



# **CELEO REDES OPERACIÓN CHILE S.A. AND SUBSIDIARIES**

## **INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended  
September 30, 2021

**Contents:**

- **Interim Consolidated Financial Statements**
- **Notes to the Interim Consolidated Financial Statements**

**ThUS\$: In thousands of United States dollars**

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**CELEO REDES OPERACIÓN CHILE S.A. AND SUBSIDIARIES**  
**Taxpayer ID: 76.187.228– 1**

CLASSIFIED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS OF SEPTEMBER 30, 2021 (UNAUDITED) AND DECEMBER 31, 2020  
(Amounts expressed in thousand of United States dollars ThUS\$)

<b>Assets</b>	<b>Note No.</b>	<b>09.30.2021 ThUS\$</b>	<b>12.31.2020 ThUS\$</b>
<b>Current assets</b>			
Cash and cash equivalents	4	47,312	35,494
Other financial assets, current		383	-
Other non-financial assets, current	5	538	107
Trade and other receivables, current	6	3,162	9,266
Receivables due from related parties, current	14	3,961	3,397
Current tax assets	7	-	565
<b>Total current assets</b>		<b>55,356</b>	<b>48,829</b>
<b>Non-current assets</b>			
Other financial assets, non-current	5	1,909	2,041
Receivables due from related parties, non-current	14	100,521	98,327
Intangible assets other than goodwill	10	80,115	80,122
Property, plant and equipment	11	359,205	364,095
<b>Total non-current assets</b>		<b>541,750</b>	<b>544,585</b>
<b>Total assets</b>		<b>597,106</b>	<b>593,414</b>

See the accompanying notes to the Interim Consolidated Financial Statements.

**CELEO REDES OPERACIÓN CHILE S.A. AND SUBSIDIARIES**  
**Taxpayer ID: 76.187.228-1**

CLASSIFIED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS OF SEPTEMBER 30, 2021 (UNAUDITED) AND DECEMBER 31, 2020  
(Amounts expressed in thousand of United States dollars ThUS\$)

	Note No.	09.30.2021 ThUS\$	12.31.2020 ThUS\$
<b>Liabilities</b>			
<b>Current liabilities</b>			
Other financial liabilities, current	12	19,518	13,745
Trade and other payables	13	3,577	7,076
Payables due to related parties, current	14	223	442
Pasivos por Impuestos corrientes	7	185	-
<b>Total current liabilities different than liabilities included in groups of liabilities classified as held-for-sale</b>		<b>23,503</b>	<b>21,263</b>
<b>Total current liabilities</b>		<b>23,503</b>	<b>21,263</b>
<b>Non-current liabilities</b>			
Other financial liabilities, non-current	12	524,161	549,055
Deferred tax liabilities	9.2	16,521	10,033
<b>Total non-current liabilities</b>		<b>540,682</b>	<b>559,088</b>
<b>Total liabilities</b>		<b>564,185</b>	<b>580,351</b>
<b>Equity</b>			
Paid-in capital	15.1	1,000	1,000
Retained earnings		19,866	13,611
Other reserves	15.3	12,044	(1,559)
<b>Equity attributable to the owners of the Parent</b>		<b>32,910</b>	<b>13,052</b>
Non-controlling interests	16	11	11
<b>Total equity</b>		<b>32,921</b>	<b>13,063</b>
<b>Total equity and liabilities</b>		<b>597,106</b>	<b>593,414</b>

See the accompanying notes to the Interim Consolidated Financial Statements.



**CELEO REDES OPERACIÓN CHILE S.A. AND SUBSIDIARIES**  
**Taxpayer ID: 76.187.228- 1**

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
 FOR THE NINE AND THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2021 AND 2020 (UNAUDITED)  
 (Amounts expressed in thousand of United States dollars ThUS\$)

	Note No.	09.30.2021 ThUS\$	09.30.2020 ThUS\$	07.01.2021 09.30.2021 ThUS\$	07.01.2020 09.30.2020 ThUS\$
<b>Statement of profit or loss</b>					
<b>Profit (loss)</b>					
Revenue	17	36,887	36,890	12,296	12,296
Cost of sales	18	(7,377)	(7,094)	(2,433)	(2,379)
<b>Gross profit</b>		<b>29,510</b>	<b>29,796</b>	<b>9,863</b>	<b>9,917</b>
Administrative expenses	19.1	(2,277)	(2,082)	(762)	(620)
Other expenses, by function	19.2	-	167	-	(1)
Gain from operating activities		27,233	27,881	9,101	9,296
Finance income	19.3	3,195	3,553	1,070	1,142
Finance costs	19.3	(19,817)	(20,181)	(6,781)	(7,068)
Foreign currency translation differences	19.4	(2,029)	(1,090)	(3,362)	1,322
Income (expense) from inflation adjusted units	19.5	(12)	(5)	(3)	1
Profit before taxes		8,570	10,158	25	4,693
Income tax expense, continuing operations	9.1	(2,315)	(2,743)	(7)	(1,050)
Profit from continuing operations		6,255	7,415	18	3,643
Loss from discontinued operations		-	-	-	-
<b>Profit for the year</b>		<b>6,255</b>	<b>7,415</b>	<b>18</b>	<b>3,643</b>
<b>Profit (loss) attributable to:</b>					
Owners of the Parent		6,255	7,414	18	3,643
Non controlling interests		-	1	-	-
Profit		6,255	7,415	18	3,643
<b>Earnings per share</b>					
<b>Basic earnings per share</b>					
Basic earnings per share from continuing operations		0.00626	0.00741	0.00002	0.00364
Basic earnings per share from discontinued operations		-	-	-	-
Basic earnings per share		0.00626	0.00741	0.00002	0.00364
<b>Diluted earnings per share</b>					
Diluted earnings per share from continuing operations		0.00626	0.00741	0.00002	0.00364
Diluted earnings per share from discontinued operations		-	-	-	-
Diluted earnings per share		0.00626	0.00741	0.00002	0.00364

See the accompanying notes to the Interim Consolidated Financial Statements.



**CELEO REDES OPERACIÓN CHILE S.A. AND SUBSIDIARIES**  
**Taxpayer ID: 76.187.228-1**

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
 FOR THE NINE AND THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2021 AND 2020 (UNAUDITED)  
 (Amounts expressed in thousand of United States dollars ThUS\$)

	09.30.2021 ThUS\$	09.30.2020 ThUS\$	07.01.2021 09.30.2021 ThUS\$	07.01.2020 09.30.2020 ThUS\$
<b>Profit for the year</b>	6,255	7,415	18	3,643
<b>Components of other comprehensive income that will not be reclassified to profit or loss for the year, before taxes</b>				
Other comprehensive income, before tax, profit (loss) from investments in equity securities	-	-	-	-
<b>Total other comprehensive income that will not be reclassified to profit or loss for the year, before taxes</b>	-	-	-	-
<b>Components of other comprehensive income that will be reclassified to profit or loss for the year, before taxes</b>				
<b>Foreign currency translation differences</b>				
Gain/(loss) from foreign currency translation difference, before taxes	-	-	-	-
<b>Other comprehensive income, before taxes, profit (loss) from foreign currency translation differences</b>	-	-	-	-
<b>Cash flow hedges</b>				
Gain (losses) from cash flow hedges, before taxes	18,634	9,317	18,498	(7,404)
Adjustments for reclassification to cash flow hedges, before taxes	-	-	-	-
<b>Other comprehensive income, before taxes, from cash flow hedges</b>	18,634	9,317	18,498	(7,404)
<b>Total other comprehensive income that will be reclassified to profit or loss for the year, before taxes</b>	18,634	9,317	18,498	(7,404)
<b>Other components of other comprehensive income, before taxes</b>	18,634	9,317	18,498	(7,404)
<b>Income tax related to components of Other Comprehensive Income that will be reclassified to profit or loss for the year</b>				
Income tax related to cash flow hedges of other comprehensive income	(5,031)	(4,138)	-4,994	1,999
<b>Accumulated income tax related to items of other comprehensive income that will be reclassified to profit or loss for the year</b>	(5,031)	(4,138)	-4,994	1,999
<b>Other comprehensive income</b>	13,603	5,179	13,504	(5,405)
<b>Total comprehensive income</b>	19,858	12,594	13,522	(1,762)
<b>Comprehensive income attributable to</b>				
Owners of the Parent	19,858	12,593	13,522	(2,366)
Non-controlling interests	-	1	-	-
<b>Comprehensive income (loss)</b>	19,858	12,594	13,522	(2,366)

See the accompanying notes to the Interim Consolidated Financial Statements.





**CELEO REDES OPERACIÓN CHILE S.A. AND SUBSIDIARIES**  
**Taxpayer ID: 76.187.228– 1**

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS - DIRECT METHOD  
 FOR THE PERIODS ENDED SEPTEMBER 30, 2021 AND 2020 (UNAUDITED)  
 (Amounts expressed in thousand of United States dollars ThUS\$)

	<b>09.30.2021</b>	<b>09.30.2020</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
<b>Statements of cash flows</b>		
<b>Cash flows from (used in) operating activities</b>		
Classes of cash receipts from operating activities		
Cash receipts from sale of goods and rendering of services	62,110	24,650
Other cash receipts from operating activities	-	-
Classes of payments		
Payments to suppliers for goods and services	(22,265)	(8,234)
Other cash payments used in operating activities	(5,202)	-
Interest paid, recorded as operating activities	-	-
Interest received, recorded as operating activities	66	160
Income taxes received (paid), recorded as operating activities	(380)	(2,773)
Other cash inflows (outflows), recorded as operating activities	-	-
<b>Net cash from (used in) operating activities</b>	<b>34,329</b>	<b>13,815</b>
<b>Cash flows from (used in) investing activities</b>		
Acquisition of property, plant and equipment	-	-
Acquisition of intangible assets	(383)	(32)
Other cash inflows (outflows)	-	-
<b>Net cash from (used in) investing activities</b>	<b>(383)</b>	<b>(32)</b>
<b>Cash flows from (used in) financing activities</b>		
Related party financing	-	2,814
Cash payments of related party financing	-	-
Dividends paid	-	-
Interest paid	(12,985)	(12,797)
Other cash receipts (payments)	(6,095)	(5,086)
<b>Net cash used in financing activities</b>	<b>(19,080)</b>	<b>(15,069)</b>
<b>Net increase (decrease) in cash and cash equivalents before the effect of movements in exchange rates on cash held</b>	<b>14,866</b>	<b>(1,286)</b>
<b>Effect on movements in exchange rates on cash and cash equivalents</b>		
Effect on movements in exchange rates on cash and cash equivalents	(3,048)	(1,955)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>11,818</b>	<b>(3,241)</b>
Cash and cash equivalents at January 1	35,494	28,107
<b>Cash and cash equivalents at September 30</b>	<b>47,312</b>	<b>24,866</b>

See the accompanying notes to the Interim Consolidated Financial Statements.



**CELEO REDES OPERACIÓN CHILE S.A. AND SUBSIDIARIES**

**Taxpayer ID: 76.187.228 – 1**

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIODS ENDED SEPTEMBER 30, 2021 AND 2020 (UNAUDITED)  
(Amounts expressed in thousand of United States dollars ThUS\$)

	Other reserves					Retained earnings	Equity attributable to the owners of the Parent	Non-controlling interests	Total equity
	Share capital	Translation reserve	Cash flow hedging reserve	Other reserves	Total other reserves				
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$				
Opening balance as of January 1, 2021	1,000	-	(1,834)	275	(1,559)	13,611	13,052	11	13,063
Increase (decrease) from changes in accounting policies	-	-	-	-	-	-	-	-	-
Increase (decrease) due to correction of errors	-	-	-	-	-	-	-	-	-
<b>Restated opening balance</b>	<b>1,000</b>	<b>-</b>	<b>(1,834)</b>	<b>275</b>	<b>(1,559)</b>	<b>13,611</b>	<b>13,052</b>	<b>11</b>	<b>13,063</b>
Changes in equity									
Comprehensive income (loss)									
Gain (loss)	-	-	-	-	-	6,255	6,255	-	6,255
Other comprehensive income (loss)	-	-	13,603	-	13,603	-	13,603	-	13,603
<b>Comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>13,603</b>	<b>-</b>	<b>13,603</b>	<b>6,255</b>	<b>19,858</b>	<b>-</b>	<b>19,858</b>
Share issue	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Increase (decrease) for transfers and other changes	-	-	-	-	-	-	-	-	-
Total changes in equity	-	-	13,603	-	13,603	6,255	19,858	-	19,858
<b>Closing balance as of September 30, 2021</b>	<b>1,000</b>	<b>-</b>	<b>11,769</b>	<b>275</b>	<b>12,044</b>	<b>19,866</b>	<b>32,910</b>	<b>11</b>	<b>32,921</b>

	Other reserves					Retained earnings	Equity attributable to the owners of the Parent	Non-controlling interests	Total equity
	Share capital	Translation reserve	Cash flow hedging reserve	Other reserves	Total other reserves				
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$				
Opening balance as of January 1, 2021	12,168	-	8,909	275	9,184	3,800	25,152	10	25,162
Increase (decrease) from changes in accounting policies	-	-	-	-	-	-	-	-	-
Increase (decrease) due to correction of errors	-	-	-	-	-	-	-	-	-
<b>Restated opening balance</b>	<b>12,168</b>	<b>-</b>	<b>8,909</b>	<b>275</b>	<b>9,184</b>	<b>3,800</b>	<b>25,152</b>	<b>10</b>	<b>25,162</b>
Changes in equity									
Comprehensive income (loss)									
Gain (loss)	-	-	-	-	-	7,414	7,414	1	7,415
Other comprehensive income (loss)	-	-	5,179	-	5,179	-	5,179	-	5,179
<b>Comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>5,179</b>	<b>-</b>	<b>5,179</b>	<b>7,414</b>	<b>12,593</b>	<b>1</b>	<b>12,594</b>
Share issue	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Increase (decrease) for transfers and other changes	-	-	-	-	-	-	-	-	-
Total changes in equity	-	-	5,179	-	5,179	7,414	12,593	1	12,594
<b>Closing balance as of September 30, 2021</b>	<b>12,168</b>	<b>-</b>	<b>14,088</b>	<b>275</b>	<b>14,363</b>	<b>11,214</b>	<b>37,745</b>	<b>11</b>	<b>37,756</b>

See the accompanying notes to the Interim Consolidated Financial Statements.

**CELEO REDES OPERACIÓN CHILE S.A. AND SUBSIDIARIES**

Taxpayer ID: 76.187.228 – 1

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended September 30, 2021 and December 31, 2020.

**1. REPORTING ENTITY**

Celeo Redes Operación Chile S.A. (hereinafter the "Company") is a closely-held corporation incorporated on November 23, 2011 (formerly Celeo Redes Chile Limitada), via public deed granted at the Santiago's Notarial Office of Mr. Eduardo Avello Concha under record No. 24.549 of 2011. Via public deed dated October 28, 2016 (under record No. 12270-2016), the Company's partners modified its by-laws, transforming it into a closely-held shareholders' corporation, changing its former business name. An authorized excerpt of the aforementioned deed was listed in the Trade Registry of Santiago in 2016, under page 80.751 No.43.587, and published in the Official Gazette on November 5, 2016.

The Company is registered under No. 1.144 with the Securities Register of the Financial Market Commission (former Superintendence of Securities and Insurance of Chile).

The Company's registered address is located at Avenida Apoquindo 4501, piso 19, oficina 1902, Las Condes, Santiago.

The Company is an investment and investment income entity, processes data and activities related to databases, business advisory, management advisory and other business activities.

