- a) The underlying business model aims to hold financial assets to obtain contractual cash flows and, in turn,
- b) The contractual terms of financial assets give rise to cash flows at specified dates consisting only of principal and interest payments. The financial assets that comply with the conditions established in IFRS 9, to be valued at amortized cost in the Company are: cash equivalents, accounts receivable and loans. These assets are recognized at amortized cost, which corresponds to the initial fair value less principal repayments made, plus uncollected accrued interests calculated using the effective interest method.

Financial assets at fair value through other comprehensive income

Correspond to investments in equity securities that are not held for trading and do not represent contingent consideration from an acquirer in a business combination. For these investments, INTERCHILE may make an irrevocable election at initial recognition to recognize gains or losses from subsequent measurement at fair value in other comprehensive income.

These instruments are measured at fair value. Gains and losses arising from the remeasurement at fair value are recognized in other comprehensive income until the asset is derecognized.

Derecognition of financial assets

A financial asset or part of a financial asset is derecognized when the contractual rights or cash flows of the instrument are sold, transferred or expire or when control over the contractual rights or cash flows of the instrument is lost. When substantially all the risks and rewards of the property are retained by INTERCHILE, the financial asset continues to be recognized in the statement of financial position at its total value.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss accumulated in other comprehensive income is reclassified to profit or loss. In contrast, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss accumulated in other comprehensive income is not reclassified to profit or loss, but transferred to retained earnings.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 3 - Summary of Accounting Policies (continued)

3.1) Financial assets (continued)

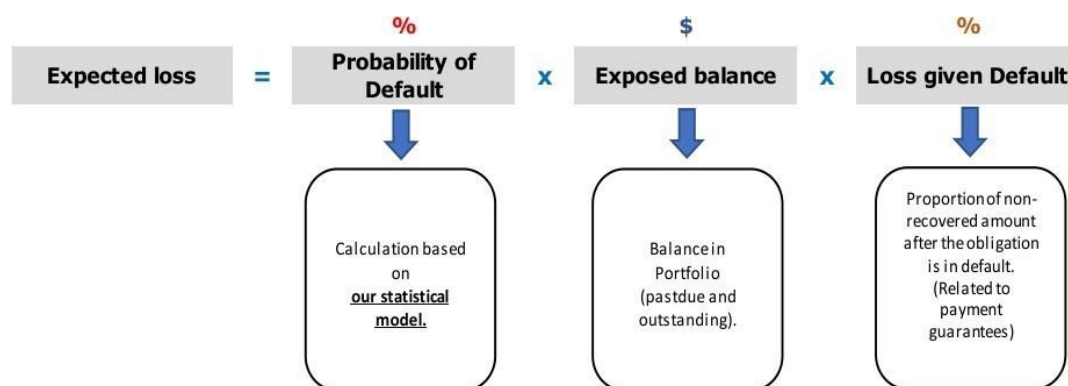
Impairment of financial assets

Financial assets, other than those valued at fair value through profit or loss, are assessed at each reporting date to establish the presence of impairment indicators. Financial assets are impaired when there is objective evidence that, as a result of one or more events incurred after initial recognition, these impacted the estimated cash flows of the investment.

IFRS 9 requires the Company to recognize expected credit losses from all its debt instruments, loans and trade receivables, whether on a 12-month or lifetime basis. INTERCHILE applied the simplified approach and recorded the expected losses in the lifetime of all trade receivables.

In determining impairment based on expected credit loss, appropriate and reliable information about past events, current conditions and reasonable projections of future economic conditions is used, to the extent that such information is not disproportionately costly or difficult to obtain. In addition, the use of certain practical expedients to estimate expected credit loss is contemplated, provided they are consistent with the principles in the Standard.

As of December 31, 2023, the Company uses the following methodology for calculation:



INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 3 - Summary of Accounting Policies (continued)

3.1) Financial assets (continued)

Impairment of financial assets (continued)

- **Exposed balance**

The exposed balance is the current balance of principal, interest and other receivables of the analyzed obligation or portfolio.

- **Probability of Default**

Corresponds to the probability that the debtors of a given obligation or portfolio will default during the life of the instrument or portfolio.

- **Loss Given Default - LGD**

It is defined as the economic loss that the Company would incur if one of the default situations were to materialize. The LGD for debtors classified in the default category increases gradually in accordance with the number of days elapsed since they were placed in this category.

Impairment of non-financial assets

- **Estimation of the recoverable amount of a non-financial asset**

The carrying amounts of the Company's non-financial assets, other than deferred taxes, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated with debit to profit or loss. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss is recognized in profit or loss.

When an impairment loss is recognized, future depreciation expense is calculated on the adjusted carrying value of the asset or CGU. Impairment losses can be recovered only if the reversal is related to a change in the estimates used after the impairment loss was recognized in prior periods. These recoveries do not exceed the carrying amount of the assets, net of depreciation or amortization, that would have been determined if such impairment had not been recognized.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 3 - Summary of Accounting Policies (continued)

3.1) Financial assets (continued)

Impairment of non-financial assets (continued)

- Effective interest rate or amortized cost method

The effective interest method is a method for calculating the amortized cost of a financial asset or liability and allocating interest income or costs throughout the relevant period. The effective interest rate corresponds to the rate that exactly deducts estimated future cash flows receivable or payable (including all charges on points paid or received that are an integral part of the effective interest rate, transaction costs and other awards or discounts), for the expected life of the financial instrument.

3.2) Property, plant and equipment

Items of property, plant and equipment are recognized at cost less accumulated depreciation and impairment losses.

The cost of items of property, plant and equipment comprises their acquisition cost plus any other costs directly attributable to bringing the assets to a working condition for their intended use as foreseen by Management and the initial estimate of the costs of dismantling and removing the items and restoring the site on which they are located.

Assets under construction include the following concepts accrued solely during the construction period:

- a) Finance costs related to external financing that are directly attributable to constructions of a specific or generic nature. In relation to the generic financing, capitalized financial expenses are obtained by applying the weighted average cost of financing to the accumulated average investment susceptible to capitalization.
- b) Employee expenses directly related and others of an operating nature attributable to the construction.
- c) Estimated expenses necessary for a future dismantling, removal or rehabilitation of the site on which the asset is built, only when they constitute obligations incurred by the Company as a result of using the item for a certain period.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 3 - Summary of Accounting Policies (continued)

3.2) Property, plant and equipment (continued)

Repair, preservation and maintenance expenses are expensed in comprehensive income in the period in which they are incurred.

Additions and costs of expansion, modernization or improvement are capitalized as an increase in the value of the related assets if they extend their useful lives, increase their production capacity and operating efficiency, improve the quality of services or allow a significant reduction in costs.

At the closing date or whenever there is an indication that there may be an impairment in the value of the assets, the recoverable value of the assets shall be compared with their net carrying amount. Any impairment loss recognized or reversed as a result of this comparison is recognized with a debit or credit to comprehensive income as appropriate.

The gain or loss from the disposal or retirement of an asset is calculated as the difference between the price obtained from the sale and the carrying amount in the accounting records with a debit or credit to comprehensive income for the year.

Prepayments made to contractors to finance the manufacture of equipment and the progress of construction work are considered as non-monetary assets and are recognized at the value of the disbursement actually made. In the case of prepayments in foreign currency, they are translated into U.S. dollars at the exchange rate at the date of disbursement. Prepayments are presented as non-current assets and are reclassified to work in progress (property, plant and equipment under construction) based on the actual progress of the work.

- Depreciation

The Company depreciates the items of property, plant and equipment from the date they are available for use using the straight-line basis over their estimated useful lives. INTERCHILE reviews annually the residual value, depreciation method and remaining useful life of the assets and accounts for any changes prospectively. The estimated useful lives are as follows:

Assets	Range of years
Transmission lines	40
Electrical substations	15 - 40
Communications equipment	10
Industrial tools and machinery	10
Furniture and fixtures	3
Vehicles	5
Computer equipment	<u>2 - 3</u>

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 3 - Summary of Accounting Policies (continued)

3.2) Property, plant and equipment (continued)

- Assets under construction and installation

Property under construction for administrative, production, supply or other unspecified purposes is recognized at cost less any accumulated impairment losses. When such assets under construction or installation are ready for their intended use, they are allocated to the appropriate categories of property, plant and equipment and depreciation begins at that time, i.e. when they are in the location and condition necessary for them to be capable of operating as intended.

Property, plant and equipment also includes assets acquired for environmental and safety purposes, major spare parts and permanent maintenance equipment that INTERCHILE expects to use for more than one year.

INTERCHILE derecognizes an item of property, plant and equipment upon disposal or when it is no longer expected to generate future economic benefits. The gain or loss arising from the disposal of property, plant and equipment is determined as the difference between the selling price, net of any costs directly attributable to the sale, and the carrying amount of the asset, and is recognized in profit or loss.

- Asset components

A component of PPE is an element that can be considered as part of another asset, but which, due to its own characteristics, the function it performs and the type of strategies or activities followed during its technical or service life, can be treated as an independent asset. Each significant component of property, plant and equipment is identified and separated from other assets for depreciation purposes during its useful life and to facilitate its treatment and accounting control. Major spare parts and permanent maintenance equipment that INTERCHILE and its companies expect to use for more than one year are normally classified as property, plant and equipment. Similarly, if spare parts and auxiliary equipment of a fixed asset can only be used in relation to that asset, they are accounted for as part of property, plant and equipment.

3.3) Intangible assets other than goodwill

An intangible asset is recognized as such when the condition of being identifiable and separable is met, when the item will generate future economic benefits and the Company has the ability to control these benefits.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 3 - Summary of Accounting Policies (continued)

3.3) Intangible assets other than goodwill (continued)

Intangible assets are initially recognized at acquisition or production cost and subsequently measured at the net cost of the corresponding accumulated amortization and impairment losses which they may have experienced.

An intangible asset is derecognized upon disposal or when no future economic benefits are expected to arise from its use or disposal. The gain or loss arising on derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss when the asset is derecognized.

Intangible assets are amortized on a straight-line basis over their useful lives.

- **Easements**

Easements are rights acquired to use a strip of land for the installation of a transmission line.

This type of intangible asset is a perpetual right with an indefinite useful life, although the transmission lines to which the easements relate have a finite useful life. INTERCHILE has the possibility to replace the transmission lines at the end of their useful life or to use the acquired easement right for any other service related to the transmission of energy and telecommunications, according to what is described in the purposes of the creation of the easements. Easements have an indefinite useful life and are not amortized; therefore, they are tested for impairment on an annual basis. Once the easement has been evaluated, if there is an indication of impairment, the recoverable amount is analyzed and calculated. The recoverable amount is the higher of the fair value less its costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market conditions of the time value of money and the risks specific to the asset.

- **Software and licenses**

Software is amortized using the straight-line method over a maximum period of three years. Licenses are amortized on a straight-line basis over the periods in which the benefits are expected to be received, according to the feasibility studies for their recovery.

Charges for studies and research on projects are treated as expenses when incurred.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 3 - Summary of Accounting Policies (continued)

3.4) Capitalization of interest

Interest costs that are directly attributable to the acquisition, construction or production of assets that necessarily require a substantial period before being ready for their intended use are capitalized as part of the cost of such assets.

3.5) Financial liabilities

The Company's financial liabilities currently include trade payables, other payables and bonds.

INTERCHILE initially recognizes bonds and financial obligations at their fair value (amount of cash received), net of directly attributable transaction costs.

After initial recognition, interest-bearing financial obligations and bonds are measured at amortized cost, using the effective interest rate method. Amortized cost is calculated taking into account any discounts or premiums on the issue and direct attributable costs. Interest, calculated by the effective interest method, is recognized as a finance expense in profit or loss. Accounts payable to suppliers are short-term financial liabilities recorded at nominal value, as they do not differ significantly from their fair value.

INTERCHILE derecognizes a financial liability when the obligation specified in the contract is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 3 - Summary of Accounting Policies (continued)

3.6) Provisions

A liability is recognized if:

- a) The Company has a present obligation (legal or constructive) as a result of a past event;
- b) It is probable that an outflow of economic benefits will be required to settle the obligation; and
- c) The amount of the obligation can be estimated reliably.

The Company periodically reviews the quantification of provisions considering the best information available.

