

Financial Statements

For the periods ended December 31, 2021 and 2020

ALFA TRANSMISIÓN S.A.

Thousands of U.S. dollars

This document includes:

- Independent Auditors' Report**
- Financial Statements**
- EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**

Alfa Transmisión S.A.
Classified Statements of Financial Position
December 31, 2021 and 2020
(In thousands of U.S. dollars)

ASSETS	Note No.	December 31, 2021 ThUS\$	December 31, 2020 ThUS\$
Current assets			
Cash and cash equivalents	7	16,149	12,082
Other non-financial assets, current	8	454	138
Trade and other receivables, current	9	40,546	25,390
Receivables due from related parties, current	10(b)	-	1,932
Inventories, current	-	1,023	899
Current tax assets	11	8,161	5,232
Total current assets		66,333	45,673
Non-current assets			
Trade and other receivables, non-current	9	-	1,868
Intangible assets other than goodwill	12	39,202	39,132
Property, plant and equipment	13	358,671	337,487
Right-of-use assets	14	87	167
Total non-current assets		397,960	378,654
ASSETS		464,293	424,327

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

Alfa Transmisión S.A.
Classified Statements of Financial Position (continued)
December 31, 2021 and 2020
(In thousands of U.S. dollars)

LIABILITIES AND EQUITY	Note No.	December 31, 2021 ThUS\$	December 31, 2020 ThUS\$
Current liabilities			
Lease liabilities, current	15	110	99
Trade and other payables	16	51,218	7,472
Other provisions, current	17	1,220	1,220
Other non-financial liabilities, current	19	2,753	5,042
Total current liabilities		55,301	13,833
Non-current liabilities			
Lease liabilities, non-current	15	10	50
Payables due to related parties, non-current	10(b)	-	15,079
Deferred tax liabilities	18(b)	63,656	57,193
Other non-financial liabilities, non-current	19	12,635	14,450
Non-current liabilities		76,301	86,772
Total liabilities		131,602	100,605
Equity			
Share capital	20	154,750	99,235
Retained earnings (loss)	20(b)	16,557	62,314
Other reserves	20(c)	161,384	162,173
Total equity		332,691	323,722
TOTAL LIABILITIES AND EQUITY		464,293	424,327

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

Alfa Transmisión S.A.
Statements of Comprehensive Income, by Nature
for the years ended December 31, 2021 and 2020
(In thousands of U.S. dollars)

STATEMENTS OF COMPREHENSIVE INCOME BY NATURE	Note No.	January - December	
		2021 ThUS\$	2020 ThUS\$
Revenue	6 and 21	68,953	80,218
Raw materials and consumables used	22	(10,904)	(12,283)
Depreciation and amortization expense	23	(11,617)	(11,047)
Other expenses, by nature	-	(1,456)	(1,006)
Other (losses) gains	25	731	(879)
Profit from operations		45,707	55,003
Finance income	-	49	94
Finance costs	-	(471)	(110)
Foreign currency translation differences	24	(1,740)	2,439
Profit before tax	-	43,545	57,426
Income tax expense	18(a)	(11,777)	(15,519)
Profit (loss) from continuing operations	-	31,768	41,907
PROFIT		31,768	41,907
STATEMENTS OF OTHER COMPREHENSIVE INCOME	Note No.	January - December	
		2021 ThUS\$	2020 ThUS\$
Profit		31,768	41,907
Components of other comprehensive income before taxes:			
Other items of other comprehensive income before taxes	-	-	-
Income taxes related to items of other comprehensive income	-	-	-
Total other comprehensive income	-	-	-
TOTAL COMPREHENSIVE INCOME		31,768	41,907

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

Alfa Transmisión S.A.
Statement of Cash Flows
for the years ended December 31, 2021 and 2020
(In thousands of U.S. dollars)

STATEMENTS OF CASH FLOWS - DIRECT METHOD	Note No.	December 31, 2021 ThUS\$	December 31, 2020 ThUS\$
Cash flows from (used in) operating activities			
Cash receipts from operating activities			
Cash receipts from sale of goods and rendering of services	-	112,746	86,744
Other cash receipts from operating activities	-	-	68
Classes of cash payments from operating activities			
Cash payments to suppliers for goods and services	-	(19,147)	(16,539)
Other cash payments for operating activities	-	(10,507)	(8,071)
Cash flows from operations	-	83,092	62,202
Interest received	-	193	94
Income taxes paid	-	(8,948)	(22,825)
Other cash payments	-	(7)	(124)
Net cash from operating activities	-	74,330	39,347
Cash flows from (used in) investing activities			
Acquisition of property, plant and equipment	-	(30,197)	(14,626)
Proceeds from the sale of property, plant and equipment	-	-	2,632
Net cash used in investing activities	-	(30,197)	(11,994)
Cash flows from (used in) financing activities			
Proceeds from borrowings			
Proceeds from share issuance	-	55,515	-
Loans from related parties	-	40,000	15,000
Repayment of related party financing	-	(55,000)	(37,977)
Payment of lease liabilities	-	(116)	(222)
Dividends paid	-	(90,887)	(13,091)
Interests paid	-	(515)	-
Other cash receipts (payments)	-	13,000	-
Net cash from (used in) financing activities	-	(38,003)	(36,290)
Net increase (decrease) in cash and cash equivalents before the effect of movements in exchange rates on cash held	-	6,130	(8,937)
Effects of exchange rate changes on cash and cash equivalents			
Effects of exchange rate changes on cash and cash equivalents	-	(2,063)	(1,269)
Net increase (decrease) in cash and cash equivalents	-	4,067	(10,206)
Cash and cash equivalents at the beginning of the year	-	12,082	22,288
Cash and cash equivalents at the end of the year	7	16,149	12,082

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

Alfa Transmisión S.A.
Statement of Changes in Equity
for the years ended December 31, 2021 and 2020
(In thousands of U.S. dollars)

STATEMENTS OF CHANGES IN EQUITY	Note	Share capital	Other reserves	Retained earnings (losses)	Equity
		ThUS\$	ThUS\$	ThUS\$	ThUS\$
Equity as previously reported		99,235	162,173	62,314	323,722
Increase (decrease) in equity due to correction of errors		-	-	-	-
Restated equity		-	-	-	-
Changes in equity					
Comprehensive income (loss)					
Profit (loss)				31,768	31,768
Other comprehensive income (loss)				-	-
Share issue		55,515	-	-	55,515
Dividends		-	-	(78,314)	(78,314)
Increase (decrease) from other changes		-	(789)	789	-
Increase (decrease) in equity		55,515	(789)	(45,757)	8,969
Equity as of 12.31.2021	20	154,750	161,384	16,557	332,691

STATEMENTS OF CHANGES IN EQUITY	Note	Shareholders' capital	Other reserves	Retained earnings/(accumulated deficit)	Equity
		ThUS\$	ThUS\$	ThUS\$	ThUS\$
Equity as previously reported		99,235	164,328	32,192	295,755
Increase (decrease) in equity due to correction of errors		-	-	-	-
Restated equity		-	-	-	-
Changes in equity					
Comprehensive income (loss)					
Profit (loss)				41,907	41,907
Other comprehensive income (loss)				-	-
Dividends		-	-	(12,572)	(12,572)
Increase (decrease) from other changes		-	(2,155)	787	(1,368)
Capital increase (decrease)		-	(2,155)	30,122	27,967
Equity as of 12.31.2020	20	99,235	162,173	62,314	323,722

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

ALFA TRANSMISIÓN S.A.
NOTES TO THE FINANCIAL STATEMENTS

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ALFA TRANSMISIÓN S.A.
NOTES TO THE FINANCIAL STATEMENTS
(In thousands of U.S. dollars)

1. General information

Alfa Transmisión S.A. (the "Company") was incorporated via public deed dated June 28, 2012, witnessed by the Notary Public of Santiago Mr. Raúl Undurraga Laso. The Company's Taxpayer ID is 76.218.856-2.

The Company is registered with the Special Record of Reporting Entities under number 264 from December 4, 2012 and is accordingly subject to the oversight of the Chilean Financial Market Commission.

The Company is a subsidiary of Alfa Transmisora de Energía S.A., which holds 100% of its direct and indirect ownership interest.

The registered address of Alfa Transmisión S.A. is located at Avenida Apoquindo 4501, office 1902, Las Condes, Santiago.

2. Description of business

Company's line of business

The Company's line of business is the transportation of energy through domestic, zonal and dedicated transmission systems or other classifications of transmission facilities defined by the Transmission Law, acting on its own or on behalf of third parties; the sale of the transportation capacity available and transformation of electricity in the Domestic Electric System (SEN); the administration or operation of electric transmission facilities owned or of third parties; the management of the connection of third parties to its transmission facilities; the provision of services in activities related to its line of business, either in Chile or abroad; the performance of any other activity related to the electric energy transmission industry; and, in general, the performance of all types of acts and entering into all types of contracts and conventions, directly or indirectly related to the line of business, which it can perform directly or through other companies.

The electricity market

The Chilean power sector has a regulatory framework of almost 4 decades of operations. Such framework allowed developing a highly dynamic industry with significant private equity interest. This sector has been able to comply with the increasing power demand, which has grown at an annual average approximate rate of 2.8% during the last 10 years, slightly lower compared to the GDP during the same period.

Chile has 3 interconnected systems and Alfa Transmisión S.A. operates in the largest one, the National Power System (SEN), which goes from Arica in the north to Isla Grande de Chiloé in the south area of the country. Consumption in such system represents more than 99% of the electric demand in Chile and provides services to more than 98% of the domestic population.

The current regulatory scenario is based on Decree with Force of Law No. 4 issued by the Ministry of Economy, Economic Development and Reconstruction of 2006, which establishes the revised, coordinated and systematized text of the "General Electric Service Law" or "LGSE" (per its acronym in Spanish). The LGSE and complementary regulations determine the technical and security standards by which any electric facility in Chile has to be regulated and, in particular, regulates the generation, transportation (transmission) and distribution activities, electric concessions and easements and the rates applicable to each segment, and the regulating body in charge of coordinating the system's operations in conformity with quality and safety conditions in the facilities and the relations of companies and individuals with the Government.