The Company is engaged in making investment in all types of movable and immovable property tangible and intangible assets, including the acquisition of all types of commercial paper and, in general, all types of securities and investment instruments and the management of such investments and their results. For compliance with its line of business, the Company will be able to incorporate other companies or enter the ownership of such entities, provide bookkeeping and advisory, human resource, administrative services, prepare and review budgets and all other advisory or services related to business administration. The design, construction, performance, operation and/or investment in infrastructure and projects for the public or private works concession, the provision of supplementary services through its involvement in proposals, tender processes, direct contracts and concessions of public works either directly or through other companies where it has ownership interest; the independent involvement or jointly or associated with other Chilean or foreign natural persons or legal entities in domestic or international tender processes for public works as requested by the Ministry of Energy or Ministry of Public Works in Chile through any contract, including those within a tender process through the Public Works or City-Hall concession systems involving direct or deferred payment; the survey, fostering and performance of all acts and contracts or businesses related to the construction, improvement, maintenance, repair, new customization and transformation of infrastructure for the generation, distribution or transmission of electric energy or electric easements, as well as public and private works, and civil works and engineering and construction studies, either acting on its own or on behalf of others, either related or not to electricity; the direct or indirect acquisition, administration, operation, trading and sale of all types of immovable property; the provision of all types of services and advisory with respect to matters and businesses directly or indirectly related to electric energy, being able to provide advisory, forecast, plan, organize, direct and administer all types of works and any other legal business as determined by the Company's partners.

The subsidiary Alto Jahuel Transmisora de Energía S.A. (AJTE) communicated to the National Electric Coordinator (CEN), which groups the former CDEC-SIC and CDEC-SING that its operations commenced on September 26, 2015 at 12:17 hrs. Starting from such date, the Company has the right to charge VATT [Transmission Section Annual Amount] for a period of 240 calendar months (20 years), in accordance with its indexation formula, which would be a part of the fees for the project. Such fee will be composed of a fixed annual portion of revenues of US\$ 18,634,940, and a variable portion that will depend on the amount of the "toll charge" from consumers or generators transmitting energy through its transmission and distribution of electric capacity lines.

## 1. REPORTING ENTITY, (continued)

The subsidiary Alto Jahuel Transmisora de Energía S.A. communicated to the CEN, that its production operations for the trunk expansion works established in Decree No. 310 of the SIC "Ancoa - Alto Jahuel 2x500 kV line: Second Circuit cabling" commenced on January 16, 2016. Starting from such date, the Company has the right to charge the VATT [Transmission Section Annual Amount] associated with these facilities. The amount will be recalculated every four years by the Chilean Energy Commission through a valuation study at market price of the domestic transmission system (former trunk) facilities. For the first period (2016-2019), the VATT is calculated in accordance with the resulting Investment Value from this expansion project's tender process, and the Operation, Maintenance and Management Costs (COMA, for its Spanish acronym), established by Chilean Ministry of Energy through Decree No. 13T as of April 24, 2015. According to the methodology used by CEN, the VATT for the first period amounts to US\$ 11,446,608, which is indexed on a monthly basis as per the aforementioned Decree.

On December 24, 2017, at 12:37 pm, after the end of the related construction and testing period, the project Charrúa commenced its operations, which is managed by the subsidiary Charrúa Transmisora de Energía S.A.; (CHATE). Accordingly, such facilities are operating and available to provide energy to the National Power System.

The commencement of operating and revenue recognition phase, in accordance with the Charrúa Transmisora de Energía S.A. project's Bidding terms (Decree No.587 of August 2012), the payment of VATT (Transmission Section Annual Amount) and its indexation formula, will be the fees for the Project for a 240-month period (20 years), which started on December 24, 2017, the date of communication to the CEN by the Company of the project's commissioning. The Company was awarded the project offering the amount of US\$16,949,000, and, accordingly, must receive the sum equivalent in Chilean pesos for the remuneration period. In addition, it will receive variable revenue depending on the "toll" to be charged to the consumers or generators transmitting energy through the Company's transmission and distribution of electric capacity lines.

On January 15, 2019, upon completion of the process of construction and related tests on the stage of the project associated with the 2x220 New Line between Diego de Almagro and Cumbres, and installation of 1x175 MVA 500/220 kV auto-transformer bank in the Cumbres Substation, the project operations began, enabling the use of facilities, which are operating and available for the National Power System.

At the Extraordinary Shareholders' Meeting held on June 10, 2019, the shareholders agreed to transfer the shares the Company maintains in the subsidiary Diego de Almagro Transmisora de Energía S.A. to its Parent Celeo Redes Chile Ltda. in order to pay the capital decrease approved in such meeting. Such transfer was formalized on July 22, 2019.

Accordingly, starting from that date, the Company has ceased consolidating the assets, liabilities, income and expenses of subsidiary Diego de Almagro Transmisora de Energía S.A.

Subsequently, on July 24, 2019, the Parent Celeo Redes Chile Ltda. transferred all the shares it owned in subsidiary Diego de Almagro Trasmisora de Energía S.A. to its subsidiary CRC Transmisión SpA.

The Spanish Company Celeo Redes S.L., is an entity in the Elecnor Group, which is a Spanish group of companies engaged in the engineering, development and construction of infrastructure projects, renewable energy and new technologies, is the ultimate Parent of the Company.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1) Accounting period

The Interim Consolidated Financial Statements cover the following periods:

- Interim Consolidated Statements of Financial Position as of September 30, 2021 and the year ended December 31, 2020.
- Interim Consolidated Statements of Comprehensive Income as of September 30, 2021 and 2020.
- Interim Consolidated Statements of Changes in Equity as of September 30, 2021 and 2020.
- Interim Consolidated Statements of Cash Flows - Direct Method as of September 30, 2021 and 2020.

### 2.2) Basis of preparation

The Interim Consolidated Financial Statements as of September 30, 2021 and the year ended December 31, 2020, have been prepared in conformity with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and have been authorized for issue by its Board of Directors on November 25, 2021.

The translation of these financial statements is provided as a free translation from the Spanish language original, which is the official and binding version. Such translation has been made solely for the convenience of non-Spanish readers.

### 2.3) Responsibility for the information

The information contained in these financial statements is the responsibility of Company's Management, who expressly state that all the policies and criteria included in International Financial Reporting Standards ("IFRS") as issued by International Accounting standards Board ("IASB"), have been applied.

### 2.4) Functional and presentation currency

The functional and presentation currency relates to the currency of the primary economic environment in which the Company operates. Transactions denominated in a currency other than the functional currency are converted using the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities expressed in currencies other than the functional currency are retranslated using the exchange rates prevailing at the closing date. Retranslation gains and losses are recognized in foreign currency translation differences in profit or loss.

In accordance with the Company's Management's analysis of the primary and secondary factors of IAS 21, the Company's functional and presentation currency is the United States dollar.

### 2.5) Basis of translation

Assets and liabilities in currencies other than U.S. dollar, which is the Company's functional and presentation currency, are translated to the functional currency using the exchange rates prevailing at the reporting date. Revenue and expenses in a currency other than the functional currency are translated using the exchange rate existing at the date of the related transaction. Foreign currency translation differences generated are recognized in foreign currency translation differences in profit or loss.

## 2. SIGNIFICANT ACCOUNTING POLICIES, (continued)

### 2.5) Basis of translation, (continued)

The Chilean peso exchange rate per US\$1.00 as reported by the Central Bank of Chile is as follows:

	09.30.2021	12.31.2020
Basis of translation	ThUS\$	ThUS\$
Currency US\$	1.00000	1.00000
Chilean pesos (Ch\$)	0.00123	0.00141
Unidad de Fomento (UF)	37.05921	40.88942

### 2.6) Basis of consolidation

The Interim Consolidated Financial Statements comprise the financial statements of the Parent and its subsidiaries, including all of their assets, liabilities, revenue, expenses and cash flows after making the necessary adjustments and eliminating all transactions conducted between the consolidating companies.

In accordance with IFRS 10, subsidiaries refer to all entities on which Celeo Redes Operación Chile S.A. has control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. An investor has power over an investee when the investor has existing rights that give it the current ability to direct the relevant activities, i.e., the activities that significantly affect the investee's returns. In general, the Company's power over its subsidiary arises from holding the majority of the voting rights provided by the subsidiary's equity instruments.

The subsidiary's financial statements have been prepared at the same reporting date of the Parent Company and consistent accounting policies have been applied considering the specific nature of each line of business.

All intercompany transactions and balances have been eliminated on consolidation.

The Interim Consolidated Financial Statements include the amounts of the following subsidiaries:

Tax ID No.	Company	Functional currency	09.30.2021			12.31.2020
			Direct %	Indirect %	Total %	Total %
76.100.121 - 3	Alto Jahuel Transmisora de Energía S.A.	US dollar	99.99	-	99.99	99.99
76.260.825 - 1	Charrúa Transmisora de Energía S.A.	US dollar	99.99	-	99.99	99.99

## 2. SIGNIFICANT ACCOUNTING POLICIES, (continued)

### 2.7) Property, plant and equipment

Items of property, plant and equipment are measured at their costs net of accumulated depreciation and any impairment losses. In addition to the price paid for the acquisition of each item of property, plant and equipment, cost also includes, in each case, the following concepts:

**2.7.1** Capitalized costs: Any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**2.7.2** Capitalized finance costs: Finance costs accrued during the construction period that are directly attributable to the acquisition, construction or production of qualifying assets, which refer to those that require a substantial period of time before being ready for their intended use, are capitalized. The interest rate used is the rate of the specific financing or, if no such financing exists, the average financing rate of the Company making the investment.

**2.7.3** Assets under construction: Assets under construction are measured at historical cost. They will be transferred to plant and equipment after the end of the test period, from which date their depreciation commences.

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

- (a) Finance costs related to external financing that are directly attributable to constructions of a specific or generic nature.
- (b) Operating expenses that are directly attributable to construction.

**2.7.4** Depreciation: Items of property, plant and equipment, net of their residual value are depreciated by allocating, on a straight-line basis, the cost of the different items comprising it in the estimated useful life years that comprise the period in which the Company expects to use them. The useful lives of items of property, plant and equipment and residual values are reviewed on an annual basis.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

The useful life periods used to determine the depreciation of the main classes of assets are as follows:

Class	Useful life (years)
Transmission lines	50
Substations	40
Machinery and equipment	7

## 2. SIGNIFICANT ACCOUNTING POLICIES, (continued)

### 2.8) Intangible assets other than goodwill

Intangible assets are composed of electric easements and IT applications. They are recognized in accounting at acquisition cost, net of their accumulated amortization, as applicable.

**2.8.1.** Electric easements: These do not have defined useful lives and; accordingly, are not subject to amortization. However, indefinite useful lives are subject to review each year in which information is presented to determine whether the consideration of the indefinite useful life continues to be applicable. These assets are subject to annual impairment testing.

**2.8.2.** IT software licenses: These are recognized based on total acquisition and implementation costs. These costs are amortized over their estimated useful lives, which, in average, are of 6 years.

### 2.9) Impairment of non-current assets

At each closing date, Management assesses the existence of indications of a possible impairment of non-current assets with finite useful life. Should such indications exist, the Company calculates the recoverable amount of the asset, which is the greater of its value in use and its fair value less costs to sell. Such value in use is determined through the discount of estimated future cash flows. Impairment exists if the recoverable amount of an asset is below its net carrying amount.

As of September 30, 2021, the Company has not identified impairment of non-current assets.

### 2.10) Income tax and deferred taxes

Income tax expense comprises current and deferred taxes. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

**2.10.1.** Income tax: The Company and its subsidiaries determine the taxable basis and calculate income tax in accordance with tax legislation effective in each period.

For the 2021 period, the current income tax rate will be 27%.

**2.10.2.** Current tax: Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.



## 2. SIGNIFICANT ACCOUNTING POLICIES, (continued)

### 2.10) Income tax and deferred taxes, (continued)

**2.10.3. Deferred taxes:** Deferred taxes are recognized with respect to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred taxes are not recognized for:

Temporary differences on the initial recognition of an asset or liability in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

Temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

Taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

At each reporting date, an entity shall reassess the unrecognized deferred tax asset and will recognize a previously unrecognized deferred tax asset to the extent that it is probable that tax profits are available to allow the recovery of the deferred tax asset.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects the uncertainty related to income taxes, if any.

Deferred taxes are measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates applicable by default at the reporting date, which are as follows: 2014: 21%, 2015: 22.5%, 2016: 24%, 2017: 25.5%, and 2018: 27%.

## 2. SIGNIFICANT ACCOUNTING POLICIES, (continued)

### 2.10) Income tax and deferred taxes, (continued)

#### **Effect of the adoption of IFRIC 23**

In June 2017, the IASB issued IFRIC 23: Uncertainty over Income Tax Treatments, to clarify the application of the recognition and measurement requirements in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments. This Interpretation addresses the following issues: applying tax treatments independently or collectively; the assumptions for taxation authorities' examinations; determination of taxable profit or loss, tax bases, unused tax losses, unused tax credits and tax rates; and effect of changes in facts and circumstances.

Uncertainties over income tax treatments may affect both current and deferred taxes. The threshold to reflect the effects of the uncertainty is whether the taxation authority accepts or not an uncertain tax treatment, assuming that the taxation authority will examine amounts it has a right to examine and have full knowledge of all related information.

This Interpretation provides guidance on an entity's accounting for current and deferred tax asset and liability under circumstances in which there is uncertainty over income tax treatments. The Interpretation requires that:

- The Group identifies whether to consider each uncertain tax treatment separately or together, based on which approach better predicts the resolution of the uncertainty;
- The Group determines whether it is probable that a taxation authority will accept an uncertain tax treatment; and
- If it is not probable that the uncertain tax treatment is accepted, the Group measures the uncertainty based on the most likely amount or the expected value, which better predicts the resolution of the uncertainty.

This measurement is based on the assumption that the taxation authorities will have amounts available and full knowledge of all related information when making relevant examinations.

## 2. SIGNIFICANT ACCOUNTING POLICIES, (continued)

### 2.11) Current and non-current financial assets and liabilities

**2.11.1. Financial assets, current and non-current:** If the fair value of financial assets recognized in the statement of financial position cannot be derived from active markets, it is determined using valuation techniques which include the discounted cash flow model. Changes in the assumptions with respect to those factors might affect the regular value of financial instruments.

**2.11.2. Other financial liabilities:** Loans, promissory notes and bonds payable and other financial liabilities of a similar nature are initially recognized at their fair value net of the costs incurred in the original transaction. They are subsequently valued at their amortized cost and any difference between the proceeds obtained by the Company (net of the costs necessary to obtain them) and their reimbursement value is recognized in the statement of profit or loss during the term of the debt using the effective interest method.

**2.11.3. Effective interest method:** The effective interest method is a method for calculating the amortized cost of a financial liability and allocating interest expense throughout the relevant period. The effective interest rate relates to the rate that exactly discounts estimated cash flows payable during the expected term of the financial liability, or if appropriate during a lower period if the associated liability has a prepayment option that it is believed to be exercised.

### 2.12) Other short-term and long-term provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Such obligation can be legal or constructive derived among other factors from regulations, contracts, customary practices or public commitments generating with third parties a legitimate expectation that the Company will assume the amount of debts.

## 2. SIGNIFICANT ACCOUNTING POLICIES, (continued)

### 2.13) Financial instruments

**2.13.1.** Classification and measurement: The Company measures its financial assets at fair value plus transaction costs.

Financial debt securities are subsequently measured at fair value through profit or loss, or at amortized cost or at fair value through other comprehensive income. The classification is based on two criteria: the Group's business model to manage assets; and whether contractual cash flows of securities represent solely payment of principal and interests on the principal amount.

The new classification and measurement of the Company's financial debt assets is as follows:

- Debt securities at amortized cost for financial assets held within the Company's business model, intended to hold financial assets to collect contractual cash flows.

This category includes trade and other receivables, and loans included in Other financial assets, non-current.

- Debt securities classified in other comprehensive income, with gain or losses recycled to profit or loss at the time of realization. Financial assets included in this category are the Group's debt securities quoted and are held within the 'hold to collect and sell' business model both to collect the contractual cash flows and sell the item.

