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

FINANCIAL STATEMENTS
for the year ended
December 31, 2023 and 2022

(With the Independent Auditors' Report Thereon)

Contents:

ThUS$: Amounts expressed in thousands of United States dollars

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Report of the Independent Auditor
(Translation of a report originally issued in Spanish)

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

Opinion

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

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

Basis for Opinion

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

Responsibility of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of the internal control relevant to an audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Alfa Transmisora de Energía S.A. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

Santiago, Chile
February 29, 2024

Marek Borowski
EY Audit Ltda.

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

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CLASSIFIED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 AND 2022
(In thousands of United States dollars - ThUS$)
(Translation of the report originally issued in Spanish – See note 2)

Assets	Note No.	12.31.2023 ThUS$	12.31.2022 ThUS$
Current assets			
Cash and cash equivalents	4	39,280	58,073
Other current financial assets	5	303	303
Other non-financial assets, current	6	572	492
Trade and other receivables, current	7	63,499	66,170
Trade receivables due from related parties, current	17	548	384
Inventories	8	724	1,044
Current tax assets	9	10,105	9,772
Total current assets		**115,031**	**136,238**
Non-current assets			
Other non-financial, non-current assets	6	2,892	2,359
Intangible assets other than goodwill	12	522,628	530,838
Goodwill	13	458,349	458,349
Property, plant and equipment	14	454,285	453,759
Total non-current assets		**1,438,154**	**1,445,305**
Total assets		**1,553,185**	**1,581,543**

The accompanying notes are integral part of 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, 2023 AND 2022
(In thousands of United States dollars - ThUS$)
(Translation of the report originally issued in Spanish – See note 2)

Liabilities	Note No.	12.31.2023 ThUS$	12.31.2022 ThUS$
Current liabilities			
Other current financial liabilities	15	14,745	14,781
Trade and other payables	16	36,183	67,761
Payables due to related parties, current	17	4,492	1,573
Other short-term provisions	18	1,066	359
Current tax liabilities		-	47
Other current non-financial assets	19	824	117,448
Total current liabilities		**57,310**	**201,969**
Non-current liabilities			
Other non-current financial liabilities	15	1,027,847	1,029,220
Trade payables due to related parties, non-current	17	226,370	102,278
Deferred tax liabilities	11.2	109,012	110,257
Other non-financial liabilities, non-current	19	8,829	10,638
Total non-current liabilities		**1,372,058**	**1,252,393**
Total liabilities		**1,429,368**	**1,454,362**
Equity			
Share capital	20	98,501	98,501
(Accumulated deficit)/retained earnings		25,316	28,680
Equity attributable to the owners of the Parent		**123,817**	**127,181**
Non-controlling interests		-	-
Total equity		**123,817**	**127,181**
Total liabilities and equity		**1,553,185**	**1,581,543**

The accompanying notes form an integral part of these Financial Statements.

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

STATEMENTS OF COMPREHENSIVE INCOME BY NATURE
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of United States dollars - ThUS$)
(Translation of the report originally issued in Spanish – See note 2)

	Note No.	12.31.2023 ThUS$	12.31.2022 ThUS$
Statement of profit or loss			
Profit (loss)			
Revenue	21	88,950	88,460
Cost of sales	23	(15,887)	(18,990)
Gross profit		**73,063**	**69,470**
Administrative expenses	24.1	(12,377)	(14,893)
Other profit (loss)	24.3	-	18
Profit (loss) from continuing operations		60,686	54,595
Finance income	24.2	1,953	162
Finance costs	24.2	(64,023)	(58,921)
Foreign currency translation difference	24.4	(3,287)	2,382
Income (expense) from inflation-adjusted units		62	-
Profit (loss) before tax		(4,609)	(1,782)
Income tax benefit from continuing operations	11.1	1,245	37,994
Profit (loss) from continuing operations		(3,364)	36,212
Profit (loss) from non-controlling operations		-	-
Profit (loss) for the period		(3,364)	36,212
Profit (loss), attributable to			
Equity attributable to the owners of the Parent		(3,364)	36,212
Profit (loss) attributable to non - controlling interest		-	
Profit (loss)		**(3,364)**	**36,212**
Earnings per share			
Basic earnings per share			
Basic earnings (loss) per share on continuing operations		(0.03415)	0.36763
Basic earning (loss) per share on non-controlling operations		-	-
Basic earnings (loss) per share		(0.03415)	0.36763
Diluted earnings per share			
Basic diluted earnings (loss) per share on continuing operations		(0.03415)	0.36763
Basic diluted earning (loss) per share on non-controlling operations		-	-
Diluted earnings (loss) per share		(0.03415)	0.36763

The accompanying notes are integral part of these Financial Statements.