The LGSE considers, among other aspects, the following:

- Definition of the duties of Transmission Systems.
- Long-term Energy Planning and Transmission Planning process.
- Pricing and remuneration model for the different segments in the Transmission System.
- Preliminary definition of the layout of transmission lines for certain new works, through a Transmission Line Route Survey Procedure, which is the responsibility of the Ministry of Energy.
- Regulation of the Open Access Regime.
- Regulation of compensations to end users for unauthorized unavailability of supply based on safety and quality standards established previously.
- Independent Coordinator of the National Electric System, hereinafter referred to as the Coordinator.

The electricity sector is divided into three clearly different segments: Generation, Transmission and Distribution. The Company is involved in the Transmission segment, both for regulated customers (National System, Zonal Systems and Development Axes) and contracts with customers that are both Generators and Unregulated Customers to provide them with Transmission Services (Dedicated Systems).

The business

Alfa Transmisión S.A.'s business is the transportation of electric energy. The current framework regulating the electrical transportation business in Chile defines the transmission systems and classifies their facilities in four categories: Domestic Nationwide Transmission Systems, Zonal Transmission Systems, Transmission Systems for Development Axes and Dedicated Transmission Systems. For the first three mentioned above, rates are established by the Ministry of Energy and establish an open access regime under non-discriminatory conditions. For Dedicated Systems transmission facilities access should be granted provided that available transmission technical capacity exists as determined by the Coordinator, with no prejudice of the capacity engaged or own projects that have been feasibly contemplated at the time of the request for use by the interested third party. In addition, the currently effective regulations establish the criteria and procedures through which the consideration that the owner of the transmission facilities will be entitled to receive is determined.

Regulated Systems

Revenues from existing facilities of the National, Zonal and Development Pole Transmission Systems are constituted by the Annual Transmission Value per Tranche (VATT), which is calculated on the basis of the Annualized Value of Investment (AVI) of each tranche, plus the Operation, Maintenance and Administration Costs (COMA) for each of the tranches that make up these systems. Likewise, revenue for the use of dedicated transmission facilities by users subject to pricing regulations are composed of a proportional amount of their VATT that can be allocated to such users.

The sections comprising such systems and their related VATT are determined every four years by the National Energy Commission (CNE) based on the Study(ies) on the Valuation of Transmission Systems conducted by a consultant selected through an international public tender process.

The payment of the National, Zonal and Dedicated Transmission Systems used by users subject to pricing regulations will be the responsibility of both end regulated and unregulated users. For the payment of Transmission Systems for Development Axes a single charge is established so that collection associated therewith provides a consideration for the proportional amount of facilities for development axes not used or the existing energy generation; and VATT not covered by such charge, will be assumed by the generators injecting their production in the related axis.

For the National Transmission System Law No.20.936 established a transition period defined between 2019 and 2034 to gradually replace the previous remuneration and payment with the new system described above. During 2019, generators and final customers entered into an agreement to advance the transitional period; and accordingly, since 2019, the regulated tariffs of the National Transmission segment are paid to the transmitters

through the Single National Transmission Charge. For Zonal Transmission Systems the new remuneration and payment system started being applied from January 1, 2018, also through a Single Zonal Transmission Charge.

Dedicated Systems

Revenue from the use of Dedicated Transmission Systems is obtained from provisions agreed and established in the transportation contracts entered into between the users and the owners of those facilities, and usually, their price is established through the calculation of AVI + COMA Costs determined through a mutual agreement between the parties.

Notwithstanding the fact that the dedicated facilities are essentially destined to inject the production of energy generation power plants into the system or to supply electric energy to unregulated customers, the authority could possibly declare them as National, Zonal or Development Axes if their operating conditions change and comply with the relevant requirements, which are defined in the law.

System's Expansion

The CEN is in charge of conducting the international public tender processes for expansion projects for either new or extension works. The new works, where operation and performance rights will be awarded to the tenderer presenting the lowest VATT for the project under the public tender process, which must assume, in addition to the construction of the project, its operation when the awarded work is put into service. In the case of expansion works, the bidding for the construction and execution of works for the expansion of existing facilities will be resolved according to the VI offered, and will be remunerated by the owner of the facility with a VATT calculated in accordance with the awarded VI.

Facilities

Alfa Transmisión S.A. has approximately a total of 899 km of transmission lines divided into 335 km of lines in the National segment, 70 km in the Zonal segment and 494 km in the Dedicated segment. In addition, the Company has 27 substations.

Central-North Zone

The Company's transmission systems begin in the North in the Aconcagua river basin for the injection of the power plants owned by Colbún S.A. and for the supply for certain Unregulated Customers (Codelco Andina, Anglo American for operations referred to as Los Bronces, Las Tórtolas and Cemento Melón). Additionally, in the 110 kV system between Substation Los Maquis and Substation Esperanza there are several regulated consumers connected, including the cities of Los Andes and San Felipe.

Central-South Zone

The main system is the line from Substation Colbún in the Maule Region of Chile to Substation Maipo in the metropolitan Region, which was developed originally to inject power generation from the Colbún – Machicura Complex directly into the system's central zone and which is now a part of the National System. Additionally, this system is used to connect Codelco's El Teniente Division to the interconnected system through the Candelaria substation. This area also connects CMPC for its Cordillera facilities in Puente Alto from Substation Maipo through a line owned by CMPC, and the Procart plant in Yervas Buenas from Substation Colbún and a dedicated line owned by Alfa Transmisión S.A.

South Zone

It has dedicated systems for the connection of Colbún's power stations and power stations of third parties to the interconnected system.

The Mulchén substation is part of this area and is classified as part of the National System and a significant number of other generators are connecting to it and a connection for a distribution company is already operating.

3. Basis of presentation

3.1 Accounting principles

The interim financial statements of Alfa Transmisión S.A. as of December 31, 2021, have been prepared in accordance with International Financial Reporting Standards (IFRS).

The interim financial statements have been prepared under the going concern assumption and approved by the Board of Directors for issue on March 31, 2022.

The Company complies with all legal conditions to which is subject, presents normal operating conditions in each area in which its activities are performed, its projections show profitable operations, and has the capacity to access the financial system to finance its operations, which, in Management's view determines its ability to continue as a going concern, as established by the accounting standards under which these interim financial statements are issued.

The following are the Company's significant accounting policies adopted in preparing these financial statements. These policies have been applied consistently to all periods presented in these interim financial statements.

a. Basis of preparation and period - These interim financial statements of Alfa Transmisión S.A. comprise the following:

- Statement of Financial Position as of December 31, 2021 and 2020.
- Statements of comprehensive income: for the years ended as of December 31, 2021 and 2020.
- Statements of cash flows for the years ended December 31, 2021 and 2020.
- Statement of Changes in Equity for the years ended December 31, 2021 and 2020.

The information contained in these financial statements is the responsibility of the Company.

The financial statements have been prepared under the historical cost criterion.

b. Functional currency and foreign currency translation - The financial statements are presented in United States dollars, which is the Company's functional and presentation currency.

Transactions in local and foreign currencies, other than the functional currency, are translated into the functional currency at the exchange rates prevailing at the dates of the transactions.

Gains and losses in foreign currency that result from the settlement of these transactions and from translation at the closing exchange rates for monetary assets and liabilities denominated in currencies other than the functional currency, are recognized in the statement of profit or loss, unless they have to be deferred in equity, as in the case of cash flow hedges and net investment hedges.

c. Basis of translation - Assets and liabilities denominated in Chilean pesos and inflation-adjusted units have been translated into United States dollars at the exchange rates prevailing at the reporting date, as follows:

Exchange rate	12.31.2021	12.31.2020
Chilean peso	844.69	710.95
Inflation-adjusted units	0.0273	0.0245

d. Financial instruments

d.1. Financial assets – All financial assets have been classified as loans and accounts receivable, and correspond to balances with third parties and related parties for transactions arising from current commercial and financial operations, which have been performed on an arm's length basis and at market prices. They are measured at amortized cost, which is the value of the consideration received less accumulated amortization (calculated using the effective interest method).

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

d.2. Impairment of non-derivative financial assets – The Company applies a simplified approach and records expected credit losses on all its debt securities, loans and trade receivables, whether for a 12-month period or for lifetime, as established by IFRS 9.

Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency of payments, are considered indicators that the trade receivable is impaired. Impairment is the difference between the carrying amount of the asset and the real value of estimated future cash flows discounted at the effective interest rate. The loss is recognized in the statement of comprehensive income and reflected in an allowance account.

When a receivable is classified as a doubtful account, after all reasonable mechanisms of collection, either judicial or pre-judicial, have been exhausted as per the related legal report; and its related write-off applies, this is recorded against the impaired trade receivables.

When the fair value of an asset is lower than the acquisition cost, if objective evidence exists that the asset is impaired and such impairment is other than temporary, the difference is recorded directly in losses for the period.

Financial assets at fair value through profit or loss are not subject to impairment tests.

d.3. Financial liabilities - All financial liabilities have been classified as other financial liabilities and correspond mainly to balances with related entities for transactions arising from current commercial and financial operations, which have been carried out under legal equity standards and at market prices at the time of their execution. They are initially measured at the amount of cash received, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

e. Property, plant and equipment - Property, plant and equipment held for the transmission of power services or administrative purposes, are presented at cost less subsequent depreciation and impairment losses, if applicable (see note 5.b). Cost includes, in addition to the acquisition price of assets, the following concepts as permitted by IFRS:

- Finance cost of loans intended to finance assets under construction is capitalized during the construction period.
- Personnel expenses directly related to assets under construction.
- Costs of extensions, modernization or improvements representing an increase in the productivity, capacity or efficiency or lengthening of the useful lives of assets, are capitalized as higher cost of the related assets.
- Replacements or renewals of items that increase the useful life of the assets, or their economic capacity, are recorded as an increase in the value of the respective assets, with the consequent accounting derecognition of the replaced or renewed assets.
- Dismantling, removal and restoration costs of property, plant and equipment are recognized based on the legal obligation of each project.

Assets under construction will be transferred to property, plant and equipment in operation after completion of the test period, at which time depreciation commences.

Periodic maintenance, conservation and repair expenses are recorded directly in profit or loss as costs for the period in which they are incurred.