Other financial assets are classified and subsequently measured as follows:

- Equity securities classified in other comprehensive income, without recycling gains or losses to profit or loss at the time of realization. This category only includes the equity securities that the Company is intended to hold in the foreseeable future and has chosen to classify at initial recognition or transition.
- Financial assets at fair value through profit or loss include derivative instruments and equity instruments quoted that the Group has not irrevocably elected, at initial recognition or transition, to be classified in other comprehensive income. This category also includes debt securities the cash flow characteristics of which do not comply with the nominal criterion or which are not within the business model the objective of which is to collect contractual cash flows or accumulate contractual cash flows and sell.

Accounting for the Group's financial liabilities mostly remains unchanged with respect to IAS 39. Similarly to requirements of IAS 39, IFRS 9 requires that liabilities with contingent consideration are treated as financial instruments measured at fair value through profit or loss.

In conformity with IFRS 9, embedded derivatives are not separated from a main financial asset. However, financial assets are classified according to their contractual terms and the Group's business model.

**2.13.2.** Impairment: The new standard IFRS 9 requires expected credit losses from all their debt instruments, loans and trade receivables, whether on a 12-month or lifetime basis. The Company applied a simplified model for expected losses during the life of all trade receivables.

## 2. SIGNIFICANT ACCOUNTING POLICIES, (continued)

The Company has analyzed in accordance with the current legislation applicable to the domestic electric market, where the Coordinator defines, mandates the billing and the payment, corresponding to documents prepared during the electric process according to the current tenders. The Company also analyzes where the Coordinator establishes a limited term for its payments (less than 10 days), for which it has concluded that the probability of default in the electric market is minimum.

However, the Company has defined default matrix based on the Group's historical experience of expected credit losses, adjusted by specific prospective factors for debtors and the economic environment.

For other financial assets, the expected loss is based on the expected loss of 12 months. The expected credit loss of 12 months is the portion of lifetime expected credit loss resulting from default events in a financial instrument which are possible within the 12 months subsequent to the reporting date. However, when there is a significant increase in the credit risk from the inception, the allocation is based on the lifetime expected credit loss.

**2.13.3.** Hedge accounting: Derivatives are initially recognized at their fair value on the date the derivative agreement was entered into and are subsequently remeasured at fair value. The method used to recognize the resulting gain or loss depends on whether the derivative has been designated as a hedging instrument and, if so, the nature of the item being hedged.

The Company and its subsidiaries, designate derivatives depending on their nature within the following groups:

- Fair value hedges of assets or liabilities recognized or firm commitments (fair value hedge);
- Specific risk hedges associated with an asset or liability recognized or a highly probable foreseen transaction (cash flows hedges); or
- Net investment hedges in a foreign entity or which functional currency is different from the Parent's currency (net investment hedge).

### **2.14)** Classification of balances as current and non-current

In the accompanying interim consolidated statement of financial position, amounts are classified according to their maturities, i.e., balances maturing in twelve months or less as current and balances maturing in periods exceeding twelve months as non-current.

### **2.15)** Operating segment reporting

The Company has determined that it does not have any operating segments as that term is defined in IFRS 8, "Operating Segments." Substantially all of the Company's customers and the Company's non-current assets are located in Chile. Therefore, no further geographic revenue and non-current asset information has been presented in these consolidated financial statements.

## 2. SIGNIFICANT ACCOUNTING POLICIES, (continued)

### 2.16) Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency risk and interest rate exposure.

**2.16.1** Cash flow hedges: Changes in the fair value are recognized directly in equity in the caption "Hedging reserve" to the extent that such hedge is effective. Accumulated gains or losses in such caption are transferred to profit or loss in the same year in which the hedged item affects profit or loss. When a hedged item is a non-financial asset, the amount recognized in such caption is transferred as part of the carrying amount of the asset when it is recognized. To the extent that the hedge or a portion of such hedge is not effective changes in fair value are recognized with a debit or credit to comprehensive income. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively.

When a derivative financial instrument is not designated for a relationship that qualifies as a hedge, all changes in fair value are recognized immediately with a debit or credit to comprehensive income.

### 2.17) Revenue recognition

The legal framework that governs the Chilean power transmission is regulated by the DFL No. 4/2006, which sets the coordinated and systematized Revised Text of Statutory Decree No. 1 on Mining of 1982, General Law of Electric Services (DFL(M) No. 1/82) and its subsequent amendments that includes:

- Law 19.940, enacted on March 13, 2004,
- Law 20.018, enacted on May 19, 2005,
- Law 20.257 (Power Generation with Non-conventional Renewable Energy Sources), enacted on April 2008, and
- Law 20.936, enacted on July 20, 2016.

These laws are complemented by the General Law of Electricity Services of 1997 (Supreme Decree No. 327/97 of the Chilean Ministry of Mining) and its appropriate amendments, and by the Technical Security and Service Quality Standard (R.M.EXTA No. 40 as of May 16, 2005) and its subsequent amendments.

The Company and its subsidiaries' accrued revenue relates to the commercialization of electric transmission capacity from the Company's facilities. The Company mainly identifies a single type of existing contracts with customers, which is regulated. Revenue of this type of contract is subject to regulated fees in the respective Award Decrees issued by Chilean Ministry of Energy.

The main portion of revenue generated from the use of the Company's facilities, which is subject to a regulated fee, includes two components: I) the investment value annuity (AVI), plus II) COMA (Operation, Maintenance and Management Costs) which is the required cost to operate, maintain and manage the corresponding facilities.

Revenue subject to regulated fees is recognized and invoiced on a monthly basis using the values resulting from the application of the provisions in the Award Decrees and the effective legal framework related to fee indexation. The recognized accrued revenue for each month corresponds to the transmission service rendered but not billed during that month.

The Company has considered all current regulations for the market in which it operates, and has analyzed the particular circumstances based on current concessions and its methodology for contracts with customers.

## 2. SIGNIFICANT ACCOUNTING POLICIES, (continued)

As a result of this analysis, Management has determined that subsidiaries' contracts with customers for the Energy transmission service, should comply with the performance obligation of actual energy transmission performed in a determined period and reported by the CEN; therefore, revenue from the electric transmission of the Company's facilities is recognized based on the effective billing for the transmission period, as well as including an energy transmission estimate to be billed supplied until year-end.

### 2.18) Use of estimates

Below, we show the main future assumptions made and other underlying sources of uncertainties in estimates at the reporting date that could have a significant effect on future financial statements:

**2.18.1. Property, plant and equipment:** The accounting treatment of items of property, plant and equipment considers making estimates to determine the useful lives used and the calculation of their depreciation and residual values.

The determination of useful lives requires making estimates with respect to the expected evolution in technology and the alternative uses of assets. The assumptions with respect to the technological framework and its development in the future imply making a judgment.

Although these estimates have been made based on the best information available at the reporting date, it is possible that future events may require adjustments in following periods (increases or decreases), which would be applied prospectively, recognizing the effects of changes in estimates in future financial statements.

**2.18.2. Deferred taxes:** The Company assesses the recovery of the deferred tax assets based on estimates of attributable future tax results. Such recovery finally depends on the Company's ability to generate taxable income throughout the period where the deferred tax assets are deductible.

**2.18.3. Financial instruments:** The accounting treatment of changes in fair values of hedging instruments recorded by the Company.

### 2.19) Dividend Policy

**2.19.1. Minimum dividend:** Celeo Redes Operación Chile S.A is a closely-held corporation and its dividend distribution policy was established by its by-laws on October 28, 2016 in accordance with Article No.78 of the Chilean Public Company Act establishes that, except otherwise unanimously agreed in at the related shareholders meeting, shareholders' corporations must annually distribute as cash dividend to their shareholders, at pro rata of their interests or in the proportional amount established by the Company's by-laws, in the event preference shares exist, at least 30% of net profit for each year, except if the Company has to absorb accumulated losses from prior years.

**2.19.2. Provisional or final dividends:** In accordance with the Company's by-laws, the dividend distribution policy establishes the following: "The Shareholders' meeting could only agree on the distribution of dividends if no accumulated losses have been recognized from previous fiscal years. Dividends distributed exceeding the minimum stated above, may be freely charged by shareholders to the previous fiscal year profit, or to social funds that are able to be distributed as dividends. Only shareholders registered in the shareholders' registry the fifth day prior to the date in which dividends are paid are entitled to receive such dividends."

## 2. SIGNIFICANT ACCOUNTING POLICIES, (continued)

### 2.20) Statement of cash flows

For the preparation of the statement of cash flows, the Company uses the following definitions:

- 2.20.1.** Cash and cash equivalents: Include cash on hand and bank current accounts, term deposits in credit institutions and other short-term low risk investments with original maturities of less than three months.
  
- 2.20.2.** Operating activities: Are the principal revenue-producing activities usually conducted by the Company and other activities that are not investing or financing activities.
  
- 2.20.3.** Investing activities: Correspond to acquisition, disposal or sale activities by other means of non-current assets and other investments not included in cash and cash equivalents.
  
- 2.20.4.** Financing activities: Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.



## 2. SIGNIFICANT ACCOUNTING POLICIES, (continued)

### 2.21) Disclosures on the adoption of new and revised IFRS

The following standards, interpretations and amendments to standards which are mandatory for periods beginning on January 1, 2021:

#### Amendments to IFRS

COVID-19 Related Rent Concessions (Amendments to IFRS 16).

Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

### Accounting pronouncements issued but not yet effective

The following accounting pronouncements issued are effective for periods beginning on or after January 1, 2021, and have not been applied in the preparation of these Interim Consolidated Financial Statements. The Group intends to adopt the applicable accounting pronouncements on their related application dates but not early.

New IFRS	Mandatory for
IFRS 17 <i>Insurance Contracts</i>	Annual periods beginning on or after January 1, 2023. This date includes the exemption of insurance companies from the application of IFRS 9 to allow them to implement IFRS 9 and IFRS 17 at the same time. Early adoption is permitted for entities that apply IFRS 9 and IFRS 15 on or before such date.
<b>Amendments to IFRS</b>	
<i>Onerous Contracts - Cost of Fulfilling a Contract</i> (Amendments to IAS 37)	Annual periods beginning on or after January 1, 2022 for contracts existing at the application date. Early adoption is permitted.
<i>Annual Improvements to IFRS Standards 2018-2020</i>	Annual periods beginning on or after January 1, 2022. Early adoption is permitted.
<i>Property, Plant and Equipment - Proceeds before Intended Use</i> (Amendments to IAS 16)	Annual periods beginning on or after January 1, 2022. Early adoption is permitted.
<i>Classification of Liabilities as Current or Non-current</i> (Amendments to IAS 1)	Annual periods beginning on or after January 1, 2023. Early adoption is permitted.
<i>Sale or Contributions of Assets between an Investor and its Associate or Joint Venture</i> (Amendments to IFRS 10 and IAS 28)	Effective date deferred indefinitely.
<i>References to the Conceptual Framework</i> (Amendments to IFRS 3)	Annual periods beginning on or after January 1, 2022. Early adoption is permitted.

These accounting pronouncements issued but not yet effective are not expected to have a significant impact on the Group's Interim Consolidated Financial Statements.

## 2. SIGNIFICANT ACCOUNTING POLICIES, (continued)

### 2.21) Disclosures on the adoption of new and revised IFRS, (continued)

#### Effective accounting pronouncements

##### Amendments to IFRS

##### **COVID-19-Related Rent Concessions (Amendments to IFRS 16)**

In May 2020, the International Accounting Standards Board (the Board) issued the amendment to IFRS 16 Leases that allows lessees not to assess whether, which are a direct consequence of the effects of COVID-19 and meet a number of conditions, are lease modifications.

Amendments include an optional practical expedient that simplifies how the lessee accounts for rent reductions that are a direct result of COVID-19. The lessee applying the practical expedient is not required to assess whether the rent reductions are modifications to the lease, and to account for them along with the other considerations established in the guidance. The resulting accounting will depend on the details of the rent concession. For example, if the reduction is in the form of a one-time reduction in rent, then it will be accounted for as a variable lease payment and recognized in the statement of income.

The practical expedient can be adopted only for rental concessions as a direct consequence of the COVID-19 and only if all the following conditions are met:

- The revised consideration is substantially the equal to or lower than the original consideration.
- Any reduction in lease payments relates to payments originally due on or before September 30, 2021;
- No other substantive changes have been made to the terms of the lease.

The Company has assessed the impact of the application of this amendment, and has determined that it has not had significant effects on its Interim Consolidated Financial Statements.

##### **Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) Phase 2**

In August 2020, the International Accounting Standards Board issued amendments which supplement the amendments issued in 2019 (Interest Rate Benchmark Reform – Phase 1) and focus on the effects such amendments may have on the financial reporting when an interest rate benchmark is replaced by other.

Amendments of this Phase 2 address matters that might affect the financial reporting during the reform of an interest rate benchmark, including effects on contractual changes in cash flows or hedging relationships, that may exist when replacing the interest rate benchmark with an equivalent rate. As part of the main amendments, the Board considered the following amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases:

- changes in the basis to determine contractual cash flows related to financial assets, financial liabilities and lease liabilities;
- hedge accounting; and
- disclosures

The Company has assessed the impact of the application of this amendment, and has determined that it has not had significant effects on its Interim Consolidated Financial Statements.

## 2. SIGNIFICANT ACCOUNTING POLICIES, (continued)

### 2.21) Disclosures on the adoption of new and revised IFRS, (continued)

#### **Accounting pronouncements issued but not yet effective**

##### **New IFRS**

##### **IFRS 17 Insurance Contracts**

Issued on May 18, 2017, this Standard requires that insurance liabilities are 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.

In March 2020, the International Accounting Standards Board (the Board) decided to defer the effective date of IFRS 17 to January 1, 2023, with early adoption permitted if IFRS 9 and IFRS 15 have been adopted. The Board also decided to extend the temporary exemption to IFRS 9 granted to insurers who meet specified criteria, through January 1, 2023.

The Company has assessed the estimated impact of the application of this amendment, and has determined that it will have no significant effects on its Interim Consolidated Financial Statements.

##### **Amendments to IFRS**

##### **Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)**

In order to clarify the types of costs a company includes as fulfillment costs when assessing whether a contract is onerous, in May 2020, the International Accounting Standards Board (the Board) issued the amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets. As a result of this amendment, entities that currently apply the "incremental cost" approach will be required to recognize larger provisions and an increased number of onerous contracts.

The amendment clarifies that the cost of fulfilling a contract includes the following:

- the incremental costs, e.g. direct labor and materials; and
- allocations of other direct costs, e.g. the allocation of a depreciation expense of an item of property, plant and equipment used in fulfilling the contract.
- 

At the date of initial application, the accumulated effect of performing this amendment to the standard is recognized in the opening balances as an adjustment to retained earnings or any other item in equity, as appropriate.

Management has not determined the potential impact of applying this amendment.

##### **Annual Improvements to IFRS Standards 2018-2020**

As part of the process of making non-urgent but necessary changes to IFRS standards, the International Accounting Standards Board (the Board), issued the Annual Improvements to IFRS Standards 2018-2020 Cycle.

The amendments include:

- **IFRS 1 First-time Adoption of International Financial Reporting Standards**: This amendment simplifies the initial adoption of IFRS 1 for a subsidiary that becomes a first-time adopter of IFRS Standards later than its Parent – i.e. if a subsidiary adopts IFRS Standards later than its Parent and applies IFRS 1.D16(a), then a subsidiary may elect to measure cumulative translation effects for all foreign operations considering the amounts included in the Parent's Interim Consolidated Financial Statements, based on the Parent's date of transition to IFRS.

## 2. SIGNIFICANT ACCOUNTING POLICIES, (continued)

### 2.21) Disclosures on the adoption of new and revised IFRS, (continued)

- IFRS 9 Financial Instruments. This amendment clarifies that – for the purpose of performing the "10 percent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
- IFRS 16 Leases. The amendment eliminates the illustrative example of lessor payments related to improvements to the leased property. As currently drafted, the example is unclear as to why such payments are not a lease incentive. The amendments will help remove the potential for confusion in identifying lease incentives in a common real estate fact pattern.
- IAS 41 Agriculture. This amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 *Fair Value Measurement*.