3.6.1) Provision for legal and administrative processes

INTERCHILE recognizes as a provision the present obligation arising from an onerous contract when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. As of the date of the statement of financial position, INTERCHILE has no provisions for onerous contracts.

Certain contingent conditions that may result in a loss for INTERCHILE and will only be resolved in the future, when one or more events occur or may occur, may exist at the date of issuance of the financial statements. INTERCHILE, together with its legal advisors, estimate the value of these contingencies. This estimate is a key judgment of management and is a matter of opinion.

INTERCHILE recognizes in the statement of financial position contingencies whose material loss is probable and their value can be estimated reliably. When the assessment indicates that a potential loss is not probable and its value is known or it is probable but the value of the loss cannot be estimated, the contingency is disclosed in the notes to the financial statements. Loss contingencies estimated as remote are not disclosed.

3.6.2) Provisions for environmental management of projects

The construction or expansion of a transmission line gives rise to an obligation to incur costs to manage and mitigate the resulting environmental impacts. The costs are estimated on the basis of a plan approved by the competent authority and are reassessed at the end of each reporting period or when such obligations become known. The initial estimate of the cost of the management plan is presented as part of the related property, plant and equipment caption in accordance with IAS 16 and a liability is recognized in accordance with IAS 37.

For the above purposes, the sectors, activities and works to be carried out in order to meet environmental obligations are defined, taking into account a market price structure for goods and services that reflects the best knowledge to date for carrying out such activities, as well as the most efficient techniques and processes known and capable of being replicated.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 3 - Summary of Accounting Policies (continued)

3.6) Provisions (continued)

3.6.2) Provisions for environmental management of projects (continued)

The valuation process for these activities should explicitly state the exchange rate assumptions for marketable goods and services and the discount rate used to update the relevant flows over time, which reflects the time value of money and includes the risks associated with the liability being measured based on the currency in which the disbursements will be made.

The provision at the end of each reporting period represents management's best estimate of the present value of the future costs to implement the required environmental management plan. Changes in the estimate of the liability as a result of changes in the estimated future costs or the discount rate are added to or deducted from the related asset cost.

If the change in estimate results in an addition to the cost of the asset, the Company assesses whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If such an indication exists, the Company performs an impairment test to estimate the recoverable amount and any impairment loss is recognized in accordance with IAS 36.

These environmental management plan costs are recognized in profit or loss through depreciation of the asset. Depreciation is included in cost of sales, while the discount on the provision is recognized in profit or loss as finance cost.

3.7) Employee benefits

Costs associated to employee benefits, related to services rendered to employee during the year, are charged to comprehensive income in the related period.

3.8) Income tax and deferred taxes

Income tax expense corresponds to the sum of current tax payable and deferred taxes.

The Company determines the current income tax charge based on tax laws enacted or substantively enacted at the end of the period. Management periodically evaluates the position taken in tax returns with respect to situations where tax laws are subject to interpretation. In addition, where appropriate, it makes provisions for amounts expected to be paid to the taxation authorities.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 3 - Summary of Accounting Policies (continued)

3.8) Income tax and deferred taxes (continued)

Deferred income tax is calculated on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are also recognized for tax losses and tax credits. Deferred tax is determined using tax rates (and tax laws) enacted or substantially enacted at the reporting date, which is expected to be applied when the related deferred tax asset is realized or the deferred tax liability is settled.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available to offset such differences. Tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, and income tax expense is recognized in profit or loss, except when it relates to items recognized directly in equity or in other comprehensive income, in which case it will be recognized in equity or other comprehensive income or when it arises from the initial recognition of a business combination.

INTERCHILE reviews the carrying amount of deferred tax assets at each reporting date and reduces their carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

3.9) Statement of cash flows

For purposes of preparing the Statement of Cash Flows, the Company has defined that cash and cash equivalents include cash on hand, term deposits in credit institutions, other highly liquid short-term investments with an original maturity of three months or less, from the date of origin, accounting overdrafts and fixed income mutual funds with daily maturity. Bank overdrafts are classified as bank borrowings under current liabilities in the statement of financial position.

The Company prepares the Statements of Cash Flows using the direct method.

a) Operating activities

Correspond to the principal revenue-producing activities usually conducted by the Company and other activities that are not investing or financing activities.

b) Investing activities

Correspond to acquisition, disposal or sale activities by other means of long-term assets and other investments not included in cash and cash equivalents.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 3 - Summary of Accounting Policies (continued)

3.9) Statement of cash flows (continued)

c) Financing activities

Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

Restricted cash is a monetary resource classified independently with the objective of allocating it to specific and previously determined purposes, such as: payment of debt, acquisition of capital goods, or to dispose in case of an emergency and / or unforeseen losses. Therefore, it has certain limitations for its availability, whether of a legal or contractual nature and cannot be freely disposed of to cover current financial commitments, resulting from the normal activities of the Company.

3.10) Revenue, costs and expense recognition

3.10.1) Revenue

The Company recognizes revenue to describe the transfer of promised goods or services to customers in exchange for a value that reflects the consideration to which it expects to be entitled in exchange for those goods or services.

Revenue is recognized only when all of the following criteria are met:

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to performance obligations in the contract.

Step 5: Recognize revenue when (or as) the Entity satisfies a performance obligation.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 3 - Summary of Accounting Policies (continued)

3.10) Revenue, costs and expense recognition (continued)

3.10.1) Revenue (continued)

INTERCHILE applies the following criteria for revenue recognition:

The legal framework governing the electricity transmission business in Chile is regulated by Statutory Decree No. 4/2006, which establishes the consolidated, coordinated and systematized text of Decree with Force of Law No. 1, on Mining, of 1982, General Law on Electric Services (Statutory Decree (M) No. 1/82) and its subsequent amendments, including Law 19.940 (Short Law I), promulgated on March 13, 2004, Law 20.018 (Short Law II), promulgated on May 19, 2005, Law 20.257 (Generation with Non-Conventional Renewable Energy Sources), promulgated on April 1, 2008 and Law 20.936 (establishes a new electricity transmission system and creates an independent coordinating body of the national electricity system), promulgated July 11, 2016. These laws are complemented by the General Law of Electricity Services of 1997 (Supreme Decree No. 327/97 of the Chilean Ministry of Mining) and its appropriate amendments, and by the Technical Security and Service Quality Standard (R.M. EXTA No. 40 as of May 16, 2005) and its subsequent amendments.

The Company's revenue is derived from the remuneration it obtains for the use of its electric transmission assets. A portion of the revenue is subject to regulated amounts, while another portion is derived from contractual agreements with the users of the Company's facilities. Total revenue generated from the use of the Company's facilities, includes two components: i) the investment value annuity (AVI), plus ii) COMA, Operation, Maintenance and Management Costs, which is the required cost to operate, maintain and manage the corresponding facilities. The new works awarded to the Company in the bidding processes of the Chilean Government will be paid with the AVI and the COMA, presented for a period of 240 months. Once the aforementioned period has elapsed, the facilities and their valuation shall be reviewed in the study of valuation of Transmission Systems. The Expansion Works of which the Company is responsible will be paid with the AVI calculated in such a way that the present value of these annuities (using a real annual discount rate and the economic life of each of the facilities) equals the cost of replacing the existing transmission facilities with new facilities with similar characteristics at current market prices, plus the COMA assigned in the Decree.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 3 - Summary of Accounting Policies (continued)

3.10) Revenue, costs and expense recognition (continued)

3.10.1) Revenue (continued)

Revenue from both types of agreements, regulated and contractual, is recognized and billed monthly using the values stipulated in the contracts or, in the case of regulated agreements, the payment tables prepared by the National Electric Coordinator. In both cases these values are updated with the corresponding indicators. The Company's regulated revenue is collected through (i) tolls and (ii) tariff revenues, which are billed in the month following the month in which the service was rendered.

Finance income is accrued on a time basis, by reference to the principal receivable and the applicable effective interest rate.

3.10.2) Operating cost and expenses

The Company's cost and expenses are recognized on an accrual basis. Interest expenses are recorded at the effective interest rate applicable to the principal pending repayment during the related accrual period.

Outflows that are not capitalizable as part of work in progress are recognized in the statement of profit or loss as they are accrued, regardless of when they are paid, and are recorded in the periods to which they relate.

3.11) Leases

A lease is one that conveys the right to control the use of an asset, capacity or other portion of the asset for a period of time in exchange for receiving a series of installments or payments commonly known as lease payments.

IFRS 16 was issued in January 2016 and replaced IAS 17, which prescribes accounting policies for accounting for and disclosing information relating to leases; IFRIC 4, which determines whether an agreement contains a lease; SIC-15, which establishes the treatment of incentives arising from an operating lease, and SIC-27, which evaluates the substance of transactions involving the legal form of a lease. IFRS 16 establishes principles for lease recognition, measurement, presentation and disclosure, and it requires that lessees account for all leases under a single model, similar to the finance lease accounting under IAS 17. Effective for annual periods beginning on or after January 1, 2019.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 3 - Summary of Accounting Policies (continued)

3.11) Leases (continued)

INTERCHILE as lessee

INTERCHILE initially recognizes lease payments for low-value, short-term assets as an expense on a straight-line basis over the term of the agreement. Other lease contracts are recognized as a right-of-use asset and as a lease liability.

Right-of-use assets are measured at cost, which includes:

- The amount for the initial measurement of the lease liability.
- Lease payments made before or from the commencement date, less lease incentives received.
- The initial direct costs incurred by the lessee.
- An estimate of the costs to be incurred by the lessee in dismantling and removing the asset, restoring the site on which it is located or restoring the asset to the condition required by the terms and conditions of the lease.

In addition, the lease liability is measured at the present value of lease payments not yet made to date. Lease payments are discounted using the interest rate implicit in the lease, if such rate is readily determinable, otherwise INTERCHILE uses the lessee's incremental borrowing rate.

After the commencement date, INTERCHILE measures its assets by right of use applying the cost model and amortizes them according to the contract term and usage expectations. The lease liabilities are measured:

- Increasing the carrying amount to reflect interest on the lease liability.
- Reducing the carrying amount to reflect the lease payments made.
- Remeasuring the carrying amount to reflect new lease measurements or modifications, and also to reflect essentially fixed lease payments that have been revised.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 3 - Summary of Accounting Policies (continued)

3.11) Leases (continued)

INTERCHILE as lessor

INTERCHILE classifies each of its agreements as an operating lease or a finance lease, depending on the substance of the transaction and not on the form of the contract. A lease will be classified as a finance lease when it transfers substantially all the risks and rewards incidental to ownership of the asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of the asset.

INTERCHILE initially recognizes payments from operating leases as revenue on a straight-line basis. In addition, initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term. In subsequent periods, lease assets are depreciated and/or impaired based on the Group's policies.

However, INTERCHILE recognizes in its financial statements lease payments as a receivable, in an amount equal to the net investment in the lease. The net investment in the lease is the sum of the lease payments to be received by the lessor and any unguaranteed residual value corresponding to the lessor, discounted at the implicit interest rate of the lease. Initial direct costs are included in the initial measurement of the net investment in the lease and reduce the amount of revenue recognized over the term of the lease.

In subsequent measurements, INTERCHILE recognizes finance income over the lease term, based on a pattern that reflects a constant rate of return on the net financial investment made in the lease. They also apply lease payments related to the period to the gross investment in the lease, to reduce both principal and unearned finance income; and implement the derecognition and impairment requirements of IFRS 9 to the net investment in the lease.

3.12) Fair value measurement

The fair value of an asset or liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement considers that the transaction to sell an asset or transfer a liability takes place in the principal market, that is, the market with the highest volume and level of activity for the asset or liability. In the absence of a principal market, the transaction is assumed to take place in the most advantageous market to which the Company has access, that is, the market that maximizes the amount that would be received to sell the asset or minimizes the amount that would be paid to transfer the liability.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 3 - Summary of Accounting Policies (continued)

3.12) Fair value measurement (continued)

In order to determine the fair value, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Considering the hierarchy of inputs used in the valuation techniques, assets and liabilities measured at fair value are classified into the following levels:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the data and variables that have a significant effect on the determination of the fair value recorded are observable, either directly or indirectly.
- Level 3: Internal valuation techniques, using variables estimated by the Company that are unobservable for the asset or liability (there is no observable market information).
- When measuring fair value, the Company considers the characteristics of the asset or liability, in particular.
- Fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
- For liabilities and own equity instruments, fair value assumes that the liability will not be settled and the equity instrument will not be cancelled or otherwise extinguished at the measurement date. The fair value of the liability reflects the effect of nonperformance risk, i.e., the risk that a Company will not meet an obligation, which includes, but is not limited to, the Company's own credit risk.
- For financial assets and liabilities with offsetting positions in market risk or counterparty credit risk, fair value is measured on a net basis, consistent with how market participants would price the net risk exposure at the measurement date.

