# ALFA TRANSMISORA DE ENERGÍA S.A.
# Taxpayer ID 77.337.345-0

## FINANCIAL STATEMENTS
For the years ended
December 31, 2022 and 2021

(With the Independent Auditors' Report Thereon)

**Contents:**



**ThUS$: Amounts expressed in thousands of United States dollars**

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# INDEPENDENT AUDITOR'S REPORT

To
Shareholders and Directors of
Alfa Transmisora de Energía S.A.

We have audited the accompanying financial statements of Alfa Transmisora de Energía S.A., which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of comprehensive income, changes in equity, and cash flows for the year ended December 31, 2022 and the period between March 17, 2021 and December 31, 2021, and the related notes to the financial statements.

## Management's responsibility for the financial statements

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

## Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Auditing Standards Generally Accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alfa Transmisora de Energía S.A. as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the year ended December 31, 2022 and the period between March 17, 2021 and December 31, 2021, in accordance with International Financial Reporting Standards.

**Emphasis of matter**

As mentioned in note 27 of the financial statements, the financial statements for the years 2022 and 2021 have been restated to fully align their accounting policies to those of their shareholders in relation to the treatment of the tax reassessments made as a result of business acquisitions. Our opinion in relation to the matter before mentioned remains unchanged.

The above translation of the auditor's report 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.

Marek Borowski
EY Audit Ltda.

Santiago, March 31, 2023

**ALFA TRANSMISORA DE ENERGÍA S.A.**
**TAXPAYER ID No.: 77.337.345 – 0**

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**ALFA TRANSMISORA DE ENERGÍA S.A.**
**TAXPAYER ID No.: 77.337.345 – 0**

CLASSIFIED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022 AND 2021
(In thousands of United States dollars - ThUS$)

| Assets | Note No. | Restatement 12.31.2022 ThUS$ | Restatement 12.31.2021 ThUS$ |
|---|---|---|---|
| **Current assets** | | | |
| Cash and cash equivalents | 4 | 58.073 | 64.884 |
| Other current financial assets | 5 | 303 | - |
| Other non-financial assets, current | 6 | 492 | 987 |
| Trade and other receivables, current | 7 | 66.170 | 40.546 |
| Trade receivables due from related parties, current | 17 | 384 | - |
| Inventories | 8 | 1.044 | 1.023 |
| Current tax assets | 9 | 9.772 | 8.161 |
| **Total current assets** | | **136.238** | **115.601** |
| **Non-current assets** | | | |
| Other non-financial non-current assets | 6 | 2.359 | 829 |
| Intangible assets other than goodwill | 12 | 530.838 | 539.248 |
| Goodwill | 13 | 458.349 | 336.649 |
| Property, plant and equipment | 14 | 453.759 | 460.147 |
| **Total non-current assets** | | **1.445.305** | **1.336.873** |
| **Total assets** | | **1.581.543** | **1.452.474** |

See accompanying notes to these Financial Statements.

**ALFA TRANSMISORA DE ENERGÍA S.A.**
**TAXPAYER ID No.: 77.337.345 – 0**

CLASSIFIED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022 AND 2021
(In thousands of United States dollars - ThUS$)

| Liabilities | Note No. | Restatement 12.31.2022 ThUS$ | Restatement 12.31.2021 ThUS$ |
|---|---|---|---|
| **Current liabilities** | | | |
| Other current financial liabilities | 15 | 14.781 | 17.548 |
| Trade and other payables | 16 | 67.761 | 53.162 |
| Payables due to related parties, current | 17 | 1.573 | 1.598 |
| Other short-term provisions | 18 | 359 | 1.220 |
| Current tax liabilities | | 47 | - |
| Other current non-financial assets | 19 | 117.448 | 1.019 |
| **Total current liabilities** | | **201.969** | **74.547** |
| **Non-current liabilities** | | | |
| Other non-current financial liabilities | 15 | 1.029.220 | 1.030.529 |
| Trade payables due to related parties, non-current | 17 | 102.278 | 91.325 |
| Deferred tax liabilities | 11 | 110.257 | 152.469 |
| Other non-financial liabilities, non-current | 19 | 10.638 | 12.635 |
| **Total non-current liabilities** | | **1.252.393** | **1.286.958** |
| **Total liabilities** | | **1.454.362** | **1.361.505** |
| **Equity** | | | |
| Share capital | 20 | 98.501 | 98.501 |
| (Accumulated deficit)/retained earnings | | 28.680 | (7.532) |
| **Equity attributable to the owners of the Parent** | | **127.181** | **90.969** |
| Non-controlling interests | | - | - |
| **Total equity** | | **127.181** | **90.969** |
| **Total liabilities and equity** | | **1.581.543** | **1.452.474** |

See accompanying notes to these Financial Statements.

**ALFA TRANSMISORA DE ENERGÍA S.A. AND SUBSIDIARY**
**TAXPAYER ID No.: 77.337.345 – 0**

STATEMENTS OF INCOME, BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of United States dollars - ThUS$)

| | Note No. | Restatement 12.31.2022 ThUS$ | Restatement 12.31.2021 ThUS$ |
|---|---|---|---|
| **Statement of profit or loss** | | | |
| **Profit (loss)** | | | |
| Revenue | 21 | 88.460 | 23.206 |
| Cost of sales | 22 | (18.990) | (7.729) |
| **Gross profit** | | **69.470** | **15.477** |
| Administrative expenses | 23.1 | (14.893) | (10.021) |
| Other gain (loss) | 23.3 | 18 | - |
| Profit (loss) from operating activities | | 54.595 | 5.456 |
| Finance income | 23.2 | 162 | 557 |
| Finance costs | 23.2 | (58.921) | (15.626) |
| Foreign currency translation differences | 23.4 | 2.382 | (706) |
| Profit (loss) before taxes | | (1.782) | (10.319) |
| Income tax benefit (continued) | 11 | 37.994 | 2.787 |
| Profit (loss) from continuing operations | | 36.212 | (7.532) |
| **Loss for the year** | | 36.212 | (7.532) |
| **Profit (loss) attributable to** | | | |
| Income (loss) attributable to owners of the parent company | | 36.212 | (7.532) |
| Non-controlling interests | | - | |
| Profit (loss) | | 36.212 | (7.532) |
| **Earnings per share** | | | |
| **Basic earnings per share** | | | |
| Basic earnings (losses) per share from continuing operations | | 0,36763 | (0,07647) |
| Basic earnings (losses) per share from discontinued operations | | - | - |
| Basic earnings (losses) per share (euro) | | 0,36763 | (0,07647) |
| **Diluted earnings per share** | | | |
| Diluted earnings (losses) per share from continuing operations | | 0,36763 | (0,07647) |
| Diluted earnings (losses) per share from discontinued operations | | - | - |
| Diluted earnings (losses) per share | | 0,36763 | (0,07647) |

See accompanying notes to these Financial Statements.

**ALFA TRANSMISORA DE ENERGÍA S.A. AND SUBSIDIARY**
**TAXPAYER ID No.: 77.337.345 – 0**

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of United States dollars - ThUS$)

| | Restatement 12.31.2022 ThUS$ | Restatement 12.31.2021 ThUS$ |
|---|---|---|
| **Loss for the year** | 36.212 | (7.532) |
| **Components of other comprehensive income that will not be reclassified to profit or loss, before taxes** | | |
| Other comprehensive income, before tax, profit (loss) from investments in equity securities | - | |
| **Total other comprehensive income that will not be reclassified to profit or loss for the year, before taxes** | - | - |
| **Components of other comprehensive income that will not be reclassified to profit or loss, before taxes** | | |
| **Foreign currency translation differences** | | |
| Gain/(loss) from foreign currency translation difference, before taxes | | |
| **Other comprehensive income before taxes and foreign currency exchange difference** | - | - |
| **Cash flow hedges** | | |
| Gain (losses) from cash flow hedges, before taxes | | |
| Adjustments for reclassification to cash flow hedges, before taxes | - | - |
| **Other comprehensive income, before taxes, from cash flow hedges** | | |
| **Total other comprehensive income that will be reclassified to profit or loss for the year, before taxes** | | |
| **Other components of other comprehensive income, before taxes** | | |
| **Income tax related to components of other comprehensive income that will be reclassified to profit or loss** | | |
| Income taxes related to cash flow hedges in other comprehensive income | | |
| **Income tax related to components of other comprehensive income that will be reclassified to profit or loss** | | |
| **Other comprehensive income** | | |
| **Total comprehensive income** | **36.212** | **(7.532)** |
| **Comprehensive income attributable to** | | |
| Owners of the Parent | 36.212 | (7.532) |
| Non-controlling interests | - | - |
| **Comprehensive income (loss)** | **36.212** | **(7.532)** |

See accompanying notes to these Financial Statements.

**ALFA TRANSMISORA DE ENERGÍA S.A.**
**TAXPAYER ID No.: 77.337.345 – 0**

STATEMENTS OF CASH FLOWS (DIRECT METHOD)
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of United States dollars - ThUS$)

| | Restatement 12.31.2022 ThUS$ | Restatement 12.31.2021 ThUS$ |
|---|---|---|
| **Statement of cash flows** | | |
| **Cash flows from (used in) operating activities** | | |
| Classes of cash receipts from operating activities | | |
| Cash receipts from sale of goods and rendering of services | 102.641 | 26.506 |
| Classes of payments | | |
| Payments to suppliers for goods and services | (25.581) | (14.642) |
| Cash payments for premiums and services, annuities and other obligations from policies underwritten | - | (711) |
| Interest received, recorded as operating activities | (6) | - |
| Interest received, recorded as operating activities | - | 42 |
| Income taxes received (paid), recorded as operating activities | (14.545) | - |
| Other cash inflows (outflows), recorded as operating activities | (251) | (9) |
| **Net cash from (used in) operating activities** | 62.258 | 11.186 |
| **Cash flows from (used in) investing activities** | | |
| Cash flows used to obtain control of subsidiaries or other businesses | - | (1.173.013) |
| Other payments to acquire equity or debt securities of other entities | (5.237) | - |
| Loans granted to related parties | (2.406) | - |
| Acquisition of property and equipment | (7.376) | - |
| Interest received | 163 | - |
| Other cash receipts (payments) | - | 3.596 |
| **Net cash from (used in) investing activities** | (14.856) | (1.169.417) |
| **Cash flows from (used in) financing activities** | | |
| Proceeds from share issuance | - | 98.501 |
| Proceeds from long-term borrowings | - | 1.033.983 |
| Total proceeds from loans, recorded as financing activities | - | 1.033.983 |
| Related party financing | 5.237 | 101.201 |
| Related party financing | (1.669) | (10.256) |
| Interest paid | (51.432) | - |
| Other cash receipts (payments) | (4.800) | - |
| **Net cash from (used in) financing activities** | (52.664) | 1.223.429 |
| **Net increase (decrease) in cash and cash equivalents before the effect of exchange rate fluctuations on cash held** | **(5.262)** | **65.198** |
| **Effect of movements in exchange rates on cash and cash equivalents** | | |
| Effect of movements in exchange rates on cash and cash equivalents | (1.549) | (314) |
| **Net increase (decrease) in cash and cash equivalents** | **(6.811)** | **64.884** |
| Cash and cash equivalents at January 1 | 64.884 | - |
| **Cash and cash equivalents at December 31** | **58.073** | **64.884** |

See accompanying notes to these Financial Statements.