Items of property, plant and equipment, net of their residual value are depreciated by allocating, on a straight-line basis, the cost of different items over their estimated useful life.

f. Leases – The implementation of IFRS 16 implies that, for lessees, most of the leases are recognized in the balance sheet, which significantly changes the companies' financial statements and related ratios. The company maintains leases for its office floors and vans.

f.1 Lessee - From the lessee's standpoint, in the commencement date of a lease, the Company recognizes an asset representing the right to use the underlying asset during the lease term (right-of-use asset) and a liability representing its obligation to make lease payments (lease liability), except for leases which term is less than 12 months (with no extension option), and leases where the underlying asset amounts to less than US\$5,000. The lessee shall recognize interest expense on the lease liability separately from the amortization expense for the right-of-use asset.

f.1.1 Initial recognition - At the commencement date, a lessee shall measure the right-of-use asset at cost; whereas a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

f.1.2 Classification – All leases are classified as finance leases, and the lessee records a right-of-use asset and lease liability at the commencement date.

f.1.3 Remeasurement - In addition, lessees will be required to remeasure the lease liability if certain events occur (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or a rate used to determine those payments). In general, the lessee shall recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

f.1.4 Depreciation charge - A lessee shall apply the depreciation requirements in IAS 16 Property, plant and equipment in depreciating the right-of-use asset.

f.1.5 Impairment – A lessee shall apply IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

f.2 Lessor - Lessor accounting in accordance with IFRS 16 is substantially similar to the accounting under IAS 17. Lessors will continue to classify leases as finance or operating leases at the commencement date, based on the substance of the transaction. Leases in which substantially all the risks and rewards incidental to the ownership of the underlying asset are transferred are classified as finance leases. The remaining leases are classified as operating leases.

Operating lease payments are expensed on a straight-line basis over the term of the lease, unless another systematic basis of distribution is more representative.

g. Intangible assets other than goodwill - Correspond to easements acquired for the construction and operation of the transmission lines. They are measured at acquisition cost, less impairment losses, if appropriate.

h. Statement of cash flows - For the preparation of the statement of cash flows, the Company uses the following definitions:

Cash and cash equivalents include cash, term deposits in financial institutions, and other highly liquid short-term investments with original maturities of three months or less. Bank overdrafts are classified as current liabilities in the statement of financial position.

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

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.

Financing activities: activities that generate changes in the size and composition of net equity and financial liabilities.

i. Income tax - The Company determines the taxable basis and calculates income tax in accordance with current tax legislation in each period.

Deferred taxes arising from temporary differences and other events generating differences between the accounting and tax basis of assets and liabilities are recorded as deferred taxes in accordance with IAS 12 "Income Taxes."

Current and deferred income taxes are recognized in the statement of comprehensive income or in the statement of other comprehensive income based on where the profit or loss from which they arose is recorded.

Deferred tax assets or liabilities are calculated using the tax rates that are expected to be effective when the assets and liabilities are realized.

A deferred tax asset is recognized only to the extent that is probable that future taxable profits will be available against which the temporary difference can be utilized to recover temporary difference deductions.

For the statement of financial position, the Company offsets deferred tax assets and liabilities if, and only if, they relate to the income tax corresponding to the same tax administration, only to the extent that the Company is legally entitled to offset current tax assets with current tax liabilities.

j. Revenue from contracts with customers - Revenue from the transmission of power is recognized at the fair value of the amount received or receivable, and represents the amount for services rendered during the normal course of business, less any related discount or tax, in accordance with IFRS 15.

j.1 Principal versus agent considerations - In contracts for the transmission of energy, the Company is considered as the principal responsible for delivering the goods and services specified, mainly because the Company assumes the credit risks arising from such transactions. In accordance with the current accounting policy, in terms of the existence of a credit risk and the nature of the consideration in the contract, the Company is exposed to significant associated risks and benefits and, accordingly, it accounts for the contracts as a principal.

j.2 Amounts collected on behalf of third-parties - Any tax received by customers and forwarded to government authorities (e.g. VAT, taxes on sales and taxes, etc.) are recorded on a net basis and, therefore, excluded from revenue in the statement of comprehensive income.

j.3 Finance income - Finance income is composed of interest income in funds invested, gains from the sale of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss and gains from hedge instruments that are recognized in comprehensive income. Interest income is recognized as it accrues in profit or loss at the amortized cost using the effective interest method.

k. Classification of balances as current or non-current - Balances in the accompanying statement of financial position are classified on the basis of their maturities – i.e., balances maturing within twelve months or less are classified as current; whereas balances maturing in periods exceeding twelve months are classified as non-current.

l. Dividends – Article No.79 of the Chilean Public Company Act establishes that dividends in closely held shareholder corporations will be determined according to the Company's bylaws. According to the Company bylaws, except otherwise unanimously agreed by the shareholders with voting rights at the related meeting, the Company should distribute annually as a cash dividend at least 30% of the net profit for each period.

At each reporting date, Alfa Transmisión S.A., estimates the amount of the obligation with its shareholders, net of provisional dividends that have been approved during the year, which is recognized as "Payables due to related parties", as appropriate, as a debit to equity.

Provisional and final dividends are recorded as decreases in equity when approved by the relevant individuals which, in the first case, generally corresponds to the Company's Board of Directors, and in the second case the responsibility relates to the Shareholders' Ordinary Meeting.

m. Reclassifications - For comparative purposes, items related to provisions for national and zonal tariff adjustments were reclassified from Current Assets "Trade and other receivables" to Current Liabilities "Trade and other payables" for ThUS\$6,600 for the period December 2020.

3.2 New accounting pronouncements

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after January 1, 2021. Those that may be relevant for the Group are indicated below.

3.2.1. Standards effective beginning on January 1, 2021

Adopted standards		Mandatory application date
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform - Phase 2	January 1, 2021
IFRS 16	COVID-19-related Rent Concessions beyond June 30	April 1, 2021

IFRS 9, IAS 39 and IFRS 7 Benchmark Interest Rate Reform - Phase 2: In August 2020, the IASB issued the second phase of the Interest Rate Benchmark Reform, which comprises the amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Through this publication, the IASB completes its work to respond to the effects of the Interbank Offered Rate (IBOR) Reform on financial reporting.

The amendments provide temporary exceptions addressing the effects on financial reporting when an Interbank Offered Rate (IBOR) is replaced with alternative, nearly risk-free interest rates.

Amendments are required and early application is permitted. A hedging relationship must be resumed if such relationship was discontinued solely because of the changes required by the benchmark interest rate reform and, therefore, would not have been discontinued had the second phase of amendments been applied at that date. Although its application is retrospective, an entity is not required to restate prior periods.

The Standard is effective beginning on January 1, 2021.

IFRS 16 COVID-19-Related Rent Concessions: beyond June 30, 2021: In May 2020, the IASB issued an amendment to IFRS 16 Leases to provide relief to lessees in the application of IFRS 16 guidance related to lease modifications for rent concessions occurring as a direct result of the Covid-19 pandemic. The amendment does not apply to lessors.

As a practical expedient, a lessee can choose not to assess whether the COVID-19-related rent concession granted by a lessor is a lease modification. A lessee making this election will recognize the changes in lease payments from COVID-19-related rent concessions in the same manner as it would recognize the change under IFRS 16 as if such change were not a lease modification.

In March 2021, the IASB issued an amendment to IFRS 16 Leases to extend the availability of the practical expedient that considers the assessment of Covid-19-related rent concessions, for one additional year.

The 2021 practical expedient applies to lease concessions where the reduction in the lease corresponds only to payments originally due before June 30, 2022, provided that the other conditions established for the application of the practical expedient are met. The amendment will apply to annual periods beginning on or after April 1, 2021.

A lessee will apply the practical expedient retroactively, recognizing the accumulated effect of the initial application of the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as applicable) at the beginning of the reporting period in which the lessee first applies the amendment. The lessee is not required to disclose the information required by the paragraph 28 (f) of IAS 8.

In accordance with paragraph 2 of IFRS 16, a lessee is required to apply the practical expedient consistently to eligible contracts with similar characteristics and circumstances, regardless of whether the contract becomes eligible for the practical expedient as a result of the application of the amendment of 2020 or 2021.

This standard is effective beginning on April 1, 2021.

3.2.2. Accounting pronouncements effective beginning on January 1, 2022 and thereafter

Standards issued by the IASB yet to be adopted		Mandatory for
IFRS 3	Reference to the Conceptual Framework	January 1, 2022
IAS 16	Property, plant and equipment: Proceeds Before Intended Use	January 1, 2022
IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	January 1, 2022
IFRS 17	Insurance Contracts	January 1, 2023
IAS 1	Classification of Liabilities as Current or Non-current	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
IFRS 10 - IAS 28	Consolidated Financial Statements – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.	Mandatory date deferred indefinitely
IFRS 17 - IFRS 9	Comparative Information	When for the first time it applies the IFRS 17

Reference to the Conceptual Framework (Amendments to IFRS 3): In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework. These amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements (1989 Conceptual Framework) with a reference to the Conceptual Framework for Financial Reporting issued in March 2018, without significantly changing its requirements.

The amendments are effective for annual periods beginning on or after January 1, 2022, and must be applied retrospectively. Early application is permitted if an entity also applies, at the same time or earlier, all the other amendments included in the Amendments to References to the Conceptual Framework in IFRS Standards issued in March 2018.

The amendments will provide consistency in financial reporting and will avoid the confusion that could result from having more than one version of the Conceptual Framework in use.

Property, plant and equipment Proceeds before Intended Use (Amendments to IAS 16): This amendment prohibits entities from deducting from the cost of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity must recognize the proceeds from the sale of such items, and their cost, in profit or loss for the period, in accordance with applicable Standards.

The amendment is effective for periods beginning on or after January 1, 2022. The amendment must be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37): In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, to specify the costs an entity is required to include when assessing whether a contract is onerous or generates losses.

The amendment is effective for periods beginning on or after January 1, 2022. The amendment must be applied retrospectively to contracts existing at the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). Early application is permitted and must be disclosed.

The amendments are intended to clarify and help ensuring the consistent application of the standard. Entities which previously applied the incremental cost approach will experience an increase in provisions to reflect the incorporation of costs directly related to contract activities, while entities which previously recognized provisions for contract losses using the guidance in the previous standard, IAS 11 Construction Contracts, will need to exclude the allocation of indirect costs from their provisions.

IFRS 17 Insurance Contracts: Issued in May 2017, this Standard requires that insurance obligations be measured at current compliance values and provides a more consistent approach for presenting and measuring all insurance contracts. Such requirements are designed to provide a consistent principle-based accounting treatment.

This standard is effective for periods beginning on or after January 1, 2023. Early adoption is permitted if IFRS 9 and IFRS 15 have been adopted.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1): In June 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements to classify liabilities as current or non-current.