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of United States dollars - ThUS$)
(Translation of the report originally issued in Spanish – See note 2)

	12.31.2023 ThUS$	12.31.2022 ThUS$
Profit (loss) for the period	(3,364)	36,212
Components of other comprehensive income that will 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 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		
Reclassification adjustment 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	**(3,364)**	**36,212**
Comprehensive income attributable to		
Owners of the Parent	(3,364)	36,212
Non-controlling interests		-
Comprehensive income (loss)	**(3,364)**	**36,212**

The accompanying notes are integral part of 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, 2023 AND 2022
(In thousands of United States dollars - ThUS$)
(Translation of the report originally issued in Spanish – See note 2)

	12.31.2023 ThUS$	12.31.2022 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	113,582	102,641
Classes of payments		
Payments to suppliers for goods and services	(63,404)	(25,581)
Cash payments for premiums and services, annuities and other obligations from policies underwritten	-	-
Interest paid, recorded as operating activities	-	(6)
Interest received, recorded as operating activities	-	-
Income taxes received (paid), recorded as operating activities	(8,653)	(14,545)
Other cash inflows (outflows), recorded as operating activities	(2,599)	(251)
Net cash from (used in) operating activities	38,926	62,258
Cash flows from (used in) investing activities		
Cash flows used to obtain control of subsidiaries or other businesses	-	-
Other payments to acquire equity or debt securities of other entities	-	-
Loans granted to related parties	(154)	(2,406)
Acquisition of property and equipment	(6,807)	(7,376)
Acquisition of intangible assets	-	-
Receivables from related entities	-	-
Interest received	2,075	163
Other cash receipts (payments)	(116,464)	(5,237)
Net cash flows from (used in) investing activities	(121,350)	(14,856)
Cash flows from (used in) financing activities		
Proceeds from share issuance	-	-
Proceeds from long-term loans	-	-
Proceeds from loans, classified as financing activities	-	-
Loans from related party	116,464	5,237
Loans payments to related parties	-	(1,669)
Interest paid	(51,323)	(51,432)
Other cash receipts (payments)	(1,299)	(4,800)
Net cash flows from (used in) financing activities	63,842	(52,664)
Net increase (decrease) in cash and cash equivalents before the effect of exchange rate fluctuations on cash held	**(18,582)**	**(5,262)**
Effect of movements in exchange rates on cash and cash equivalents		
Effect of movements in exchange rates on cash and cash equivalents	(212)	(1,549)
Net increase (decrease) in cash and cash equivalents	**(18,794)**	**(6,811)**
Cash and cash equivalents at January 1	58,073	64,884
Cash and cash equivalents at December 31	**39,280**	**58,073**

The accompanying notes are integral part of these Financial Statements.

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of United States dollars - ThUS$)
(Translation of the report originally issued in Spanish – See note 2)

		Other reserves						
	Share capital	**Translation reserve**	**Reserves for cash flow hedges**	**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 01.01.2023	98,501	-	-	-	28,680	127,181	-	127,181
Increase (decrease) from changes in accounting policies	-	-	-	-	-	-	-	-
Increase (decrease) due to correction of errors	-	-	-	-	-	-	-	-
Restated initial balance	**98,501**	**-**	**-**	**-**	**28,680**	**127,181**	**-**	**127,181**
Changes in equity								
Comprehensive income								
Profit (loss)	-	-	-	-	(3,364)	(3,364)	-	(3,364)
Other comprehensive income	-	-	-	-	-	-	-	-
Comprehensive income (loss)		**-**	**-**	**-**	**(3,364)**	**(3,364)**	**-**	**(3,364)**
Capital management	-	-	-	-	-	-	-	-
Increase (decrease) through transfers and other changes	-	-	-	-		-	-	-
Total changes in equity	-	-	-	-	(3,364)	(3,364)	-	(3,364)
Balance as of December 31, 2023	**98,501**	**-**	**-**	**-**	**25,316**	**123,817**	**-**	**123,817**

		Other reserves						
	Share capital	**Translation reserve**	**Reserves for cash flow hedges**	**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**

The accompanying notes are integral part of these Financial Statements.

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

NOTES TO THE FINANCIAL STATEMENTS

For the years ended December 31, 2023 and 2022.

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, 19th floor, office 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 business line, 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, 2023 and 2022.
- Statements of income, by function, as of December 31, 2023 and 2022.
- Statements of comprehensive income as of December 31, 2023 and 2022.
- Statements of changes in equity as of December 31, 2023 and 2022.
- Statements of cash flows - direct method as of December 31, 2023 and 2022.

For the convenience of the reader, the financial statements and their accompanying notes have been translated from Spanish to English.

2.2) Basis of preparation

The financial statements as of December 31, 2023 and 2022, 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 Board of Directors on February 29, 2024.

2.3) Responsibility for the information

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

2.4) Functional and presentation currency

The functional and presentation currency relates to the currency of the primary economic environment in which the Company operates. Transactions denominated in a currency other than the functional currency are converted using the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities expressed in currencies other than the functional currency are retranslated using the exchange rates prevailing at the closing date. 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 Translation 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: "Electric Power Transmission".