## ALFA TRANSMISORA DE ENERGÍA S.A.
## TAXPAYER ID No.: 77.337.345 – 0

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of United States dollars - ThUS$)

| | | Other reserves | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Restatement** | **Share capital** | **Translation reserve** | **Cash flow hedging reserve** | **Total other reserves** | **(Accumulated deficit)/retained earnings** | **Equity attributable to the owners of the Parent** | **Non-controlling interests** | **Total equity** |
| | **ThUS$** | **ThUS$** | **ThUS$** | **ThUS$** | **ThUS$** | **ThUS$** | **ThUS$** | **ThUS$** |
| Initial balance current period as of 01.01.2022 | 98.501 | - | - | - | (7.532) | 90.969 | - | 90.969 |
| Increase (decrease) from changes in accounting policies | - | - | - | - | - | - | - | - |
| Increase (decrease) due to correction of errors | - | - | - | - | - | - | - | - |
| **Restated initial balance** | **98.501** | **-** | **-** | **-** | **(7.532)** | **90.969** | **-** | **90.969** |
| Changes in equity | | | | | | | | |
| Comprehensive income | | | | | | | | |
| Profit (loss) | - | - | - | - | 36.212 | 36.212 | - | 36.212 |
| Other comprehensive income | - | - | - | - | - | - | - | - |
| **Comprehensive income (loss)** | | **-** | **-** | **-** | **36.212** | **36.212** | **-** | **36.212** |
| Capital management | - | - | - | - | - | - | - | - |
| Increase (decrease) through transfers and other changes | - | - | - | - | | - | - | - |
| Total changes in equity | - | - | - | - | 36.212 | 36.212 | - | 36.212 |
| **Balance as of December 31, 2022** | **98.501** | **-** | **-** | **-** | **28.680** | **127.181** | **-** | **127.181** |

| | | Other reserves | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Restatement** | **Share capital** | **Translation reserve** | **Cash flow hedging reserve** | **Total other reserves** | **(Accumulated deficit)/retained earnings** | **Equity attributable to the owners of the Parent** | **Non-controlling interests** | **Total equity** |
| | **ThUS$** | **ThUS$** | **ThUS$** | **ThUS$** | **ThUS$** | **ThUS$** | **ThUS$** | **ThUS$** |
| Initial balance current period as of 03.17.2021 | - | - | - | - | - | - | - | - |
| Increase (decrease) from changes in accounting policies | - | - | - | - | - | - | - | - |
| Increase (decrease) due to correction of errors | - | - | - | - | - | - | - | - |
| **Restated initial balance** | - | - | - | - | - | - | - | - |
| Changes in equity | | | | | | | | |
| Comprehensive income | | | | | | | | |
| Profit (loss) | - | - | - | - | (7.532) | (7.532) | - | (7.532) |
| Other comprehensive income | - | - | - | - | - | - | - | - |
| **Comprehensive income (loss)** | - | **-** | **-** | **-** | **(7.532)** | **(7.532)** | **-** | **(7.532)** |
| Capital management | 98.501 | - | - | - | - | 98.501 | - | 98.501 |
| Increase (decrease) through transfers and other changes | - | - | - | - | - | - | - | - |
| Total changes in equity | 98.501 | - | - | - | (7.532) | 90.969 | - | 90.969 |
| **Balance prior period as of December 31, 2021** | **98.501** | **-** | **-** | **-** | **(7.532)** | **90.969** | **-** | **90.969** |

See accompanying notes to these Financial Statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended December 31, 2022 and 2021.

## **1.** REPORTING ENTITY

The Company was initially incorporated as a joint stock company under the name of Alfa Desarrollo SpA. via public deed granted on March 17, 2021 at the Notary Office of Santiago of Mr. Patricio Raby Benavente. An authorized excerpt of the aforementioned deed was recorded under page 21,660, No. 10,309 of the Trade Register of Santiago for 2021, and was published in the Official Gazette on March 22 of the same year.

By public deed granted on October 20, 2021 at the Notary Office of Santiago of Mr. Roberto Antonio Cifuentes Allel, the Company was transformed into a closely-held shareholders' corporation, amending its corporate structure and agreeing on revised bylaws, and to a change in the company name to the current name: "Alfa Transmisora de Energía S.A." An authorized excerpt of the aforementioned deed was recorded under page 83,486, No. 38,523 of the Trade Register of Santiago for 2021, and was published in the Official Gazette on October 28 of the same year.

The Company's registered address is located at Avenida Apoquindo 4501, piso 19, oficina 1902, Las Condes and its Taxpayer ID No. is 77.337.345 - 0.

The Company is currently engaged in the transmission of electric energy through domestic, zonal, dedicated transmission systems and for generation development poles, or any other classification of electric energy transmission facilities that the regulations currently contemplate or may contemplate in the future, either on its own or on behalf of third parties; the commercialization of the transmission and transformation capacity of electricity from facilities belonging to the National Electric System; the administration and operation of electric transmission facilities, both its own and those of third parties; the rendering of services in activities related to its corporate purpose; the performance of any other activity related to the electric power transmission industry; and in general, the performance of all types of acts and entering into all types of contracts and agreements directly or indirectly related to the line of business, which may be performed directly or through other companies.

The controlling company is APG Energy & Infra Investments Chile Expansión SpA, which holds 80% ownership interest directly. The other shareholder is Celeo Redes Chile Expansión SpA. which holds direct ownership interest of 20% of its shares.

## **2.** SIGNIFICANT ACCOUNTING POLICIES

### **2.1)** Accounting period

These financial statements cover the following periods:

- Statements of financial position as of December 31, 2022 and 2021.
- Statements of income, by function, as of December 31, 2022 and 2021.
- Statement of comprehensive income as of December 31, 2022 and 2021.
- Statement of changes in equity as of December 31, 2022 and 2021.
- Statement of cash flows - direct method as of December 31, 2022 and 2021.

### **2.2)** Basis of preparation

The financial statements as of December 31, 2022 and 2021, have been prepared on a going concern basis and in conformity with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and have been approved by Management on March 31, 2023.

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 Consolidated 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. Gains and losses resulting from the translation of these currencies, as well as the settlement of assets and liabilities in currencies other than the functional currency, are recognized in the Statement of Income as part of the item Foreign Currency Exchange Differences.

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)** Financial information by operating segment

The Company manages its operations and presents the information in the financial statements based on its single operating segment "Power Transmission".

### **2.6)** 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 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)

**2.6)** Basis of translation, (continued)

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

| Basis of translation | 12.31.2022 ThUS$ | 12.31.2021 ThUS$ |
|---|---|---|
| Currency US$ | 1.00000 | 1.00000 |
| Chilean pesos (Ch$) | 0.00117 | 0.00118 |
| Inflation-adjusted unit (UF) | 41.0242 | 36.7078 |

**2.7)** Business combinations and Goodwill

Business combinations are recognized using the acquisition method. The acquisition cost is the sum of the consideration transferred, measured at fair value at the acquisition date, and the amount of the acquiree non-controlling interest, if any. For each business combination, the Company determines whether the non-controlling interest of the acquiree is measured at fair value or proportional to the net identifiable assets of the acquiree. Related acquisition costs are accounted for as incurred in other expenses.

When the Company acquires a business, it assesses the financial assets and financial liabilities acquired for their appropriate classification based on contractual terms, economic conditions and other related conditions at the acquisition date. This includes separating the embedded derivatives of the acquiree main contracts.

If the business combination is conducted by stages, ownership interests previously maintained in acquiree equity are measured at fair value at the acquisition date, and gains or losses are recognized in the statement of income.

Any contingent consideration transferable by the acquiree is recognized at fair value at the acquisition date. Contingent considerations classified as financial assets or liabilities in accordance with IFRS 9 Financial Instruments are measured at fair value, recording changes in fair value as a gain or loss or as a change in other comprehensive income. In the events contingent considerations are not in the scope of IFRS 9, these are measured in accordance with the related IFRS. If the contingent consideration classified as equity, this is not revalued and any subsequent settlement is recorded equity.

Goodwill is the excess of the sum of the consideration transferred recognized on the net value of assets acquired and liabilities assumed. If the fair value of net assets acquired exceeds the amount of the consideration transferred, the Company conducts a new assessment to ensure that all assets acquired and liabilities assumed have been appropriately identified, and reviews all procedures applied to conduct the measurement of the amount recognized at the acquisition date. If the new assessment results in an excess of fair value of net assets acquired on the aggregate amount of the consideration transferred, the difference is recognized as profit in the statement of income.

## 2) SIGNIFICANT ACCOUNTING POLICIES, (continued)

### 2.7) Business combinations and Goodwill (continued):

Subsequent to initial recognition, goodwill is recognized at cost less any accumulated impairment losses. For impairment testing, goodwill acquired in a business combination is allocated, at the acquisition date, to each Company's cash-generating unit which is expected to receive benefits, regardless if there are other assets or liabilities of the acquiree allocated to those units. Once the business combination is completed (concludes the measurement process) goodwill is not amortized and the Company reviews on a regular basis its carrying amounts to recognize any impairment losses.

When goodwill is part of the cash-generating unit and a portion of such unit is derecognized, goodwill related to such disposed operations is included in the carrying amount of the operations when determining gains or losses obtained at disposal. Goodwill derecognized is measured based on the relative value of the disposed operation and the portion of the cash-generating unit maintained.

On September 30, 2021, the Company acquired 99.9% of the voting shares of Alfa Transmisión S.A., (formerly Colbún Transmisión S.A. and hereinafter the subsidiary) a shareholders' corporation organized under the laws of Chile.

In accordance with IFRS 3, the measurement period is the period after the acquisition date during which the acquirer may adjust the provisional amounts recognized in a business combination. This period shall not exceed one year from the date of acquisition. The fair values of the subsidiary's identifiable assets acquired and liabilities assumed at the acquisition date amounted to ThUS$711,724, generating goodwill of ThUS$461,289.

#### 2.7.1) Merger:

On February 28, 2022, Alfa Transmisión S.A. (formerly Colbún Transmisión S.A.) Taxpayer ID No. 76.218.856-2, was merged into Alfa Transmisora de Energía S.A., Taxpayer ID No. 77.337.345-0, which became the legal successor for all its rights and obligations.

For the presentation of the Financial Statements for 2021, three months of the former Colbún Transmisión S.A. were included, and for 2022, the entire year was considered for Alfa Transmisora de Energía S.A..

### **2.8)** 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:

**i)** 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.

**ii)** 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.

**iii)** 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.

**iv)** 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 year 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)

### 2.9) Intangible assets other than goodwill

Intangible assets acquired individually are measured initially at cost. For intangible assets acquired in a business combination is their fair value at the date of acquisition.

Subsequent to initial recognition, are measured at cost less accumulated amortization and impairment losses.