3.13) Environment

The Company adheres to the principles of Sustainable Development, which combines economic development protecting the environment and the health and safety of its personnel.

The Company does not currently engage in any activities that are contrary to or have a negative impact on the environment, therefore, the Company has not made any investments whose main purpose is to minimize adverse environmental impacts and to protect and improve the environment.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 3 - Summary of Accounting Policies (continued)

3.14) Share capital

The share capital of the Company is represented by issued ordinary shares, which are recorded at the amount of the consideration received, net of the direct costs of the issue.

Currently the Company only has single series shares issued.

The distribution of dividends to shareholders is recognized as a liability in the consolidated statement of financial position, in the period in which the General Shareholders' Meeting approves such dividends or when the corresponding obligation is established in accordance with the applicable legal provisions or policies defined by the General Shareholders' Meeting.

3.15) Related party disclosures

INTERCHILE considers as related parties those natural or legal persons in which it exercises control, joint control or significant influence, is a member of the key management personnel of INTERCHILE or its controlling shareholder (or a close relative of the member) or is an Entity controlled or jointly controlled by a member of the key management personnel. This means investments in subsidiaries, associates and joint ventures of INTERCHILE, the key management personnel of INTERCHILE and the controlling Shareholder of INTERCHILE.

Key management personnel are considered to be those persons who have the authority and responsibility for planning, directing and controlling the activities of INTERCHILE, directly or indirectly, including any director or manager (whether executive or non-executive). It includes members of INTERCHILE's Board of Directors, members of INTERCHILE's senior management and first level management employees who report directly to them, and directors with authority to make decisions of high financial impact.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 3 - Summary of Accounting Policies (continued)

3.16) New standards, interpretations and amendments

The Company applied for the first-time certain standards, interpretations and amendments, which are effective for periods beginning on or after January 1, 2023.

New accounting pronouncements (standards, interpretations and amendments) with effective application for annual periods beginning on or after January 1, 2023

The Company applied for the first-time certain standards, interpretations and amendments, which are effective for periods beginning on or after January 1, 2023.

	Amendments	Mandatory for
IFRS 17	Insurance Contracts	January 1, 2023
IAS 1	Disclosure of Accounting Policies	January 1, 2023
IAS 8	Definition of Accounting Estimates	January 1, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
IAS 12	International Tax Reform – Pillar Two Model Rules	January 1, 2023

IFRS 17 Insurance Contracts

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

IFRS 17 outlines a General Model, which is amended for insurance contracts with direct participation features, described as the "Variable Fee Approach". The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the "Premium Allocation Approach".

The general model will use current assumptions to estimate the amount, timing and uncertainty of future cash flows and it will explicitly measure the cost of that uncertainty; it takes into account market interest rates and the impact of policyholders' options and guarantees.

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

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 3 - Summary of Accounting Policies (continued)

3.16) New standards, interpretations and amendments (continued)

New accounting pronouncements (standards, interpretations and amendments) with effective application for annual periods beginning on or after January 1, 2023 (continued)

IFRS 17 Insurance Contracts (continued)

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

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

The new standard had no impact on INTERCHILE's financial statements.

IAS 1 Presentation of Financial Statements - Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgments, in which it provides guidance and examples to assist entities in making material judgments regarding accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies.
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

In assessing the materiality of accounting policy disclosures, entities should consider both the size of transactions and other events or conditions and the nature of those events or conditions.

The amendment is effective for annual periods beginning on January 1, 2023. INTERCHILE has applied the amendments and their adoption had no impact on the financial statements.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 3 - Summary of Accounting Policies (continued)

3.16) New standards, interpretations and amendments (continued)

New accounting pronouncements (standards, interpretations and amendments) with effective application for annual periods beginning on or after January 1, 2023 (continued)

IAS 8 Definition of Accounting Estimates

In February 2021, the IASB issued amendments to IAS 8, introducing a new definition of “accounting estimates”. The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amended standard clarifies that the effects on an accounting estimate resulting from a change in an input or a change in a measurement technique are changes in accounting estimates, provided that these are not the result of correction of errors from prior periods. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are correction of errors.

The amendment is effective for annual periods beginning on January 1, 2023. INTERCHILE has applied the amendments and their adoption had no impact on the financial statements.

IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In May 2021, the IASB issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The Amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 3 - Summary of Accounting Policies (continued)

3.16) New standards, interpretations and amendments (continued)

New accounting pronouncements (standards, interpretations and amendments) with effective application for annual periods beginning on or after January 1, 2023 (continued)

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

Likewise, according to the amendments issued, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. Only if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal, would the IRE be applied. However, the resulting deferred tax assets and liabilities may not be the same (for example, if the entity cannot benefit from tax deductions or if different tax rates apply to taxable and deductible temporary differences). In such cases, an entity would need to account for the difference between deferred tax assets and liabilities in profit or loss.

The amendment is effective for annual periods beginning on January 1, 2023. INTERCHILE has applied the amendments and their adoption had no impact on the financial statements.

IAS 12 International Tax Reform - Pillar Two Model Rules

In May 2023, the Board issued amendments to IAS 12, which introduce a mandatory exception from the recognition and disclosure of deferred tax assets and liabilities related to income taxes from the Pillar Two Model Rules. The Amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Co-operation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

The Amendments require an entity to disclose that it has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. In such sense, an entity is required to separately disclose its current tax expense (income) related to Pillar Two income taxes, in the periods when the legislation is effective.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 3 - Summary of Accounting Policies (continued)

3.16) New standards, interpretations and amendments (continued)

New accounting pronouncements (standards, interpretations and amendments) with effective application for annual periods beginning on or after January 1, 2023 (continued)

IAS 12 International Tax Reform - Pillar Two Model Rules

In addition, The Amendments require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes. To comply with these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period.

The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon issue of the Amendments.

The disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after January 1, 2023, but are not required for any interim period ending on or before December 31, 2023.

The amendment is applicable for the first time in 2023, however, it does not have an impact on the Entity's financial statements.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 3 - Summary of Accounting Policies (continued)

3.16) New standards, interpretations and amendments (continued)

New accounting pronouncements (standards, interpretations and amendments) with effective application for annual periods beginning on or after January 1, 2024

Standards and interpretations, as well as improvements and amendments to IFRS, that have been issued but are not yet effective at the date of the financial statements are the following.

The Company has early applied certain standards.

	Amendments	Mandatory for
IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2024
IFRS 16	Lease Liability in a Sale and Leaseback	January 1, 2024
IAS 7 and IFRS 7	Disclosures of Supplier Finance Arrangements	January 1, 2024
IAS 21	Lack of Exchangeability	January 1, 2025
IFRS 10 and IAS 28	Consolidated Financial Statements - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	TBD

IAS 1 Classification of Liabilities as Current or Non-current with Covenants

In January and July 2020, the IASB issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- 1) What is meant by a right to defer settlement.
- 2) That a right to defer must exist at the end of the reporting period.
- 3) That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- 4) That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for periods beginning on or after January 1, 2024. The amendments shall be applied prospectively. Early application is permitted, which must be disclosed. However, an entity that early applies the 2020 amendments is also required to apply the 2022 amendments, and vice versa.

INTERCHILE has adopted these amendments to IAS 1, there has been no impact on the financial statements, as it only implies non-substantial changes in the information to be disclosed.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 3 - Summary of Accounting Policies (continued)

3.16) New standards, interpretations and amendments (continued)

New accounting pronouncements (standards, interpretations and amendments) with effective application for annual periods beginning on or after January 1, 2024 (continued)

IFRS 16 Lease Liability in a Sale and Leaseback

The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction.

The amendments specifies that after the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognizing, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.

A seller-lessee applies the amendment to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted and that fact must be disclosed. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application (i.e., the amendment does not apply to sale and leaseback transactions entered into prior to the date of initial application). The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16.

The amendment is effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. To date, this amendment has no financial impact on INTERCHILE.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 3 - Summary of Accounting Policies (continued)

3.16) New standards, interpretations and amendments (continued)

New accounting pronouncements (standards, interpretations and amendments) with effective application for annual periods beginning on or after January 1, 2024 (continued)

IAS 7 and IFRS 7 - Disclosures of Supplier Finance Arrangements

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments specify disclosure requirements to enhance the current requirements and are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including the terms and conditions of those arrangements, quantitative information about the liabilities related to those arrangements at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. Information on these arrangements is required to be presented in aggregate form unless the individual arrangements have terms that are dissimilar or unique. In the context of quantitative liquidity risk disclosures in IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed. The amendments provide some transition reliefs with respect to comparative and quantitative information at the beginning of the annual reporting period and disclosures in interim financial information.

The Entity will evaluate the impact of the amendment once it becomes effective.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 3 - Summary of Accounting Policies (continued)

3.16) New standards, interpretations and amendments (continued)

New accounting pronouncements (standards, interpretations and amendments) with effective application for annual periods beginning on or after January 1, 2024 (continued)

IFRS 10 Consolidated Financial Statements, and IAS 28 Investments in Associates and Joint Ventures - sale or contribution of assets between an investor and its associate or joint venture

The amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The amendments issued in September 2014, establish that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The effective application date for these amendments is to be determined as the IASB is still waiting for the results of its research project on accounting under the equity method. These amendments should be applied retrospectively and early application is permitted, which should be disclosed.

The Entity will evaluate the impact of the amendment once it becomes effective.

IAS 21 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

The Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 3 - Summary of Accounting Policies (continued)

3.16) New standards, interpretations and amendments (continued)

New accounting pronouncements (standards, interpretations and amendments) with effective application for annual periods beginning on or after January 1, 2024 (continued)

IAS 21 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

The amendments are effective for annual reporting periods beginning on January 1, 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity may not restate comparative information, however, these amendments do not have an impact on the Entity's financial statements.

IFRS issued by the ISSB but not included

In June 2023, the International Sustainability Standards Board (ISSB) issued its first international standards on sustainability and climate: IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. The purpose of these standards is for entities to disclose information about their sustainability and climate-related risks and opportunities that are useful to primary users of financial information for decision making. An entity shall apply this standard for annual reporting periods beginning on or after January 1, 2024. INTERCHILE is validating the corresponding standards and the methodology for their implementation. Likewise, INTERCHILE is constantly monitoring changes in accounting standards in order to evaluate the possible impacts that the new standards issued by the international organization may generate when they are adopted.

Note 4 - Financial Risk Management

The Company's activities expose it to different financial risks. Management reviews the main risks and uncertainties faced by the business and for this evaluation uses as a basis the Comprehensive Risk Management Policy of ISA (parent and holding company), which states its criteria and defines the framework of action for the management of risks that generate vulnerability in economic resources, and which are required in all processes that are critical for the continuity and competitiveness of the companies that constitute the group. They clearly and explicitly define the conceptual and operational framework for the objective, systematic and standardized application of risk management, including financial risk.

The financial risks to which the Company is exposed, which include interest rate risk, inflation risk, credit risk and liquidity risk, are managed within the framework of the policies of the ISA Group and its companies, the functional support of the relevant management of the parent company and specific instructions approved by the Board of Directors. These policies include definitions that govern acceptable risk limits, risk measurement metrics and frequency of risk analysis.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 4 Financial Risk Management (continued)

4.1) Market risk

Market risk corresponds to unfavorable variations with respect to what is expected in a particular position, caused by adverse changes in variables such as the exchange rate, national and international interest rates, the price of indexes (macroeconomic variables), raw materials (commodities), etc.

Within INTERCHILE, market risk is generally low since Chile has a stable regulatory body, which encourages free competition and investment in generation, distribution and transmission capacity expansion.

4.1.1) Exchange rate risk

This risk corresponds to unfavorable changes with respect to what is expected in a particular position due to variations in the price of the currencies in which they are denominated. The Company maintains consistency in the proportion of assets and liabilities in foreign currencies; therefore, the exchange rate risk is limited.