Management has not determined the potential impact of applying this amendment.

#### **Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16)**

In order to provide accounting guidance on sales and costs that entities could generate in the process of making an item of property, plant and equipment available for its intended use, the International Accounting Standards Board (the Board) issued in May 2020 the amendment to IAS 16.

In accordance with these amendments, proceeds from the sale of the assets obtained in the process in which an item of Property, Plant and Equipment is available for use, should be recognized in the statement of income together with the costs of producing such assets. IAS 2 *Inventories* should be applied in identifying and measuring these items.

Entities will need to differentiate between:

- costs associated with producing and selling items before the item of Property, plant and equipment is available for use; and
- costs associated with making the item of Property, plant and equipment available for its intended use.

Management has not determined the potential impact of applying this amendment.

#### **Classification of Liabilities as Current or Non-current (Amendments to IAS 1)**

The International Accounting Standards Board amended IAS 1 *Presentation of Financial Statements* to foster consistent application and clarify the requirements to determine whether a liability is current or non-current. As a result of such amendment, entities are required to review their loan contracts to determine whether their classification will change.

The amendments include:

- Right to defer settlement must have substance: under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for, at least, twelve months after the end of the reporting period. As part of its amendments, the IASB has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

## 2. SIGNIFICANT ACCOUNTING POLICIES, (continued)

### 2.21) Disclosures on the adoption of new and revised IFRS, (continued)

- Classification of revolving credit facilities may change: entities classify a liability as non-current if they have a right to defer its settlement for at least twelve months after the end of the reporting period. The IASB has now clarified that a right to defer exists only if the company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date.
- Liabilities with equity-settlement features: the amendments state that settlement of a liability includes transferring an entity's own equity instruments to the counterparty. The amendments clarify how a company classifies a liability that includes a counterparty conversion option, which could be recognized as either equity or a liability separately from the liability component foreseen in IAS 32 *Financial Instruments: Presentation*.

The amendment is effective retrospectively for annual periods beginning on or after January 1, 2023. Early adoption is permitted. However, companies will consider including disclosures in conformity with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in their next annual financial statements.

Management has not determined the potential impact of applying this amendment.

### **Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).**

On September 11, 2014, the IASB issued this amendment that requires that when transferring subsidiaries to an associate or joint venture, the total gain should be recognized when assets transferred meet the definition of a "business" in accordance with IFRS 3 *Business Combinations*. This amendment establishes strong pressure on the definition of a "business" for recognition in profit or loss. It also introduces new and unexpected recognition for transactions that partially consider maintenance in assets that are not businesses.

The effective application of this amendment has been deferred indefinitely.

Management has not determined the potential impact of applying this amendment.

### **Reference to the Conceptual Framework (Amendments to IFRS 3)**

In May 2020, the International Accounting Standards Board (the Board), issued Reference to the Conceptual Framework, which amends IFRS 3 Business Combinations. The amendment replaces the reference made to an old version of the Conceptual Framework for Financial Reporting with a reference to the latest version issued in March 2018. In addition, the Board included an exception for the requirement that entities refer to the Conceptual Framework in determining what constitutes an asset or a liability. This exception indicates that, for certain types of contingent assets and liabilities, the entity applying IFRS 3 should refer to IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Management has not determined the potential impact of applying this amendment.

### 3. FINANCIAL RISK MANAGEMENT

#### 3.1) Currency and interest rate risk

Interest rate risk: The Company's assets, at consolidated level, are mainly composed of property, plant and equipment (lines and power transmission substations) and intangible assets (electric easements).

Obligations related to financing correspond mainly to long-term liabilities at fixed rate, reflected in the bond issuance that Celeo Redes Operación Chile S.A. performed during May 2017 for MUS\$603.5 at 30 years. The detail by currency of such issuance is as follows: (i) Bond issuance denominated in US dollars for MUS\$379 at a fixed annual rate of 5.2% (ii) bond issuance denominated in UF for MUF 5.4 at a fixed annual rate of 3.35%. The aforementioned debt is recognized in the balance sheet at its amortized cost at the effective rate.

The interest rate risk management, which allow reducing the impact on profit or loss of such fluctuations, is performed by establishing the rate of bonds payable, which eliminates the volatility of financial expenses associated with the Company's long term debt.

Accordingly, we maintain a sufficient amount of our investments in U.S. dollar and Chilean peso in order to face all financial and construction obligations which payment is arranged in any currency in which we hold our debts, our cash management procedure allows hedging exchange rate fluctuations, purchasing and selling currencies depending on our needs in each currency.

Currency risk: In general, our exposure to currency risk is due to the following:

- a) Performing several transactions in U.S. dollars for significant amounts (construction agreements, imports, funds in restricted accounts, etc.). In the business, the U.S. dollar is the operating currency.
- b) Holding a debt denominated in bonds in U.S. dollars and UF.
- c) Annual income is a fixed amount payable in twelve equal payments and denominated in U.S. dollars. This amount is collected in Chilean pesos on a monthly basis.
- d) Receivables are denominated in Chilean pesos; however, they are recognized in the ledgers against the dollar value on a monthly basis.
- e) In order to actively manage and mitigate the implied exchange rate risk in cash conversion cycle, a procedure is performed by the treasury department to minimize the risk.

The aforementioned procedure comprises the following actions:

- a. Total monthly income is billed in Chilean pesos to each client for its amount in U.S. dollars.
- b. The exchange rate from U.S. dollar to Chilean pesos used to bill "n" monthly income is the weighted average exchange rate in the "n-1" month.
- c. As of September 30, 2021, the weighted average term to collect 93.4% of monthly billed income is 15 days. Additionally, the underlying term of currency risk exposure is 20 days, which is applicable from the 1st day of "n" month, until the effective day of payment. This short and limited time ensures that most of the current revenue (Chilean pesos) is effectively collected during the "n" month, thus assisting in recognizing the exposure during the intra-month term.
- f) As the cash (Chilean pesos) is collected during the "n" month, it is gradually used to make payments and provisions in the normal course of business, in accordance with a strict priority order that includes prioritizing payments and provisions in U.S. dollars/ UF, as defined in the bond issuance agreements denominated in U.S. dollars/ UF.

### 3. FINANCIAL RISK MANAGEMENT, (continued)

#### 3.1) Currency and interest rate risk, (continued)

As a result of the treasury policy and activities of Celeo Redes Operación Chile S.A. and subsidiaries, the fluctuations in the value of the Chilean peso against the U.S. dollar would have no significant effect on the cost of our obligations denominated in U.S. dollars related to the debt servicing.

Other activities to mitigate this risk include:

- a) Designing debt structure and policies for financial risk containment: Prior to assuming debt a technical and economic analysis is performed to determine the optimal combination of currency, type, interest rate and term repayment formula, which together minimize such risks and generate a natural hedge.
- b) Monitoring risks and significant variables: Throughout the concession construction and operating period, the Company's policy is to regularly monitor the status of the critical financial variables.
- c) Adoption of U.S. dollar as the functional currency: Foreign currency translation differences tend to naturally mitigate if the functional currency is the most appropriate for the Company's financial and operating reality. Indeed, 100% of revenue is denominated in U.S. dollars and a significant portion of construction and operating costs are also denominated in U.S. dollars.

#### 3.2) Credit risk

A credit risk source exists associated with receivables from customers in the domestic transmission system. At consolidated level, operating income is from a customer portfolio that includes some of the most important domestic power generation companies. Accordingly, Alto Jahuel Transmisora de Energía S.A. and Charrúa Transmisora de Energía S.A. (as of June 2020, they are operating) have a solid customer basis.

The stock of receivables generated during the normal course of business is characterized by a short-term collecting process, while is duly regulated by Supreme Decree No. 23T issued by Chilean Ministry of Energy in 2015, which establishes defined terms for the billing and payment of such debts. The latter generates during a weighted average collection period of 15 days, 93% of total monthly income is collected. This explains the non-accumulation of unpaid receivables.

### 3. FINANCIAL RISK MANAGEMENT, (continued)

#### 3.2) Credit risk, (continued)

Notwithstanding the foregoing, the Group revenue is highly concentrated in the following main customers:

Main customers as of September 30, 2021	Billing in ThUS\$	Representation %
Enel Distribución Chile S.A.	5,914	16.03%
Compañía General de Electricidad S.A.	5,309	14.39%
Enel Distribución Chile S.A.	4,940	13.39%
Colbún S.A.	4,814	13.05%
Aes Gener S.A.	3,435	9.31%
Other customers	12,475	33.56%
<b>Total billing for 2021</b>	<b>36,887</b>	<b>100.00%</b>
Concentration % for the 5 main customers	<b>66.44%</b>	

  

Main customers as of September 30, 2020	Billing in ThUS\$	Representation %
Enel Distribución Chile S.A.	5,114	13.86%
Compañía General de Electricidad S.A.	4,645	12.59%
Colbún S.A.	3,816	10.34%
Enel Generación Chile S.A.	3,259	8.83%
Aes Gener S.A.	2,345	6.36%
Other customers	17,711	48.01%
<b>Total billing for 2020</b>	<b>36,890</b>	<b>100.00%</b>
Concentration % for the 5 main customers	<b>51.98%</b>	

These five customers, including their related companies, will substantially generate the largest part of revenue of Alto Jahuel and Charrúa. Therefore, a relevant change in their financial situation or operating income, may have a negative impact on the Company (note that these customers have a long history of credit solvency).

Another way to mitigate the credit risk relates to the fact that our revenue stream is guaranteed by law; therefore, if a counterparty is unable to pay, all other guarantors must cover the unpaid amount. This means the risk is enclosed in a robust regulatory framework.

Regarding our credit risk associated with financial assets (term deposits, fixed income investment funds and reverse repurchase agreements), the treasury policy establishes diversification and credit qualification guidance to distribute and minimize the counterparty risk. Additionally, note that permitted investments are duly defined in bond issuance agreements denominated in U.S. dollars and inflation-adjusted units.



### 3. FINANCIAL RISK MANAGEMENT, (continued)

#### 3.3) Liquidity risk

The Company's finance management policy is supported by the maintenance of appropriate debt levels against its level of operations, equity and assets, such management policy is expressed in the Company's ability to satisfy any cash requirement or the payment of any obligation at its maturity.

At the reporting date, the Company has complied with 100% of its obligations within the agreed terms. Liquidity risk has been mitigated by the issue of debt through long-term bonds (30 years).

The ability to generate cash for financing, through private bond issuance and transactions in capital market, have allowed the increase of investments in PPE and industrial operations in the recent years. Currently, the Company has an adequate position to face future debt maturities, and planned and ongoing investments commitments.

As part of the liquidity risk mitigation strategy, the Company performs monthly cash deposits in accounts held in different banks, in order to comply with its financial obligations on a semiannual basis. As of December 31, 2020, this caption amounted to the two subsequent partial payments due, which are provisioned to ensure the payment of the corresponding installments at the closest payment date to the bondholders.

The success of these processes confirms the Company's ability to access several financing sources, both in the local and international markets.

The current COVID-19 pandemic has not affected the Company's liquidity and nor it has committed any future cash flows because of such contingency.

The following table summarizes the conditions and characteristics associated with our financial debt as of September 30, 2021 and for the year ended December 31, 2020:

As of 09.30.2021	Celeo Redes Operación Chile S.A. ThUS\$		TOTAL ThUS\$
	Bond issuance US\$	Bond issuance UF	
	Principal owed	349,419	
Accrued interest	7,664	125	7,789
Nominal rate	5.20%	3.35%	
Commissions	0.47%		
Effect on the rate	-	-0.25%	
Actual rate	5.67%	3.10%	

As of 12.31.2020	Celeo Redes Operación Chile S.A. ThUS\$		TOTAL ThUS\$
	Bond issuance US\$	Bond issuance UF	
	Principal owed	352,270	
Accrued interest paid	2,811	161	2,972
Nominal rate	5.20%	3.35%	
Commissions	0.47%		
Effect on the rate	-	-0.25%	
Actual rate	5.67%	3.10%	

### 3. FINANCIAL RISK MANAGEMENT, (continued)

#### 3.4) Sensitivity analysis

A reasonable increase (decrease) in the value of U.S. dollar (US\$) compared to the value of Chilean peso (Ch\$), would have affected the measurement of assets and liabilities subject to foreign currency translation, affecting equity and profit or loss in the amounts shown below.

As of September 30, 2021 and December 31, 2020, assets and liabilities sensitive to changes in exchange rates are detailed as follows:

<u>Sensitive assets</u>	09.30.2021	12.31.2020
	ThUS\$	ThUS\$
Cash and cash equivalents	7,006	15,724
Trade and other receivables, current	3,162	9,266
<b>Total sensitive assets</b>	<b>10,168</b>	<b>24,990</b>
<u>Sensitive liabilities</u>		
Trade and other payables	3,577	7,076
Other financial liabilities, current	10,778	8,500
Other financial liabilities, non-current	175,818	199,219
<b>Total sensitive liabilities</b>	<b>190,173</b>	<b>214,795</b>

We have conducted a sensitivity analysis considering a 10% decrease in the value of the U.S. dollar compared to the amount in Chilean pesos.

<u>Sensitivity analysis as of 09.30.2021</u>	ThUS\$	Effect on profit or loss 2021	
		-10%	10%
<b>Exchange rate sensitivity</b>	<b>811.9</b>	<b>730.71</b>	<b>893.09</b>
<u>Sensitive assets</u>			
Cash and cash equivalents	7,006	778	(637)
Trade and other receivables, current	3,162	351	(287)
<b>Total sensitive assets</b>	<b>10,168</b>	<b>1,130</b>	<b>(924)</b>
<u>Sensitive liabilities</u>			
Trade and other payables	3,577	(397)	325
Other financial liabilities, current	10,778	(1,198)	980
Other financial liabilities, non-current	175,818	(19,535)	15,983
<b>Total sensitive liabilities</b>	<b>190,173</b>	<b>(21,130)</b>	<b>17,288</b>
<b>Effect on (loss) profit</b>		<b>(20,000)</b>	<b>16,364</b>

### 3. FINANCIAL RISK MANAGEMENT, (continued)

#### 3.4) Sensitivity analysis, (continued)

Sensitivity analysis of 12.31.2020	ThUS\$	Effect on profit or loss	
		2020	
		-10%	10%
<b>Exchange rate sensitivity</b>	<b>710.95</b>	<b>639.86</b>	<b>782.05</b>
<u>Sensitive assets</u>			
Cash and cash equivalents	15,724	1,747	(1,429)
Trade and other receivables, current	9,266	1,030	(842)
<b>Total sensitive assets</b>	<b>24,990</b>	<b>2,777</b>	<b>(2,271)</b>
<u>Sensitive liabilities</u>			
Trade and other payables	7,076	(786)	643
Other financial liabilities, current	8,500	(944)	773
Other financial liabilities, non-current	199,219	(22,135)	18,111
<b>Total sensitive liabilities</b>	<b>214,795</b>	<b>(23,865)</b>	<b>19,527</b>
<b>Effect on (loss) profit</b>		<b>(21,088)</b>	<b>17,256</b>

#### 4. CASH AND CASH EQUIVALENTS

Balances of cash and cash equivalents presented in the consolidated statement of financial position are the same presented in the statement of cash flows.

As of September 30, 2021 and for the year ended December 31, 2020, this caption is composed of the following:

Cash and cash equivalents	09.30.2021	12.31.2020
	ThUS\$	ThUS\$
Cash in banks	12,409	23,557
Short-term mutual fund deposits, classified as cash equivalents	20,770	11,937
<b>Total</b>	<b>47,312</b>	<b>35,494</b>

Detail of cash and cash equivalents by currency	Currency	09.30.2021	12.31.2020
		ThUS\$	ThUS\$
Amount of cash and cash equivalents	Ch \$	7,006	15,724
Amount of cash and cash equivalents	US \$	40,306	19,770
<b>Total</b>		<b>47,312</b>	<b>35,494</b>

Cash and cash equivalents have no restrictions for their use.