The Company assesses at initial recognition if the useful life of intangible assets is definite or indefinite. Assets with definite useful life are amortized throughout their remaining economic useful life and assessed for impairment when such indicators exist. The amortization period and amortization of intangible assets with definite useful life are reviewed at least at each reporting date. The criteria for recognizing impairment losses on these assets and, if applicable, recoveries of recorded impairment losses are explained in note 2.10 Changes in expected useful life or consumption pattern of future economic benefits materialized in the asset are considered to change the period or amortization method, if applicable, and treated as a change in the accounting estimate. Amortization expenses of intangible assets with definite useful life are recognized in the statement of comprehensive income.

I. Electric easements: These 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.

II. 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.

### 2.10) Impairment of non-current assets

At each closing date, Management assesses the existence of indications of a possible impairment of non-current assets with definite useful lives. 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 December 31, 2022 and 2021, the Company has not identified impairment of non-current assets.

### 2.11) 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.

I. Income taxes: The Company determines the taxable basis and calculate income tax in accordance with tax legislation effective in each period.

For the 2022, the current income tax rate will be 27%.

2. SIGNIFICANT ACCOUNTING POLICIES, (continued)

**2.11)** Income tax and deferred taxes, (continued)

II. 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.

III. Deferred taxes: Deferred taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. 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;

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. 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: 2022 and thereafter - 27%.

**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.

## 2. SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

Uncertainty over income tax treatments may affect both current and deferred tax. 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 Company identifies whether uncertain tax treatments should be considered separately or as a group, depending on the approach that provides the best prediction of resolution;
- The Company determines whether it is probable that a taxation authority will accept an uncertain tax treatment;
- 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 measure is based on the fact that the tax authorities will have available for their reviews all the amounts and full knowledge of all the related information when conducting such reviews.

### 2.12) Financial assets and financial liabilities, current and non-current

I. 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.

II. Other financial liabilities: Obligations with the public 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 Income during the term of the debt using the effective interest method.

III. Effective interest rate: The effective interest method is a method for calculating the amortized cost of a financial liability and allocating interest expense throughout the relevant year. 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. SIGNIFICANT ACCOUNTING POLICIES, (continued)

### 2.13) 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.

### 2.14) Financial instruments

I. 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 debt financial assets are 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.
- The Company derecognizes financial assets only when the rights to receive cash flows have been canceled, voided, expired or have been transferred

  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.

**2.** SIGNIFICANT ACCOUNTING POLICIES, (continued)

**2.14)** Financial instruments (continued)

Other financial liabilities, including bank borrowings and bonds payable and promissory notes, are measured initially at the amount of cash received, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the 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 year. The effective interest rate corresponds 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.

The Company derecognizes financial liabilities only when obligations are canceled, voided or expired.

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.

II. 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.

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.

**2.15)** Inventories

This caption includes warehouse inventory (spare parts and materials), which are valued at cost, net of possible obsolescence determined in each period. Cost is determined using their weighted average price.

The estimate of impairment of spare parts (obsolescence) is established based on an individual and general assessment performed by specialists of the Company, who assesses turnover and technological obsolescence criteria on the stock held in warehouses of each Power plant.

## 2. SIGNIFICANT ACCOUNTING POLICIES, (continued)

### 2.16) Classification of balances as current and non-current

In the 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.

The Company performed non-material reclassifications of comparative balances in order to be consistent with the current year's presentation.

### 2.17) Financial information by operating segment

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. Revenue is not defined by geographic area and the information is presented in terms in the Consolidated Financial Statements.

### 2.18) Revenue recognition

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

The Company's revenue relates to the commercialization of electric transmission capacity from the Company's facilities. A part of revenue is subject to regulated tariffs, whereas another part of revenue arises from contractual agreements with users of the Company's facilities.

Total revenue generated from the use of the Company's facilities for both types of revenue, regulated and contractual, generally includes two components: (i) the AVI which is the annuity of the new investment value (IV), calculated in such a way that the present value of these annuities (using a real annual discount rate and the economic life of each of the facilities), equal to the cost of replacing the existing transmission facilities, by new facilities with similar characteristics at current market prices, plus (ii) the COMA (operation, maintenance and administration costs) which corresponds to the cost required to operate, maintain and manage the related facilities.

Revenue from both types of agreements (regulatory and contractual) is recognized and billed on a monthly basis using the values established in contracts or those resulting from regulated tariffs. In both cases these values are indexed, as applicable. The transmission service is usually billed at the beginning of the following month in which the service was rendered, and accordingly, the recognized revenue for each month corresponds to the transmission service rendered but billed during that month.

## 2. SIGNIFICANT ACCOUNTING POLICIES, (continued)

### 2.19) 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 consolidated financial statements:

i. 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.

These estimates have been performed 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 consolidated financial statements.

ii. 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.

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

### 2.20) Dividend Policy

i. Minimum dividend: Alfa Transmisora De Energía S.A. is a closely-held corporation and its dividend distribution policy was established by its by-laws on October 28, 2021, 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.

ii. 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."

### 2.21) Transactions with related parties

Transactions between the Company and its related parties, are part of the Company's customary transactions associated with its line of business. All transactions are performed with related parties under the market terms and conditions.

## 2. SIGNIFICANT ACCOUNTING POLICIES, (continued)

### 2.22) Statement of cash flows

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

- **i.** 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.
- **ii.** Operating activities: Are the principal revenue-producing activities usually conducted by the Company and other activities that are not investing or financing activities.
- **iii.** 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.
- **iv.** Financing activities: Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

### 2.23) Disclosures on the adoption of new and revised IFRSs

The following standards, interpretations and amendments to standards which are mandatory for periods beginning on January 1, 2022:

| | **Amendments** | **Mandatory for** |
|---|---|---|
| **IFRS 3** | Reference to the Conceptual Framework | January 1, 2022 |
| **IAS 16** | Property, plant and equipment: collections prior to intended use | January 1, 2022 |
| **IAS 37** | Onerous Contracts – Cost of Fulfilling a Contract | January 1, 2022 |
| **IFRS 1, IFRS 9, IFRS 16, IAS 41** | Annual improvements to IFRS Standards 2018-2020 | January 1, 2022 |

**IFRS 3 References to the Conceptual Framework**

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

The amendments add an exception to the recognition principle of IFRS 3 to avoid the problem of potential "Day 2" gains or losses arising from liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria of IAS 37 or IFRIC 21, respectively, rather than the Conceptual Framework, to determine whether a present obligation exists at the date of the acquisition.

At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments should be applied prospectively.

## 2. SIGNIFICANT ACCOUNTING POLICIES, (continued)

### 2.23) Disclosures on the adoption of new and revised IFRSs, (continued)

The amendment is applicable for the first time in 2022, however, it does not have an impact on the entity's financial statements.

**IAS 16 Property, plant and equipment: collections prior to intended use**

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds from the sale of items generated while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by Management. Rather, an entity recognizes revenue from the sale of those items and the production costs of those items in profit or loss for the period.

The amendment should be applied retrospectively only to items of PP&E available for use on or after the beginning of the first period presented when the entity adopts the amendment for the first time.

The amendment is applicable for the first time in 2022, however, it does not have an impact on the entity's financial statements.

**IAS 37 Onerous contracts – cost of fulfilling a contract**

In May 2020, the IASB issued amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* to specify the costs that an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments are intended to clarify and help ensuring the consistent application of the standard. Entities that previously applied the incremental cost approach will recognize an increase in provisions to reflect the inclusion of costs directly related to contract activities, whereas entities that previously recognized provisions for contract losses using the guidance in the previous standard, IAS 11 *Construction Contracts*, should exclude the allocation of indirect costs from their provisions. Judgment will be required to determine which costs are "directly related to contract activities", but we believe the guidance in IFRS 15 will be relevant.

The amendments should be applied prospectively to contracts for which an entity has not yet fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Early application is permitted and must be disclosed.

The amendment is applicable for the first time in 2022, however, it does not have an impact on the entity's financial statements.

**IFRS 1, IFRS 9, IFRS 16 and IAS 41 Annual Improvements to IFRS Standards 2018–2020**

The IASB has issued "Annual Improvements to IFRS Standards 2018-2020". The pronouncement contains amendments to four International Financial Reporting Standards (IFRS) as a result of the IASB's annual improvements project.

IFRS 1: Subsidiary as a first-time adopter. The amendment allows a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the date of transition to IFRS of the parent, if no adjustments were performed for consolidation and for the effects of the business combination in which the parent acquired the subsidiary. This amendment also applies to an associate or joint venture that opts to apply paragraph D16(a) of IFRS 1.

**2.** SIGNIFICANT ACCOUNTING POLICIES, (continued)

**2.23)** Disclosures on the adoption of new and revised IFRSs, (continued)

IFRS 9: Commissions in the '10 percent' test for the derecognition of financial liabilities. The amendment clarifies that the fees that an entity includes when assessing whether the terms of a new or amended financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by the borrower or the lender on behalf of the other. There is no similar amendment proposed for IAS 39.

An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

Illustrative examples accompanying IFRS 16: Lease incentives. The amendment removes the illustration of lessor payments in relation to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This eliminates potential confusion regarding the treatment of lease incentives when applying IFRS 16.

IAS 41: Taxation on fair value measurements. The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

The amendment is applicable for the first time in 2022, however, it does not have an impact on the entity's financial statements.

**NEW ACCOUNTING PRONOUNCEMENTS (STANDARDS, INTERPRETATIONS AND AMENDMENTS) EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER JANUARY 1, 2023**

| | **Standards and interpretations** | **Mandatory for** |
|---|---|---|
| **IFRS 17** | Insurance Contracts | January 1, 2023 |

**IFRS 17 Insurance Contracts**

In May 2017, the IASB issued IFRS 17 *Insurance Contracts*, a new accounting standard specific to insurance contracts covering recognition, measurement, presentation and disclosure. Once effective, it will replace IFRS 4 *Insurance Contracts* issued in 2005. The new standard applies to all types of insurance contracts, regardless of the type of entity issuing them, as well as to certain guarantees and financial instruments with certain discretionary participation features.
Some exceptions within the scope may be applied.

In December 2021, the IASB amended IFRS 17 to add a transition option for a "classification overlay" to address potential accounting asymmetries between financial assets and insurance contract liabilities in the comparative information presented on initial application of IFRS 17.

If an entity elects to apply the classification overlay, it may only do so for comparative periods to which it applies IFRS 17 (i.e. from the date of transition to the date of initial application of IFRS 17).

IFRS 17 will be effective for periods beginning on or after January 1, 2023, requiring comparative amounts. Earlier application is permitted, provided that the entity applies IFRS 9 *Financial Instruments* on or before the date on which IFRS 17 is first applied.

2. SIGNIFICANT ACCOUNTING POLICIES, (continued)

**2.23)** Disclosures on the adoption of new and revised IFRSs, (continued)

| | **Amendments** | **Mandatory for** |
|---|---|---|
| **IAS 8** | Definition of the accounting estimate | January 1, 2023 |
| **IAS 1** | Disclosure of Accounting Policies | January 1, 2023 |
| **IAS 12** | Deferred income tax related to assets and liabilities arising from a single transaction | January 1, 2023 |
| **IAS 1** | Classification of Liabilities as Current or Non-current | January 1, 2024 |
| **IFRS 16** | Lease Liability in a Sale and Leaseback | January 1, 2024 |
| **IFRS 10 and IAS 28** | Consolidated Financial Statements – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. | To be determined |

**IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates**

In February 2021, the IASB issued amendments to IAS 8, introducing a new definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. In addition, they clarify how entities use the measurement techniques and inputs to account for estimates.