The amendments are effective for periods beginning on or after January 1, 2023. Entities must carefully consider whether there are any aspects of the amendments suggesting that terms of their existing loan agreements should be renegotiated. In this context, it is important to highlight that the amendments must be applied retrospectively.

Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements): In February 2021, the IASB issued amendments to IAS 1 and to the IFRS Practice Statement 2 Making Materiality Judgements, which provide guidance and examples to help entities apply materiality judgements for the disclosure of accounting policies.

The amendments are intended to assist entities in providing disclosures of accounting policies that are more useful for:

- Replacing the requirement for entities to disclose their "significant" accounting policies" with a requirement to disclose their "material" accounting policies.
- Including the approach on how the entities apply the concept of materiality in the decision-making process on the disclosure of accounting policies.

When assessing the materiality of the information on accounting policies, entities should consider both the size of the transactions and other events or conditions and their nature.

This amendment is effective for periods beginning on or after January 1, 2023.

Changes in Accounting Estimates and Errors - Definition of an Accounting Estimate (Amendments to IAS 8 Accounting Policies): In February 2021, the IASB issued amendments to IAS 8, which introduces a new definition of "accounting estimates." The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. In addition, they clarify how entities use the measurement techniques and inputs to account for estimates.

The modified standard clarifies that the effects on an accounting estimate, as a result of a change in an input or a measurement technique, are changes in accounting estimates as long as these are not the result of the correction of errors from prior periods. This definition specified that changes in accounting estimates may result from new information or developments. Accordingly, such changes are not correction of errors.

This amendment is effective for periods beginning on or after January 1, 2023.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendment to IAS 12 Income Taxes): The amendment establishes that the main change in the deferred tax related to assets and liabilities arising from a single transaction (amendments to IAS 12) is an exemption to the initial recognition of the exemption in IAS 12.15 (b) and IAS 12.24. Consequently, the initial recognition of the exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. This is also explained in the newly inserted paragraph IAS 12.22A.

This amendment is effective for periods beginning on or after January 1, 2023.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures (2011)" address a recognized inconsistency between the requirements of IFRS 10 and IAS 28 (2011) in the treatment of the sale or contribution of assets between an investor and its associate or joint venture. The amendments, issued in September 2014, establish that when the transaction involves a business (whether the business is housed in a subsidiary or not) the full gain or loss generated is recognized. A partial gain or loss is recognized when the transaction involves assets that do not constitute a business, even when the assets are housed in a subsidiary. The date of mandatory application of these amendments is yet to be determined because the IASB is waiting for the results of its research project on equity accounting. These amendments must be applied retrospectively and early adoption is permitted, which must be disclosed.

This amendment has no significant effects for the Company.

Comparative Information (IFRS 17 and IFRS 9): The amendment addresses the transition requirements of IFRS 17 for entities applying IFRS 17 and IFRS 9 for the first time at the same time. The amendment refers to financial assets for which comparative information is presented in the initial application of IFRS 17 and IFRS 9, but it has not been restated for IFRS 9. Under the amendment, an entity may present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been previously applied to that financial asset. The option is applied on an instrument-by-instrument basis. When applying the classification overlay to a financial asset, an entity is not required to apply the impairment requirements of IFRS 9.

On the other hand, there are no changes in the transition requirements of IFRS 9.

4. Financial Risk Management

The Company's activities are exposed to different risks, which have been classified as electric business risks, and financial risks.

With respect to the energy transmission infrastructure, Alfa Transmisión S.A. has approximately a total of 899 km of transmission lines divided into 335 km of lines in the Nationwide segment, 70 km in the Zonal segment and 494 km in the Dedicated segment. In addition, the Company has 27 substations.

4.1 Electric business risk

These are strategic risks related to external and internal factors affecting the Company, such as the economic cycle, business nature, and changes to regulations. This category also includes risks arising from project management, equipment failure, and maintenance.

With respect to the electric business risks associated with transmission lines, the main risks relate to changes to regulations, business nature and project management, which are detailed below.

a. Regulatory risks

Regulatory stability is essential for a sector with long-term investment projects, such as the transmission sector.

In this sense, regulation may affect revenues from the National and Zonal segments. In accordance with the current regulations, a qualification process of transmission facilities should be performed every 4 years to determine which facilities will be assigned to the National, Zonal and Dedicated segments that supply regulated consumption. Subsequent to the qualification, a valuation process of such facilities is performed, i.e., the updated VI (investment value), based on each segment facility inventory, applying unit prices defined by the National Energy Commission (CNE).

In order to calculate the investment value annuity (AVI), as part of another process regulated by Law, the discount rate, which may vary between 7% and 10% after taxes, and the useful life defined in another ad hoc process, are determined. In addition, the Operation, Maintenance and Management Cost (COMA) is determined that the remuneration of a model transmission company should cover. Finally, the Annual Transmission Value per Tranche is calculated as the sum of the AVI plus the COMA.

All these processes comprise observation stages and may be appealed in last instance before the Panel of Experts of the Energy Sector.

During 2021 the Company continued developing the valuation processes for the tariff period 2020-2023 of the transmission works classified as nationwide, zonal and dedicated which supply regulated consumption; such valuation is being calculated using a discount rate that was set at 7% after taxes. In 2021, the valuation studies prepared by the CNE and its consultants were performed, concluding their work with the publication of the Final Technical Report in August 2021, which was submitted for discussions by the Panel of Experts, for the publication of the final report and related decree, which should be published in February and March 2022, respectively.

To mitigate this risk, it is necessary to be closely involved in the different stages of each process. In this sense, Alfa Transmisión has been involved in all instances of these processes.

In addition, the transmission segment was stabilized on December 26, 2019 through exempt resolution No.815 issued by the National Energy Commission (CNE), corresponding to the transmission one-time charge applicable since January 2020. In this resolution, the transmission charges effective since July 2019 were frozen until the issuance of the new transmission facility valuation decree corresponding to the four-year period 2020-2023, that according to the estimates should be issued in March 2022. In accordance with the estimates of the regulator, the impact of the freeze of charges is similar to the one that would have occurred should the new valuation of facilities (and the reduction in the profitability of such facilities) been applied within the terms specified by law.

b. Nature-related risks

In this regard, the main nature-related risks arise from the occurrence of natural phenomena such as fires, earthquakes, heavy snowfall, and flooding.

All these risks must be mitigated through scheduled and corrective maintenance plans. However, certain natural phenomena may exceed the equipment design conditions, making possible the outage of facilities. In some cases, the transmission assets consider redundant designs to mitigate the risk of failure due to certain events and to avoid the outage of supply or injection of power to transmission customers.

c. Project management risks

Project management risks are inherent to any large-scale civil work such as connection and transmission projects, because they may face construction problems which can delay the completion of the work and imply not meeting the projected deadlines to start operations.

In the case of regulated projects of the Domestic and Zonal segments, in accordance with the current regulation, the execution of new projects is tendered by the CEN and, therefore, the risk of delays implies to defer the remuneration related to the VATT awarded to each work. In this case, the award is less than the VATT and remains fixed for 4 regulatory periods, i.e., 20 years.

Accordingly, expansion projects for existent systems are awarded by the CEN at the lower value of VI, which remains fixed for 4 regulatory periods. The VATT of each regulatory period is calculated using the discount rate effective in each period. In addition, the COMA of these projects is defined by the Chilean Ministry of Energy in each 4-year process in accordance with the cost structures of a model transmission company.

Financial risks

Financial risks relate to the Company's inability to perform transactions or comply with obligations from its operations due to lack of funding, changes in interest rates, exchange rates, bankruptcy of related parties, or other financial variables of the market that may affect Alfa Transmisión S.A.'s equity.

a. Currency risk

Exchange rate risk relates mainly to fluctuations in currency coming from two sources. The first source of exposure is cash flows related to investment revenues, costs and expenses denominated in foreign currencies other than the functional currency (United States dollars). The second source of exposure relates to the accounting mismatch between assets and liabilities in the Statement of Financial Position denominated in a currency other than the functional currency.

The exposure to cash flows in currencies other than the U.S. dollar is limited, as a significant portion of Alfa Transmisión's sales are denominated directly in or adjusted to the U.S. dollar. In addition, the accounting mismatch exposure is limited because all the Company's accounts are denominated in U.S. dollars, except for a portion of the Company's cash.

b. Credit risk

The Company may be exposed to this risk derived from the possibility that a counterparty fails to comply with its contractual obligations and generates financial or economic losses. However, the counterparties with which the Company has contractual obligations have high solvency levels; accordingly, this risk is limited and a sensitivity test is not applicable.

c. Liquidity risk

Such risk is derived from several fund needs to address investment commitments and business expenses, among others.

The required funds to meet such outflows are obtained from Alfa Transmisión's own ordinary activities.

5. Critical accounting policies

Management necessarily makes judgments and estimates that have a significant effect on the amounts recorded in the financial statements. Changes in the assumptions and estimates could have a significant impact on the financial statements. The key estimations and judgments used by Management for the preparation of these interim financial statements are detailed below:

a. Calculation of depreciation and amortization, and estimation of the related useful lives

(i) Useful lives of property, plant and equipment and intangible assets other than goodwill (with finite useful life):

Are depreciated and amortized on a straight-line basis on the estimated useful life. Useful lives have been estimated and determined considering technical aspects, the nature of the asset and the conditions of the assets. As of December 31, 2021, estimated useful lives of property, plant and equipment are detailed as follows:

Classes of property, plant and equipment	Useful life (years)	Average remaining useful life (years)
Buildings and infrastructure works	10 - 50	31
Right-of-use assets	3	2

Intangible assets with indefinite useful lives correspond to easements. Estimated useful lives as of December 31, 2021, are as follows:

Intangible assets	Useful life (years)	Average remaining useful life (years)
Easements	9	6

(ii) Useful lives of intangible assets other than goodwill (with indefinite useful lives):

The Company analyzed the useful lives of intangible assets, which mainly relate to easements, and concluded there is no foreseeable time limit in which the asset would generate net cash inflows. For these intangible assets, the Company determined that their useful lives are indefinite.

b. Impairment of non-financial assets (tangible and intangible assets other than goodwill, excluding goodwill)

At the closing date of each year, or at any date as deemed necessary, the value of assets is assessed to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated to determine the amount of any impairment. For identifiable assets that do not generate cash flows independently, the recoverability of the cash-generating unit (CGU) to which the asset belongs is estimated. For these purposes, the Company determined that all its assets comprise a single CGU.