#### 4. CASH AND CASH EQUIVALENTS, (continued)

##### 4.1) Investments in mutual funds deposits as of September 30, 2021

As of September 30, 2021, the detail of investments in mutual fund deposits (debt securities and low risk) is as follows:

Entity	Instrument	Currency	Value of deposit ThUS\$	No. of deposits	09.30.2021 ThUS\$
J.P.Morgan	JPM US Dollar Liquidity LVNAV Premier	US\$	0.0010	20,770,000	20,770
<b>Total</b>					<b>20,770</b>

##### 4.2) Investments in mutual funds deposits as of December 31, 2020

As of December 31, 2020, the detail, of investments in mutual fund deposits (debt securities) is as follows:

Entity	Instrument	Currency	Value of deposit ThUS\$	No. of deposits	12.31.2020 ThUS\$
J.P.Morgan	JPM US Dollar Liquidity LVNAV Premier	US\$	0.0010	11,937,000	11,937
<b>Total</b>					<b>11,937</b>

#### 5. OTHER NON-FINANCIAL ASSETS

As of September 30, 2021 and for the year ended December 31, 2020, this caption is composed of the following:

##### Other non-financial assets, current

	<u>09.30.2021</u>	<u>12.31.2020</u>
	ThUS\$	ThUS\$
Prepaid insurance policies	538	107
<b>Total</b>	<b>538</b>	<b>107</b>

##### Other non-financial assets, non-current

	<u>09.30.2021</u>	<u>12.31.2020</u>
	ThUS\$	ThUS\$
Prepaid electric easement compensation	1,909	2,041
<b>Total</b>	<b>1,909</b>	<b>2,041</b>

Relates to expenditures to acquire Electric easements, which through the present date have not been recorded.

## 6. TRADE AND OTHER RECEIVABLES

The balances of trade and other receivables relate to transactions within the Company's line of business.

### 6.1) Detail

As of September 30, 2021 and for the year ended December 31, 2020, this caption comprises the following:

	09.30.2021			12.31.2020		
	Assets before impairment	Impairment of trade receivables	Trade receivable assets, net	Assets before impairment	Impairment of trade receivables	Trade receivable assets, net
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Trade receivables	2,786	-	2,786	9,056	-	9,056
Other receivables	5	-	5	5	-	5
Advance payments to suppliers, domestic	49	-	49	50	-	50
Recoverable value-added tax (1)	322	-	322	155	-	155
<b>Total trade receivables, current</b>	<b>3,162</b>	<b>-</b>	<b>3,162</b>	<b>9,266</b>	<b>-</b>	<b>9,266</b>
<b>Total trade receivables, non-current</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total trade receivables</b>	<b>3,162</b>	<b>-</b>	<b>3,162</b>	<b>9,266</b>	<b>-</b>	<b>9,266</b>

(1) Value-added Tax generated in the operations of subsidiaries Charrúa Transmisora de Energía S.A. and Alto Jahuel Transmisora de Energía S.A.

Trade receivables are classified as loans and receivables and, therefore, measured at amortized cost. Such portfolio is unsecured and the average credit period on sale for the Company and its subsidiaries is less than 30 days. There is no surcharge for interests on trade receivables for the first 30 days after the maturity date of each billing.

### 6.2) Portfolio composition

	09.30.2021					Total ThUS\$
	Current	31-60 days	61-90-days	91-120 days	> 120 days	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
Non-renegotiated portfolio, gross	2,591	195	-	-	-	2,786
Impairment portfolio	-	-	-	-	-	-
<b>Total portfolio as of June 30, 2021</b>	<b>2,591</b>	<b>195</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,786</b>

  

	12.31.2020					Total ThUS\$
	Current	31-60 days	61-90-days	91-120 days	> 120 days	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
Non-renegotiated portfolio, gross	8,422	634	-	-	-	9,056
Impairment portfolio	-	-	-	-	-	-
<b>Total portfolio as of December 31, 2020</b>	<b>8,422</b>	<b>634</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,056</b>

IFRS 9 requires that the Company records the expected credit losses of all its debt securities, loans and trade receivables, either on a 12 month-basis or lifetime basis.

The Company has conducted an analysis in accordance with the current applicable legislation for the domestic electric market, concluding that the historical probability of doubtful allowance in the electric market is minimal, which for the period as of September 30, 2021 and for the year ended December 31, 2020, amounted to ThUS\$0.

## 7. CURRENT TAX ASSETS AND LIABILITIES

As of September 30, 2021 and for the year ended December 31, 2020, the detail of current tax assets is as follows:

Current tax assets	09.30.2021 ThUS\$	12.31.2020 ThUS\$
Monthly provisional income tax payment	-	565
<b>Total current tax assets</b>	<b>-</b>	<b>565</b>
Current tax liabilities	09.30.2021 ThUS\$	12.31.2020 ThUS\$
Provision for income tax	859	-
(-) Monthly provisional income tax payment	(674)	-
<b>Total current tax liabilities</b>	<b>185</b>	<b>-</b>

## 8. FINANCIAL INSTRUMENTS

### 8.1) Classification of financial instruments by category

Notes 2.11 and 2.13, detail the significant accounting policies and methods implemented (including recognition criteria, basis of measurement and the basis used for recognizing revenue and expenses) for each type of financial asset, financial liability and equity instrument.

The following table details the accounting policies that have been applied to the categories:

As of September 30, 2021

Assets	Measured at amortized cost	At fair value through profit or loss	Total
	ThUS\$	ThUS\$	ThUS\$
Cash and cash equivalents	12,409	34,903	47,312
Trade and other receivables, current	3,162	-	3,162
Receivables due from related parties, current	3,961	-	3,961
Receivables due from related parties, non-current	100,521	-	100,521
<b>Total</b>	<b>120,053</b>	<b>35,286</b>	<b>155,339</b>
Liabilities	Measured at amortized cost	At fair value through profit or loss	Total
	ThUS\$	ThUS\$	ThUS\$
Other financial liabilities, current	19,518	-	19,518
Other financial liabilities, non-current	524,161	-	524,161
Trade and other payables	3,577	-	3,577
Payables due to related parties, current	223	-	223
<b>Total</b>	<b>547,479</b>	<b>-</b>	<b>547,479</b>

## 8. FINANCIAL INSTRUMENTS, (continued)

### 8.1) Classification of financial instruments by category, (continued)

As of December 31, 2020

Assets	Loans and receivables	At fair value through profit or loss	Total
	ThUS\$	ThUS\$	ThUS\$
Cash and cash equivalents	23,557	11,937	35,494
Other non-current financial assets	-	-	-
Trade and other receivables, current	9,266	-	9,266
Receivables due from related parties, current	3,397	-	3,397
Receivables due from related parties, non-current	98,327	-	98,327
<b>Total</b>	<b>134,547</b>	<b>11,937</b>	<b>146,484</b>

Liabilities	Loans and payables	At amortized cost	Total
	ThUS\$	ThUS\$	ThUS\$
Other financial liabilities, current	13,745	-	13,745
Other financial liabilities, non-current	549,055	-	549,055
Trade and other payables	7,076	-	7,076
Payables due to related parties, current	442	-	442
Payables due to related parties, non-current	0	-	-
<b>Total</b>	<b>570,318</b>	<b>-</b>	<b>570,318</b>

The Company has considered that the rates at which it holds its financial instruments have no significant difference with the conditions the Company may obtain as of September 30, 2021; accordingly, it has been established that the fair value of its financial instruments is equivalent to their recognized amount, i.e. their effective rate is equivalent to their nominal rate.

### 8.2) Fair value hierarchy

Financial instruments that have been recorded at fair value as of September 30, 2021 and for the year ended December 31, 2020, have been measured based on the methodologies contained in IFRS 9. Such methodologies applied for each class of financial instrument are classified based on its hierarchy as follows:

- Level I: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level II: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level III: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of September 30, 2021 and for the year ended December 31, 2020, the Company holds assets related to current financial investments considered as "Cash and Cash Equivalents", which are measured at Fair Value, as Level II instruments.

## 9. INCOME TAX AND DEFERRED TAXES

### 9.1) Income tax benefit

Income tax benefit (expense)	09.30.2021	09.30.2020	07.01.2021	07.01.2020
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Current tax expense	(859)	139	(896)	(90)
Adjustment to prior-period current tax	-	-	-	-
<b>Total current tax (expense) income, net</b>	<b>(859)</b>	<b>139</b>	<b>(896)</b>	<b>-</b>
Tax benefit related to the generation and reversal of temporary differences	(1,456)	(2,882)	889	(960)
<b>Total deferred tax benefit, net</b>	<b>(1,456)</b>	<b>(2,882)</b>	<b>889</b>	<b>(960)</b>
<b>Income tax benefit</b>	<b>(2,315)</b>	<b>(2,743)</b>	<b>(7)</b>	<b>(960)</b>

### 9.2) Deferred tax assets and liabilities

Deferred tax assets recognized related to:	Balance as of 01.01.2020	Recognized in profit or loss for the year	Other	Balance as of 01.01.2021	Recognized in profit or loss for the year	Reconocido en Otros Result. Integral	Balance as of 09.30.2020
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	MUS\$	ThUS\$
Tax losses	35,253	19,941	149	55,343	(2,765)	-	52,578
<b>Total deferred tax assets</b>	<b>35,253</b>	<b>19,941</b>	<b>149</b>	<b>55,343</b>	<b>(2,765)</b>	<b>-</b>	<b>52,578</b>
<b>Deferred tax liabilities recognized related to:</b>	<b>Balance as of 01.01.2020</b>	<b>Recognized in profit or loss for the year</b>	<b>Other</b>	<b>Balance as of 01.01.2021</b>	<b>Recognized in profit or loss for the year</b>	<b>Reconocido en Otros Result. Integral</b>	<b>Balance as of 09.30.2020</b>
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	MUS\$	ThUS\$
Depreciation	45,337	20,039	-	65,376	(1,309)	5,032	69,099
Provisions (or accruals)	-	-	-	-	-	-	-
<b>Total deferred tax liabilities</b>	<b>45,337</b>	<b>20,039</b>	<b>-</b>	<b>65,376</b>	<b>(1,309)</b>	<b>5,032</b>	<b>69,099</b>
<b>Total deferred taxes, net</b>	<b>(10,084)</b>	<b>(98)</b>	<b>149</b>	<b>(10,033)</b>	<b>(1,456)</b>	<b>(5,032)</b>	<b>(16,521)</b>

### 9.3) Reconciliation of tax results

Reconciliation of income tax expense using the legal tax rate to the income tax expense using the effective rate	%	Balances as of 09.30.2021	%	Balances as of 09.30.2020
		ThUS\$		ThUS\$
Profit before income tax		8,570		10,158
Tax expense using the legal rate	27.0%	(2,314)	27.0%	(2,743)
Plus (less):				
Effect of deferred taxes for the year	0.0%	(1)	0.0%	-
<b>Total adjustments to tax expense using the legal rate</b>	<b>0.0%</b>	<b>(1)</b>	<b>0.0%</b>	<b>-</b>
<b>Total expense using the effective rate</b>	<b>27.0%</b>	<b>(2,315)</b>	<b>27.0%</b>	<b>(2,743)</b>

### 9.4) Taxes recognized in hedge reserve in equity

During the period, the Parent Celeo Redes Operación Chile S.A. has recognized current taxes in hedge reserve in equity associated with the current hedge accounting (see Note 12.3) for ThUS\$5,032 as of September 30, 2021.



## 10. INTANGIBLE ASSETS OTHER THAN GOODWILL

As of September 30, 2021 and for the year ended December 31, 2020, this caption comprises the following:

<u>Classes of intangible assets, net</u>	<u>09.30.2021</u>	<u>12.31.2020</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>
Electric easements	80,115	80,115
Licenses and software	-	7
<b>Total</b>	<b>80,115</b>	<b>80,122</b>

<u>Classes of intangible assets, gross</u>	<u>09.30.2021</u>	<u>12.31.2020</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>
Electric easements	80,115	80,115
Licenses and software	111	110
<b>Total</b>	<b>80,226</b>	<b>80,225</b>

<u>Accumulated amortization and impairment, intangible assets</u>	<u>09.30.2021</u>	<u>12.31.2020</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>
Licenses and software	(111)	(103)
<b>Total</b>	<b>(111)</b>	<b>(103)</b>

There are no intangible assets other than goodwill with restriction or which are used as debt guarantees.

As of September 30, 2021 and for the year ended December 31, 2020, this caption comprises the following:

### Movements as of September 30, 2021

	<u>Electric easements</u>	<u>Licenses and software</u>	<u>Total</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Opening balance as of 01.01.2021	80,115	7	80,122
Additions	-	1	1
Amortization for the year (a)	-	(8)	(8)
Total movements	-	(7)	(7)
<b>Closing balance, net, as of 09.30.2021</b>	<b>80,115</b>	<b>-</b>	<b>80,115</b>

### Movements as of December 31, 2020

	<u>Electric easements</u>	<u>Licenses and software</u>	<u>Total</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Opening balance as of 01.01.2020	78,408	23	78,431
Additions	1,707	-	1,707
Amortization for the year (a)	-	(16)	(16)
Total movements	1,707	(16)	1,691
<b>Closing balance, net, as of 12.31.2020</b>	<b>80,115</b>	<b>7</b>	<b>80,122</b>

(a) The amortization of these assets is recognized in Administrative expenses, in the statement of comprehensive income.

Intangible assets relate to perpetual electric easements, which are recognized at historical cost net of impairment losses, and are not subject to amortization but to an annual impairment test. As of September 30, 2021, this assessment determined that there is no impairment in the aforementioned easements.

## 11. PROPERTY, PLANT AND EQUIPMENT

This caption comprises the following:

<b>Property, plant and equipment, net</b>	<b>09.30.2021</b>	<b>12.31.2020</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Land	193	193
Machinery	359,011	363,901
Computer equipment	1	1
<b>Total</b>	<b>359,205</b>	<b>364,095</b>

  

<b>Property, plant and equipment, gross</b>	<b>09.30.2021</b>	<b>12.31.2020</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Land	193	193
Machinery	392,141	392,141
Vehicles	33	33
Computer equipment	13	13
<b>Total</b>	<b>392,380</b>	<b>392,380</b>

  

<b>Accumulated depreciation and impairment of property and equipment</b>	<b>09.30.2021</b>	<b>12.31.2020</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Machinery	(33,130)	(28,240)
Vehicles	(33)	(33)
Computer equipment	(12)	(12)
<b>Total</b>	<b>(33,175)</b>	<b>(28,285)</b>

## 11. PROPERTY, PLANT AND EQUIPMENT, (continued)

### 11.1) Movements in property, plant and equipment

As of September 30, 2021 and for the year ended December 31, 2020, this caption comprises the following:

#### Movements as of September 30, 2021

	Land	Assets under construction	Machinery	Computer equipment	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
<b>Opening balance as of 01.01.2021</b>	<b>193</b>	-	<b>363,901</b>	<b>1</b>	<b>364,095</b>
Acquisitions	-	-	-	-	-
Depreciation for the period	-	-	(4,890)	-	(4,890)
Other increases (decreases)	-	-	-	-	-
<b>Total movements</b>	-	-	(4,890)	-	(4,890)
<b>Closing balance as o 09.30.2021</b>	<b>193</b>	-	<b>359,011</b>	<b>1</b>	<b>359,205</b>

#### Movements as of December 12, 2020

	Land	Assets under construction	Machinery	Computer equipment	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
<b>Opening balance as of 01.01.2020</b>	<b>193</b>	-	<b>370,422</b>	<b>1</b>	<b>370,616</b>
Acquisitions	-	-	-	-	-
Depreciation for the period	-	-	(6,521)	-	(6,521)
<b>Total movements</b>	-	-	(6,521)	-	(6,521)
<b>Closing balance as o 12.31.2020</b>	<b>193</b>	-	<b>363,901</b>	<b>1</b>	<b>364,095</b>

As of September 30, 2021 and for the year ended December 31, 2020, no assets under a finance lease are included in property, plant and equipment.