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

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

**IAS 1 Presentation of Financial Statements - Disclosure of Accounting Policies**

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement No. 2 Making Materiality Judgments, in which it provides guidance and examples to assist entities in applying materiality judgments to accounting policy disclosures.

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

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

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

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

**2.23)** Disclosures on the adoption of new and revised IFRSs, (continued)

**IAS 12 Deferred income tax related to assets and liabilities arising from a single transaction**

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

The amendments clarify that when payments that settle a liability are deductible for tax purposes, it is a matter of judgment (considering applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgment is important to determine whether temporary differences exist in the initial recognition of assets and liabilities.

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

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

**IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current**

In 2020 and 2022, the IASB issued amendments to IAS 1 to specify the requirements for the classification of liabilities as current or non-current. The amendments clarify about:

1. What is meant by the right to defer settlement.
2. That there should be a right to defer at the end of the reporting period.
3. This classification is not affected by the likelihood of an entity exercising its deferral right.
4. That only if an embedded derivative in a convertible liability is itself an equity instrument, the terms of a liability would not affect its classification.

The amendment will be effective for annual periods beginning on or after January 1, 2024.

**IFRS 16 Lease Liability in a Sale and Leaseback**

The amendment addresses the requirements used by a seller-lessee to measure the lease liability arising in a sale transaction with subsequent lease.

## 2. SIGNIFICANT ACCOUNTING POLICIES, (continued)

### 2.23) Disclosures on the adoption of new and revised IFRSs, (continued)

The amendment provides that after the commencement date of a transaction sale with subsequent lease, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the subsequent lease and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the subsequent lease. In applying paragraphs 36 to 46 of IFRS 16, the seller-lessee determines the "lease payments" or "revised lease payments" in such a way that the seller-lessee would not recognize any amount of gain or loss related to the right of use that the seller-lessee retains. The application of these requirements does not prevent the seller-lessee from recognizing, in profit or loss, any gain or loss related to the partial or total termination of a lease, as required by paragraph 46(a) of IFRS 16.

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

The amendment will be effective for annual periods beginning on or after January 1, 2024.

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

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

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

The date of mandatory application of these amendments is to be determined because the IASB is awaiting the results of its research project on equity method accounting. These amendments must be applied retrospectively and early adoption is permitted, which must be disclosed.

The entity will assess the impact of the amendment when it becomes effective.

## 3. FINANCIAL RISK MANAGEMENT

### 3.1) Currency risk, credit risk and liquidity risk

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.

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 December 31, 2022 and 2021, the weighted average term to collect 90% 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, as defined in the bond issuance agreements denominated in U.S. dollars.

As a result of the treasury policy and activities of the Company, 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 revenues are denominated in U.S. dollars and a significant portion of construction and operating costs are also denominated in U.S. dollars.

**3.** FINANCIAL RISK MANAGEMENT (Continued)

**3.1)** Currency risk, credit risk and liquidity risk (continued)

Credit risk:

A credit risk source exists associated with receivables from customers in the domestic transmission system. Operating income at the consolidated level is derived from a customer portfolio that includes some of the most important domestic power generation and transmission companies. Accordingly, the Company has a strong customer base.

The stock of accounts receivable generated during the normal course of business is characterized by a short-term collection process, which is duly regulated by Supreme Decree No. 23T issued by Chilean Ministry of Energy in 2015, which establishes 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.

Notwithstanding the foregoing, Alfa Transmisora de Energía S.A.'s annual revenue is highly concentrated in the following main customers:

| Main customers as of December 31, 2022 | Billing in ThUS$ | Representation % |
|---|---|---|
| Colbún S.A. | 30,899 | 39% |
| Enel Generación Chile S.A. | 8,878 | 11% |
| Compañía General de Electricidad S.A. | 5,944 | 8% |
| Enel Distribución Chile S.A. | 4,566 | 6% |
| Engie Energía Chile S.A. | 3,661 | 5% |
| Other customers | 24,487 | 31% |
| **Total billing for 2022** | **78,435** | **100%** |
| Concentration % for the 5 main customers | **69%** | |

| Main customers as of December 31, 2021 | Billing in ThUS$ | Representation % |
|---|---|---|
| Colbún S.A. | 37,474 | 54% |
| Corporación Nacional del Cobre Chile | 9,854 | 14% |
| Anglo American S.A. | 4,152 | 6% |
| Other customers | 17,473 | 26% |
| **Total billing for 2021** | **68,953** | **100%** |
| Concentration % for the 3 main customers | **74%** | |

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.

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1) Currency risk, credit risk and liquidity risk (continued)

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.

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 PP&E and industrial operations in the recent years. Currently, the Company has an adequate position to face future debt maturities, and scheduled and ongoing investment commitments.

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 December 31, 2022 and 2021:

Restatement

| **As of 12.31.2022** | **TOTAL ThUS$** | |
|---|---|---|
| | Bond issuance US$ | **Total** |
| Principal owed | 1,030,519 | 1,030,519 |
| Accrued interest | 13,974 | 13,974 |
| Nominal rate | 4.55% | |
| Actual rate | 5.04% | |

Restatement

| **As of 12.31.2021** | **TOTAL ThUS$** | |
|---|---|---|
| | Bond issuance US$ | **Total** |
| Principal owed | 1,033,983 | 1,033,983 |
| Accrued interest | 13,974 | 13,974 |
| Nominal rate | 4.55% | |
| Actual rate | 5.04% | |

## 3. FINANCIAL RISK MANAGEMENT (Continued)

### 3.2) 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 December 31, 2022 and 2021, assets and liabilities sensitive to changes in exchange rates are detailed as follows:

| Assets | Restatement 12.31.2022 ThUS$ | Restatement 12.31.2021 ThUS$ |
|---|---|---|
| Cash and cash equivalents | 251 | 2,493 |
| Trade and other receivables, current | 65,801 | 40,546 |
| **Total assets** | **66,052** | **43,039** |

| Liabilities | | |
|---|---|---|
| Trade and other payables | 70,211 | 53,163 |
| **Total liabilities** | **70,211** | **53,163** |

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.

| | | Effect on profit or loss 2022 | |
|---|---|---|---|
| Sensitivity analysis as of 12.31.2022 Restatement | ThUS$ | -10% | 10% |
| Exchange rate sensitivity | 855.86 | 770.27 | 941.45 |
| Assets | | | |
| Cash and cash equivalents | 251 | 28 | (23) |
| Trade and other payables, current | 65,801 | 7,311 | (5,982) |
| Total assets | 66,052 | 7,339 | (6,005) |
| Liabilities | | | |
| Trade and other payables | 65,801 | 7,661 | (6,268) |
| Total liabilities | 65,801 | 7,661 | (6,268) |
| Effect on profit (loss), net | 131,853 | 15,000 | (12,273) |

| | | Effect on profit or loss 2021 | |
|---|---|---|---|
| Sensitivity analysis as of 12.31.2021 Restatement | ThUS$ | -10% | 10% |
| Exchange rate sensitivity | 844.69 | 760.22 | 929.16 |
| Assets | | | |
| Cash and cash equivalents | 2,493 | 277 | (227) |
| Trade and other payables, current | 40,546 | 4,505 | (3,686) |
| Total assets | 43,039 | 4,782 | (3,913) |
| Liabilities | | | |
| Trade and other payables | 53,163 | 5,907 | (4,833) |
| Total liabilities | 53,163 | 5,907 | (4,833) |
| Effect on profit (loss), net | 96,202 | 10,689 | (8,746) |

## 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 December 31, 2022 and 2021, this caption is composed of the following:

| Classes of cash and cash equivalents | Restatement 12.31.2022 ThUS$ | Restatement 12.31.2021 ThUS$ |
|---|---|---|
| Cash on hand | 1 | 1 |
| Cash in banks | 15,953 | 48,771 |
| Short-term mutual fund deposits classified as cash equivalents | 42,119 | 16,112 |
| **Total cash and cash equivalents** | **58,073** | **64,884** |

| Information on cash and cash equivalents by currency | Currency | Restatement 12.31.2022 ThUS$ | Restatement 12.31.2021 ThUS$ |
|---|---|---|---|
| Amount of cash and cash equivalents | Ch$ | 251 | 2,493 |
| Amount of cash and cash equivalents | US$ | 57,822 | 62,391 |
| **Total cash and cash equivalents by currency** | | **58,073** | **64,884** |

Cash and cash equivalents have no restrictions for their use.

### 4.1) Investments in mutual funds deposits as of December 31, 2022 and 2021

The investment in mutual funds relates to fixed-income investments in US dollars and Chilean pesos, of very low risk, which are recognized at the value of the respective quota at the reporting date of these financial statements.

## 5. OTHER FINANCIAL ASSETS

As of December 31, 2022 and 2021, the detail of other financial assets, current is as follows:

| Other current financial assets | Restatement 12.31.2022 ThUS$ | Restatement 12.31.2021 ThUS$ |
|---|---|---|
| Performance bond, US$ | 297 | - |
| Lease guarantee | 6 | - |
| **Total other financial assets, current** | **303** | **-** |

## 6. OTHER NON-FINANCIAL ASSETS

As of December 31, 2022 and 2021, the detail of other non-financial assets, current is as follows:

| Other non-financial assets, current | Current<br>Restatement<br>12.31.2022<br>ThUS$ | Current<br>Restatement<br>12.31.2021<br>ThUS$ | Non-current<br>Restatement<br>12.31.2022<br>ThUS$ | Non-current<br>Restatement<br>12.31.2021<br>ThUS$ |
|---|---|---|---|---|
| Prepaid insurance (1) | 481 | 533 | | - |
| Other prepaid expenses (2) | 11 | 454 | 2,359 | 829 |
| **Total other non-financial assets, current and non-current** | **492** | **987** | **2,359** | **829** |

(1) Prepaid insurance corresponds to the process of acquiring policies to cover the assets acquired from Alfa Transmisión S.A.; such insurance policies were engaged by Alfa Transmisora de Energía S.A.

(2) Other prepaid expenses, non-current correspond to capitalized expenses for the purchase of the former Colbún Transmisión S.A.

## 7. TRADE AND OTHER RECEIVABLES, CURRENT

The detail and balance of trade receivables, current and non-current, correspond to the Company's line of business. The detail is as follows:

| Restatement | 12.31.2022<br>Assets before impairment<br>ThUS$ | 12.31.2022<br>Impairment of trade receivables<br>ThUS$ | 12.31.2022<br>Assets due to net trade receivables<br>ThUS$ | 12.31.2021<br>Assets before impairment<br>ThUS$ | 12.31.2021<br>Impairment of trade receivables<br>ThUS$ | 12.31.2021<br>Assets due to net trade receivables<br>ThUS$ |
|---|---|---|---|---|---|---|
| Trade receivables | 66,170 | - | 66,170 | 40,546 | - | 40,546 |
| **Total trade receivables** | 66,170 | - | 66,170 | 40,546 | - | 40,546 |

Trade receivables are classified as loans and receivables and, therefore, measured at amortized cost. This portfolio is not securitized. There is no surcharge for interests on trade receivables for the first 30 days after the maturity date of each billing.