Payments related to the Company's current investments are mainly denominated in US\$. Its source of return is income based on US\$. The way in which the risk of exchange rate fluctuations is mitigated is that the debt for construction financing is generally contracted in US\$, the constant evaluation of forward derivative contracts, the evaluation of contracted currency hedges or equivalent, in addition to the natural hedges of construction contracts, the periodic monitoring of the exchange rate to detect early warnings to minimize the impact of the exchange rate, with the contract of a financial information service (Bloomberg).

The investment is in the same currency as the US\$ financing, the income is indexed to the US\$ and there is a residual risk corresponding to the fact that the income is based on the US\$; locally contracted costs are paid in CLP\$ (Chilean peso).

The way in which the risk of exchange rate fluctuations is mitigated is by contracting a large part of the debt for the construction financing in US\$, in addition to the constant monitoring of exchange rates and the execution of natural hedges in the construction contracts.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 4 Financial Risk Management (continued)

4.1) Market risk (continued)

4.1.2) Interest rate risk

This risk corresponds to unfavorable changes in the amount of financial obligations and temporary investments resulting from the variation (volatility) of national and international interest rates that are associated with the flows derived from these financial instruments, thus affecting their value.

- **Financial obligations**

As of December 31, 2023, INTERCHILE's debt corresponds 100% to a fixed-rate bond, so this risk is nil compared to the existing debt. In the second half of 2023, a repurchase of US\$126,631 was made of the bonds issued, so that the new debt amounts to US\$1,073,369.

- **Temporary investments**

As of December 31, 2023, INTERCHILE S.A. has temporary fixed income investments with the objective of preserving the integrity of the Company's resources, maintaining a greater amount of cash surpluses in US\$, continuity and sustainability of the business through the permanent management of the risks to which it is exposed.

4.1.3) Risk of macroeconomic variables

As of December 31, 2023, the Company's revenue is linked to the evolution of the Consumer Price Index (CPI), the U.S. Consumer Price Index (CPI) and the Chilean Consumer Price Index (CPI), in accordance with the remuneration scheme established in the bidding conditions of the projects, which guarantees that the rates follow the fluctuations of the dollar, allowing the matching of payments derived from long-term debt (US\$). Revenue to cover operating costs (COMA) is indexed to the CPI, which allows for consistency with variations in operating and maintenance contracts.

Throughout 2023, the projections of Chile's macroeconomic variables have been constantly changing, with a high volatility of the exchange rate and an increase in inflation, which has been more limited than in 2022, so that central banks worldwide, through their different tools, have had to increase their monetary policy rates to control inflation, give stability to the market and long-term projections. Given these situations, INTERCHILE is constantly monitoring changes that could be structural in order to take the appropriate corrective and mitigating actions.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 4 Financial Risk Management (continued)

4.1) Market risk (continued)

4.1.3) Risk of macroeconomic variables (continued)

The Annual Transmission Value per Tranche (VATT), offered by the Company in its economic offer in US dollars will be adjusted annually (for new projects) and monthly (for expansion works and works of the valorization process 2020-2023) according to the variation of its components AVI (Annuity of the Investment Value) and COMA (Operation, Maintenance and Administration Costs), AEIR (Adjustment for Income Tax Effect) according to the following formulas:

New projects:

$$VATT_k = AVI_0 \cdot \frac{CPI_k}{CPI_0} + COMA_0 \cdot \frac{IPC_k}{IPC_0} \cdot \frac{DOL_0}{DOL_k}$$

VATT k: VATT value of new work for month k.

CPI k: Value of the Consumer Price Index (All Urban Consumers) in the second month before month k, published by the U.S. government's Bureau of Labor Statistics (BLS). (BLS Code: CUUR0000SA0).

IPC k: Value of the Consumer Price Index of the second month before month k, published by the National Statistics Institute (INE).

DOL k: Average price of the observed US dollar in the second month before month k, published by the Central Bank of Chile.

AVI0: Value of the AVI that makes up the VATT granted to the new work, as indicated in point 3 of this Decree.

COMA0: Value of the COMA that makes up the VATT granted to the new work, as indicated in point 3 of this Decree.

Expansion works

$$VIn,k = VIn,0 \cdot \left[\alpha_n \cdot \frac{IPC_k}{IPC_0} \cdot \frac{DOL_0}{DOL_k} + \beta_n \cdot \frac{CPI_k}{CPI_0} \right] \quad COMA_{n,k} = COMA_{n,0} \cdot \frac{IPC_k}{IPC_0} \cdot \frac{DOL_0}{DOL_k}$$

VIn ,k: Value of the V.I. of the expansion work n, according to the tables of the first article, for month k, where n = 1 to 10.

COMAn, k: Value of the COMA of the extension work n, according to the tables in the first article, for month k, where n = 1 to 10.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 4 Financial Risk Management (continued)

4.1) Market risk (continued)

4.1.3) Risk of macroeconomic variables (continued)

IPC k: Value of the Consumer Price Index of the second month before month *k*, published by the National Statistics Institute (INE).

DOL k: Average price of the observed US dollar in the second month before month *k*, published by the Central Bank of Chile.

CPI k: Value of the Consumer Price Index (All Urban Consumers) in the second month before month *k*, published by the U.S. government's Bureau of Labor Statistics (BLS). (BLS Code: CUUR0000SA0).

Valuation of works for 2020-2023

$$VATT_{n,k} = AVI_{n,0} \cdot \left(\alpha_j \cdot \frac{IPC_k \cdot D_0}{IPC_0 \cdot D_k} + \beta_j \cdot \frac{CPI_k \cdot (1 + Ta_k)}{CPI_0 \cdot (1 + Ta_0)} \right) + COMA_{n,0} \cdot \frac{IPC_k \cdot D_0}{IPC_0 \cdot D_k} + AEIR_{n,0} \cdot \left(\gamma_j \cdot \frac{IPC_k \cdot D_0}{IPC_0 \cdot D_k} + \delta_j \cdot \frac{CPI_k \cdot (1 + Ta_k)}{CPI_0 \cdot (1 + Ta_0)} \right) \cdot \frac{t_k \cdot 1 - t_0}{t_0 \cdot 1 - t_k}$$

VATT_{n, k}: Value of A.V.I. + C.O.M.A. + A.E.I.R. of tranche *n* in month *k*, in US dollars.

AVI_{n, 0}: Value of A.V.I. of tranche *n* on the base date, in US dollars.

COMA_{n, 0}: Value of C.O.M.A. of tranche *n* on the base date, in US dollars.

AEIR_{n, 0}: Value of A.E.I.R. of tranche *n* on the base date, in US dollars.

IPC k: Value of the Consumer Price Index of the second month before month *k*, published by the National Statistics Institute (INE).

CPI k: Value of the Consumer Price Index (All Urban Consumers), in the second month before month *k*, published by the Bureau of Labor Statistics (BLS) of the Government of the United States of America (BLS Code: CUUR0000SA0).

D k: Average value of the U.S. dollar, published by the Central Bank of Chile for the second month before month *k*.

Ta k: Value of Tariff rate in effect for the import of electromechanical equipment in effect on the last working day of the second month before month *k*. The tariff rate is established in the Decree of the Ministry of Finance No. 514, dated December 1, 2016, published in the Official Gazette of December 28, 2016, as amended.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 4 Financial Risk Management (continued)

4.1) Market risk (continued)

4.1.3) Risk of macroeconomic variables (continued)

t k : Corporate income tax rate applicable to efficient companies in the second month before month k . The tax rate is established in Decree Law No. 824 of the Ministry of Finance, Income Tax Law, and corresponds to that applicable to taxpayers subject to the Tax Regime established in letter B) of Article 14.

$\alpha_j, \beta_j, \gamma_j, \delta_j$: Indexation ratios for the type of tranche j of the Transmission System and type of tranche that corresponds.

4.1.4) Liquidity risk

Liquidity risk is defined as the inability to obtain sufficient funds to meet obligations on their due date without incurring unacceptably high costs.

In order to properly manage liquidity risk, there is an annual financial planning and budgeting model that allows for the continuous monitoring of short and long-term cash flows and the identification of specific temporary resource needs.

4.2) Credit risk

Credit risk is defined as the contractual noncompliance, default or doubtful collection of obligations contracted by the Company's customers, as well as by the counterparties of the financial instruments acquired or used, leading to a financial loss.

In Chile, the electricity transmission business is regulated by the National Energy Commission; therefore, customers comply with the rules established by this entity, which does not represent a significant risk for INTERCHILE in terms of receivables.

Despite the international financial situation, INTERCHILE is not affected by credit risks worldwide, the company has a high concentration of top customers, more than 45% of total sales are made with companies with investment grade rating, also these commitments are supervised by the National Electric Coordinator, there is an active collection of receivables every month, keeping a rigorous control of them.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 4 Financial Risk Management (continued)

4.2) Credit risk (continued)

For the year ended December 31, 2023, revenue from sales to eight customers exceeded 80% of total revenue, as summarized below:

Customer	2023 ThUS\$
ENEL Generación Chile S.A.	34,408
Colbún S.A.	16,126
Engie Energía Chile S.A.	14,496
AES Andes SA	10,918
Compañía General de Electricidad S.A.	5,106
Enel Distribución Chile S.A.	4,694
Transchile Charrúa Transmisión	4,174
Transmisora Eléctrica del Norte S.A.	4,102
Other customers	8,190
Total	<u>102,214</u>
	92%

The maximum exposure to credit risk is equal to the carrying value of the balances of financial assets in the statement of financial position. As indicated above, the Company regularly analyzes and measures its exposure to several risk variables.

Note 5 - Business Segments

The Company has defined a single business segment, which includes operations related to the power transmission business and includes all the Company's activities.

Note 6 - Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and in bank current accounts and term deposits with maturities of three months or less from the acquisition date.

Term deposits correspond to fixed-income funds in Chilean pesos and U.S. dollars and are recorded at their amortized cost.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 6 - Cash and Cash Equivalents (continued)

As of December 31, 2023 and 2022, the detail of this caption is as follows:

Detail	Type of Currency	2023 ThUS\$	2022 ThUS\$
Cash in banks	CLP\$	133	119
Cash in banks	US\$	7,457	1,604
Fixed income term deposit in CLP\$ < 90 days	CLP\$	22	248
Fixed income term deposit in US\$ < 90 days	US\$	162,585	299,982
Total		170,197	301,953

Cash and cash equivalents are not subject to availability restrictions.

Note 7 - Other Current Financial Assets

As of December 31, 2023 and 2022, the detail of this caption is as follows:

Detail	Type of Currency	2023 ThUS\$	2022 ThUS\$
Pledged banks	CLP\$	1,282	1,351
Pledged banks	US\$	97	1,287
Fixed income term deposit in CLP\$ < 90 days	CLP\$	5,598	6,543
Fixed income term deposit in US\$ < 90 days	CLP\$	52,773	51,100
Other guarantee instruments	UF	4	4
Total		59,754	60,285

The balance of Other Current Financial Assets is composed of balances of bank current accounts and temporary investments in term deposits with maturities of 90 days or less from the date of acquisition; these are not in cash since these funds have restrictions on their use and can only be used for contractual payments according to such contracts.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 8 - Trade and Other Receivables, Current

As of December 31, 2023 and 2022, the detail of this caption is as follows:

Detail	Type of Currency	2023		2022	
		Current ThUS\$	Non Current ThUS\$	Current ThUS\$	Non Current ThUS\$
Trade receivables					
Customers (1)	CLP\$	17,901	-	17,707	-
Other receivables	CLP\$	219	-	102	-
Impairment		(19)	-	(18)	-
Total trade receivables		18,101	-	17,791	-
Other receivables					
Expense reports	CLP\$	36	-	40	-
Advances to domestic suppliers	CLP\$	91	-	61	-
Advances to foreign suppliers	CLP\$	-	-	2	-
Advances to personnel	CLP\$	11	-	18	-
Total other receivables		138	-	121	-
Total trade and other receivables, current		18,239	-	17,912	-

The detail of the customer portfolio is as follows:

Customers by Seniority	Past Due	Balances as of December 2023 ThUS\$	Balances as of December 2022 ThUS\$
Current		17,198	16,531
Past due		703	1,176
Between 1 to 90 days past due	679	-	-
Between 91 to 180 days past due	7	-	-
Over 180 days	17	-	-
Total		17,901	17,707

(1) The main receivables at year-end correspond to Enel Generación Chile S.A., Colbún S.A., Engie Energía Chile S.A. and AES Andes S.A.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 8 - Trade and Other Receivables, Current (continued)

Detail of impairment on trade and other receivables:

Detail	2023 ThUS\$	2022 ThUS\$
Opening balance	18	19
Derecognition of trade receivables	-	-
Increase/decrease for the year	1	(1)
Total	<u>19</u>	<u>18</u>

Note 9 - Other Non-Financial Assets

As of December 31, 2023 and 2022, the detail of this caption is as follows:

Detail	Type of Currency	2023		2022	
		Current ThUS\$	Non-Current ThUS\$	Current ThUS\$	Non-Current ThUS\$
Prepayments for construction works (1)	US\$	-	-	45	-
Insurance (2)	CLP\$	462	-	62	-
Guarantees granted	CLP\$	-	192	-	151
Total		<u>462</u>	<u>192</u>	<u>107</u>	<u>151</u>

- (1) Prepayments for construction work for 2022 correspond to advance payments made to Consorcio PTI, supplier of engineering services and supplies for the projects being developed by the Company.
- (2) Insurance mainly corresponds to policies covering: all risks of operation and construction, general liability, fire and terrorism for the operation.