## 11. PROPERTY, PLANT AND EQUIPMENT, (continued)

### 11.2) Detail of depreciation for the period:

Depreciation for the period	09.30.2021 ThUS\$	09.30.2020 ThUS\$
Cost of sales	4,880	4,880
Administrative expense	10	12
<b>Total depreciation</b>	<b>4,890</b>	<b>4,892</b>

### 11.3) Assets pledged as collateral

As per public deed, entitled "Pledge with no recourse", entered into in May 2017 between Banco de Chile (as security trustee) and Alto Jahuel Transmisora de Energía S.A., establishes the assets comprising the First Circuit Transmission Line that will be pledged as collateral for the repayment of bonds payable.

As per public deed, entitled "Pledge with no recourse", entered into in May 2017 between Banco de Chile (as security trustee) and Alto Jahuel Transmisora de Energía S.A., establishes the assets comprising the Second Circuit Transmission Line that will be pledged as collateral for the repayment of bonds payable.

As per public deed, entitled "Pledge with no recourse", entered into in May 2017 between Banco de Chile (as security trustee) and Charrúa Transmisora de Energía S.A., establishes the assets comprising the First Circuit Transmission Line that will be pledged as collateral for the repayment of bonds payable.

Assets classified as Machinery relate to the assets secured by Alto Jahuel Transmisora de Energía S.A. and Charrúa Transmisora de Energía S.A. securing the debt associated with bonds of ThUS\$559,828.

## 12. FINANCIAL LIABILITIES, CURRENT AND NON-CURRENT

The detail and balance of other current and non-current financial liabilities is as follows:

Other financial liabilities	Currency	09.30.2021		12.31.2020	
		Current ThUS\$	Non-current ThUS\$	Current ThUS\$	Non-current ThUS\$
Promissory notes and bonds payable (Bonds)					
(a)	UF	10,778	175,818	8,500	199,219
Promissory notes and bonds payable (Bonds)					
(a)	US\$	8,740	348,343	5,245	349,836
<b>Total promissory notes and bonds payable (Bonds)</b>		<b>20,233</b>	<b>19,518</b>	<b>524,161</b>	<b>13,745</b>
<b>Total other financial liabilities</b>		<b>19,518</b>	<b>524,161</b>	<b>13,745</b>	<b>549,055</b>

(a) Relates to other financial liabilities recorded in the Parent Company Celeo Redes Operación Chile S.A.

### 12.1) Reconciliation of cash flows in financial liabilities

The detail of the reconciliation of cash flows from other financial liabilities, current and non-current, is as follows:

Instrument	Currency	Transaction	Balance as of 01.01.2021 ThUS\$	Cash flows from (used in) financing activities		Other movements not affecting cash flows ThUS\$	Total 09.30.2021 ThUS\$
				Payment of principal ThUS\$	Payment of interest ThUS\$		
CL Bond	UF	Issuance of bond	207,719	(4,850)	(3,131)	(13,142)	186,596
US Bond	US\$	Issuance of bond	355,081	(1,245)	(9,854)	13,101	357,083
Balances as of September 20, 2021			562,800	(6,095)	(12,985)	(41)	543,679

Instrument	Currency	Transaction	Balance as of 01.01.2020 ThUS\$	Cash flows from (used in) financing activities		Other movements not affecting cash flows ThUS\$	Total 09.30.2020 ThUS\$
				Payment of principal ThUS\$	Payment of interest ThUS\$		
CL Bond	UF	Issuance of bond	200,914	(4,155)	(2,893)	7,048	200,914
US Bond	US\$	Issuance of bond	356,872	(931)	(9,904)	10,835	356,872
Balances as of September 20, 2020			557,786	(5,086)	(12,797)	17,883	557,786

## 12. OTHER FINANCIAL LIABILITIES, CURRENT AND NON-CURRENT, (continued)

### 12.2) Promissory notes and bonds payable (bonds)

As of September 30, 2021 and for the year ended December 31, 2020, the detail of the Company's promissory notes and bonds payable is as follows:

#### As of September 30, 2021

Country of loan	Identification	Maturity	No. of register or identification of the instrument	Currency	Periodicity of amortization	Effective interest rate	Annual nominal rate	Maturity date							Outstanding principal owed ThUS\$
								Current			Non-current				
								Up to 6 months ThUS\$	6-12 months ThUS\$	Total ThUS\$	1 to 2 years ThUS\$	2 to 5 years ThUS\$	Over 5 years ThUS\$	Total ThUS\$	
Chile(1)	BCELE-A	06-22-2047	856	UF U.S.	Biannual	3.10%	3.35%	6,121	4,657	<b>10,778</b> <b>8,740</b>	9,514	17,641	148,663	<b>175,818</b>	<b>186,471</b>
U.S. (2)	1st series	06-22-2047	1st issuance	dollar	Biannual	5.67%	5.20%	7,167	1,573		3,454	14,789	330,100	<b>348,352</b>	<b>349,419</b>
<b>Total</b>								<b>13,288</b>	<b>6,230</b>	<b>19,518</b>	<b>12,968</b>	<b>32,430</b>	<b>478,763</b>	<b>524,161</b>	<b>535,890</b>

#### As of December 31, 2020

Country of loan	Identification	Maturity	No. of register or identification of the instrument	Currency	Periodicity of amortization	Effective interest rate	Annual nominal rate	Maturity date							Outstanding principal owed ThUS\$
								Current			Non-current				
								Up to 6 months ThUS\$	6-12 months ThUS\$	Total ThUS\$	1 to 2 years ThUS\$	2 to 5 years ThUS\$	Over 5 years ThUS\$	Total ThUS\$	
Chile(1)	BCELE-A	06-22-2047	856	UF U.S.	Biannual	3.10%	3.35%	3,457	5,043	<b>8,500</b>	10,338	21,847	167,034	<b>199,219</b>	<b>207,558</b>
U.S. (2)	1st series	06-22-2047	1st issuance	dollar	Biannual	5.67%	5.20%	4,056	1,189	<b>5,245</b>	3,100	13,570	333,166	<b>349,836</b>	<b>352,270</b>
<b>Total</b>								<b>7,513</b>	<b>6,232</b>	<b>13,745</b>	<b>13,438</b>	<b>35,417</b>	<b>500,200</b>	<b>549,055</b>	<b>559,828</b>

(1) On April 7, 2017, Celeo Redes Operación Chile S.A. agreed the terms and conditions for the issuance and placement of bonds in the domestic market for UF 5,410,500 equivalent to ThUS\$223,749, with an annual nominal interest rate of 3.35% and semiannual maturities for principal owed beginning on June 22, 2018. On May 5, 2017, the Company placed the bonds on the domestic market. Such issue corresponded to the par value generating a profit of ThUS\$9,439, recognized as part of the effective rate. The issuance and placement of bonds were performed under the Law No. 18,045 on Securities Market and mainly General Standard No. 30 issued by the Chilean Financial Market Commission (CMF).

Finance costs directly related to the bond issuance in UF amounted to ThUS\$2,847, which will be amortized using the effective rate method during the expected life of the financial liability.

In accordance with the above-mentioned standards, the bonds were recorded under No. 856 with the CMF.

## 12. OTHER FINANCIAL LIABILITIES, CURRENT AND NON-CURRENT, (continued)

### 12.2) Promissory notes and bonds payable (Bonds) (continued)

- (2) On May 4, 2017, Celeo Redes Operación Chile S.A. agreed the terms and conditions for the issuance and placement of bonds in international markets totaling ThUS\$379,000, with an annual nominal interest rate of 5.20% and semiannual maturities of principal owed beginning on December 22, 2017. The issuance and placement of the bonds was made pursuant to regulation 144A and Regulation S of the Securities Act of 1933 of the United States of America. Financial expenses directly related to the issuance of the bond in U.S. Dollar amounted to ThUS\$15,189, which will be amortized through the effective rate method during the financial liability's expected life.
- In accordance with the above-mentioned standards, the bonds were not recorded with the Securities and Exchange Commission of United States of America (SEC). Likewise, since no public offering of the bonds was made in Chile they were not registered with the CMF.
- On May 11, 2017 the Company placed the bonds in the international markets.

The funds received from the issue of bonds were used to prepay the financial obligations recorded by its subsidiaries Alto Jahuel Transmisora de Energía S.A. and Charrúa Transmisora de Energía S.A. as of May 11, 2017 and, as well as supporting the expenses and costs related to such financial obligations, and for financing the investments required to complete the construction of project "New Line 2x500 Kv Charrua –Ancoa: first power line laying" of the subsidiary Charrua Transmisora de Energía S.A., and the investments required to partially finance the development and construction of the project of the subsidiary Diego de Almagro Transmisora de Energía S.A. The balance would be used for other corporate purposes, such as funding all the reserve accounts, and the reinvestment in future power transmission projects by the Company or its shareholders.

Ch\$	: Chilean pesos
UF	: Unidad de Fomento
US\$	: U.S. dollars
BBVA	: Banco Bilbao Vizcaya Argentaria, Chile
CA-CIB	: Crédit Agricole Corporate and Investment Bank
ICO	: Instituto de Crédito Oficial
Sabadell	: Banco de Sabadell S.A.- Miami Branch
Status	: Banco del Estado

## 12. OTHER FINANCIAL LIABILITIES, CURRENT AND NON-CURRENT, (continued)

### 12.3) Hedging liabilities

The Company maintains as of September 30, 2021 an economic hedge, denominated as a cash flow hedge, which meets the hedge accounting criteria in accordance with the provisions of IAS 39 "Financial Instruments": Recognition and measurement".

This hedge is related to the mitigation of the currency risk exposure in promissory notes and bonds payable for bond issue denominated in UF (Financial Liability).

As mitigation measure, the Company established that cash flows payable of principal payments for bonds denominated in UF, should be consistent with the foreseen cash flows receivable for power transmission and toll during the term of the concession of the projects Alto Jahuel Transmisora de Energía S.A., Charrúa Transmisora de Energía S.A. and Diego de Almagro Transmisora de Energía S.A., in accordance with the price including value-added tax in the initial awarding. This natural offsetting is due to the strategic planning to reduce the impacts on the Group's currency exchange exposure.

Consequently, the cash flows paid for amortizing the bond debt in UF that generate a UF/U.S. dollar exchange fluctuation, is directly related to the committed cash flows receivable in the concessions for Power Transmission and Tolls, in its UF/U.S. dollar relationship. This results in an effective hedging as of September 30, 2021 of the expected flows of trade and other receivables, according to the analysis performed by the Company.

Gains or losses resulting from the hedging are recognized in profit or loss based on the effectiveness of the hedge and according to the nature of the hedging relationship. A hedge is considered to be highly effective when changes in fair value or in cash flows of the underlying asset directly attributable to the hedged risk are offset by the changes in the fair value or cash flows of the hedged instrument with an effectiveness within a range between 80% and 125%. The Company designates its economic hedging relationship as currency risk hedge (cash flow hedging instrument).

At the beginning of the hedge, the Company documented the relationship between the hedged item and the highly probable foreseen transaction, together with its risk management goals and mitigation strategy. In addition, at the beginning of the hedge and on a continuous basis, the Company documents whether the relationship is highly effective to offset changes in the fair values or cash flows of the hedged item.

The effective portion of the exchange rate fluctuation for the exposure in UF/U.S. dollar of the hedging relationship, is denominated and classified as cash flow hedging instruments and is deferred in equity under "Cash flow hedge". The gain or loss related to the ineffective portion, if any, is recognized immediately in profit or loss in the item "exchange rate difference" in the statement of income. The deferred amounts in equity are recognized as profit or loss during the year, when the hedged item is recognized in profit or loss, in the same item in the statement of income that the recognized hedged item.

The hedge accounting is discontinued when the Company cancels the hedging relationship, as due to force majeure, the Company is unable to comply with the energy transmission established in the bidding, when this is finalized, prepaid or charged by holders, or no longer qualified for hedge accounting. Any gain or loss deferred in equity is maintained in equity and recognized when the foreseen transaction is finally recognized in profit or loss. When is no longer expected that a foreseen transaction occurs, the accumulated gain or loss that was deferred in equity is immediately recognized in profit or loss.



## 12. OTHER FINANCIAL LIABILITIES, CURRENT AND NON-CURRENT, (continued)

### 12.3) Hedging liabilities, (continued)

As of September 30, 2021, the Company has recognized an amount of ThUS\$99 net of current taxes as lower "Cash flow hedge reserve" in equity, with credit to the item "Foreign currency exchange differences" in the Interim Consolidated Statement of Profit or Loss by Function.

As of June 30, 2017, the subsidiaries Alto Jahuel Transmisora de Energía S.A. and Charrúa Transmisora de Energía S.A., maintaining the risk management policy, had entered into derivative contracts that will hedge fluctuations in interest and exchange rates to which the financial debt is exposed. The Company has designated these derivatives as hedging instruments under the caption "other financial assets and other financial liabilities."

In order to directly mitigate the debt financial risk associated with the interest rate and exchange rate fluctuations of the debt, the Company has entered into a number of derivative instruments specifically designed to stop most of the possible negative effects generated from extraordinary fluctuations in interest rates and financing currencies. Accordingly, the current hedging strategy is intended to decrease and reduce the impact of such fluctuations on the total financial cost burden and foreign currency translation differences that are not naturally offset by the financial debt structure or the structure of income.

Because the objective of the hedge of Alto Jahuel Transmisora de Energía S.A. is being hedged against cash flow variability, attributable to the risk of fluctuations in different interest rates to which the debt structure is exposed (interest rates of LIBOR at 180, TAB at 180 and ICP), and to convert the debt assumed in nominal Chilean pesos to fixed rate UF, the Company establishes that the type of hedge is a cash flow hedge.

The purpose of the CCS type hedge is to protect the Company against the cash flow fluctuations, attributable to the risk of fluctuations in the ICP interest rate and in the UF - Chilean Peso exchange rate. This is because the debt structure obtained contains a Tranche in Chilean pesos and the target debt structure of such tranche is denominated in UF. This directly affects the valuation of the financial liabilities of Alto Jahuel Transmisora de Energía. Such fluctuations could affect profit or loss, generating significant variations in the Company's cash flows. Accordingly, the Company has established the use of cash flow hedges.

The purpose of the IRS type hedge is to establish a floating interest rate, in this case, Libor 180 and Tab 180 rates, which are both part of the risk to which the Syndicated Loan is exposed both in its Tranche denominated in UF and in its Tranche denominated in U.S. dollars, to hedge the Company against such fluctuations and avoiding the significant variances in rates that may have an impact on the Company's cash flows.

Because of the debt features, Charrúa Transmisora de Energía S.A. engages a hedging contract that involves fixing an interest rate of 70% from the debt through IRS type (Interest Rate Swap) derivative contracts. The conditions for such instrument are as follows:

The risk is mitigated through IRS derivative contracts through exchange of the LIBOR 30 rate for the loan withdrawal periods and LIBOR 180 rate for the repayment period, in exchange for the 2.606% fixed rate to protect itself and avoid significant variations in such rates that could impact the Company's cash flows.

The funds obtained from the issue of bonds were used to pay / prepay short and long term financial obligations of subsidiaries Alto Jahuel Transmisora de Energía S.A. and Charrúa Transmisora de Energía S.A., and also used to pay expenses and costs related to such financial obligations.

The subsidiaries Alto Jahuel Transmisora de Energía S.A. and Charrúa Transmisora de Energía S.A. recognized in profit or loss the breakage cost of derivatives related to the previous financing structure.

## 12. OTHER FINANCIAL LIABILITIES, CURRENT AND NON-CURRENT, (continued)

### 12.4) Compliance with Covenants

The main financial guarantees issued in May 2017, for a period of 30 years (denominated in UF and US\$) and established in current debt bond agreements related to capital requirements are:

Debt Service Coverage Ratio (DSCR): Shall mean, for each date of determination, the ratio of: (a) Free Cash Flow and (b) the sum of capital payments, interests, additional amounts (if any) and any other payable under the Financing Covenants (excluding any hedge agreement), for each case for the calculation period of the DSCR.