For CGUs assigned to intangible assets with a finite useful life, the recoverability analysis is conducted systematically at the reporting date, or at any date deemed necessary, except if considered that calculations of a CGU's recoverable amount from the prior period may be used for verifying the amount of the impairment of such unit at the current period.

The recoverable amount is the greater of the market value less cost to sell and value in use, which is the present value of future estimated cash flows. For calculating the recoverable amount of tangible and intangible assets, the Company uses the value in use criterion.

To estimate the value in use, the Company prepares its estimate of future pre-tax cash flows based on the most recent budgets approved by Management. These budgets include the best estimates available on the income and costs of the cash-generating units, using the best available information, such as experience and future expectations.

Such cash flows are discounted to calculate their current amount at a pre-tax rate which considers the capital cost of the business in which it operates. Their calculation considers the current cost of money and risk premiums generally used for business purposes.

In the event the recoverable amount is less than the asset's carrying amount, the related impairment is recognized as "Other Gains (losses)" in the Statement of Comprehensive Income.

Impairment losses recognized in an asset in prior years will be reversed if there has been a change in the estimations on their recoverable amount increasing the value of the asset with a credit to profit or loss with the limit of the carrying amount that the asset would have had if the unwinding had not been conducted.

As of December 31, 2021, the Company considers there is no carrying amount impairment of tangible and intangible assets related to the CGU defined by the Company.

6. Segment reporting

Within the power business, Alfa Transmisión S.A. defines one single segment: power transmission, which is a service rendered domestically mainly to power generation companies, power suppliers, and industrial companies. Accordingly, the information required under IFRS 8 (paragraph 23) is fully aligned with the Company's statement of financial position and the statement of comprehensive income.

Information on products and services

Services	January - December	
	2021 ThUS\$	2020 ThUS\$
Sales from tolls	68,953	80,218
Total sales	68,953	80,218

Information on sales to main customers

Main customers	January - December			
	2021		2020	
	ThUS\$	%	ThUS\$	%
Colbún S.A.	37,474	54%	28,818	36%
Corporación Nacional del Cobre Chile	9,854	14%	8,793	11%
Anglo American S.A.	4,152	6%	3,281	4%
Other	17,473	26%	39,326	49%
Total sales	68,953	100%	80,218	100%

7. Cash and cash equivalents

a. Detail

As of December 31, 2021 and 2020, the detail of this caption is as follows:

Cash and cash equivalents	12.31.2021 ThUS\$	12.31.2020 ThUS\$
Bank balances	37	32
Other liquid instruments	16,112	12,050
Total	16,149	12,082

Other liquid instruments relate to fixed income mutual fund deposits in U.S. dollars and Chilean pesos, with very low risk, which are recognized at the deposit value at the reporting date.

8. Other non-financial assets, current

As of December 31, 2021 and 2020, other non-financial assets are detailed as follows:

Other non-financial assets	Current	
	12.31.2021 ThUS\$	12.31.2020 ThUS\$
Advanced payments to suppliers	257	38
Other advance payments	197	100
Total	454	138

9. Trade and other receivables, current

As of December 31, 2021 and 2020, the detail of this caption is as follows:

Caption	Current		Non-current	
	12.31.2021 ThUS\$	12.31.2020 ThUS\$	12.31.2021 ThUS\$	12.31.2020 ThUS\$
Trade receivables	40,069	25,289	-	1,868
Other receivables	477	101	-	-
Total	40,546	25,390	-	1,868

The average payment period is 30 days.

Considering debtors' solvency, current regulations, and in accordance with the doubtful accounts policy stated in the Company's accounting policies (see Note 3.1.d.2), the Company believes that there is no objective evidence of impairment of trade and other receivables which may require recording a provision for the period ended December 31, 2021.

The fair values of trade and other receivables related to the same commercial amounts.

As of December 31, 2021 and 2020, the detail of trade receivables is as follows:

a) Aging of the portfolio of trade receivables: for past due but not impaired balances receivable.

Invoiced	Balance as of 12.31.2021					
	Current ThUS\$	1-30 days ThUS\$	31-60 ThUS\$	61-90 ThUS\$	Over 91 days ThUS\$	Total ThUS\$
Trade receivables, unregulated	1,747	6	-	-	40	1,793
Other trade receivables	1,215	384	11	14	60	1,684
Subtotal	2,962	390	11	14	100	3,477

Invoices to be issued	Balance as of 12.31.2021					
	Current ThUS\$	1-30 days ThUS\$	31-60 ThUS\$	61-90 ThUS\$	Over 91 days ThUS\$	Total ThUS\$
Trade receivables, unregulated	9,570	-	-	-	-	9,570
Other trade receivables	27,022	-	-	-	-	27,022
Subtotal	36,592	-	-	-	-	36,592
Total trade receivables	39,554	390	11	14	100	40,069
No. of customers (unaudited)	130	19	8	24	139	

Invoiced	Balance as of 12.31.2020					
	Current ThUS\$	1-30 days ThUS\$	31-60 ThUS\$	61-90 ThUS\$	Over 91 days ThUS\$	Total ThUS\$
Trade receivables, unregulated	103	-	-	-	6	109
Other trade receivables	1,776	166	-	-	541	2,483
Other miscellaneous receivables	1,879	166	-	-	547	2,592

Invoices to be issued	Balance as of 12.31.2020					
	Current ThUS\$	1-30 days ThUS\$	31-60 ThUS\$	61-90 ThUS\$	Over 91 days ThUS\$	Total ThUS\$
Trade receivables, unregulated	10,463	-	-	-	-	10,463
Other trade receivables	12,234	-	-	-	-	12,234
Subtotal	22,697	-	-	-	-	22,697
Total trade receivables	24,576	166	-	-	547	25,289
No. of customers (unaudited)	117	36	-	-	256	

b) Customers in legal collection

There are no trade and other receivables in legal collection.

10. Related party disclosures

Transactions between the Company and its related parties, are part of the Company's customary transactions associated with its line of business and conditions. The relationship between the Company and its Parent is detailed in Note 1.

a. Controlling interests

As of December 31, 2021 and 2020, the Company's shares are distributed as follows:

Shareholder	12.31.2021		12.31.2020	
	No. of shares	Ownership %	No. of shares	Ownership %
Alfa Transmisora de Energía S.A.	79,617,413	100.00	-	0.00
Celeo Redes Chile Expansión SpA	1	0.00	-	0.00
Colbún S.A.	-	0.00	49,617,413	100.00
Colbún Desarrollo SpA	-	0.00	1	0.00
Total	79,617,414	100.00	49,617,414	100.00

On September 30, 2021, the sale of all of the Company's shares to Alfa Transmisora de Energía S.A. was completed.

b. Balances and transactions with related parties

b.1. Receivables due from related parties

Taxpayer ID	Company	Country	Relationship	Currency	Current	
					12.31.2021 ThUS\$	12.31.2020 ThUS\$
96.505.760-9	Colbún S.A.	Chile	Parent	Ch\$	-	1,932
Total					-	1,932

b.2. Payables due to related parties

Taxpayer ID	Company	Country	Relationship	Currency	Current		Non-current	
					12.31.2021 ThUS\$	12.31.2020 ThUS\$	12.31.2021 ThUS\$	12.31.2020 ThUS\$
96.505.760-9	Colbún S.A.	Chile	Parent	Ch\$	-	-	-	15,079
Total					-	-	-	15,079

(*) On September 30, 2021, Colbún S.A. ceases to be the Parent due to the sale of all the Company's shares to Alfa Transmisora de Energía S.A.

b.3. Significant transactions and their effect on profit or loss

Taxpayer ID	Company	Country	Relationship	Currency	Transaction	January - December			
						2021		2020	
						Amount ThUS\$	Credit (debit) to profit or loss ThUS\$	Amount ThUS\$	Credit (debit) to profit or loss ThUS\$
96.505.760-9	Colbún S.A.	Chile	Parent	US\$	Services received	8,007	(6,728)	8,229	(6,915)
				UF	Leases	179	(150)	160	(135)
				UF	Leases collected	122	103	199	167
				US\$	Sale of assets	-	-	2,632	-
				US\$	Dividend paid	74,887	-	13,091	-
				US\$	Dividend declared ⁽¹⁾	16,000	-	12,572	-
				US\$	Business current account	-	-	10,773	-
				US\$	Loan received	40,000	-	15,000	-
				US\$	Interests on loan received	436	(436)	79	(79)
				US\$	Interests on loan paid	515	515	-	-
				US\$	Sale of tolls	31,373	26,364	34,293	28,818
				US\$	Purchase of tolls	212	(178)	204	(172)

(*) On September 30, 2021, Colbún S.A. ceases to be the Parent due to the sale of all the Company's shares to Alfa Transmisora de Energía S.A.

(1) At the Shareholders' Meeting held on April 29, 2021, the shareholders approved to distribute a minimum dividend equivalent to 30% of ThUS\$12,572 of US\$0.25338 per share, a final dividend declared of ThUS\$29,335 of US\$0.59122 per share, and a contingent dividend debited to retained earnings from prior years of ThUS\$32,980 of US\$0.66468 per share.

(2) At the Board of Directors' Meeting held on September 23, 2021, the directors approved to distribute an interim dividend with a debit to the profit for 2021 of ThUS\$16,000.

All transactions are performed under the market terms and conditions.

c. Key management personnel and senior management

Members of senior management and other individuals that are considered members of the Company's Management, as well as the shareholders or natural persons or legal entities they represent have entered into no unusual and/or significant transactions as of December 31, 2021.

The Company is managed by a Board of Directors composed of 3 members: José Ángel Lostao Unzu, Jaime Luis Sáenz Denis and Alan Heinen Alves Da Silva.

d. Compensation and other benefits

d.1. Board of Directors' remuneration

As per the Company's bylaws, directors receive no remuneration for the performance of their duties.

d.2. Senior Management members who are not Directors

As of December 31, 2021, there are no members of senior management who are not directors.

d.3. Receivables and payables and other transactions

There are no receivables from or payables to between the Company and its Directors and Management.

d.4 Other transactions

There are no other transactions between the Company and its Directors.

d.5 Guarantees pledged by the Company in favor of its Directors

During the period ended December 31, 2021 and 2020, the Company has not entered into any such transactions.

d.6 Incentive plans for senior executives and managers

The Company's senior executives do not receive compensation.

d.7 Indemnities paid to Senior Executives and Managers

The Company's senior executives do not receive indemnities.

d.8 Guarantee clauses: Company's Board of Directors and Management

The Company has not agreed any guarantee clauses with its Directors and Management.

d.9 Incentive plans associated with share quote.