### 7.1) Portfolio composition

| Restatement | Performing<br>ThUS$ | 31-60 days<br>ThUS$ | 61-90 days<br>ThUS$ | 91-120 days<br>ThUS$ | >120 days<br>ThUS$ | 12.31.2022<br>Total<br>ThUS$ |
|---|---|---|---|---|---|---|
| Gross non-renegotiated portfolio | 52,618 | 4,459 | 6,262 | 1,870 | 961 | 66,170 |
| Portfolio impairment | | | | | | |
| **Total portfolio as of December 31, 2022** | 52,618 | 4,459 | 6,262 | 1,870 | 961 | **66,170** |

7. TRADE AND OTHER RECEIVABLES, CURRENT (continued)

7.1) Stratification of portfolio (continued)

| Restatement | Performing | 31-60 days | 61-90 days | 91-120 days | >120 days | 12.31.2021 Total |
|---|---|---|---|---|---|---|
| | ThUS$ | ThUS$ | ThUS$ | ThUS$ | ThUS$ | ThUS$ |
| Gross non-renegotiated portfolio | 39,944 | 11 | 14 | 100 | - | 40,069 |
| Portfolio impairment | - | - | - | - | - | - |
| **Total portfolio as of December 31, 2021** | **39,944** | **11** | **14** | **100** | **-** | **40,069** |

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 December 31, 2022 and 2021, amounted to ThUS$0.

8. INVENTORIES, CURRENT

As of December 31, 2022 and 2021, the detail is the following:

| Inventories, current | Restatement 12.31.2022 ThUS$ | Restatement 12.31.2021 ThUS$ |
|---|---|---|
| Spare-parts | 1,044 | 1,023 |
| **Total assets from current inventories** | **1,044** | **1,023** |

9. CURRENT TAX ASSETS

As of December 31, 2022 and 2021, the detail of current tax assets is as follows:

| Current tax assets | Restatement 12.31.2022 ThUS$ | Restatement 12.31.2021 ThUS$ |
|---|---|---|
| Recoverable taxes for the period | - | 7.622 |
| Recoverable taxes from prior periods | 545 | 539 |
| Monthly provisional income tax payment | 9,227 | - |
| **Total current tax assets** | **9,772** | **8,161** |

## 10. FINANCIAL INSTRUMENTS

### 10.1) Classification of financial instruments by category

Details of the significant accounting policies and methods implemented (including recognition criteria, basis of measurement and the basis for recognition revenue and expenses) for each type of financial asset, financial liability and equity instrument are disclosed in Note 2.14.

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

**As of December 31, 2022 -** Restatement

| Assets | measured at amortized cost | At fair value through profit or loss | Total |
|---|---|---|---|
| | ThCh$ | ThCh$ | ThCh$ |
| Cash and cash equivalents | 15,954 | 42,119 | 58,073 |
| Trade and other receivables, current | 66,170 | - | 66,170 |
| **Total** | **82,124** | **42,119** | **124,243** |

| Liabilities | measured at amortized cost | At fair value through profit or loss | Total |
|---|---|---|---|
| | ThCh$ | ThCh$ | ThCh$ |
| Other financial liabilities, current | 14,781 | - | 14,781 |
| Other financial liabilities, non-current | 1,029,220 | - | 1,029,220 |
| Trade and other payables | 67,761 | - | 67,761 |
| Payables due to related parties, current | 103,851 | - | 103,851 |
| **Total** | **1,215,613** | **-** | **1,215,613** |

**As of December 31, 2021 -** Restatement

| Assets | measured at amortized cost | At fair value through profit or loss | Total |
|---|---|---|---|
| | ThCh$ | ThCh$ | ThCh$ |
| Cash and cash equivalents | 48,772 | 16,112 | 64,884 |
| Trade and other receivables, current | 40,546 | - | 40,546 |
| **Total** | **89,318** | **16,112** | **105,430** |

| Liabilities | measured at amortized cost | At fair value through profit or loss | Total |
|---|---|---|---|
| Other financial liabilities, current | 17,548 | - | 17,548 |
| Other financial liabilities, non-current | 1,030,529 | - | 1,030,529 |
| Trade and other payables | 53,162 | - | 53,162 |
| Payables due to related parties, current | 92,923 | - | 92,923 |
| **Total** | **1,194,162** | **-** | **1,194,162** |

## 10. FINANCIAL INSTRUMENTS, continued

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

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 December 31, 2022 and 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.

### 10.2) Fair value hierarchy

As of December 31, 2022 and 2021, the financial instruments that have been recorded at fair value have been measured based on the methodologies in accordance with IFRS 13. Such methodologies applied for each class of financial instruments are classified according to their 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 December 31, 2022 and 2021, 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.

## 11. INCOME TAX AND DEFERRED TAXES

### 11.1) Income tax benefit

| | Restatement 12.31.2022 ThUS$ | Restatement 12.31.2021 ThUS$ |
|---|---|---|
| Current tax expense | (4,218) | - |
| Deferred tax benefit related to the generation and reversal of temporary differences (*) | 42,212 | 2,787 |
| **Total income tax benefit** | **37,994** | **2,787** |

(*) Mainly relates to the effect of the restatement of the Company's recoverable deferred taxes and the tax valuation of the assets acquired at current market value at the date of the merger.

## 11. INCOME TAX AND DEFERRED TAXES (continued)

### 11.1) Income tax benefit (continued)

Restatement

| Recognized deferred tax assets, related to: | Opening balance as of 01.01.2021 ThUS$ | Recognized in profit or loss for the year ThUS$ | Assumed in a business combination ThUS$ | Closing balance as of 12.31.2021 ThUS$ | Recognized in profit or loss for the year ThUS$ | Recognized in other comprehensive income ThUS$ | Closing balance as of 12.31.2022 ThUS$ |
|---|---|---|---|---|---|---|---|
| Depreciation | | | | | | | |
| Provision for revenue | | | | | 13,538 | - | 13,538 |
| Tax losses | | 4,450 | 4,016 | 8,466 | 184,173 | - | 192,639 |
| Total deferred tax assets | | 4,450 | 4,016 | 8,466 | 197,711 | - | 206,177 |

| Recognized deferred tax liabilities, related to: | Opening balance as of 01.01.2021 ThUS$ | Recognized in profit or loss for the year ThUS$ | Acquired in business combination ThUS$ | Closing balance as of 12.31.2021 ThUS$ | Recognized in profit or loss for the year ThUS$ | Recognized in other comprehensive income ThUS$ | Closing balance as of 12.31.2022 ThUS$ |
|---|---|---|---|---|---|---|---|
| Depreciation | | 1,663 | 159,272 | 160,935 | 155,499 | - | 316,434 |
| Total deferred tax liabilities | | 1,663 | 159,272 | 160,935 | 155,499 | - | 316,434 |
| **Total deferred taxes, net** | | **2,787** | **(155,256)** | **(152,469)** | **42,212** | **-** | **(110,257)** |

### 11.2) Reconciliation of tax results

Restatement

| Reconciliation of tax expense using the legal rate to tax expense using the effective rate | Tax rate 2022 | Balance as of 12.31.2022 ThUS$ | Tax rate 2021 | Balances as of 12.31.2021 ThUS$ |
|---|---|---|---|---|
| Profit before taxes | | (1,782) | | (10,319) |
| Tax expense using the statutory rate | 27% | 481 | 27% | 2,786 |
| Add (deduct) | | | | |
| Increase (decrease) to income tax | (237%) | (4,218) | | |
| Increase (decrease) to income tax | 2342% | 41.731 | (0.0%) | 1 |
| Adjustments to tax expense using the legal rate | 2105% | 37,513 | (0.0%) | - |
| **Income tax benefit using the effective tax rate** | **2132%** | **37,994** | **27.0%** | **2,787** |

### 11.3) Taxes recognized in equity

As of December 31, 2022 and 2021, Alfa Transmisora de Energía S.A. has not recognized deferred taxes in reserves within equity.

## 12. INTANGIBLE ASSETS OTHER THAN GOODWILL

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

| Classes of intangible assets, net | Restatement 12.31.2022 ThUS$ | Restatement 12.31.2021 ThUS$ |
|---|---|---|
| Electric easements | 39,161 | 39,202 |
| Concessions | 491,677 | 500,046 |
| **Total intangible assets, net** | **530,838** | **539,248** |

| Classes of intangible assets, gross | 12.31.2022 ThUS$ | 12.31.2021 ThUS$ |
|---|---|---|
| Electric easements | 39,171 | 39,202 |
| Concessions | 500,046 | 507,790 |
| **Total intangible assets, gross** | **539,217** | **546,992** |

| Accumulated amortization and impairment, intangible assets | 12.31.2022 ThUS$ | 12.31.2021 ThUS$ |
|---|---|---|
| Concessions | (8,379) | (7,744) |
| **Total accumulated amortization of intangible assets** | **(8,379)** | **(7,744)** |

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

As of December 31, 2022 and 2021, this caption comprises of the following:

| Movements as of December 31, 2022 | Electric easements ThUS$ | Distribution and brand rights ThUS$ | Restatement Total ThUS$ |
|---|---|---|---|
| Opening balance as of 01.01.2022 | 39,202 | 500,046 | 539,248 |
| Additions | - | - | - |
| Amortization for the period (a) | (10) | (8,369) | (8,379) |
| Other movements | (31) | - | (31) |
| Total movements | (41) | (8,369) | (8,410) |
| **Net closing balance as of December 31, 2022** | **39,161** | **491,677** | **530,838** |

| Movements as of December 31, 2021 | Electric easements ThUS$ | Distribution and brand rights ThUS$ | Restatement Total ThUS$ |
|---|---|---|---|
| Opening balance as of 01.01.2021 | - | - | - |
| Additions, Business Combination | 39,202 | 507,790 | 546,992 |
| Amortization for the period (a) | - | (7,744) | (7,744) |
| Total movements | 39,202 | (7,744) | 546,992 |
| **Net closing balance as of December 31, 2021** | **39,202** | **500,046** | **539,248** |

**12.** INTANGIBLE ASSETS OTHER THAN GOODWILL (continued)

(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 December 31, 2022, this assessment determined that there is no impairment in the aforementioned easements.

**13.** BUSINESS COMBINATION

**Acquisition of Colbún Transmisión S.A. (currently Alfa Transmisión S.A.)**

On March 30, 2021, Alfa Transmisora de Energía S.A. (the acquirer), entered into a Purchase and Sale Agreement with Colbún S.A., together with its subsidiary Colbún Desarrollo SpA, for the transfer of all the shares of Colbún Transmisión S.A. (the acquiree).

The closing of the transaction and the transfer of the company's shares acquired was subject to certain conditions usual for this type of transactions.

On September 30, 2021, because of the fulfillment of the conditions established, the transaction was performed by transferring 49,617,413 shares, equivalent to 99.999998% of the shares of Colbún Transmisión S.A. to the Parent Alfa Transmisora de Energía S.A. and 1 share, equivalent to 0.000002% of the shares to Celeo Redes Chile Expansión SpA.