Free cash flow: Shall mean, in respect of any period calculation period of DSCR, the resulting surplus of: (a) Revenue of such period's projects, minus (b) the sum of all Operating Costs during the same period.

Project revenue: Shall mean, in respect of any period of calculation, the sum, computed without duplication, of all cash revenue received by the Issuer and its Restricted Subsidiaries during such period, including revenue received from:

- (a) Revenue received from the operation of the projects and any restricted subsidiary,
- (b) All revenue and dividends actually received by the Issuer from the subsidiary Diego de Almagro Transmisora de Energia S.A. and deposited in Project Accounts included as part of the Collateral,
- (c) Interest income and other income from Permitted Investments,
- (d) VAT Reimbursements,
- (e) Net amounts received under any hedging agreements,
- (f) Any delay in starting or business interruption insurance,
- (g) Any liquidated damages arising from delays and any other amounts relating to claims under Project Documents, and
- (h) Rental, use or other revenues received in connection with the Fiber Optic Cables (including all revenue received in respect of each Fiber Optic Contract); provided that the proceeds of (1) any sale of equity interests in the Issuer and (2) any Indebtedness for borrowed money will be excluded from the calculation of Project Revenues; and provided, further, that clauses (f), (g) and (h) of this definition shall not be included in Project Revenues in the calculation of any projected Debt Service Coverage Ratio. References to "Project Revenue" in the provisions to this definition shall be deemed to include references to Fixed Project Revenues and Resettable Project Revenues and references to "Debt Service Coverage Ratio" in the provisions to this definition shall be deemed to include references to Fixed Debt Service Coverage Ratio and Resettable Debt Service Coverage Ratio.

Operating costs: Shall mean, for any period, the sum, computed without duplication, of all costs and expenses paid or reimbursed by the Issuer and its Restricted Subsidiaries during such period (or, in the case of any future period, projected to be paid or payable during such period) in connection with the ownership, operation, maintenance and administration of the Projects, including, without limiting the generality of the foregoing:

- (a) Costs and fees of operating and administering the Projects and of maintaining it in good repair and operating condition;
- (b) Costs of insurance;
- (c) Taxes and royalties;
- (d) Costs of utilities, supplies and other services acquired or used in connection with the operation and maintenance of the Projects;
- (e) Costs and fees attendant to obtaining and maintaining in effect any Governmental Approvals relating to the Projects;
- (f) Costs attendant to obtaining and maintaining performance bonds; and

**12. OTHER FINANCIAL LIABILITIES, CURRENT AND NON-CURRENT, (continued)**

**12.4) Compliance with Covenants, (continued)**

- (g) Legal, accounting and other professional fees attendant to any of the foregoing (including any fees, expenses and other amounts payable to the Indenture Trustee, Collateral Agents, Rating Agencies or any agent, consultant or advisor engaged in connection with any Secured Obligation Document); provided that, for the avoidance of doubt, no Debt Service or other amounts payable pursuant to any Financing Document or in connection with any Secured Obligations (except, in each case, to the extent they are paid to an Authorized Agent or any agent acting for any Senior Secured Party to pay for fees or charges or reimbursement for expenses or losses pursuant to a Financing Document or other written agreement), no Project Costs and no Restricted Payments (as defined in accordance with provisions as otherwise provided pursuant to Section 2.3) will constitute an Operating Cost.

The following table details the compliance with the DSCR for the calculation of the aforementioned covenant for the year ended June 30, 2021.

<b>(a) Free cash flow</b>	<b>ThUS\$</b>
Income from operations of projects and any restricted subsidiary	52,809
Interest income on allowed investments	294
<b>Project revenue [a1]</b>	<b>53,103</b>
Costs and fees of operating and administering the Project	(5,610)
Cost of insurance	(224)
Costs attendant to professional services, legal and commissions associated with bond issuance	(33)
<b>Operating costs [a2]</b>	<b>(5,867)</b>
<b>Free Cash Flow [a1-a2]</b>	<b>47,236</b>
<b>(b) Debt expenses</b>	
Interests related to promissory notes and bonds payable for bond issue (*)	38,550
<b>Debt expense</b>	<b>38,550</b>

$$\text{DSCR} = \frac{\text{Free Cash Flow}}{\text{Debt expense}}$$

$$\text{DSCR} = \frac{47,236}{38,550} \quad \mathbf{1.23 X}$$

(\*) Relates to accrued interest and repayment of principal owed for the twelve-month period beginning immediately after July 1, 2020.

As of June 30, 2021, the Company complies with the DSCR, since it exceeds the factor required by the contract, which is higher than or equal to 1.15x for making restricted payments. However, because of the current value of 1.23x the Company could not assume additional debt as the amount is lower than 1.25x, all of this based on the criteria provided in the bond issuance contracts.

### 13. TRADE AND OTHER PAYABLES

This caption comprises the following:

	<b>09.30.2021</b>	<b>12.31.2020</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Domestic suppliers	1,627	4,548
Management of easements pending formalization	19	22
Value-added tax fiscal debit (1)	1,128	1,669
<b>Total trade payables</b>	<b>2,774</b>	<b>6,239</b>
Withholdings payable	803	837
Other payables	-	-
<b>Total</b>	<b>3,577</b>	<b>7,076</b>

(1) VAT fiscal credit corresponding to the subsidiary Alto Jahuel Transmisora de Energía S.A. and Charrúa Transmisora de Energía S.A.

As of September 30, 2021 and for the year ended December 31, 2020, the average payment period for payments to suppliers is 30 days and as such, fair value does not significantly differ from its carrying amount.

#### 13.1) Current suppliers

Type of supplier	Amounts per payment term						09.30.2021	Average payment period (days)
	Up to 30 days	31-60	61-90	91-120	121-365	366 and thereafter		
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$		
Adjustment of annual transmission value by tranche (VATT)	1,774	-	-	-	-	-	1,774	30
Services	1,000	-	-	-	-	-	1,000	30
<b>Total</b>	<b>2,744</b>	-	-	-	-	-	<b>2,774</b>	

Type of supplier	Amounts per payment term						12.31.2020	Average payment period (days)
	Up to 30 days	31-60	61-90	91-120	121-365	366 and thereafter		
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$		
Adjustment of annual transmission value by tranche (VATT)	4,548	-	-	-	-	-	4,548	30
Services	2,528	-	-	-	-	-	2,528	30
<b>Total</b>	<b>7,076</b>	-	-	-	-	-	<b>7,076</b>	

### 13. TRADE AND OTHER PAYABLES, (continued)

#### 13.2) Past due amounts for trade payables

Type of supplier	Amounts per past due days						09.30.2021 ThUS\$
	Up to 30 days	31-60	61-90	91-120	121-180	181 and thereafter	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
Services	-	2	-	-	-	-	2
<b>Total ThUS\$</b>	-	<b>2</b>	-	-	-	-	<b>2</b>

  

Type of supplier	Amounts per past due days						12.31.2020 ThUS\$
	Up to 30 days	31-60	61-90	91-120	121-180	181 and thereafter	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
Services	-	5	-	-	-	-	5
<b>Total ThUS\$</b>	-	<b>5</b>	-	-	-	-	<b>5</b>

### 14. RECEIVABLES DUE FROM AND PAYABLES DUE TO RELATED PARTIES, CURRENT AND NON-CURRENT

Operating transactions with related parties are generally charged/paid immediately or on a 30-day basis and are not subject to any special conditions. These transactions are in conformity with Title XVI of Law No.18.046 for Public Companies.

Balances of trade receivables due from and payables due to related parties relate to the Company's line of business. As of September 30, 2021 and for the year ended December 31, 2020, this caption comprises the following:

#### Receivables due from related parties

Company	Taxpayer ID	Relationship	Term	Country	Transaction	Total current		Total non-current	
						09.30.2021	12.31.2020	09.30.2021	12.31.2020
						ThUS\$	ThUS\$	ThUS\$	ThUS\$
Diego de Almagro Transmisora de Energia S.A.	76.536.654-2	Subsidiary	3 months	Chile	Loan (1)	30	34	-	-
Celeo Redes Chile Ltda.	76.613.942-6	Parent	6 months	Chile	Loan (1)	3,931	3,238	100,521	98,327
Celeo Redes Energia SPA	76.466.822-7	Common shareholder	6 months	Chile	Recovery of expenses	-	125	-	-
<b>Total</b>						<b>3,961</b>	<b>3,397</b>	<b>100,521</b>	<b>98,327</b>

#### Payables due to related parties

Company	Taxpayer ID	Relationship	Term	Country	Transaction	Total current		Total non-current	
						09.30.2021	12.31.2020	09.30.2021	12.31.2020
						ThUS\$	ThUS\$	ThUS\$	ThUS\$
Celeo Redes Chile Ltda.	76.613.942-6	Parent	6 months	Chile	Billing receivable	168	185	-	-
Elecnor Chile S.A.	96.791.730-3	Common shareholder	6 months	Chile	Construction contract	55	257	-	-
<b>Total</b>						<b>223</b>	<b>442</b>	-	-

- (1) Due to the nature of the transaction, the interest rate does not apply for current receivables due from and payables due to related parties. For non-current receivables, the interest rate is 4.16%, whereas for non-current payables, the interest rate is 6.5%, both with a term of 5 years.

Balances with the Group's associates in Spain are recognized in Euros, whereas balances with the Group's associates in Chile are recognized in United States dollars.

#### 14. TRADE RECEIVABLES DUE FROM AND PAYABLES DUE TO RELATED PARTIES, (continued)

##### 14.1) Transactions with related parties

Taxpayer ID	Company	Country	Relationship	Transaction	09-30-2021	Effect on profit	12-31-2020	Effect on profit
					ThUS\$	or loss (debit) / credit 2021 ThUS\$	ThUS\$	or loss (debit) / credit 2020 MUS\$
76.613.942-6	Celeo Redes Chile Limitada	Chile	The Group's Parent in Chile	Interest on loan	3,129	3,129	4,454	4,454
76.613.942-6	Celeo Redes Chile Limitada	Chile	The Group's Parent in Chile	Administration service payable	(76)	(76)	(91)	(91)
96.791.730 - 3	Elecnor Chile S.A.	Chile	Parent's Subsidiary	Recovery of expenses	-	-	35	35
76.613.942-6	Celeo Redes Chile Limitada	Chile	The Group's Parent in Chile	Administration service payable	(760)	(760)	(912)	(912)
76.613.942-6	Celeo Redes Chile Limitada	Chile	The Group's Parent in Chile	Operating management contract	(940)	(940)	(1,127)	(1,127)
76.613.942-6	Celeo Redes Chile Limitada	Chile	The Group's Parent in Chile	Administrative management contract	(1,020)	(1,020)	(1,224)	(1,224)
76.613.942-6	Celeo Redes Chile Limitada	Chile	The Group's Parent in Chile	Operating management contract	(1,418)	(1,418)	(1,701)	(1,701)
76.613.942-6	Celeo Redes Chile Limitada	Chile	The Group's Parent in Chile	Loans from related parties	-	-	2,814	-
76.613.942-6	Celeo Redes Chile Limitada	Chile	The Group's Parent in Chile	Decrease in paid-in capital	-	-	(11,168)	-

There are no guarantees given or received for transactions with related parties.

There are neither doubtful accounts related to balances pending payment that require provision nor expenses recognized for such concept.

All transactions are performed under the market terms and conditions.

##### 14.2) Payments to the Board of Directors

In accordance with the Company's by-laws, the members of the Board do not receive any remunerations, benefits or fees for the functions performed.

The Company is managed by its Parent.

## 15. PAID-IN CAPITAL AND RESERVES

As of September 30, 2021 and for the year ended December 31, 2020, the total share capital and paid-in capital is as follows:

### 15.1) Capital issued and paid

Paid-in capital	Share capital ThUS\$	Paid-in capital ThUS\$
Opening balance of equity as of 01.01.2020	12,168	12,168
Capital decrease (1)	(11,168)	(11,168)
Total equity as of December 31, 2020	1,000	1,000
Opening balance of equity as of 01.01.2021	1,000	1,000
Total equity as of September 30, 2021	1,000	1,000

(1) At the Extraordinary Shareholders' Meeting held on October 29, 2020, the shareholders agreed to decrease share capital by ThUS\$11,168, without amending the current ownership or number of shares in which share capital is currently divided into. Such decrease was formalized through the transfer of all the shares owned by its Parent.

### 15.2) Distribution of ownership interest

As of September 30, 2021 and for the year ended December 31, 2020, the distribution of ownership interest is as follows:

Partners	No. of Shares	No. of Shares	Ownership interest	
	09.30.2021	12.31.2020	09.30.2021 %	12.31.2020 %
Celeo Redes SL	1	1	0.01	0.01
Celeo Redes Chile Ltda.	999,999,998	999,999,998	99.99	99.99
<b>Total ownership interest</b>	<b>999,999,999</b>	<b>999,999,999</b>	<b>100.00</b>	<b>100.00</b>

As of September 30, 2021, the Company's capital amounts to US\$1,000,000 divided into 999,999,999 nominative, ordinary, same-series shares with no par value of the same amount.

### 15.3) Other reserves

Other reserves comprise the following:

	09.30.2021	12.31.2020
	ThUS\$	ThUS\$
Accumulated hedging effects and other reserves		
Opening Balance	(1,559)	9,184
Hedging effects for the period (1)	13,603	(10,743)
Other reserves	-	-
Total other reserves	12,044	(1,559)

(1) Corresponds to its classification as cash flow hedges for the debt denominated in UF (see note 12.3).

**15. PAID-IN CAPITAL AND RESERVES, (continued)**

**15.4) Profit distribution**

The dividend policy currently established is, if profits are obtained and is previously approved at the Shareholders' Meeting, to annually distribute to the shareholders an amount not lower than 30% of net profit available for distribution at each year end.

As established by the Chilean Financial Market Commission in its Circular No.1945 dated September 29, 2009, the Company's Board of Directors decided, in order to calculate its net profit available for distribution referred to in Article 78 of Law 18.046, to establish as adjustment policy, excluding the profit or loss for the year (item Profit (loss) attributable to owners of the Parent) the concepts mentioned in the paragraphs below.

- a) Unrealized gains or losses due to the application of paragraphs 34, 42, 39 and 58 of IFRS 3 (Revised), referred to the Business Combinations, are reimbursed to net profit when realized, i.e., when the shareholder rights or interest that generate it are disposed of the Company.
- b) The effects of deferred taxes associated with the abovementioned concept will be the same as the item originating them.
- c) Gain or loss resulting from depreciation/amortization for the year.

As mentioned in the preceding paragraphs, the net distributable profit is determined annually, and shareholders verify the calculation method in each ordinary shareholders' meeting held for this purpose.

For the periods ended September 30, 2021 and December 31, 2020, the net distributable profit is as follows:

	<u>09.30.2021</u>	<u>12.31.2020</u>
	ThUS\$	ThUS\$
<b>Profit (loss) attributable to owners of the Parent</b>	<b>6,255</b>	<b>9,663</b>
<u>Adjustments per policy:</u>		
Depreciation and amortization for the period	4,944	6,536
<b>Net distributable profit for the period</b>	<b><u>11,199</u></b>	<b><u>16,199</u></b>

For the year ended December 31, 2020, at the Ordinary Shareholders' Meeting held on April 30, 2021, the shareholders unanimously agreed not to distribute dividends for the profit for distribution determined for 2020.

**15.5) Capital management**

The Company manages its capital to ensure the project is performed and to continue as a going concern by mitigating exchange risks and maximizing the partners' return through an appropriate balance between debt and capital.

As of September 30, 2021 and for the year ended December 31, 2020, equity comprises issued, subscribed and paid-in capital.