The Company does not conduct this type of transaction.

11. Current taxes

The balance of current taxes to be recovered as of December 31, 2021 and 2020 is detailed below:

Current tax assets	12.31.2021 ThUS\$	12.31.2020 ThUS\$
Recoverable taxes for the period	7,622	4,488
Recoverable taxes for prior periods	539	744
Total	8,161	5,232

12. Intangible assets other than goodwill

a. Detail by classes of intangible asset

As of December 31, 2021 and 2020, the detail is as follows:

Intangible assets, net	12.31.2021 ThUS\$	12.31.2020 ThUS\$
Easements	39,202	39,132
Total	39,202	39,132
Intangible assets, gross	12.31.2021 ThUS\$	12.31.2020 ThUS\$
Easements	39,402	39,270
Total	39,402	39,270
Accumulated amortization	12.31.2021 ThUS\$	12.31.2020 ThUS\$
Easements	(200)	(138)
Total	(200)	(138)

b. Changes in intangible assets during the year

As of December 31, 2021 and 2020, this caption comprises the following:

Movements as of 2021	Easements ThUS\$	Intangible assets, net ThUS\$
Opening balance as of 01.01.2021	39,132	39,132
Additions	132	132
Disposals	-	-
Increases (decreases) due to other changes	-	-
Amortization expense (See Note 23) ¹	(62)	(62)
Closing balance as of 12.31.2021	39,202	39,202

Movements as of 2020	Easements ThUS\$	Intangible assets, net ThUS\$
Opening balance as of 01.01.2020	40,049	40,049
Additions	435	435
Disposals	(1,280)	(1,280)
Transfers	(10)	(10)
Amortization expense (See Note 23) 1	(62)	(62)
Closing balance as of 12.31.2020	39,132	39,132

⁽¹⁾As of December 31, 2021 and 2020, the amortization expense corresponds to existing easements for transmission lines (Alto Jahuel-Candelaria 220 KV and Candelaria-Minero 220 KV) between the Company and CODELCO.

The Company has no intangible assets impaired or pledged as collateral to secure compliance with its debt obligations.

13. Property, plant and equipment

a. Detail by class of property, plant and equipment

As of December 31, 2021 and 2020, the caption property, plant and equipment is detailed as follows:

Classes of property and equipment, net	12.31.2021 ThUS\$	12.31.2020 ThUS\$
Land	2,659	2,638
Buildings and infrastructure works	256,213	267,467
Assets under construction	99,799	67,382
Total	358,671	337,487
Classes of property, plant and equipment, gross	12.31.2021 ThUS\$	12.31.2020 ThUS\$
Land	2,659	2,638
Buildings and infrastructure works	324,289	324,289
Assets under construction	99,799	67,382
Total	426,747	394,309
Types of accumulated depreciation and impairment of property, plant and equipment	12.31.2021 ThUS\$	12.31.2020 ThUS\$
Buildings and infrastructure works	(68,076)	(56,822)
Total	(68,076)	(56,822)

b. Changes in property, plant and equipment

As of December 31, 2021 and 2020, changes in property, plant and equipment are as follows:

Movements in 2021	Land ThUS\$	Buildings and infrastructure works ThUS\$	Assets under construction ThUS\$	Property, plant and equipment, net ThUS\$
Opening balance as of 01.01.2021	2,638	267,467	67,382	337,487
Additions	21	-	32,417	32,438
Disposals	-	-	-	-
Accumulated depreciation, disposals	-	-	-	-
Transfers	-	-	-	-
Depreciation expenses (see Note 23)	-	(11,254)	-	(11,254)
Total movements	21	(11,254)	32,417	21,184
Closing balance as of 12.31.2021	2,659	256,213	99,799	358,671

Movements in 2020	Land ThUS\$	Buildings and infrastructure works ThUS\$	Assets under construction ThUS\$	Property, plant and equipment, net ThUS\$
Opening balance as of 01.01.2020	2,638	271,287	65,269	339,194
Additions	-	-	12,040	12,040
Disposals	-	-	(2,970)	(2,970)
Accumulated depreciation, disposals	-	-	-	-
Transfers	-	6,957	(6,957)	-
Depreciation expenses (see Note 23)	-	(10,777)	-	(10,777)
Total movements	-	(3,820)	2,113	(1,707)
Closing balance as of 12.31.2020	2,638	267,467	67,382	337,487

c. Other disclosures

i) The Company has no property, plant and equipment pledged as collateral to secure compliance with its debt obligations.

ii) The Company has entered into insurance policies to cover the possible risks to which the different items of property, plant and equipment (substations) may be exposed, as well as possible claims that might be presented because of the performance of their business activities. Such policies sufficiently cover the risks to which they are exposed.

14. Right-of-use assets

a. Detail of right-of-use assets

Right-of-use assets recognized as of December 31, 2021 and 2020 are detailed as follows:

Right-of-use assets, net	12.31.2021 ThUS\$	12.31.2020 ThUS\$
Right-of-use assets - facilities	50	113
Right-of-use assets - vehicles	37	54
Total	87	167
Right-of-use assets, gross	12.31.2021 ThUS\$	12.31.2020 ThUS\$
Right-of-use assets - facilities	159	159
Right-of-use assets - vehicles	599	378
Total	758	537
Accumulated depreciation of right-of-use assets	12.31.2021 ThUS\$	12.31.2020 ThUS\$
Right-of-use assets - facilities	(109)	(46)
Right-of-use assets - vehicles	(562)	(324)
Total	(671)	(370)

b. Changes in right-of-use assets

As of December 31, 2021 and 2020, net changes in right-of-use assets are detailed as follows:

Movements in 2021	Right-of-use assets - facilities	Right-of-use assets - vehicles	Right-of-use assets, net
	ThUS\$	ThUS\$	ThUS\$
Opening balance as of 01.01.2021	113	54	167
Additions	-	221	221
Depreciation expenses (see Note 23)	(63)	(238)	(301)
Total movements	(63)	(17)	(80)
Closing balance as of 12.31.2021	50	37	87
Movements in 2020	Right-of-use assets - facilities	Right-of-use assets - vehicles	Right-of-use assets, net
	ThUS\$	ThUS\$	ThUS\$
Opening balance as of 01.01.2020	-	216	216
Additions	159	-	159
Depreciation expenses (see Note 23)	(46)	(162)	(208)
Total movements	113	(162)	(49)
Closing balance as of 12.31.2020	113	54	167

15. Lease liabilities

As of December 31, 2021 and 2020, this caption is composed of the following:

Lease liabilities	Current		Non-current	
	12.31.2021 ThUS\$	12.31.2020 ThUS\$	12.31.2021 ThUS\$	12.31.2020 ThUS\$
Lease liabilities	110	99	10	50
	110	99	10	50

a. Finance lease liabilities

As of 12.31.2021		
Debtor's Taxpayer ID	76218856-2	76218856-2
Debtor	Alfa Transmisión S.A.	Alfa Transmisión S.A.
Debtor's country	Chile	Chile
Creditor's Taxpayer ID	96565580-8	7065425-3
Creditor	Cia. De Leasing Tattersall S.A.	Jorge Rocco Pizarro
Creditor's country	Chile	Chile
Currency or inflation-adjusted unit	UF	UF
Amortization	Monthly	Monthly
Interest type	Fixed	Fixed
Basis	-	-
Effective rate	0.00%	1.70%
Nominal rate	0.00%	1.70%

Nominal amounts	ThUS\$		Total in ThUS\$
Up to 90 days	70	10	80
90 days to 1 year	-	30	30
1 to 3 years	-	10	10
1 to 2 years	-	10	10
2 to 3 years	-	-	-
3 to 5 years	-	-	-
3 to 4 years	-	-	-
4 to 5 years	-	-	-
Over 5 years	-	-	-
Subtotal nominal amounts	70	50	120
Carrying amounts	ThUS\$		Total in ThUS\$
Up to 90 days	70	10	80
90 days to 1 year	-	30	30
Lease liabilities, current	70	40	110
1 to 3 years	-	10	10
1 to 2 years	-	10	10
2 to 3 years	-	-	-
3 to 5 years	-	-	-
3 to 4 years	-	-	-
4 to 5 years	-	-	-
Over 5 years	-	-	-
Lease liabilities, non-current	-	10	10
Total lease liabilities	70	50	120

As of 12.31.2020			
Debtor's Taxpayer ID	76218856-2	76218856-2	76218856-2
Debtor	Alfa Transmisión S.A.	Alfa Transmisión S.A.	Alfa Transmisión S.A.
Debtor's country	Chile	Chile	Chile
Creditor's Taxpayer ID	96565580-8	7065425-3	88723500-7
Creditor	Cia. De Leasing Tattersall S.A.	Jorge Rocco Pizarro	Constructora Costa Brava Ltda.
Creditor's country	Chile	Chile	Chile
Currency or inflation-adjusted unit	UF	UF	UF
Amortization	Monthly	Monthly	Monthly
Interest type	Fixed	Fixed	Fixed
Basis	-	-	-
Effective rate	5.00%	1.70%	0.00%
Nominal rate	5.00%	1.70%	0.00%

Nominal amounts	ThUS\$			Total
Up to 90 days	36	10	6	52
90 days to 1 year	-	29	18	47
1 to 3 years	-	50	-	50
1 to 2 years	-	40	-	40
2 to 3 years	-	10	-	10
3 to 5 years	-	-	-	-
3 to 4 years	-	-	-	-
4 to 5 years	-	-	-	-
Over 5 years	-	-	-	-
Subtotal nominal amounts	36	89	24	149

Carrying amounts	ThUS\$			Total
Up to 90 days	36	10	6	52
90 days to 1 year	-	29	18	47
Lease liabilities, current	36	39	24	99
1 to 3 years	-	50	-	50
1 to 2 years	-	40	-	40
2 to 3 years	-	10	-	10
3 to 5 years	-	-	-	-
3 to 4 years	-	-	-	-
4 to 5 years	-	-	-	-
Over 5 years	-	-	-	-
Lease liabilities, non-current	-	50	-	50
Total lease liabilities	36	89	24	149

16. Trade and other payables

As of December 31, 2021 and 2020, trade and other payables are composed of the following:

Detail	12.31.2021 ThUS\$	12.31.2020 ThUS\$
Trade payables	7,481	872
Other payables	43,737	6,600
Total	51,218	7,472

As of December 31, 2021, the main suppliers or trade payables with their related percentages are as follows:

Principales Acreedores Comerciales	%
Colbún S.A.	64.72%
Ing. y Construcción Sigdo Koppers S.A.	1.88%
VAI PS Ingeniería y Servicios Ltda.	1.87%
Other	31.53%
	100.00%

Stratification of trade payables portfolio:

Concept	Balance as of 12.31.2021		Balance as of 12.31.2020	
	Current ThUS\$	Total ThUS\$	Current ThUS\$	Total ThUS\$
Goods	265	265	57	57
Services	6,012	6,012	675	675
Other	1,204	1,204	140	140
Sub-total	7,481	7,481	872	872

For accounts payable to suppliers, the average payment period is 15 days; as a result of this, the fair value does not differ significantly from the related carrying amount.