By virtue of the foregoing, there has been a change of control of the acquiree, and its current controlling shareholder is Alfa Transmisora de Energía S.A.

Likewise, and on the same date, an extraordinary shareholders' meeting of the acquiree was held, where the total renewal of the members of the Company's Board of Directors was approved, appointing José Ángel Lostao Unzu, Jaime Luis Sáenz Denis and Alan Heinen Alves Da Silva as new directors and the shareholders approved granting by the subsidiary of real and personal guarantees to secure obligations of the acquiring Parent, in connection with the financing required to materialize the transaction.

Finally, subsequent to this extraordinary shareholders' meeting, an extraordinary meeting of the Board of Directors of the acquiree was held, where the new directors mentioned above were appointed and Mr. José Ángel Lostao Unzu was appointed as Chairman and Mr. Alan Heinen Alves Da Silva was appointed as the Company's General Manager.

To finance the acquisition, the Parent Alfa Transmisora de Energía S.A. issued a US$1,098.6 million, 30-year Private Bond under Rule 144-A/Regulation S in the U.S. market, at a nominal rate of 4.55% (see note 15).

Subsequently, on November 9, 2021, at an extraordinary shareholders' meeting, the shareholders agreed to change the name of the acquiree to "Alfa Transmisión S.A.".

The purchase price included in the share transfer agreement detailed above is composed of the transaction price, paid at the time of closing the share transfer (i.e. September 30, 2021), and subsequently 75 days after the above closing date, a price adjustment in accordance with Section 2.6 of the Purchase Agreement.

13. BUSINESS COMBINATION (continued)

**Acquisition of Colbún Transmisión S.A. (currently Alfa Transmisión S.A.) (continued)**

On December 14, 2021, the parties agreed to extend the term of the price adjustment until January 15, 2022.

Accordingly, at the reporting date of these financial statements, the purchase price of the shares detailed in the preceding paragraphs is composed of the purchase price paid on September 30, 2021 of ThUS$1,172,499 plus ThUS$515 associated with the capitalization of interest on related companies' debt.

As of December 31, 2021, the amounts paid for the 99.999998% interest are as follows:

| **Detail** | **12.31.2021 ThUS$** |
|---|---|
| Share premium | 1,172,499 |
| Price adjustment (postponed to 2022) | - |
| **Price paid** | **1,172,499** |

Note that, beginning on the acquisition date and prior to the merger, the acquiring Company has control of the acquiree.

For the purposes of a correct allocation of the price paid, the acquiring Company performed a study with an independent technical advisor, who conducted an appraisal of the infrastructure assets acquired, and an appraisal of the intangible assets included in the purchase process.

This technical advisor issued a report (PPA) supporting the allocation of the price paid and the goodwill from the transaction.

The allocation of this price paid and the determination of goodwill at the acquisition date are presented below.

| **Detail** | **Restatement 12.31.2021 ThUS$** |
|---|---|
| Carrying amount of Assets and Liabilities (excluding property, plant and equipment) | (87,216) |
| Property, plant and equipment at carrying amount | 352,155 |
| Related company debt to be capitalized | 55,000 |
| **Carrying amount of Equity** | **319,939** |
| | |
| Property, plant and equipment with valuation adjustment | 456,400 |
| Property, plant and equipment at carrying amount | 352,155 |
| Adjustment to Property, plant and equipment | 104,245 |
| | |
| Concessions | 281,688 |
| Intangible contracts with third parties | 226,102 |
| | |
| Deferred taxes | (96.124) |
| **Total adjustments** | **515,911** |
| | |
| **Economic equity** | **835,850** |
| **Goodwill** | **336,649** |

There are no effects on profit or loss as a result of the allocation of the price paid.

## 13. BUSINESS COMBINATION (continued)

**Acquisition of Colbún Transmisión S.A. (currently Alfa Transmisión S.A.) (continued)**

| Detail | Restatement 12.31.2022 ThUS$ |
|---|---|
| Opening balance as of 01.01.2022 | 336.649 |
| Increases (1) | 121,700 |
| **Total** | **458,349** |

(3) Relates to a price adjustment estimate in accordance with Section 2.6 of the Purchase Agreement.

## 14. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprise the following:

| Classes of property, plant and equipment, net | Restatement 12.31.2022 ThUS$ | Restatement 12.31.2021 ThUS$ |
|---|---|---|
| Land | 3,112 | 3,112 |
| Assets under construction | 100,682 | 99,799 |
| Machinery | 349,965 | 357,236 |
| **Total property, plant and equipment, net** | **453,759** | **460,147** |

| Classes of property, plant and equipment, gross | 12.31.2022 ThUS$ | 12.31.2021 ThUS$ |
|---|---|---|
| Land | 3,112 | 3,112 |
| Assets under construction | 100,682 | 99,799 |
| Machinery | 364,248 | 362,991 |
| **Total property, plant and equipment, gross** | **468,042** | **465,902** |

| Accumulated depreciation and impairment of property, plant and equipment | 12.31.2022 ThUS$ | 12.31.2021 ThUS$ |
|---|---|---|
| Machinery | (14,283) | (5,755) |
| **Total accumulated depreciation** | **(14,283)** | **(5,755)** |

**14.** PROPERTY, PLANT AND EQUIPMENT, (continued)

**14.1)** Movements in property, plant and equipment

As of December 31, 2022 and 2021, this caption comprises the following:

| Movements as of December 31, 2022 Restatement | Land ThUS$ | Assets under construction ThUS$ | Machinery ThUS$ | Total ThUS$ |
|---|---|---|---|---|
| Opening balance as of 01.01.2022 | 3,112 | 99,799 | 357,236 | 460,147 |
| Additions | - | 6,308 | 260 | 6,568 |
| Transfers | | (5,425) | 5,425 | - |
| Other movements | | | (1,528) | (1,528) |
| Depreciation for the period | - | - | (11,428) | (11,428) |
| Total movements | - | 883 | (7,271) | (6,388) |
| **Net closing balance as of December 31, 2022** | **3,112** | **100,682** | **349,965** | **453,759** |

| Movements as of December 31, 2021 Restatement | Land ThUS$ | Assets under construction ThUS$ | Machinery ThUS$ | Total ThUS$ |
|---|---|---|---|---|
| Opening balance as of 01.01.2021 | - | - | - | - |
| Acquisitions due to business combinations | 3,112 | 99,799 | 362,991 | 465,902 |
| Disposals | - | - | - | - |
| Depreciation for the period | - | - | (5,755) | (5,755) |
| Total movements | 3,112 | 99,799 | 357,236 | 460,147 |
| **Net closing balance as of December 31, 2021** | **3,112** | **99,799** | **357,236** | **460,147** |

As of December 31, 2022 and 2021, depreciation of machinery is recorded as part of cost of sales in profit or loss for the year.

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

### 14.2) Detail of depreciation for the year:

| Depreciation expense | Restatement 12.31.2022 ThUS$ | Restatement 12.31.2021 ThUS$ |
|---|---|---|
| Cost of sales | 11,428 | 5,755 |
| **Total depreciation** | **11,428** | **5,755** |

### 14.3) Assets pledged as collateral

According to the public deed entered into on October 1, 2021, the Company pledged as collateral all the assets acquired from the subsidiary Alfa Transmisión S.A., to Secure compliance with the issuance of financial debt for the private bond issued in accordance with Rule 144-A Regulation S, issued for the purpose of financing the acquisition of that company.

The assets were secured through mortgages for real estate and pledges for infrastructure assets classified as Machinery and equipment.

### 14.4) Right-of-use assets

Right-of-use assets recognized as of December 31, 2022 and 2021 are detailed as follows:

| Right-of-use assets, net | Restatement 12.31.2022 ThUS$ | Restatement 12.31.2021 ThUS$ |
|---|---|---|
| Right-of-use assets Facilities | 4 | 50 |
| Right-of-use assets Vehicles | - | 37 |
| **Total Right-of-use assets, net** | **4** | **87** |

| Right-of-use assets, gross | 12.31.2022 ThUS$ | 12.31.2021 ThUS$ |
|---|---|---|
| Right-of-use assets Facilities | 159 | 159 |
| Right-of-use assets Vehicles | 599 | 599 |
| **Total right-of-use assets, gross** | **758** | **758** |

| Accumulated depreciation for right-of-use assets | 12.31.2022 ThUS$ | 12.31.2021 ThUS$ |
|---|---|---|
| Right-of-use assets Facilities | (155) | (109) |
| Right-of-use assets Vehicles | (599) | (562) |
| **Total** accumulated depreciation for right-of-use assets | **(754)** | **(671)** |

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

### 14.4) Right-of-use assets (continued)

As of December 31, 2022 and 2021, the composition and movement of right-of-use assets, net, is as follows:

Restatement

| Changes for the period 2022 | Right-of-use assets Facilities ThUS$ | Right-of-use assets Vehicles ThUS$ | Right-of-use assets, net ThUS$ |
|---|---|---|---|
| Opening balance as of 01.01.2022 | 50 | 37 | 87 |
| Additions | - | - | - |
| Depreciation for the period | (46) | (37) | (83) |
| **Total movements** | **(46)** | **(37)** | **(83)** |
| **Closing balance as of 12.31.2022** | **4** | **-** | **4** |

Restatement

| Changes for the period 2021 | Right-of-use assets Facilities ThUS$ | Right-of-use assets Vehicles ThUS$ | Right-of-use assets, net ThUS$ |
|---|---|---|---|
| Opening balance as of 01.01.2021 | 113 | 54 | 167 |
| Additions | - | 221 | 221 |
| Depreciation for the period | (63) | (238) | (301) |
| **Total movements** | **(63)** | **(17)** | **(80)** |
| **Closing balance as of 12.31.2021** | **50** | **37** | **87** |

## 15. OTHER 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 | Restatement 12.31.2022 Current ThUS$ | Restatement 12.31.2022 Non-current ThUS$ | Restatement 12.31.2021 Current ThUS$ | Restatement 12.31.2021 Non-current ThUS$ |
|---|---|---|---|---|---|
| Promissory notes and bonds payable (Bonds) (a) | US$ | 14,772 | 1,029,220 | 17,438 | 1,030,519 |
| Liabilities under finance lease arrangements | US$ | 9 | - | 110 | 10 |
| **Total obligations** | | **14.781** | **1,029,220** | **17,548** | **1,030,529** |
| | | | | | |
| **Total other financial liabilities** | | **14,781** | **1,029,220** | **17,548** | **1,030,529** |

**(a)** They correspond to the issuance of debt for the private bond issued by Alfa Transmisora de Energía S.A. to finance the purchase of the company Alfa Transmisión S.A. (formerly - Colbún Transmisión S.A.)