## 16. NON-CONTROLLING INTERESTS

As of September 30, 2021 and for the year ended December 31, 2020, the detail of the effects resulting from third-party interest in equity and profit or loss, is as follows:

		09.30.2021				
Company	Minority shareholder	Equity of the subsidiary ThUS\$	Profit or loss of the subsidiary ThUS\$	Minority interest %	Non-controlling interest ThUS\$	Share of profit (loss) ThUS\$
Charrúa Transmisora de Energía S.A.	Elecnor S.A.	28,859	1,747	0.01%	3	-
Alto Jahuel Transmisora de Energía S.A.	Elecnor S.A.	74,797	4,646	0.01%	8	-
<b>Total</b>		<b>103,656</b>	<b>6,393</b>		<b>11</b>	<b>-</b>

  

		12.31.2020				
Company	Minority shareholder	Equity of the subsidiary ThUS\$	Profit or loss of the subsidiary ThUS\$	Minority interest %	Non-controlling interest ThUS\$	Share of profit (loss) ThUS\$
Charrúa Transmisora de Energía S.A.	Elecnor S.A.	27,111	2,678	0.01%	3	-
Alto Jahuel Transmisora de Energía S.A.	Elecnor S.A.	70,152	7,389	0.01%	8	1
<b>Total</b>		<b>97,263</b>	<b>10,067</b>		<b>11</b>	<b>1</b>

## 17. REVENUE

As of September 30, 2021 and 2020, this caption comprises the following:

	09.30.2021 ThUS\$	09.30.2020 ThUS\$	07.01.2021 09.30.2021 ThUS\$	07.01.2020 09.30.2020 ThUS\$
Toll and transmission revenue	36,887	36,890	12,296	12,296
Operating service and management	-	-	-	-
<b>Total</b>	<b>36,887</b>	<b>36,890</b>	<b>12,296</b>	<b>12,296</b>

Revenue recognized is mainly composed of power transmission services generated by the subsidiary Alto Jahuel Transmisora de Energía S.A., Charrúa Transmisora de Energía S.A. Both companies are currently fully operating and there is no consideration pending delivery.

Type of revenue	09.30.2021 ThUS\$	09.30.2020 ThUS\$	07.01.2021 09.30.2021 ThUS\$	07.01.2020 09.30.2020 ThUS\$
Regulated customers	36,887	36,890	12,296	12,296
Domestic revenue	36,887	36,890	12,296	12,296
Transferred goods at a point in time	-	-	-	-
Transmission services provided through time	36,887	36,890	12,296	12,296

## 18. COST OF SALES

As of September 30, 2021 and 2020, this caption comprises the following:

	<u>09.30.2021</u>	<u>09.30.2020</u>	<u>07.01.2021</u>	<u>07.01.2020</u>
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Third party maintenance and operating costs	(50)	(45)	(21)	(9)
Depreciation for the year transmission line cost 2nd C	(2,749)	(2,749)	(917)	(917)
Depreciation for the year transmission substation cost 2nd C	(2,131)	(2,131)	(710)	(710)
Operating and maintenance costs from related companies	(2,447)	(2,169)	(785)	(743)
<b>Total</b>	<b>(7,377)</b>	<b>(7,094)</b>	<b>(2,433)</b>	<b>(2,379)</b>

## 19. DETAIL OF SIGNIFICANT RESULTS

As of September 30, 2021 and 2020, this caption comprises the following:

### 19.1) Administrative expenses

Administrative expenses are detailed as follows:

	<u>09.30.2021</u>	<u>09.30.2020</u>	<u>07.01.2021</u>	<u>07.01.2020</u>
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Advisory expenses and fees	(100)	(83)	-	-
Depreciation and amortization	(64)	(23)	(53)	(5)
Services and rental expenses	(141)	(158)	(133)	(65)
Related party service expenses	(1,776)	(1,566)	(571)	(541)
Other administrative expenses	(196)	(252)	(5)	(9)
<b>Total</b>	<b>(2,277)</b>	<b>(2,082)</b>	<b>(762)</b>	<b>(620)</b>

### 19.2) Other expenses

Other expenses are detailed as follows:

	<u>09.30.2021</u>	<u>09.30.2020</u>	<u>07.01.2021</u>	<u>07.01.2020</u>
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
New projects development	-	(2)	-	(1)
Other expenses by function	-	169	-	-
<b>Total</b>	<b>-</b>	<b>167</b>	<b>-</b>	<b>(1)</b>

## 19. DETAIL OF SIGNIFICANT RESULTS, (continued)

### 19.3) Finance income and finance costs

As of September 30, 2021 and 2020, this caption is detailed as follows:

Finance income	09.30.2021	09.30.2020	07.01.2021	07.01.2020
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Interests on related parties loan	3,129	3,417	1,069	1,141
Interests on financial investments	66	136	1	1
<b>Total</b>	<b>3,195</b>	<b>3,553</b>	<b>1,070</b>	<b>1,142</b>

  

Finance costs recognized in profit or loss	09.30.2021	09.30.2020	07.01.2021	07.01.2020
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Interests from promissory notes and bonds payable for bon	(19,392)	(19,146)	(6,393)	(6,436)
Bank expenses and commissions	(425)	(1,035)	(388)	(632)
<b>Total</b>	<b>(19,817)</b>	<b>(20,181)</b>	<b>(6,781)</b>	<b>(7,068)</b>

### 19.4) Foreign currency translation differences

As of September 30, 2021 and 2020, this caption is detailed as follows:

Foreign currency translation difference	09.30.2021	09.30.2020	07.01.2021	07.01.2020
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Cash and cash equivalents	(2,498)	(1,198)	(2,124)	(66)
Trade and other receivables	(661)	(359)	(594)	197
Receivables due from related parties, current	(353)	(374)	(277)	(139)
Current tax assets	(84)	73	(76)	66
Other financial assets, non-current	-	(384)	-	-
Other non-financial assets, non-current	(133)	(226)	(111)	36
Other financial liabilities, current	-	471	(320)	(331)
Trade and other payables	690	29	311	699
Payables due to related parties, current	196	(254)	200	52
Other financial liabilities, non-current	815	1,132	(370)	808
<b>Total</b>	<b>(2,028)</b>	<b>(1,090)</b>	<b>(3,361)</b>	<b>1,322</b>

**19. DETAIL OF SIGNIFICANT RESULTS, (continued)**

**19.5) Loss on inflation-adjusted units**

As of September 30, 2021 and 2020, this caption is detailed as follows:

Detail	09.30.2021	09.30.2020	07.01.2021	07.01.2020
	ThUS\$	ThUS\$	09.30.2021	09.30.2020
Other financial assets, non-current	(12)	(5)	(3)	1
Other financial liabilities, current	-	-	-	-
<b>Total</b>	<b>(12)</b>	<b>(5)</b>	<b>(3)</b>	<b>1</b>

**20. COMMITMENTS AND CONTINGENCIES**

**20.1) Commitments**

The Company and its subsidiaries have not entered into other engagements during the period ended September 30, 2021.

**20.2) Lawsuits and Contingencies**

As of September 30, 2021, Celeo Redes Operación Chile S.A. records no lawsuits or contingencies.

As of September 30, 2021, there are lawsuits filed against Alto Jahuel Transmisora de Energía S.A. (AJTE) and Charrúa Transmisora de Energía S.A. (CHTE) for Easements. Based on the reports of its legal advisors, Management considers these contingencies do not have a significant impact and, therefore, they have not been accrued in these financial statements.

The lawsuits are as follows:

20. COMMITMENTS AND CONTINGENCIES, (continued)

20.2) Lawsuits and contingencies, (continued)

I. AJTE Lawsuits:

Plaintiff	Matter	Response AJTE	Initial appraisal amount	Probability	Damage amount
1) Eneros Mondaca et al. vs. AJTE	Claim related to easement appraisal	Request by AJTE of maintaining / reducing the amount appraised by the Appraisal Commission	Ch\$87,488,338	Possible	Not yet determined
2) Sara Pérez Gonzales et al. vs. AJTE	Claim related to easement appraisal	N/A	Ch\$116,740,690	Possible	Not yet determined
3) Inversiones Santa Sofia vs. Ajte	Easement contract termination	Requests the rejection of the complaint on the grounds there are no arguments for such complaint	N/A	Possible	Not yet determined
4) Eusebio Ruiz	Recovery	Requests the rejection of the complaint on the grounds there are no arguments for such complaint	N/A	Possible	Not yet determined

1) Eneros Mondaca/AJTE

Relates to the filing of a short trial of complaint of electric easements appraisal against the appraisal commissions which set the value to be compensated by AJTE related to the levy to be charged on the plaintiff's land, for the construction of the "Ancoa Alto Jahuel Line 2 x 500 kV: First Circuit."

The lawsuit was filed on June 10, 2014, and through the present date the final first instance judgment has been issued partially accepting the lawsuit, against which AJTE has filed an appeal that was partially accepted by the Court of Appeals, significantly reducing the amount payable by AJTE. The case is currently being reviewed at the Supreme Court, where an appeal in cassation in the form and substance filed by AJTE is pending. Such appeal was filed to revoke the judgment issued by the Court of Appeals, only with respect to the judgment ordering AJTE to pay Ch\$80 million (equivalent to approximately ThUS\$100).

2) Pérez González et al. /AJTE

Relates to the filing of a short trial of complaint of electric easements appraisal against the appraisal commissions which set the value to be compensated by AJTE related to the levy to be charged on the plaintiff's land, for the construction of the "Ancoa Alto Jahuel Line 2 x 500 kV: First Circuit." On December 10, 2019, the judgment was issued partially accepting the lawsuit, the judgment was notified to AJTE at the end of March. An appeal was filed by AJTE against the judgment, which is pending resolution by the Court of Appeals.

3) Inversiones Santa Sofía/AJTE- Easement Contract termination

Relates to the filing of an ordinary course action to terminate an electric easement contract, entered into in relation to the construction of "Ancoa Alto Jahuel Line 2 x 500 kV: First Circuit", based on the alleged non-compliance by AJTE for not painting of green certain structures in the land, which for the Company is not an essential obligation of the contract; therefore, it should be dismissed by the court.

**20. COMMITMENTS AND CONTINGENCIES, (continued)**

**20.2) Lawsuits and contingencies, (continued)**

The demand was presented on April 2, 2015, and on December 28, 2018, the judge completely rejected the demand, which is being appealed by the plaintiffs.

4) Eusebio Ruiz vs. AJTE- Recovery

Related to the filing of an ordinary course action to recover the plaintiff's land, which is levied with electric easements to allow the construction of the "Ancoa Alto Jahuel 2 Line x 500 kV: First Circuit." It is based on the premise that AJTE would allegedly have no rights to exercise easement in the land, and therefore requests that AJTE restores the Land portion the line is currently crossing.

The demand was filed on October 18, 2017, and is currently in the evidentiary stage.

Through the present date, there is no other background information or events related to claims and assessments both confirmed and unconfirmed that may represent any relevant contingency or may have any unfavorable outcome.

II. CHATE Lawsuits:

<b>Plaintiff</b>	<b>Matter</b>	<b>Status</b>	<b>Response CHATE</b>	<b>Initial appraisal amount</b>	<b>Probability</b>	<b>Damage amount</b>
1) Becker Hermanos Ltda vs. CHATE	Complaint of Indemnity amount	Not noticed	N/A	Ch\$ 235,218,800	Possible	Not yet determined
2) Rubilar vs. CHATE et. al.	Annulment of easement contract and action for recovery	Claim Notice to the other defendants is pending	Requests the rejection of the complaint on the grounds there are no arguments for such complaint	N/A	Possible	Not yet determined
3) Soto vs. CHATE	Action to recover possession	Not noticed	N/A	N/A	Possible	Not yet determined

1) Becker Hermanos Ltda vs. CHATE

Relates to the filing of a short trial of complaint for electric easement appraisals against appraisal commissions which set the value to be compensated by CHATE related to the levy to be charged on the plaintiff's land, for the construction of the "Ancoa Alto Jahuel New Line 2 x 500 kV: First Circuit Cabling."

The claim was filed on May 26, 2017, it has not been yet notified to Charrúa Transmisora de Energía S.A., and on May 2, 2018, the Court ruled the closing of the case.

## 20. COMMITMENTS AND CONTINGENCIES, (continued)

### 20.2) Lawsuits and contingencies, (continued)

#### 2) Rubilar vs. CHATE et. al.

Relates to an action filed for the nullity of an easement contract, the non-opposability in subsidy, and claim against CHATE et al, based on the fact that the easement contract entered into by CHATE was signed without attendance of the plaintiff, despite the fact that the plaintiff was acting as the beneficial owner of the land.

The claim was filed on July 19, 2019 and CHATE has already been notified; however, notification to the other defendants is pending.

#### 3) Soto vs. CHATE

Relates to action filed for the possession recovery based on the alleged abusive actions by CHATE as a result of the execution of the works by Elecnor, which under its orders, allegedly deprived the plaintiff of the possession of the property. Accordingly, the plaintiff requests to recover possession of the portion of the property of which the plaintiff was allegedly deprived.

The claim was filed on December 4, 2019 and CHATE has not been notified.

### 20.3) Other matters

On May 20, 2020, the 2019 Toll Settlement Report ("IRA") issued by the National Electric Coordinator was published ordering the Company to pay to the generating companies under the Transmission Equivalent Charge mechanism established in the transitory article 25 of the New Transmission Law (Law No. 20.936), an adjustment of approximately US\$20 million. Management objected such adjustment alleging errors in the basis used for the calculation and the breach of the right of the transmission companies to fully receive the Transmission Annual Amount by Tranche applicable to each subsidiary, which resulted in the presentation of a discrepancy with the Panel of Experts of the domestic electric market.

Subsequent to a detailed analysis, the Panel of Experts by means of its Opinion No. 4 of 2020, issued in August of this year, ordered the National Electric Coordinator to prepare a new report on the adjustment of tolls for 2019, partially accepting that proposed by the Company, and providing instructions for the new IRA 2019 report to establish the payment by the dissenting transmission companies to the generating companies, only of the amounts which the latter have actually discounted to their end customers, because of having adopted the Transmission Equivalent Charge mechanism referred to above, which should be accredited in the process of preparing the new IRA 2019 report.

The opinion also considers that the amounts which have not been discounted by the generating companies to the end customers related to the Transmission Equivalent Charge, will be refunded by the transmission companies as they collect the one-time charges established by Resolution No. 229 issued the National Energy Commission.

Accordingly, the Company has analyzed the effects of this situation and, in November 2020, it received the first instruction letter issued by the National Electric Coordinator, as required by Resolution No. 4 of the Panel of Experts in letter (A), and recognized such effects on its financial statements.

## 20. COMMITMENTS AND CONTINGENCIES, (continued)

### 20.4) Guarantees issued

Represents a possible contingent liability only to the extent that it is possible the guarantor execute it due to the non-compliance with the construction contracts.

At the closing date of these interim consolidated financial statements, the Company and its subsidiaries has not issued any guarantee.

## 21. SANCTIONS

During the reporting periods, the Parent and its subsidiaries or its Directors or Senior Executives, have not been sanctioned by the Chilean Financial Market Commission or by other regulatory agency.

## 22. ENVIRONMENT

Both the Company and each of its subsidiaries, must comply with the environmental regulation and legislation established for companies operating in the power industry, particularly, in relation to the construction and installation of transmission lines and substations on the way.

Considering the new investment projects in progress and complying with the current legislation, the Company performs its environmental assessments through its contractor, generating environmental impact statements or environmental impact studies, which are prepared by independent external consultants.

As of September 30, 2021, for Investments, the subsidiary Charrúa Transmisora de Energía S.A. has not made any disbursements related to forestry conservation and maintenance for its project and has committed ThUS\$705 that are payable during 2021 for the same concept.

During 2021 and 2020, the Company and its subsidiaries have not made any other disbursements for environmental purposes other than those mentioned above and have no commitments related thereto.

## 23. SUBSEQUENT EVENTS

Between October 1, 2021, and the date of issuance of these interim consolidated financial statements, there have been no subsequent events that might significantly affect the Company's financial position or profit or loss as of September 31, 2021.