17. Other provisions

a. Description of provisions

As of December 31, 2021 and 2020, this caption comprises the following:

Provisions	12.31.2021 ThUS\$	12.31.2020 ThUS\$
For legal proceedings	1,220	1,220
Total	1,220	1,220

b. Changes in provisions for the period

Movements in provisions	For legal proceedings (1)	Total
	ThUS\$	ThUS\$
Opening balance as of 01.01.2021	1,220	1,220
New provisions, other provisions	-	-
Increase in existing provisions, other provisions	-	-
Provisions used, other provisions	-	-
Closing balance as of 12.31.2021	1,220	1,220

Movements in provisions	For legal proceedings (1)	Total
	ThUS\$	ThUS\$
Opening balance as of 01.01.2020	-	-
New provisions, other provisions	1,220	1,220
Increase in existing provisions, other provisions	-	-
Provisions used, other provisions	-	-
Closing balance as of 12.31.2020	1,220	1,220

(1)Provision for system fine

18. Income taxes

a. Income tax benefit (expense)

Income tax (benefit) expense	January - December	
	2021 ThUS\$	2020 ThUS\$
Income tax benefit (expense)		
Current taxes	(5,946)	(15,926)
Adjustments to prior period current tax	632	-
Total current tax expense, net	(5,314)	(15,926)
Deferred income tax (expense) benefit		
Deferred tax benefit (expense) arising from temporary differences	(6,463)	407
Total deferred tax benefit (expense), net	(6,463)	407
Income tax (benefit) expense	(11,777)	(15,519)

a.1 Reconciliation of Current Taxes

As of December 31, 2021 and 2020, the reconciliation of current taxes to income tax is as follows:

As of December 31, 2021	Current taxes (profit or loss)	Monthly provisional income tax payments	Other taxes	Tax assets	Tax liabilities
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Alfa Transmisión S.A.	(5,946)	13,568	539	8,161	-
Total	(5,946)	13,568	539	8,161	-

As of December 31, 2020	Current taxes (profit or loss)	Monthly provisional income tax payments	Other taxes	Tax assets	Tax liabilities
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Alfa Transmisión S.A.	(15,926)	20,414	-	4,488	-
Total	(15,926)	20,414	-	4,488	-

As of December 31, 2021, Alfa Transmisión S.A. generated taxable income and, accordingly, it recognized a recoverable tax for the year amounting to ThUS\$9,173, generated by the Income tax provision, net of monthly provisional income tax payments (PPM).

a.2 Reconciliation of tax expense and effective tax rate calculation

Income tax (benefit) expense	January - December			
	2021		2020	
	Amount ThUS\$	Rate %	Amount ThUS\$	Rate %
Profit before tax	43,545		57,426	
Tax income using the legal tax rate	(11,757)	27.0%	(15,505)	27.0%
Other differences	(20)	0.0%	(14)	0.0%
Subtotal adjustment to tax expense using the legal rate	(20)	0.0%	(14)	0.0%
Income tax (benefit) expense	(11,777)	27.0%	(15,519)	27.0%

As of December 31, 2021 and 2020, the tax was calculated using the tax rate of 27% (Law No.20.780).

In accordance with the International Financial Reporting Standards (IFRS), the Company recognizes its financial operations at its functional currency, which is the U.S. dollar.

b. Deferred tax

At each reporting period, deferred tax assets and liabilities are detailed as follows:

Deferred tax asset	12.31.2021 ThUS\$	12.31.2020 ThUS\$
Deferred taxes - unearned revenue	3,687	4,190
Deferred taxes - contingencies	329	329
Deferred tax assets	4,016	4,519
Deferred tax liability	12.31.2021 ThUS\$	12.31.2020 ThUS\$
Deferred taxes - depreciation	(66,828)	(60,839)
Deferred taxes - intangible assets	(855)	(871)
Deferred taxes - right-of-use assets	11	(2)
Deferred tax liabilities	(67,672)	(61,712)
Total deferred tax assets and liabilities, net	(63,656)	(57,193)

Changes in deferred taxes for the period by concept are detailed as follows:

Changes in deferred taxes	12.31.2021 ThUS\$	12.31.2020 ThUS\$
Deferred taxes as of January 1	(57,193)	(58,106)
Property, plant and equipment	(5,990)	538
Contingencies	-	329
Intangible assets	17	83
Finance costs	-	2
Rights-of-use	14	(2)
Unearned revenue	(504)	(37)
Closing balance	(63,656)	(57,193)

The net position of deferred taxes is detailed as follows:

Net deferred tax position by company		
Company	Net position	
	Liabilities	
	12.31.2021 ThUS\$	31.12.2020 ThUS\$
Alfa Transmisión S.A.	(63,656)	(57,193)
Sub-total	(63,656)	(57,193)

19. Other non-financial liabilities

As of December 31, 2021 and 2020, other non-financial liabilities, non-current, are detailed as follows:

	Current		Non-current	
	12.31.2021 ThUS\$	12.31.2020 ThUS\$	12.31.2021 ThUS\$	12.31.2020 ThUS\$
Withholdings	1,734	3,972	-	-
Unearned revenue ⁽¹⁾	1,019	1,070	12,635	14,450
Total	2,753	5,042	12,635	14,450

(1) The balance presented as Non-Current at December 31, 2021 includes ThUS\$7,464 corresponding to the recognition of the leasing contract that the Company has with Anglo American (contract maturity in 2030) and a contract for ThUS\$5,171 of dedicated line with Duqueco SpA (contract maturity in 2028), at December 31, 2020 the non-current balance includes ThUS\$8,294 and ThUS\$6,156 respectively.

20. Disclosures on equity

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

The Company's share capital is denominated in U.S. dollars, divided into 79,617,414 ordinary, nominative, same-amount, single-series shares with no par value.

Alfa Transmisión S.A. was incorporated on June 28, 2012, and its initial capital was ThUS\$2, divided into 1,000 ordinary, nominative, same-amount, single-series shares with no par value.

At the Extraordinary Shareholders' Meeting held on August 17, 2012, it was approved to increase the capital stock from ThUS\$2, divided into 1,000 ordinary shares, nominative, of a single series, of equal value each and without par value, fully subscribed and paid, to the amount of ThUS\$3,429, divided into 1,714,659 shares of equal characteristics, through the issuance of 1,713,659 payment shares, representing the amount of ThUS\$3,427, which must be issued, subscribed and paid within 3 years from the date of the Shareholders' Meeting.

At the Extraordinary Shareholders' Meeting held on November 16, 2012, the shareholders approved to increase share capital from ThUS\$3,429, divided into 1,714,659 ordinary, nominative single-series same-value shares with no par value, fully subscribed and paid, to ThUS\$19,534, divided into 9,766,868 ordinary, nominative single-series same-value shares with no par value, which must be issued, subscribed and paid within 3 years from the date of the Meeting.

At the Extraordinary Shareholders' Meeting held on April 29, 2013, it was approved to increase the capital stock from ThUS\$19,534, divided into 9,766,868 ordinary shares, nominative, of a single series, of equal value each and without par value, fully subscribed and paid, to the amount of ThUS\$20,503, divided into 10,251,684 shares of equal characteristics, through the issuance of 484,816 payment shares, representing the amount of US\$ 969,632, which must be issued, subscribed and paid within 3 years from the date of the Shareholders' Meeting.

At the Extraordinary Shareholders' Meeting held on February 1, 2017, it was approved to increase the capital stock from ThUS\$20,503, divided into 10,251,684 ordinary shares, nominative, of a single series, of equal value each and without par value, fully subscribed and paid, to the amount of ThUS\$28,891, divided into 14,445,596 shares of equal characteristics, through the issuance of 4,193,912 payment shares, representing the amount of US\$ 8,387,823, which must be issued, subscribed and paid within a period of 1 year from the date of the Shareholders' Meeting.

At Extraordinary Shareholders' Meeting held on October 1, 2018, the shareholders agreed to increase share capital from ThUS\$28,891, divided into 14,445,596 ordinary, nominative, same-amount, single-series shares with no par value, fully subscribed and paid, to ThUS\$99,235, divided into 49,617,414 shares with the same characteristics, by way of the issuance of 35,171,818 shares, equivalent to US\$70,343,632, which should be issued, subscribed and fully paid within 3 years from the date of the meeting.

At the Extraordinary Shareholders' Meeting held on November 9, 2021, the shareholders approved an increase in capital stock of ThUS\$99,235, divided into 49,617,414 ordinary, nominative shares, of a single series, of equal value each and without par value, fully subscribed and paid, in the amount of ThUS\$60,000, through the issuance of 30,000,000 new paid-in shares, which must be issued, subscribed and paid within a period of three years from the date of the Shareholders' Meeting.

On December 20, 2021, Alfa Transmisora de Energía S.A. subscribed a total of 27,757,446 new shares issued, the total price of the shares subscribed and acquired is ThUS\$55,515, which is paid through the capitalization of 100% of the loans, including the related interest accrued through the present date.