### 15.1) 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 | Transaction description | Currency | Restatement Balance as of 01.01.2022 ThUS$ | Cash flows from financing activities: Loan obtained ThUS$ | Cash flows from financing activities: Payment of principal owed | Cash flows from financing activities: Payment of interest | Other movements that do not constitute cash flows | Total as of 12.31.2022 ThUS$ |
|---|---|---|---|---|---|---|---|---|
| USA Bond | Private bond issue | US$ | 1,047,957 | - | (3,464) | (51,432) | 50,931 | 1,043,992 |
| | **Total** | | **1,047,957** | **-** | **(3,464)** | **(51,432)** | **50,931** | **1,043,992** |

| Instrument | Transaction description | Currency | Restatement Balance as of 01.01.2021 ThUS$ | Cash flows from financing activities: Loan obtained ThUS$ | Cash flows from financing activities: Payment of principal owed | Cash flows from financing activities: Payment of interest | Other movements that do not constitute cash flows | Total as of 12.31.2021 ThUS$ |
|---|---|---|---|---|---|---|---|---|
| USA Bond | Private bond issue | US$ | - | 1,098,618 | - | - | (50,661) | 1,047,957 |
| | **Total** | | **-** | **1,098,618** | **-** | **-** | **(50,661)** | **1,047,957** |

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

**15.2)** Obligations to the public (bonds)

As of December 31, 2022 and 2021, the detail of the Company's promissory notes and bonds payable is as follows:

**As of December 31, 2022** Restatement

| Country of loan | Identification | Maturity | No. of register or identification of the instrument | Currency | Periodicity of amortization | Effective interest rate | Annual nominal rate | Maturities | | | | | | | Outstanding principal owed ThUS$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Current | | | Non-current | | | | |
| | | | | | | | | Up to 6 months ThUS$ | 6 to 12 months ThUS$ | Total ThUS$ | 1 to 2 years ThUS$ | 2 to 5 years ThUS$ | Over 5 years ThUS$ | Total ThUS$ | |
| P.P.L. (1) | 1st series | 09-27-2051 | 1st issuance | U.S. dollar | Biannual | 5.04% | 4.55% | 14,117 | 655 | **14,772** | 1,373 | 25,363 | 1,002,484 | **1,029,220** | **1,030,519** |
| **Total** | | | | | | | | 14,117 | 655 | **14,772** | 1,373 | 25,363 | 1,002,484 | **1,029,220** | **1,030,519** |

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

**15.2)** Promissory notes and bonds payable (Bonds), (continued)

**As of December 31, 2021** Restatement

| Country of loan | Identification | Maturity | No. of register or identification of the instrument | Currency | Periodicity of amortization | Effective interest rate | Annual nominal rate | Maturities | | | | | | | Outstanding principal owed ThUS$ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Current | | | Non-current | | | | |
| | | | | | | | | Up to 6 months ThUS$ | 6 to 12 months ThUS$ | Total ThUS$ | 1 to 2 years ThUS$ | 2 to 5 years ThUS$ | Over 5 years ThUS$ | Total ThUS$ | |
| P.P.L. (1) | 1st series | 09-27-2051 | 1st issuance | U.S. dollar | Biannual | 5.04% | 4.55% | 17,145 | 293 | **17,438** | 1,299 | 18,991 | 1,010,229 | **1,030,519** | **1,033,983** |
| **Total** | | | | | | | | **17,145** | **293** | **17,438** | **1,299** | **18,991** | **1,010,229** | **1,030,519** | **1,033,983** |

(1) On September 27, 2021, Alfa Transmisora de Energía S.A. agreed the terms and conditions for the issuance and placement of a private bond in U.S. dollars in the capital market of the United States of America, under the 144-A Regulation S form of the Securities Act of 1933, for US$1.1 billion, which was entirely destined to the acquisition of the formerly Colbún Transmisión S.A., with an annual nominal interest rate of 4.55% and semiannual principal maturities beginning on March 27, 2022.

Finance costs directly related to the bond issuance in UF amounted to ThUS$64,635, 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 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.

The funds from the placement of the bonds were used to finance the purchase of the assets of Alfa Transmisión S.A. (formerly - Colbún Transmisión S.A.), in accordance with the Purchase Agreement detailed in note 13.

Ch$ : Chilean pesos
US$ : U.S. dollars

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

### 15.3) Liabilities under finance lease agreements

As of December 31, 2022 and 2021, the detail of financial liabilities under finance lease agreements is detailed as follows:

| Other financial liabilities | Currency | Restatement 12.31.2022 | | Restatement 12.31.2021 | |
|---|---|---|---|---|---|
| | | Current ThUS$ | Non-current ThUS$ | Current ThUS$ | Non-current ThUS$ |
| Liabilities under finance lease arrangements | UF | 9 | 9 | 110 | 10 |
| **Total lease liabilities** | | **9** | **9** | **110** | **10** |

## 16. TRADE AND OTHER PAYABLES

This caption comprises the following:

| Trade and other payables | Restatement 12.31.2022 ThUS$ | Restatement 12.31.2021 ThUS$ |
|---|---|---|
| **Trade payables:** | | |
| Trade payables | 17,623 | 7,691 |
| Other payables | 49,309 | 43,737 |
| **Total trade payables** | **66,932** | **51,428** |
| **Other payables:** | | |
| Withholdings payable | 829 | 1,734 |
| **Total other payables** | | |
| **Total** | **67,761** | **53,162** |

As of December 31, 2022 and 2021, for payments to suppliers, the average payment period is 30 days and as such, fair value does not significantly differ from its carrying amount.

## 17. 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 December 31, 2022 and 2021, this caption is composed of the following:

**17.** TRADE RECEIVABLES DUE FROM AND PAYABLES DUE TO RELATED PARTIES, CURRENT AND NON-CURRENT (continued)

Receivables due from related parties:

| Related party | Taxpayer ID | Relationship | Country | Transaction description | Restatement Total current 12.31.2022 ThUS$ | Restatement Total current 12.31.2021 ThUS$ | Restatement Total non-current assets 12.31.2022 ThUS$ | Restatement Total non-current assets 12.31.2021 ThUS$ |
|---|---|---|---|---|---|---|---|---|
| APG Chile SpA | 77.091.367-5 | Common shareholders | Chile | Borrowing (1) | 166 | - | - | - |
| APG Expansión Chile SpA | 77.332.904-4 | Common shareholders | Chile | Borrowing (1) | 151 | - | - | - |
| Transmisora Eléctrica de Quillota S.A. | 77.017.930-0 | Common shareholders | Chile | Borrowing (1) | 67 | - | - | - |
| Total trade receivables due from related parties | | | | | 384 | - | - | - |

Trade payables due to related parties:

| Related party | Taxpayer ID | Relationship | Country | Transaction description | Restatement Total current 12.31.2022 ThUS$ | Restatement Total current 12.31.2021 ThUS$ | Restatement Total non-current assets 12.31.2022 ThUS$ | Restatement Total non-current assets 12.31.2021 ThUS$ |
|---|---|---|---|---|---|---|---|---|
| Celeo Redes Chile Ltda. | 76.613.942-6 | Common shareholders | Chile | Borrowing (1) | 1,573 | 1,572 | - | - |
| APG Chile Expansión SpA | 77.332.904-4 | Common shareholders | Chile | Borrowing (1) | - | - | 82,073 | 73,368 |
| Celeo Expansión Chile SpA | 77.355.214-2 | Common shareholders | Chile | Borrowing (1) | - | - | 20,205 | 17,957 |
| Celeo Concesiones S.L.U. | 59.159.380-3 | Common shareholders | Spain | Rebilling of expenses | - | 26 | - | - |
| Total trade payables due to related parties | | | | | 1,573 | 1,598 | 102,278 | 91,325 |

(1) For payables due to related parties, current, an interest rate of 3.1% and 5.5%, respectively, is applied. With an annual maturity of 12 months.

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.

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

All transactions are performed under the market terms and conditions.

## 17. TRADE RECEIVABLES DUE FROM AND PAYABLES DUE TO RELATED PARTIES, CURRENT AND NON-CURRENT (continued)

### 17.1) Main transactions with related parties **Restatement**

| Related party | Taxpayer ID | Relationship | Currency | Country | Transaction description | Amount 12.31.2022 ThUS$ | Effect on profit or loss (debit) / credit 12.31.2022 ThUS$ | Amount 12.31.2021 ThUS$ | Effect on profit or loss (debit) / credit 12.31.2021 ThUS$ |
|---|---|---|---|---|---|---|---|---|---|
| Celeo Redes Chile Ltda. | 76.613.942-6 | Common shareholders | US$ | Chile | Administrative services | 10,017 | (8,830) | 1,572 | (1,572) |
| APG Chile Expansión SpA | 77.332.904-4 | Common shareholders | US$ | Chile | Loan | 4,190 | | 81,281 | - |
| | | | | | Payment of borrowing | - | - | (8,217) | - |
| | | | | | Capital increase | - | - | 77,919 | - |
| | | | | | Interest on loan | (1,188) | (1,188) | (1,185) | (1,185) |
| Celeo Expansión Chile SpA | 77.355.214-2 | Common shareholders | US$ | Chile | Loan | 1,047 | - | 19,920 | - |
| | | | | | Payment of borrowing | - | - | (2,039) | - |
| | | | | | Capital increase | - | - | 19,480 | - |
| | | | | | Interest on loan | (291) | (291) | (296) | (296) |
| Celeo Concesiones S.L.U. | 59.159.380-3 | Common shareholders | EUR | Spain | Rebilling of expenses | - | - | (26) | (26) |
| Celeo Redes S.L.U. | B86243391 | Common shareholders | EUR | Spain | Administrative services | 188 | (188) | - | - |

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.

### 17.2) 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.

## 18. OTHER PROVISIONS

As of December 31, 2022 and 2021, this caption comprises the following:

| Other current provisions | For legal proceedings (1) ThUS$ | Restatement Total ThUS$ |
|---|---|---|
| Opening balance as of 01.01.2022 | 1,220 | 1,220 |
| New provisions, other provisions | - | - |
| Increase in existing provisions, other provisions | - | - |
| Decrease in existing provisions, other provisions | (861) | (861) |
| **Closing balance as of 12.31.2022** | **359** | **359** |

| Other current provisions | For legal proceedings (1) ThUS$ | Restatement Total ThUS$ |
|---|---|---|
| Opening balance as of 01.01.2021 | 1,220 | 1,220 |
| New provisions, other provisions | - | - |
| Increase in existing provisions, other provisions | - | - |
| **Closing balance as of 12.31.2021** | **1,220** | **1,220** |

(1) Corresponds to provisions made for fines issued by the system.

## 19. OTHER NON-FINANCIAL LIABILITIES

As of December 31, 2022 and 2021, the detail of other non-financial liabilities is as follows:

| Other non-financial liabilities | Currency | Restatement 12.31.2022 | | Restatement 12.31.2021 | |
|---|---|---|---|---|---|
| | | Current ThUS$ | Non-current ThUS$ | Current ThUS$ | Non-current ThUS$ |
| Prepaid revenue (1) | US$ | 985 | 10,638 | 1,019 | 12,635 |
| Other non-financial liabilities (2) | US$ | 116,463 | - | - | - |
| **Total other non-financial liabilities** | | **117,448** | **10,638** | **1,019** | **12,635** |

(1) The balance presented as deferred revenue (income), non-current includes ThUS$6,635 related to the recognition of the lease that the Company has with Anglo American, with contractual maturity in 2030, plus ThUS$4,003 for the contract of the dedicated line with Duqueco SpA, with contractual maturity in 2028.
(2) Relates to a price adjustment estimate in accordance with Section 2.6 of the Purchase Agreement.