Note 10 - Related-party Disclosures

Operations between the Company and its related parties, are part of the Company's customary transactions associated with its line of business and conditions.

a) Balances receivable

Company	Taxpayer ID Number	Country	Relationship	Currency	2023		2022	
					Current ThUS\$	Non- Current ThUS\$	Current ThUS\$	Non- Current ThUS\$
Isa Inversiones Chile SPA	76.104.097-9	Chile	Shareholder	CLP\$	65,650	-	47	-
Interconexiones del Norte S.A.	77.794.815-6	Chile	Common parent	CLP\$	760	-	-	-
Internexa Chile S.A.	76.073.154-4	Chile	Common parent	CLP\$	63	-	2	-
Total related-party payables					<u>66,473</u>	<u>-</u>	<u>49</u>	<u>-</u>

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 10 - Related-party Disclosures (continued)

b) Balances payable

Company	Taxpayer ID Number	Country	Relationship	Currency	2023		2022	
					Current ThUS\$	Non- current ThUS\$	Current ThUS\$	Non- current ThUS\$
Intercolombia S.A E.S.P.	900.667.857-1	Colombia	Common parent	US\$	292	-	208	-
Internexa Chile S.A.	76.073.154-4	Chile	Common parent	US\$	41	-	116	-
Total related-party payables					333	-	324	-

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 10 - Related-party Disclosures (continued)

c) Transactions

Transactions with related entities are as follows:

2023

Related Party	Taxpayer ID Number	Relationship	Nature of Transactions	Type of Currency	Transaction Amount ThUS\$	Effect on Profit or Loss ThUS\$
Interconexión Eléctrica S.A. E.S.P.	860.016.610-3	Shareholder	Policy Refunds	US\$	1,680	99
Isa Inversiones Chile SPA	76.104.097-9	Shareholder	Administrative services	CLP\$	55	47
Isa Inversiones Chile SPA	76.104.097-9	Shareholder	Recovery of project expenses	CLP\$	959	854
Isa Inversiones Chile SPA	76.104.097-9	Shareholder	Acknowledgement of debt	US\$	64,600	2,245
XM Sociedad de Expertos de Mercado S.A.	900.042.857-1	Common parent	Specialized technical advisory services	US\$	2	2
Intercolombia S.A. E.S.P.	900.667.590-2	Common parent	SAP Maintenance, Consulting	US\$	520	520
Intercolombia S.A. E.S.P.	900.667.590-2	Common parent	Technical Service support OyM -SCADA	US\$	779	779
Intercolombia S.A. E.S.P.	900.667.590-2	Common parent	Service Center Advisory	US\$	389	389
Internexa Chile S.A.	76.073.154-4	Common parent	Fiber Optic electromechanical maintenance service	CLP\$	64	64
Internexa Chile S.A.	76.073.154-4	Common parent	IT Service and Control Center	CLP\$	191	161

All operations have been performed at market values. The Company's exposure criterion is to disclose all transactions with related parties.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 10 - Related-party Disclosures (continued)

d) Management and Senior Management

Members of senior management and other individuals that assume the management of the Company, as well as the shareholders or natural persons or legal entities they represent have entered into no unusual and/or relevant transactions as of December 31, 2023 and 2022.

The Company is managed by the Board of Directors, which is composed of five members, who remain in their position for a 3-year period and may be re-elected.

As of December 31, 2023, the directors are Juan Emilio Posada Echeverri, Cesar Augusto Ramirez Rojas, Gabriel Jaime Melguizo Posada, Daniel Isaza Bonnet and Sonia Margarita Abuchar Alemán, in accordance with the Ordinary Shareholders' Meeting held on March 27, 2023.

e) Compensation and other benefits

Directors may or may not be compensated as determined by the corresponding Ordinary Shareholders' Meeting.

- Compensation of the Board of Directors

For the year ended December 31, 2023, the directors were compensated as follows:

ID	Name	Position	Country	ThUS\$
71642740	Gabriel Jaime Melguizo P	Director	Colombia	46
4344455	Cesar Ramirez Rojas	Director	Colombia	46
50897172	Sonia Abuchar Alemán	Director	Colombia	46
70118287	Juan Emilio Posada E	Chairman	Colombia	46
79946910	Daniel Isaza Bonet	Director	Colombia	46
Total				230

- Other transactions

There are no other transactions conducted between the Company's Directors and Managers.

- Guarantees pledged by the Company in favor of its Partners

As of December 31, 2023 and 2022, the Company records no such operations.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 10 - Related-party Disclosures (continued)

e) Compensation and other benefits (continued)

- Incentive plans for senior executives and managers

The Company has agreed with its non-management personnel an annual performance bonus equivalent to a monthly base salary, the form of payment is an advance payment of 30% in the middle of the year and a maximum of 70% for the balance according to the percentage of annual compliance. For personnel who joined in the middle of the year, the calculation is proportional. The bonus applies to all employees hired by the Company.

Key management personnel

Name	Position
Luis Everley Llanos (*)	General Manager
Gustavo Cardona Gómez	Finance Manager
José Cascante Chaves	Project Manager
Eduardo Sáez Manríquez	Operation and Maintenance Manager
Alvaro González De La Barra	Corporate Affairs and Sustainability Manager

(*) Mr. Gabriel Jaime Melguizo Posada served as General Manager until January 20, 2023.

As of December 31, 2023 the variable and fixed salaries of the Company's senior executives amounted to a total of ThUS\$1,097.

Note 11 - Income Tax and Deferred Taxes

11.1) Income tax

The Company determined no corporate income tax as of December 31, 2023 and 2022, due to accumulated tax losses amounting to ThUS\$903,521 and ThUS\$850,527, respectively.

The current tax liabilities of ThUS\$9 and ThUS\$10 as of December 31, 2023 and December 31, 2022, respectively, correspond to a provision for a one-off tax according to Article 21 of the Income Tax Law.

In the normal course of its operations, the Company is subject to regulation and inspection by the Chilean Internal Revenue Service, as a result of which differences may arise in the application of criteria in the determination of taxes. Management estimates, based on the information available to date, that there are no significant additional liabilities to those already recorded for this concept in the financial statements.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 11 - Income Tax and Deferred Taxes (continued)

11.2) Tax expense recognized in profit or loss

Benefit (Expense) Concept	2023 ThUS\$	2022 ThUS\$
Current tax expense (one-off tax)	(9)	(10)
Deferred taxes	<u>(11,890)</u>	<u>1,795</u>
Total income tax benefit (expense)	<u>(11,899)</u>	<u>1,785</u>

11.3) Deferred taxes

As of December 31, 2023 and 2022, deferred tax assets and liabilities are as follows:

Detail	2023		2022	
	Asset ThUS\$	Liability ThUS\$	Asset ThUS\$	Liability ThUS\$
Tax - Financial Depreciation	-	227,800	-	192,696
Tax loss	243,951	-	229,642	-
Capitalized expenses	-	4,599	-	4,522
Leases	236	-	91	-
Provisions	11,911	-	3,074	-
Subtotal	<u>256,098</u>	<u>232,399</u>	<u>232,807</u>	<u>197,218</u>
Balance of deferred taxes, net	<u>23,699</u>	<u>-</u>	<u>35,589</u>	<u>-</u>

11.4) Reconciliation of income tax expense using the statutory rate to the income tax expense using the effective rate

Reconciliation of tax expense	2023 ThUS\$	2022 ThUS\$
Tax expense using the statutory rate	(10,785)	(1,750)
Tax reversal using the statutory rate	10,785	-
Non-deductible expenses	(9)	10
Other increases (decreases) for deferred taxes	<u>(11,890)</u>	<u>3,525</u>
Tax benefit (expense) using the effective rate	<u>(11,899)</u>	<u>1,785</u>
Concepts	2023 %	2022 %
Statutory tax rate	27.0	27.0
Other tax increases (decreases)	<u>2.8</u>	<u>(54.5)</u>
Tax benefit using the effective rate	<u>29.8</u>	<u>(27.5)</u>

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 12 - Property, Plant and Equipment

a) This caption comprises the following:

As of December 31, 2023	Gross Asset ThUS\$	Accumulated Depreciation ThUS\$	Net Asset ThUS\$
Constructions (work in progress) (1)	10,129	-	10,129
Properties	1,898	(1,665)	233
Transmission lines (2)	752,922	(92,372)	660,550
Electrical substations	382,762	(57,869)	324,893
Furniture and fixtures	67	(43)	24
Computer equipment	561	(162)	399
Communication equipment	26	(5)	21
Vehicles	570	(211)	359
Machinery and tools	589	(130)	459
Total	1,149,524	(152,457)	997,067

(1) Corresponds to the project Synchronized control for 500/220 kV Autotransformers in Nueva Cardones Substation, Nueva Maitencillo Substation and Nueva Pan de Azúcar Substation, Capacity Increase of 2x220 KV Maitencillo - Nueva Maitencillo Line, Expansion in Nueva Pan de Azúcar Substation

(2) During 2023, the Company recognized ThUS\$18,660 related to the costs of the Environmental Sanitation Plan (PDSA) contemplated in the Environmental Qualification Resolution (RCA). The Environmental Sanitation Plan and its costs are directly related to the construction of the transmission line of the Cardones Polpaico Project, included in the account Transmission Lines. The aforementioned plan must be executed until 2032 and its respective costs are provisioned (see Note 14).

As of December 31, 2022	Gross Asset ThUS\$	Accumulated Depreciation ThUS\$	Net Asset ThUS\$
Constructions (work in progress)	6,778	-	6,778
Properties	1,728	(1,159)	569
Transmission lines	732,898	(73,487)	659,411
Electrical substations	382,544	(45,276)	337,268
Furniture and fixtures	62	(38)	24
Computer equipment	86	(48)	38
Communication equipment	11	(4)	7
Vehicles	205	(147)	58
Machinery and tools	496	(87)	409
Total	1,124,808	(120,246)	1,004,562

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 12 - Property, Plant and Equipment (continued)

b) Detail of movements

Detail	Buildings	Properties	Transmission Lines	Electrical Substations	Furniture and Fixtures	IT Equipment	Communication Equipment	Vehicles	Machinery and Tools	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
As of 01.01.2023	6,778	569	659,411	337,268	24	38	7	58	409	1,004,562
Additions (*)	3,537	233	20,024	417	5	475	15	365	93	25,164
Transfers	-	-	-	-	-	-	-	-	-	-
Reduction in disposals	(186)	(63)	-	(199)	-	-	-	-	-	(448)
Reduction in Acc. Dep.	-	-	-	201	-	-	-	-	-	201
Depreciation expense	-	(506)	(18,885)	(12,794)	(5)	(114)	(1)	(64)	(43)	(32,412)
As of 12.31.2023	10,129	233	660,550	324,893	24	399	21	359	459	997,067

(*) ThUS\$18,660 are part of the additions for the year 2023 for the account Transmission Lines corresponding to the costs of the Environmental Sanitation Plan (PDSA) approved by the corresponding authority (See Note 12.a).