As of December 31, 2021 and 2020, this caption comprises the following:

No. of shares as of 12.31.2021

Series	No. of shares subscribed	No. of shares fully paid	No. of shares with voting rights
Single	79,617,414	77,374,860	77,374,860

Capital (Amount in US\$)

Series	Subscribed capital ThUS\$	Paid-in capital ThUS\$
Single	159,234	154,750

No. of shares as of 12.31.2020

Series	No. of shares subscribed	No. of shares fully paid	No. of shares with voting rights
Single	49,617,414	49,617,414	49,617,414

Capital (Amount in US\$)

Series	Subscribed capital ThUS\$	Paid-in capital ThUS\$
Single	99,235	99,235

a.1 Reconciliation of shares

At the reporting date, the reconciliation of the number of outstanding shares, is detailed as follows:

Shares	12.31.2021	12.31.2020
No. of shares at the beginning of the period	49,617,414	49,617,414
Changes in number of shares		
Increase (decrease) in number of shares	30,000,000	-
No. of shares at the end of the period	79,617,414	49,617,414

b. Retained earnings (accumulated deficit)

As of and December 31, 2021 and 2020, changes in reserves for retained earnings (accumulated deficit) are detailed as follows:

Retained earnings	12.31.2021 ThUS\$	12.31.2020 ThUS\$
Opening balance	62,314	32,192
Profit (loss) for the year	31,768	41,907
Dividends	(78,314)	(12,572)
Realized retained earnings	789	787
Total retained earnings	16,557	62,314

c. Other reserves

The detail of other reserves is as follows:

Other reserves ^(*)	12.31.2021 ThUS\$	12.31.2020 ThUS\$
First adoption reserve ⁽¹⁾	54,590	54,590
Revaluation of property, plant and equipment ⁽²⁾	19,272	20,061
Reserve for contributions of property, plant and equipment ⁽³⁾	87,522	87,522
Total other reserves	161,384	162,173

^(*)Amounts of reserves are presented net of deferred taxes determined in accordance with IAS 12.

⁽¹⁾ Effect of first adoption: Reserves generated by the first-time adoption of International Financial Reporting Standards (IFRS 1), which may be performed in accordance with Circular No.1.945 of September 29, 2009 issued by the Chilean Financial Market Commission (CMF).

⁽²⁾Revaluation of property, plant and equipment: Relates to reserves arising from the first application of IFRS 1, which were transferred from the asset contribution made through a corporate reorganization, which may be performed in accordance with Circular No.1.945 of September 29, 2009 issued by CMF.

⁽³⁾Reserves generated by non-distributable contributions of assets through corporate reorganization

d. Capital management

Capital management falls under the financing and investing policies of the Company, which establish, among other matters, that investments shall have appropriate financing according to the related project in conformity with the Financing Policy. Total investments for each year will not exceed 100% of the Company's equity, and should be aligned with its financial capacity.

e. Dividends

At the Shareholders' Meeting held on April 29, 2021, the shareholders approved to distribute a minimum dividend of ThUS\$12,572 related to US\$0.25338 per share, a final dividend declared of ThUS\$29,335 related to US\$0.59122 per share, and a possible debited to retained earnings from prior years of ThUS\$32,980, related to US\$0.66468 per share.

At the Board of Directors' Meeting held on September 23, 2021, the directors approved to distribute an interim dividend with a debit to profit for 2021 of ThUS\$16,000

e.1 Minimum dividend requirement

As of December 31, 2021 and 2020, the calculation of the compulsory minimum dividend is as follows:

Calculation of net profit for distribution (cash flows)	12.31.2021	12.31.2020
	ThUS\$	ThUS\$
Profit as per Financial Statements	31,768	41,907
Compulsory minimum dividend	-	12,571

21. Revenue

As of December 31, 2021 and 2020, revenue is detailed as follows:

Revenue	January - December	
	2021	2020
	ThUS\$	ThUS\$
Toll charges	68,953	80,218
Total	68,953	80,218

22. Raw materials and consumables used

As of December 31, 2021 and 2020, this caption comprises the following:

Raw materials and consumables used	January - December	
	2021	2020
	ThUS\$	ThUS\$
Operating costs	(5,847)	(1,843)
Other services	(5,057)	(10,440)
Total	(10,904)	(12,283)

23. Depreciation and amortization expense

As of December 31, 2021 and 2020, depreciation and amortization are composed of the following:

Depreciation and amortization expenses	January - December	
	2021 ThUS\$	2020 ThUS\$
Depreciation of property, plant and equipment (see Note 13.b)	(11,254)	(10,777)
Depreciation of right-of-use assets (see Note 14.b)	(301)	(208)
Amortization of intangible assets (see Note 12.b)	(62)	(62)
Total	(11,617)	(11,047)

24. Foreign currency translation differences

Items related to net foreign currency translation differences with an effect on profit or loss are detailed as follows:

Foreign currency translation differences	Currency	January - December	
		2021 ThUS\$	2020 ThUS\$
Cash and cash equivalents	Ch\$	(1,682)	(571)
Trade and other receivables	Ch\$	(42)	3,163
Current tax assets	Ch\$	158	(17)
Foreign currency translation difference, assets		(1,566)	2,575
Trade and other payables	Ch\$	(174)	(136)
Foreign currency translation difference, liabilities		(174)	(136)
Total foreign currency translation difference		(1,740)	2,439

25. Other (losses) gains

As of December 31, 2021 and 2020, other gains (losses) are detailed as follows:

Other income derived from other than operating activities	January - December	
	2021 ThUS\$	2020 ThUS\$
Other income	965	2,921
Total other income	965	2,921
Other expenses derived from other than operating activities	January - December	
	2021 ThUS\$	2020 ThUS\$
Provision for contingencies	-	(1,220)
Disposals of property, plant and equipment	-	(2,377)
Write-offs and fines	(74)	-
Other	(160)	(203)
Total other expenses	(234)	(3,800)
Total other gains (losses)	731	(879)

26. Guarantees committed with third parties and contingent assets and liabilities

a. Guarantees committed with third parties

Assets committed			Outstanding amount	
Type of guarantee	Currency	Carrying amount	12.31.2021	12.31.2020
			ThUS\$	ThUS\$
Performance bond	US\$	1,782,600	1,783	1,670
Performance bond	UF	-	-	5
Total			1,783	1,675

b. Third-party guarantees

Current guarantees denominated in U.S. dollars as of December 31, 2021

Depositor	Relationship	Total ThUS\$
Ingeniería Agrosonda SpA	Supplier	145
Pine SpA	Supplier	88
Total		233

Current guarantees denominated in Chilean pesos as of December 31, 2021

Depositor	Relationship	Total ThUS\$
Máximo E. Sanhueza Manríquez	Supplier	2
Total		2

Current guarantees denominated in Unidades de Fomento as of December 31, 2021

Depositor	Relationship	Total ThUS\$
Ingeniería Agrosonda SpA	Supplier	222
Servicio Integrales de Mantenimientos Técnicos S.A.	Supplier	49
Marcelo Javier Urrea Caro	Supplier	7
EMPRESA NACIONAL DE TELECOMUNICACIONES S.A.	Supplier	5
Total		283

c. Contingencies

Alfa Transmisión S.A.'s management believes, based on the information it has at the date of issuance of these consolidated financial statements, that the provisions recorded in the accompanying consolidated statement of financial position adequately cover the risks from litigation and other transactions described in this note, and therefore does not expect any additional liabilities to arise therefrom.

Because of the nature of the risks covered by these provisions, it is not possible to determine an exact schedule of payment dates, if any.

In accordance with IAS 37, a detail of litigation as of December 31, 2021 is presented below.

1. Charges against Alfa Transmisión S.A. by the SEC due to failure in Substation Los Maquis occurred on May 30, 2018. A fine of 11,000 Monthly Tax Units was applied and an appeal for reconsideration was filed against the resolution. On January 5, 2021, the resolution rejecting the appeal for reconsideration was notified. On January 29, 2021, an appeal was filed before the Court of Appeals of Santiago, which was declared inadmissible because of late filing. On April 1, 2021, an appeal for reconsideration was filed against this last resolution, and a subsidy appeal with the Supreme Court, which was accepted. The Court of Appeals rejected the appeal request, and on September 14, 2021 the related appeal was filed with the Supreme Court. On January 12, 2022, the Supreme Court received the appeal and confirmed the judgment issued by the Court of Appeals of Santiago, establishing a fine payable of 6,000 Monthly tax Units.

2. Charges against Alfa Transmisión S.A. by SEC due to failure in TL San Ignacio-Talca occurred on May 5, 2019. A fine of 6,000 Monthly Tax Units was imposed and an appeal for reconsideration was filed against the resolution, which was rejected. On November 23, 2020, the related appeal was filed with the Court of Appeals of Santiago.

27. Foreign currency

The detail of assets and liabilities in foreign currency subject to fluctuations in currency exchange rates is as follows:

Assets	Foreign currency	Functional currency	12.31.2021 ThUS\$	12.31.2020 ThUS\$
Total current assets				
Cash and cash equivalents	Ch\$	U.S. dollar	15,469	11,822
Other non-financial assets	Ch\$	U.S. dollar	454	138
Trade and other receivables, current	Ch\$	U.S. dollar	40,546	25,390
Trad receivables due from related parties, current	Ch\$	U.S. dollar	-	1,932
Current tax assets	Ch\$	U.S. dollar	8,161	5,232
Total current assets			64,630	44,514
Non-current assets				
Trade and other receivables, non-current	Ch\$	U.S. dollar	-	1,868
Right-of-use assets	UF	U.S. dollar	87	167
Total non-current assets			87	2,035
Total assets			64,717	46,549
Liabilities	Foreign currency	Functional currency	12.31.2021 ThUS\$	12.31.2020 ThUS\$
Total current liabilities				
Lease liabilities, current	UF	U.S. dollar	110	99
Trade and other payables	Ch\$	U.S. dollar	51,218	7,472
Other non-financial liabilities, current	Ch\$	U.S. dollar	2,753	5,042
Total current liabilities			54,081	12,613
Non-current liabilities				
Lease liabilities, non-current	UF	U.S. dollar	10	50
Other non-financial liabilities, non-current	Ch\$	U.S. dollar	12,635	14,450
Total non-current liabilities			12,645	14,500
Total liabilities			66,726	27,113

28. Environment

As of December 31, 2021 and 2020, the Company records no expenses related to the environment.

29. Subsequent events

At its meeting held on March 31, 2022, the Company's Board of Directors approved the financial statements for the period ended December 31, 2021, prepared in accordance with International Financial Reporting Standards (IFRS).

On January 12, 2022, the SEC fine was issued due to failure in the Substation Los Maquis occurred in 2018 for 6,000 Monthly Tax Units. Such fine was paid on February 4, 2022.

Between January 1, 2022 and the date of issuance of these financial statements, no other subsequent events have occurred.

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