## 20. PAID-IN CAPITAL AND RESERVES

The Company's share capital is denominated in U.S. dollars and it is divided into 98,501,000 ordinary, nominative, same-amount, single-series shares with no par value.

As of December 31, 2022 and 2021, this caption comprises the following:

| Paid-in capital | Restatement Subscribed capital ThUS$ | Restatement Paid-in capital ThUS$ |
|---|---|---|
| Opening capital as of 03.17.2021 | 1 | 1 |
| Capital increase (1) | 98,500 | 98,500 |
| Total equity as of December 31, 2021 | 98,501 | 98,501 |
| | | |
| Total equity as of December 31, 2022 | 98,501 | 98,501 |

(1) By public deed granted on October 20, 2021 at the Notary Office of Santiago of Mr. Roberto Antonio Cifuentes Allel, the Company was transformed into a closely-held shareholders' corporation, amending its corporate structure and agreeing on revised bylaws, and to a change in the company name to the current name: "Alfa Transmisora de Energía S.A." An authorized excerpt of the aforementioned deed was recorded under page 83,486, No. 38,523 of the Trade Register of Santiago for 2021, and was published in the Official Gazette on October 28 of the same year. Such deed authorized a capital increase of ThUS$98,500, which was paid in full on December 6, 2021 and was entered into subscribed by the same shareholders, in accordance with the proportional amount of their existing contributions, and accordingly, their ownership interest was not modified.

### 20.1) Distribution of ownership interest

As of December 31, 2022 and 2021, the distribution of ownership interest is as follows:

| Shareholders | No. of Shares 12.31.2022 | Ownership 12.31.2022 % | Restatement No. of Shares 12.31.2021 | Ownership 12.31.2021 % |
|---|---|---|---|---|
| Celeo Redes Chile Expansión SpA. | 19,700,200 | 20.00 | 19,700,200 | 20.00 |
| APG Energy & Infra Investments Chile Expansión SpA. | 78,800,800 | 80.00 | 78,800,800 | 80.00 |
| **Total ownership interest** | **98,501,000** | **100.00** | **98,501,000** | **100.00** |

As of December 31, 2022, the Company's capital amounts to US$98,501,000 divided into 98,501,000 nominative, ordinary, same-series shares with no par value of the same amount.

## 20. PAID-IN CAPITAL AND RESERVES, (continued)

### 20.2) 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 equal to or greater 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 above-mentioned 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.

As of December 31, 2022 and 2021, the net distributable profit is as follows:

| | Restatement 12.31.2022 ThUS$ | Restatement 12.31.2021 ThUS$ |
|---|---|---|
| (Loss) profit attributable to owners of the Parent | 36,212 | (7,532) |
| Adjustments per the policy | | |
| Depreciation and amortization for the year | 19,836 | 13,499 |
| **Profit for the period for distribution** | **56,048** | **5,967** |

For the year ended December 31, 2022, the Board of Directors has not proposed to distribute the distributable net profit for the year, pending the definition of the shareholders at the shareholders' meeting.

### 20.3) 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 December 31, 2022, capital is defined as issued, subscribed and paid-in capital.

## 21. REVENUE

As of December 31, 2022 and 2021, this caption comprises the following:

| Revenue | Restatement 12.31.2022 ThUS$ | Restatement 12.31.2021 ThUS$ |
|---|---|---|
| Regulated, toll and transmission revenue | 88,460 | 23,206 |
| **Total revenue** | **88,460** | **23,206** |

The Company's revenue relates to the commercialization of electric transmission capacity from the Company's facilities. A part of revenue is subject to regulated tariffs, whereas another part of revenue arises from contractual agreements with users of the Company's facilities.

## 22. COST OF SALES

As of December 31, 2022 and 2021, this caption comprises the following:

| Cost of sales | Restatement 12.31.2022 ThUS$ | Restatement 12.31.2021 ThUS$ |
|---|---|---|
| Maintenance and operating expenses | (7,523) | (1,974) |
| Depreciation of machinery | (11,467) | (5,755) |
| **Total cost of sales** | **(18,990)** | **(7,729)** |

## 23. DETAIL OF SIGNIFICANT RESULTS

As of December 31, 2022 and 2021, this caption comprises the following:

### 23.1) Administrative expenses

Administrative expenses are detailed as follows:

| Administrative expenses | Restatement 12.31.2022 ThUS$ | Restatement 12.31.2021 ThUS$ |
|---|---|---|
| Advisory expenses and fees | (2,816) | (2,099) |
| Depreciation and amortization | (8,452) | (7,744) |
| Administrative services expenses from related companies | (2,106) | - |
| Other administrative expenses | (1,519) | (178) |
| **Total administrative expenses** | **(14,893)** | **(10,021)** |

### 23.2) Finance income and finance costs

As of December 31, 2022 and 2021, the detail of this caption is as follows:

| Finance income and finance costs | Restatement 12.31.2022 ThUS$ | Restatement 12.31.2021 ThUS$ |
|---|---|---|
| Finance income | | |
| Interest on loans to related parties | 162 | 515 |
| Interest for financial investments | - | 42 |
| **Total finance income** | **162** | **557** |
| | | |
| Finance costs | | |
| Bonds payable and promissory notes (1) | (50,931) | (13,974) |
| Costs for interest on loans to related parties | (5,639) | (1,481) |
| Bank expenses and commissions | - | (170) |
| Other finance costs | (2,351) | (1) |
| **Total finance costs** | **(58,921)** | **(15,626)** |

(1) Interest on promissory notes and bonds payable corresponds to the private bond issued on September 2021, see note 1.

## 23. DETAIL OF SIGNIFICANT RESULTS (continued)

### 23.3) Other income by function

As of December 31, 2022 and 2021, other income per function is detailed as follows:

| Other income, by function | Restatement 12.31.2022 ThUS$ | Restatement 12.31.2021 ThUS$ |
|---|---|---|
| Other income | 18 | - |
| **Total other income, by function** | **18** | **-** |

### 23.4) Exchange rate difference

Foreign currency conversion for the years ended December 31, 2022 and 2021 is detailed as follows:

| Foreign currency translation difference | Restatement 12.31.2022 ThUS$ | Restatement 12.31.2021 ThUS$ |
|---|---|---|
| **Foreign currency translation difference - Assets:** | | |
| Cash and cash equivalents | 514 | (596) |
| Trade and other receivables, current | (1,212) | (110) |
| Trade receivables due from related parties, current | 513 | |
| Current tax assets | 22 | |
| Other current financial assets | (47) | |
| Other non-financial assets, current | (59) | |
| | (269) | (706) |
| **foreign currency translation difference - Liabilities:** | | |
| Other financial liabilities, current | 472 | - |
| Trade and other payables | 1,203 | - |
| Current tax liabilities | 926 | - |
| Payables due to related parties, current | 50 | - |
| | **2,651** | |
| **Total foreign currency translation difference (net)** | **2,382** | **(706)** |

## 24. COMMITMENTS AND CONTINGENCIES

### 24.1) Commitments

The Company has not entered into other engagements during the period ended December 31, 2022.

### 24.2) Lawsuits and Contingencies

As of December 31, 2022, the Company has the following lawsuits and contingencies.

On January 11, 2023, Alfa Transmisora de Energía S.A. was notified by the Arbitration and Mediation Center of the Santiago Chamber of Commerce of a request for arbitration from Inprolec S.A. in relation to the Engineering, Design, Supply and Construction Services Contract between Colbún Transmisión S.A. and Inprolec S.A. for the Construction and Performance of the Conditional Expansion Work 18_293_OA_01 Expansion S/E Candelaria, of September 21, 2020'. Currently, the hearing to establish the basis of the procedure is pending, scheduled for March 29, 2023, which will establish the subject matter of the lawsuit and the terms for the presentation by the parties, including the term that Inprolec S.A. will have to present its lawsuit.

### 24.3) Guarantees issued

At the reporting date of these Financial Statements, Alfa Transmisora de Energía S.A. had the following guarantees issued:

| **Assets committed** Restatement | | | **Pending balances** |
|---|---|---|---|
| **Type of guarantee** | **Type of currency** | **Carrying amount** | **12.31.2021** |
| | | | **ThUS$** |
| Performance bond | US$ | 1,782,600 | 1,783 |
| | | **Total** | **1,783** |

At the reporting date, Alfa Transmisora de Energía S.A. had the following guarantee issued in order to secure compliance with the financial obligations arising from the issuance of the private bond debt, issued to finance the purchase of such assets.

Such guarantee was documented in a public deed signed on October 1, 2021.

## 25. SANCTIONS

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

## 26. ENVIRONMENT

The Company 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.

During 2022, the Company has not made any other disbursements for environmental purposes and has no commitments related thereto.

## 27. RESTATEMENT OF FINANCIAL STATEMENTS

The Company has decided to restate the financial statements as of December 31st, 2022 and December 31st, 2021 to bring its accounting policies fully in line with those of its shareholders, only in connection to the treatment of tax reassessments made as a result of business acquisitions.

The Company carried out, through an independent advisor, a tax appraisal of the fixed assets of the former Colbún Transmisión S.A. company, a procedure arising as a result of its acquisition. The outcome of the aforementioned appraisal brough in revised results that affected the the goodwill assessment as at the acquisition date (September 2021). Consequently, the amounts were adjusted as follows:

| | As of December 31, 2022 | | | |
|---|---|---|---|---|
| **Balance** | Original Presentation **MU$** | Reformulated Presentation **MU$** | Adjustment on results **MU$** | Variation **%** |
| Capital gains | 527.474 | 458.349 | (69.125) | (13%) |
| Deferred tax liabilities | 110.257 | 110.257 | - | 0% |
| **Total** | 417.217 | 348.092 | (69.125) | (17%) |
| **Total Equity** | **417.217** | **348.092** | **(69.125)** | **(17%)** |

| | As of December 31, 2021 | | | |
|---|---|---|---|---|
| **Balance** | Original Presentation **MU$** | Reformulated Presentation **MU$** | Adjustment on results **MU$** | Variation **%** |
| Capital gains | 405.774 | 336.649 | (69.125) | (17%) |
| Deferred tax liabilities | 221.594 | 152.469 | (69.125) | (31%) |
| **Total** | 184.180 | 184.180 | - | 0% |
| **Total Equity** | **184.180** | **184.180** | **-** | **0%** |

| | As of December 31, 2022 | | | |
|---|---|---|---|---|
| **Income Statement** | Original Presentation **MU$** | Reformulated Presentation **MU$** | Adjustment on results **MU$** | Variation **%** |
| **Profit/loss before taxes** | **(1.782)** | **(1.782)** | **-** | **0%** |
| Income tax benefit, continuing operations | 107.119 | 37.994 | (69.125) | (65%) |
| **Profit for the period** | **105.337** | **36.212** | **(69.125)** | **(66%)** |

The aforesaid procedure did not imply further impact on the financial statements nor on the comprehensive income and cash flow statement.

**28.** SUBSEQUENT EVENTS

Between January 1, 2023, and the date of issuance of these Financial Statements, there have been no subsequent events that might significantly affect the Company's financial position or profit or loss as of December 31, 2022.