Detail	Buildings	Properties	Transmission Lines	Electrical Substations	Furniture and Fixtures	IT Equipment	Communication Equipment	Vehicles	Machinery and Tools	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
As of 01.01.2022	9,181	596	677,473	342,382	30	19	8	74	409	1,030,172
Additions	5,084	264	324	-	-	30	-	-	39	5,741
Transfers	(7,487)	-	-	7,487	-	-	-	-	-	-
Reduction in disposals	-	-	(64)	-	-	-	-	-	-	(64)
Reduction in Acc. Dep.	-	-	6	-	-	-	-	-	-	6
Depreciation expense	-	(291)	(18,328)	(12,601)	(6)	(11)	(1)	(16)	(39)	(31,293)
As of 12.31.2022	6,778	569	659,411	337,268	24	38	7	58	409	1,004,562

The Company presents in the items Properties, IT Equipment and Vehicles assets under the lease regime (IFRS 16).

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 12 - Property, Plant and Equipment (continued)

b) Detail of movements (continued)

Capitalized finance costs

As of December 31, 2023 and 2022, the detail of this caption is as follows:

Disclosure of capitalized interest costs:

Capitalized Interest Cost, Property, Plant and Equipment	2023 ThUS\$	2022 ThUS\$
Capitalization rate for capitalized interest cost, property, plant and equipment	0.0044%	0.0044%
Amount of capitalized interest cost, property, plant and equipment	<u>52</u>	<u>52</u>

Note 13 - Intangible Assets other than Goodwill

a) As of December 31, 2023 and 2022, the detail of this caption is as follows:

As of December 31, 2023	Gross Asset ThUS\$	Accumulated Amortization ThUS\$	Net Asset ThUS\$
Easements	111,493	-	111,493
Licenses and software	924	(854)	70
Rights-of-use assets	153	(9)	144
Other intangible assets	2,087	-	2,087
Total	114,657	(863)	113,794

As of December 31, 2023	Gross Asset ThUS\$	Accumulated Amortization ThUS\$	Net Asset ThUS\$
Easements	109,297	-	109,297
Licenses and software	628	(596)	32
Rights-of-use assets	153	(1)	152
Other intangible assets	2,251	-	2,251
Total	112,329	(597)	111,732

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 13 - Intangible Assets other than Goodwill (continued)

b) Detail of movements

Detail	Easements	Licenses and Software	Right-of-Use Assets	Other Intangible Assets	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
As of 01.01.2023	109,297	32	152	2,251	111,732
Additions	2,369	296	-	896	3,561
Transfers	-	-	-	-	-
Disposals	(173)	-	-	(1,060)	(1,233)
Amortization expense	-	(258)	(8)	-	(266)
As of 12.31.2023	111,493	70	144	2,087	113,794

Detail	Easements	Licenses and Software	Right-of-use Assets	Other Intangible Assets	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
As of 01.01.2022	109,297	99	-	727	110,123
Additions	-	15	153	1,524	1,692
Transfers	-	-	-	-	-
Disposals	-	-	-	-	-
Amortization expense	-	(82)	(1)	-	(83)
As of 12.31.2022	109,297	32	152	2,251	111,732

Note 14 - Trade and Other Payables

As of December 31, 2023 and 2022, the detail of this caption is as follows:

Detail	Type of Currency	2023		2022	
		Current ThUS\$	Non-Current ThUS\$	Current ThUS\$	Non-Current ThUS\$
Suppliers	CLP\$	5,431	-	3,916	-
CEN advances (*)	CLP\$	17,998	-	12,354	-
Environmental and legal liabilities (**)	CLP\$	13,597	8,532	7,477	-
CEN Reliquidation Liabilities	CLP\$	79	-	5,824	-
Severance indemnity payments	CLP\$	1,172	-	798	-
Other payables	CLP\$	78	-	69	-
Tax withholdings	CLP\$	1,469	-	1,507	-
Lease liabilities	UF	477	-	313	313
Other payables	CLP\$	3,424	639	4,803	-
Total		43,725	9,171	37,061	313

The average period for payment to suppliers is 30 days in 2023, (30 days in 2022) so the fair value does not differ significantly from its carrying amount.

(*) This balance corresponds to instructions received from CEN that exceed the VATT originated mainly by the freezing of the CUT and the delay in the publication of decree number 7T of 2022 of the Ministry of Energy for the valuation of the Transmission System Facilities for the four-year period 2020-2023.

(**) Environmental liabilities include the obligations generated from the Environmental Sanitation Plan (PDSA) contemplated in the environmental qualification resolution (RCA) (See Note 12). This liability reflects management's best estimate of the present value of future costs for the application of the required environmental sanitation plan, the disbursements of which must be executed until the year 2032. The Company has used a discount rate of 4.55% to discount the relevant flows over time. The disbursements to be made between 2025 and 2032 are presented in the non-current portion.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 14 - Trade and Other Payables (continued)

Leases

14.1) Leases as lessee

INTERCHILE has leases mainly related to property, vehicles and IT equipment for its operations, both with third parties and related companies. These assets are reflected in the caption property, plant and equipment.

Property leases generally have lease terms ranging from 4 to 10 years, vehicles 2 years and computer and telecommunications equipment from 1 to 3 years.

In general, INTERCHILE contracts have periodic adjustment clauses in accordance with inflation rates; in addition, the company has restrictions on subleasing the assets and the leased assets are guaranteed by the lessor's securities.

The carrying amounts of the right-of-use assets presented in Note 12 Property, plant and equipment and their movements during the period are detailed below:

	Rights-of Use-Assets ThUS\$	Total ThUS\$
Balance as of January 1, 2023	569	569
Additions and/or transfers	942	942
Accumulated depreciation	(651)	(651)
Balance as of December 31, 2023	<u>860</u>	<u>860</u>

	Rights of use Assets ThUS\$	Total ThUS\$
Balance as of January 1, 2022	596	596
Additions and/or transfers	264	264
Accumulated depreciation	(291)	(291)
Balance as of December 31, 2022	<u>569</u>	<u>569</u>

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 14 - Trade and Other Payables (continued)

Leases (continued)

14.1) Leases as lessee (continued)

The carrying amounts of lease liabilities and changes during the year are also presented:

	2023 ThUS\$	2022 ThUS\$
Opening balance	626	638
Additions	936	264
Foreign currency translation difference	(13)	21
Lease payments	(433)	(297)
Closing balance	<u>1,116</u>	<u>626</u>

The analysis of the maturities of lease liabilities is as follows:

	2023 ThUS\$	2022 ThUS\$
Less than 1 year	477	313
Between 1 and 5 years	<u>639</u>	<u>313</u>
Total	<u>1,116</u>	<u>626</u>

These are the amounts recognized in profit or loss for the year in relation to leases:

	2023 ThUS\$	2022 ThUS\$
Depreciation expense on leased assets	652	291
Interest expense on lease liabilities	70	38
Short-term lease expenses	166	2
Expenses from lease of low value assets	-	629
Total amount recognized in the statement of profit or loss	<u>888</u>	<u>960</u>

The Company's total lease cash outflows during 2023 amounted to US\$524 (US\$315 in 2022).

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 15 - Financial Instruments

15.1) Financial liabilities (interest-bearing loans)

On July 26, 2021, INTERCHILE carried out a placement of Green Bond (ESG) in the international markets of guaranteed debt securities, for a total amount of ThUS\$1,200,000, subject to Rule 144A issued by the Securities and Exchange Commission of the United States of America.

The local guarantee agent is SCOTIABANK CHILE and the foreign bond representative is CITIBANK N.A. The agreed rate is 4.5% fixed, and interest and principal are payable biannually. This interest has been paid since December 30, 2021, the term of the instrument is 35 years, with principal amortization starting on June 30, 2028.

On September 14, 2023, INTERCHILE obtained a Credit Line for ThUS\$35,000 in order to guarantee compliance with the interest payment obligations in favor of the bondholders.

This information is summarized in the following tables:

Syndicated loan	Nominal ThUS\$	Amortization Period		Frequency of Capital Amortization	Frequency of Payment of Interest
		Start Date	Maturity Date		
144A Bond	1,073,369,000	06.30.2028	06.30.2056	Biannual	Biannual

As of December 31, 2023, there were no defaults in the payment of principal, interest or amortization funds, nor are there any amounts in the loan payable ledger that are unpaid beyond the term established in the contract.

Current and non-current financial liabilities are as follows:

	Maturity of Financial Obligations			
	Current		Non-Current	
	2023 ThUS\$	2022 ThUS\$	2023 ThUS\$	2022 ThUS\$
Interest-bearing bond	-	-	1,058,170	1,184,208
Total	-	-	1,058,170	1,184,208

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 15 - Financial Instruments (continued)

15.1) Financial liabilities (interest-bearing loans) (continued)

a) Interest-bearing loans, non-current 12.31.2023

Source of financing	Origin Currency	Date of Disbursement	Date of Maturity	Type of Rate	Nominal	Effective Rate	Maturity Dates			Total ThUS\$
							1 to 3 years ThUS\$	3 to 5 years ThUS\$	Over 5 years ThUS\$	
Banco Citibank N.A.	US\$	07.26.2021	06.30.2056	Fixed rate	4.50%	4.64%	-	-	1,058,170	1,058,170
Total							-	-	1,058,170	1,058,170

Principal amortization of the Green Bond will begin on June 30, 2028 on a biannual basis. During the second half of 2023, INTERCHILE used part of its cash surpluses to repurchase a percentage of the notes of the bond issued in 2021. This decision was based on a thorough analysis of the use of available funds and the market opportunities available at that time.

The medium and long-term growth expectations remain solid and are aligned with the Company's strategic plan, which at this stage are funded. The repurchase was a strategic decision that considered the best option for INTERCHILE's shareholders in terms of profitability and reduction of financial risk. The amount of the repurchase was ThUS\$126,631 of notes of the bond issued, so the current debt amounts to ThUS\$1,073,369.

Non-current 12.31.2022

Source of financing	Origin Currency	Date of Disbursement	Date of Maturity	Type of Rate	Nominal	Effective Rate	Maturity Dates			Total ThUS\$
							1 to 3 years ThUS\$	3 to 5 years ThUS\$	Over 5 years ThUS\$	
Banco Citibank N.A.	US\$	07.26.2021	06.30.2056	Fixed rate	4.50%	4.64%	-	-	1,184,208	1,184,208
Total							-	-	1,184,208	1,184,208

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 15 - Financial Instruments (continued)

15.1) Financial liabilities (interest-bearing loans) (continued)

a) Interest-bearing loans, non-current 12.31.2023 (continued)

The following detail only represents further disclosure of the financing liabilities shown below.

Financial obligations	Closing Balance	Cash Flows			Movements Other than Cash Flows			Closing Balance
		Capital Received	Payments of Capital	Interest and Commissions Paid	Accrued Interest	Changes in Fair Value	Other	
	2022 ThUS\$	ThUS\$	ThUS\$	ThUS\$	2023 ThUS\$	ThUS\$	ThUS\$	2023 ThUS\$
Long-term Green Bond	1,184,828	-	(126,631)	(55,406)	55,406	-	593	1,058,170
Total	1,184,828	-	(126,631)	(55,406)	55,406	-	593	1,058,170

Financial obligations	Closing Balance	Cash flows			Movements other than cash flows			Closing Balance
		Capital Received	Payments of Capital	Interest and Commissions Paid	Accrued Interest	Changes in Fair Value	Other	
	2021 ThUS\$	ThUS\$	ThUS\$	ThUS\$	2022 ThUS\$	ThUS\$	ThUS\$	2022 ThUS\$
Long-term Green Bond	1,184,828	-	-	(57,400)	56,250	-	(1,770)	1,184,828
Total	1,184,828	-	-	(57,400)	56,250	-	(1,770)	1,184,828

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 16 - Equity Disclosures

a) Subscribed, fully-paid capital and number of shares

The subscribed and paid-in share capital as of December 31, 2023 amounts to ThUS\$370,136, represented by 94,109,640 ordinary, nominative shares, of a single series, of equal nominal value. Of the total of 94,109,640 shares, they are fully paid and the distribution of shares is as follows:

No. of Shares	2023		2022	
	Subscribed and Paid	%	Subscribed and Paid	%
Shareholder				
Interconexión Eléctrica S.A. E.S.P.	94,109	0.10	94,109	0.10
ISA Inversiones Chile SPA.	94,015,531	99.990	94,015,531	99.990
Total subscribed and paid shares	94,109,640	100.00	94,109,640	100.00

b) Capital management

The main objective when managing shareholders' equity (equivalent to the Company's total equity) is to maintain an adequate credit risk profile and healthy capital ratios that allow the Company to access the capital and financial markets for the development of its medium and long-term objectives and, at the same time, maximize the return to shareholders.

There have been no changes in capital management objectives or policies in the year reported.

c) Distributable net profits and dividends

In accordance with the provisions of the Corporations Law, the distribution of dividends must correspond to at least 30% of profits (minimum dividend), unless unanimously agreed by the Shareholders' Meeting.

No dividends were agreed or paid in the years 2023 and 2022.

d) Retained earnings (accumulated losses)

As of December 31, 2023 and 2022, the detail of this caption is as follows:

Retained Earnings (Accumulated Deficit)	2023 ThUS\$	2022 ThUS\$
Retained earnings (accumulated deficit)	(59,712)	(55,011)
Profit (loss) for the year	28,045	(4,701)
Total	<u>(31,667)</u>	<u>(59,712)</u>

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 17 - Revenue

The detail of operating revenue is as follows:

Detail of Revenue	2023 ThUS\$	2022 ThUS\$
Power transmission services, use of lines and networks	100,423	92,972
Connections	466	562
Other services of the line of business	1,325	864
Total revenue	<u>102,214</u>	<u>94,398</u>

Note 18 - Expenses for the Year

18.1) Cost of sales

The costs generated to produce revenue are detailed below:

Detail	2023 ThUS\$	2022 ThUS\$
Remunerations	3,692	2,413
Other operating personnel costs	766	428
Operating costs	1,043	1,199
Maintenance expenses	2,413	1,877
Environmental costs	73	34
Property costs	72	299
Insurance	839	747
Other costs of sales	1,715	1,199
Depreciation and amortization	31,813	31,007
Total costs of sales	<u>42,426</u>	<u>39,203</u>

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 18 - Expenses for the Year (continued)

18.2) Administrative expenses

The detail of administrative expenses is as follows:

Detail	2023 ThUS\$	2022 ThUS\$
Remunerations	4,729	3,798
Other personnel expenses	884	532
Third-party services	4,711	3,491
Office expenses	1,013	707
Communication expenses	386	417
Relationship expenses	389	244
Support, connection and regulation costs	-	162
Other administrative expenses	209	221
Depreciation and amortization	865	365
Other expenses	1	7
Total administrative expenses	<u>13,187</u>	<u>9,944</u>

The fees incurred for external audit services for the financial statements as of December 31, 2023 from EY Audit Ltda. amounted to UF1,086. There were no other services other than the external audit during 2023.

18.3) Finance income and finance costs

Finance income and costs are detailed as follows:

Detail	2023 ThUS\$	2022 ThUS\$
Revenue		
Finance income (*)	<u>51,831</u>	<u>6,351</u>
Total finance income	<u>51,831</u>	<u>6,351</u>
Costs		
Interest on Green Bond loans	55,354	56,250
Other finance costs	1,766	1,158
Total finance costs	<u>57,120</u>	<u>57,408</u>
Total finance income and finance costs	<u>5,289</u>	<u>51,057</u>

(*) This caption includes ThUS\$31,657 of income generated in the repurchase of the green bond issued in 2021 (see Note 15).

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 19 - Commitments and Contingencies

a) Guarantees with third parties

At the date of issuance of the financial statements, the following guarantees are recorded in favor of INTERCHILE S.A.:

Policyholder	Purpose	Origin Currency	Nominal Value	Value US\$ ThUS\$	Maturity
Unisys Sudamericana Corporation	Faithful fulfillment of the contract	CLP\$	1,974.95	2.25	10.30.2025
Gestión Ambiental S.A.	Labor obligations of the contract	CLP\$	37,532.53	42.79	06.30.2024
Gestión Ambiental S.A.	Faithful fulfillment of the contract	CLP\$	75,065.06	85.58	06.30.2024
Securitas S.A.	Labor obligations of the contract	UF	1.96	82.02	06.17.2024
Securitas S.A.	Faithful fulfillment of the contract	UF	3.91	164.04	06.17.2024
Siemens Energy SpA	Quality	UF	44.32	1,859.19	05.31.2024
Siemens Energy SpA	Quality	US\$	417.81	417.81	05.31.2024
Siemens Energy SpA	Quality	EUR	1,123.90	1,242.98	05.31.2024
Tripan S.A.	Labor obligations of the contract	CLP\$	11,534.12	13.15	04.01.2024
Tripan S.A.	Faithful fulfillment of the contract	CLP\$	23,068.23	26.30	04.01.2024
SOCIEDAD ASEMAFOR SPA	Faithful fulfillment of the contract	CLP\$	8,504.78	9.70	12.31.2026
Consultora EDAFOS S.A.	Labor obligations of the contract	CLP\$	5,851.25	6.67	05.24.2024
Consultora EDAFOS S.A.	Faithful fulfillment of the contract	CLP\$	11,702.49	13.34	05.24.2024
SOCIEDAD ASEMAFOR SPA	Labor obligations of the contract	CLP\$	4,252.39	4.85	12.31.2026
WSP AMBIENTAL SA	Faithful fulfillment of the contract	UF	0.93	38.93	05.26.2025
OHMIO ENERGIA SPA	Faithful fulfillment of the contract	UF	240.00	10,068.67	12.31.2025
Kalpataru	Faithful fulfillment of the contract	US\$	2,466.99	2,466.99	12.31.2025
Kalpataru	Advance payment guarantee	US\$	4,933.98	4,933.98	08.31.2025
HMV Chile	Labor obligations of the contract	UF	0.41	17.06	01.27.2024
HMV Chile	Labor obligations of the contract	UF	1.73	72.78	01.27.2024
WSP Chile S.A.	Labor obligations of the contract	US\$	20.52	20.52	11.25.2025
WSP Chile S.A.	Labor obligations of the contract	US\$	4.57	4.57	11.28.2025
Gestión Ambiental S.A.	Labor obligations of the contract	UF	0.68	28.33	01.09.2026
Gestión Ambiental S.A.	Faithful fulfillment of the contract	UF	2.70	113.24	01.09.2026
Gestión Ambiental S.A.	Advance payment guarantee	UF	2.70	113.24	01.31.2024
WSP Chile S.A.	Labor obligations of the contract	US\$	0.08	0.08	05.02.2025
SIEMENS ENERGY SPA	Faithful fulfillment of the contract	US\$	180.00	180.00	02.19.2024
SIEMENS ENERGY SPA	Labor obligations of the contract	US\$	90.00	90.00	02.19.2024
HITACHI ENERGY CHILE SA	Faithful fulfillment of the contract	US\$	63.48	63.48	05.04.2024
HITACHI ENERGY CHILE SA	Advance payment guarantee	US\$	63.48	63.48	05.04.2024
AGEA CONSULTORIA E INGENIERIA SPA	Faithful fulfillment of the contract	UF	0.48	20.03	04.15.2024
TELEFONICA EMPRESAS CHILE SA	Faithful fulfillment of the contract	UF	0.18	7.55	06.01.2026
JORPA INGENIERIA SA	Faithful fulfillment of the contract	UF	0.05	2.10	07.18.2025
BUSINESS CONTINUITY SPA	Faithful fulfillment of the contract	US\$	9.60	9.60	07.31.2024
COLVIN Y COMPAÑÍA LTDA	Labor obligations of the contract	US\$	8.32	8.32	06.30.2024
PERTIGA ASESORIAS SPA	Faithful fulfillment of the contract	UF	0.32	13.33	06.26.2024
AT-EME Consultores SpA	Faithful fulfillment of the contract	UF	0.28	11.74	07.17.2025
AT-EME Consultores SpA	Labor obligations of the contract	UF	0.14	5.87	07.17.2025
Tripan S.A.	Labor obligations of the contract	CLP\$	59,056.30	67.33	06.07.2024
Tripan S.A.	Faithful fulfillment of the contract	CLP\$	118,113.21	134.66	06.07.2024
Tripan S.A.	Labor obligations of the contract	CLP\$	4,943.40	5.64	06.07.2024
Tripan S.A.	Faithful fulfillment of the contract	CLP\$	9,886.79	11.27	06.07.2024
HITACHI ENERGY CHILE SA	Labor obligations of the contract	US\$	28.86	28.86	05.31.2024
Asesoría y servicios Biomapu	Faithful fulfillment of the contract	CLP\$	11,207.80	12.78	03.05.2024
Asesoría y servicios Biomapu	Faithful fulfillment of the contract	CLP\$	2,801.95	3.19	01.08.2024
CGESTA SPA	Faithful fulfillment of the contract	UF	0.36	14.94	10.22.2024
CGESTA SPA	Guarantees labor obligations	UF	0.18	7.47	10.22.2024

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 19 - Commitments and Contingencies (continued)

a) Guarantees with third parties (continued)

At the date of issuance of the financial statements, the following guarantees are recorded in favor of INTERCHILE S.A.: (continued)

Policyholder	Purpose	Origin Currency	Nominal Value	Value US\$ ThUS\$	Maturity
Ingenieria IEB Chile SpA	Labor obligations of the contract	CLP\$	2,423.52	2.76	04.30.2026
Gestión Ambiental S.A.	Faithful fulfillment of the contract	CLP\$	75,065.06	85.58	06.30.2024
Gestión Ambiental S.A.	Labor obligations of the contract	CLP\$	37,532.53	42.79	06.30.2024
Tripan S.A.	Faithful fulfillment of the contract	CLP\$	23,068.23	26.30	04.01.2024
Tripan S.A.	Labor obligations of the contract	CLP\$	11,534.12	13.15	04.01.2024
BUSINESS CONTINUITY SPA	Faithful fulfillment of the contract	US\$	9.60	9.60	09.01.2024
Transmisora Eléctrica del Norte	Contract fulfillment guarantee	US\$	3,050.00	3,050.00	11.13.2024
PARQUE EOLICO PUNTA DE TALCA SPA	Faithful fulfillment of the contract	US\$	200.00	200.00	05.01.2024
PONTEFICIA UNIVERSIDAD CATOLICA DE CHILE	Faithful fulfillment of the contract	US\$	0.41	0.41	09.25.2024
CLEVER GLOBAL CHILE SPA	Labor obligations of the contract	CLP\$	3,720.00	4.24	11.30.2024
CLEVER GLOBAL CHILE SPA	Faithful fulfillment of the contract	CLP\$	3,720.00	4.24	11.30.2024
AGEA CONSULTORIA E INGENIERIA SPA	Faithful fulfillment of the contract	UF	0.29	12.32	04.30.2024
HITACHI ENERGY CHILE SA	Labor obligations of the contract	US\$	21.14	21.14	12.31.2024
HITACHI ENERGY CHILE SA	Faithful fulfillment of the contract	US\$	37.43	37.43	12.31.2024
Siemens Energy SpA	Faithful fulfillment of the contract	US\$	2,684.58	2,684.58	06.20.2024
NICOLAS A. PALMA Q. PRODUCC EVENTOS EIR	Guarantee for contract 8600000610	CLP\$	3,500.00	3.99	12.31.2024
SOCIEDAD PASTEN Y MARTINEZ LTDA	Faithful fulfillment of the contract	CLP\$	5,000.00	5.70	11.04.2024
SOCIEDAD PASTEN Y MARTINEZ LTDA	Labor obligations of the contract	CLP\$	5,000.00	5.70	11.04.2024
ROCKBLAST DESING SPA	Seriousness of the offer	UF	0.10	4.20	03.04.2024
Tecnored S.A.	Seriousness of the offer	UF	0.10	4.20	04.10.2024

b) Guarantees with third parties

b.1) Guarantees associated with crossovers

As of December 31, 2023, guarantee deposits issued are detailed as follows:

Guarantees associated with crossovers					
Beneficiary	Purpose	Origin Currency	Balance in US\$	Issue Date	Termination Date
Regional Director of Metropolitan Roads	Guarantee the payment of damages to third parties in crossing works	UF	1,405	01.31.2019	Past due - Collection in transit
Regional Director of Metropolitan Roads	Guarantee the payment of damages to third parties in crossing works	UF	826	01.31.2019	Past due - Collection in transit
Regional Director of Metropolitan Roads	Guarantee the payment of damages to third parties in crossing works	UF	826	01.31.2019	Past due - Collection in transit
Regional Director of Metropolitan Roads	Guarantee the payment of damages to third parties in crossing works	UF	826	01.31.2019	Past due - Collection in transit

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 19 - Commitments and Contingencies (continued)

b) Guarantees with third parties (continued)

b.2) Guarantees associated with financing

Type of guarantee	Beneficiary	Purpose	Origin Currency	Balance in US\$	Termination Date
First Mortgage on Real Estate	Scotiabank Chile - Local agent Citibank - Offshore agent Bondholders	To guarantee compliance with the bond payment obligations to bondholders, through mortgages of the following real estate:			
Non-possessory First Pledge on Assets	Scotiabank Chile - Local agent Citibank - Offshore agent Bondholders	To guarantee compliance with the bond payment obligations to bondholders, through mortgages of:			
Non-possessory First Pledge on Rights	Scotiabank Chile - Local agent Citibank - Offshore agent Bondholders	To guarantee compliance with the payment obligations of the bond, by means of a non-possessory pledge on the right of:	US\$	1,073,369,000	06.30.2056
Non-possessory First Pledge on Electrical Concession Rights	Scotiabank Chile - Local agent Citibank - Offshore agent Bondholders	To guarantee compliance with the payment obligations of the bond, by means of a pledge on:			
Non-possessory First Pledge on Permitted Money and Investments	Scotiabank Chile - Local agent Citibank - Offshore agent Bondholders	To guarantee compliance with the payment obligations of the bond, by means of a first pledge on:			
Credit facility Scotiabank Chile	Scotiabank Chile - Local agent Citibank - Offshore agent Bondholders	Guarantee compliance with interest payment obligations in favor of INTERCHILE bondholders, through the Credit Facility granted by Scotiabank Chile.	US\$	24,150,000	09.22.2024

INTERCHILE has commitments or covenants related to the delivery of information and to comply with obligations arising from the execution of contracts with bondholders. These commitments have no effect on the Company's right to defer its obligation beyond the reporting period. A minimum debt service coverage ratio is required to be determined in order to:

- Incurring additional debt
- Pay dividends

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 19 - Commitments and Contingencies (continued)

b) Guarantees with third parties (continued)

b.2) Guarantees associated with financing (continued)

Covenants	Data	2023	2022
A. Base contract 4.2 a) iv)	Debt Service Coverage Ratio	1.30	1.46
	Minimum ratio (only for dividend payments)	1.15	1.15

Additionally, there are commitments related to information reporting, compliance with insurance and guarantees, among other financial, environmental and legal commitments. As of December 31, 2023, INTERCHILE has complied with its financing commitments.

c) Insurance policies

Company	Policy	Amount Insured		Term Until
MAPFRE	Electronic Equipment Insurance	27,986	UF	04.20.2024
MAPFRE	Electronic Equipment Insurance (Endorsement)	1,557	UF	04.20.2024
Zurich Colombia	Civil Liability for D&O	60,000,000	US\$	07.27.2024
Zurich Chile	Civil Liability for D&O	10,000,000	US\$	07.27.2024
Zurich Colombia	Data Protection and Information Security	60,000,000	US\$	07.31.2024
Zurich Colombia	Infidelity Insurance and Financial Risks IRF	20,000,000	US\$	05.31.2024
Southbridge	General Civil Liability	10,000,000	US\$	07.01.2024
MAPFRE	Property	417,391,200	US\$	06.01.2024
MAPFRE	Fire / Terrorism Operation	417,391,200	US\$	06.01.2024
Zurich Chile	CRIME// Infidelity Insurance and Financial Risks IRF	5,000,000	US\$	05.31.2024
FID	Civil Liability (Lease)	3,000	UF	02.28.2024
BCI Seguros	Motor Vehicles	9,800	UF	08.31.2024

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 19 - Commitments and Contingencies (continued)

d) Details of litigation and legal proceedings

Relevant legal procedures

Place of trial or appeal: 2nd Environmental Court.

Matter: 3 Claims against the SEA for rejecting an appeal for invalidation of the Environmental Qualification Resolution (RCA) No.1608/2015.

Filed by: Comunidad Agrícola La Dormida, Cámara de Turismo de Olmué

A.G. y Organización Comunitaria Funcional Vecinos Los Nogales Ex Fundo Loreto.

Claimants' demands: That RCA No.1608/2015 be invalidated.

Status: An appeal has been filed with the Supreme Court, in agreement to draft a final judgment.

Place of trial or appeal: 2nd Environmental Court Case No. D-056-2020.

Matter: Claim for environmental damage.

Claimants' demands: Remediation of environmental damage.

Status: The parties are in a conciliation and trial process.

Place of trial or appeal: Superintendence of the Environment (SMA), Exempt Resolution No. 9/ROL D-096-2018 of November 24, 2020 reformulates charges.

Matter: Sanctioning process for violation of RCA N°1608/2015 and Supreme Decree N°38/2011 of the Ministry of the Environment.

Status: Rejected appeals filed by the parties, so the SMA will have to reclassify the seriousness of the violations as minor.

Place of trial or appeal: Superintendence of the Environment (SMA), Exempt Resolution No. 1/ROL D-129-2020 of September 25, 2020 formulates charges.

Matter: Sanctioning process for violation of RCA N°1608/2015.

Status: Pending ruling on the appeal filed for the rejection of the compliance program.

Place of trial or appeal: Local Police Court,

Matter: Complaint for non-compliance with the Native Forest Protection Law No. 20,283. Filed by: Chilean National Forestry Corporation.

Claimants' demands: Sentenced with a fine of 13,500 UTM and ThUS\$ 640 respectively, in addition to the presentation of a Corrective Plan for both cases.

Status: This corporation made a series of complaints for violations of this law, which are in different procedural stages, the most relevant being Roles No. 2445-2019 in JPL Illapel and Rol No. 4971-2019 in JLP Til Til.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 19 - Commitments and Contingencies (continued)

d) Details of litigation and legal proceedings (continued)

Relevant legal procedures (continued)

Place of trial or appeal: Civil Courts.

Matter: Claim for appraisal.

Status: from the discussion stage to the filing of appeals.

Claimants' demands: Claimants' demands in each case are always disproportionate to the amount set by the Commission, sometimes exceeding 10 times the original amount. However, court rulings have consistently recognized increases of less than 50% of the amount originally set by the Commission. It should be considered that the appraisal claim is an action that is part of the project budget process, since it is considered to be part of the business of establishing assets that affect the properties.

Place of trial or appeal: Civil Courts.

Matter: Claim for compensation of damages

Filed by: Strunk and others.

Status: declared abandonment of the proceeding. Claimants' demands: Compensation for damages in the amount of ThUS\$1,843.

Place of trial or appeal: Civil Courts Case No. C-18956-2020.

Matter: Compensation for damages for tort liability.

Filed by: Luz del Norte SpA.

Claimants' demands: Compensation for damages in the amount of ThUS\$3,047.

Status: Rejected the claim filed by the court of first instance. Appeal and cassation appeal filed by plaintiff, which is pending before the Court of Appeals of Santiago.

Place of trial or appeal: Civil Courts.

Matter: Complaint of new construction.

Filed by: different owners.

Claimants' demands: to stop the construction of the works.

Status: from the first instance judgment stage to the filing of appeals.

Place of trial or appeal: Civil Court.

Matter: Compulsory performance of contract plus compensation for damages.

Filed by: Felval S.A.

Claimants' demands: to receive an estimated compensation of ThUS\$139.

Status: Judged, on November 10, 2023, partially accepting the claim and sentencing Interchile to compensate for damages to the claimant for ThUS\$11.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 19 - Commitments and Contingencies (continued)

d) Details of litigation and legal proceedings (continued)

Relevant legal procedures (continued)

Place of trial or appeal: Civil Courts , Case No. C-9695-2018.

Matter: Compensation for damage.

Filed by: Powerteck SPA.

Claimants' demands: to receive an estimated compensation of ThUS\$1,831.

Status: Appeal of the first instance decision.

Place of trial or appeal: Civil Court.

Matter: revocation action.

Filed by: Creditors of ISOLUX Ingeniería, Agencia en Chile.

Claimants' demands: restitution to ISOLUX's patrimony for the purposes of its bankruptcy proceeding for an estimated amount of ThUS\$116.

Status: first instance judgment, rejecting the claim, on appeal in the Supreme Court.

Proceedings in favor

Place of trial or appeal: Civil Court.

Matter: Exercise of easement.

Plaintiff: INTERCHILE S.A. against: Consultora Predial SPA.

Claimants' demands: to receive an estimated compensation of ThUS\$292..

Status: Appeal ruling confirming the sentence. Appeal filed by the defendant, in relation to the case.

Place of trial or appeal: International Center for Settlement of Investment Disputes. Matter: international investment dispute.

Plaintiff: Interconexión Eléctrica S.A. E.S.P. (ISA), ISA Inversiones Chile SPA and Interchile S.A.

Against: Chilean Government.

Claims: to receive an estimated compensation of ThUS\$235,727.

Status: discussion stage.

Note 20 - Environment

The Company participates in the electricity transmission market and its transmission assets are essential for the implementation of the decarbonization strategy of the Chilean energy matrix, as they allow the entry of renewable energy (wind and solar) produced in the Big North into the national electricity system.

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 20 - Environment (continued)

In terms of environmental compliance, the Company performs a proactive and diligent management to improve its performance and socio-environmental management, within the framework of current legislation and are managed through the Environmental Impact Assessment System SEIA, through two Environmental Qualification Resolutions (RCA) associated with its main assets: RCA 240/2016 for LT Encuentro-Lagunas and RCA 1608/2015 for LT Cardones-Polpaico.

The Company is facing two sanction proceedings (D-096-2018 and D-129-2020), by the Superintendence of the Environment (SMA); to ensure compliance with environmental commitments and normalize deviations, the Company has submitted to the Environmental Authority (SMA) a Compliance Program (PDC), which is currently under review.

As part of its sustainability strategy, the Company is committed to measuring, reducing and offsetting its greenhouse gas (GHG) emissions, and since 2021 it has been a carbon neutral company in its operations, the Company obtained from ICONTEC the Carbon Neutrality Certification in Scope I and II (operation and maintenance of assets).

In 2023, the Company made investments of approximately ThUS\$6,157 to meet its environmental commitments, both the mandatory measures established in the RCA and its voluntary commitments with communities.

Note 21 - Foreign Currency

At the closing date of the financial statements, the Company maintains balances in Chilean pesos, as follows:

21.1) Summary of foreign currency balances

Type or Class of Foreign Currency Assets or Liabilities, Summary	Amount Expressed in Presentation Currency		
	Type of Origin Currency	2023 ThUS\$	2022 ThUS\$
Current assets	CLP\$	26,430	28,089
Total assets		26,430	28,089
Current liabilities	CLP\$	3,373	6,676
Non-current liabilities	CLP\$	-	-
Total liabilities		3,373	6,676
Paid-in capital	CLP\$	370,136	370,136

INTERCHILE S.A.

Notes to the Financial Statements

As of December 31, 2023 and 2022

Note 21 - Foreign Currency (continued)

21.2) Currency balances, current and non-current assets

Type or Class of Foreign Currency Assets, Current Assets	Amount Expressed in Presentation Currency		
	Type of Origin Currency	2023 ThUS\$	2022 ThUS\$
Cash and cash equivalents	Ch\$	141	439
Other current financial assets.	Ch\$	8,104	7,894
Trade and other receivable, current	Ch\$	17,993	19,454
Other current non-financial assets.	Ch\$	192	301
Current tax assets, current	Ch\$	-	1
Total current assets		26,430	28,089

21.3) Currency balances, current and non-current liabilities

Type or Class of Foreign Currency Liabilities	Amount Expressed in Presentation Currency		
	Type of Origin Currency	2023 ThUS\$	2022 ThUS\$
Trade and other payables	Ch\$	3,013	2,985
Current tax liabilities, current	Ch\$	360	1,022
Non-current financial liabilities	Ch\$	-	12,426
Total current and non-current liabilities		3,373	16,433

Note 22 - Subsequent Events

On December 31, 2023, Mr. Juan Emilio Posada Echeverry resigned as President and Director of the Company, effective January 2, 2024.

On February 1, 2024, the Company granted financing to the related company Interconexiones del Norte S.A. in the amount of ThUS\$15,000.

As of the date of these financial statements, the Company is not aware of any other subsequent events that would require disclosure.