The revenue source generated by the Company and the assets it owns are located in Chile.

2.6) Conversion basis

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. Revenues 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) Conversion basis, (continued)

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

Basis of translation	12.31.2023 ThUS$	12.31.2022 ThUS$
Currency US$	1.00000	1.00000
Chilean pesos (Ch$)	0.00114	0.00117
Inflation-adjusted unit (UF)	41.94	41.02

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 acquire non-controlling interest, if any. For each business combination, the Group selects whether to measure non-controlling interest of the acquire either at fair value or as proportional share of net identifiable assets of the acquire. 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 acquire main contracts.

For business combinations performed in stages, at the acquisition date, the previously held interest in the equity of the acquire is measured at fair value and the resulting gain or loss, if any, is recognized in profit or loss for the year.

Any contingent consideration transferable by the acquire 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 a gain 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 of if there are other assets or liabilities of the acquire 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 acquisition date. The fair values of the subsidiary's identifiable assets acquired and liabilities assumed at the acquisition date amounted to ThUS$711,724, generating a 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.

2) SIGNIFICANT ACCOUNTING POLICIES, (continued)

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. It 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 acquisition date.

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

The Company assesses at initial recognition if intangible assets useful life 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 method for the intangible assets with finite useful lives are reviewed at the end at each year-end. 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 expense of intangible assets with finite useful life is recognized in the statement of comprehensive income.

I. <u>Electric easements:</u> These have indefinited 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. <u>IT software licenses</u>: 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, 2023 and 2022, 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. <u>Income taxes:</u> The Company determines the taxable basis and calculate income tax in accordance with tax legislation effective in each period.

   For the current year 2023, the current income tax rate will be 27%.

II. <u>Current tax:</u> 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 current tax payable or receivable amount 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 taxes also include any tax arising from dividends.

III. <u>Deferred taxes:</u> 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 deferred tax assets recovery.

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: 2023 and thereafter - 27%.

IFRIC 23 adoption effect

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 the uncertain tax treatments must 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. <u>Financial assets, current and non-current</u> If the financial assets fair value 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.

   All the financial assets are classified as receivables associated with business and financial transactions, which have been performed on an arm's length basis, based on legal regulations and at market prices at the date in which they are entered into. They are measured at amortized cost, which is the value of the consideration received less accumulated amortization.

II. <u>Other financial liabilities:</u> Bonds payable and other financial liabilities of a similar nature are initially recognized at their fair value net of debt payables 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. <u>Effective interest rate:</u> 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, usual 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.

- 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 loans and bonds payable, 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 where it 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 impairment estimation 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.

2.17) Revenue recognition

Revenue from the power transmission 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)

2.18) Use of estimates

Below, are 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.

2.19) 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."

2.20) Transactions with related parties

Transactions between the Company and its related parties are part of the Company's usual 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)

2.21) 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.

2.22) Disclosures on the adoption of new and revised IFRSs

New standards, interpretations and amendments applied for the first time

For the presentation of the financial statements in accordance with IFRS, the entity is required to comply with all the criteria provided in IAS 1, which establishes, among others, describing the accounting policies applied by the reporting entity.

Likewise, paragraph 28 of IAS 8 requires disclosure of standards which have become effective during the period and adopted for the first time, describing the effect represented on the financial statements, including those retrospective effects, based on the provisions of each new standard and that established in IAS 8.

New standards, interpretations and amendments issued, but not yet effective

For the presentation of the financial statements in accordance with IFRS, the entity is required to comply with all the criteria provided in IAS 1, which establishes, among others, describing the accounting policies applied by the reporting entity.

In addition, paragraph 30 of IAS 8 requires disclosures of an imminent change in an accounting policy, if the entity still has pending the application of a new standard issued but not yet effective Additionally, it requires disclosure of the pending information, already known or reasonably estimated, to evaluate the possible effect that the application of the new standard application will have on the entity's financial statements in the initial application period.

2. SIGNIFICANT ACCOUNTING POLICIES, (continued)

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

The standards, interpretations and amendments to IFRS which became effective at the date of the financial statements, their nature and impacts are detailed as follows:

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

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a new accounting standard specific to insurance contracts covering recognition, measurement, presentation and disclosure. It enter into force, 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 a company elects to apply the classification overlay, it can 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 requires comparative amounts when applied.

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

2. SIGNIFICANT ACCOUNTING POLICIES, (continued)

IAS 1 Presentation of Financial Statements - Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1 and to the IFRS Practice Statement 2 Making Materiality Judgements, which provide guidance and examples to help entities apply materiality judgements 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.

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 company cannot benefit from tax deductions or if different tax rates apply to taxable and deductible temporary differences). In such cases, a company would need to account for the difference between the deferred tax asset and the deferred tax liability in profit or loss.

IAS 12 International Tax Reform – Pillar Two Model Rules

In May 2023, the Board issued amendment to IAS 12, which introduces a mandatory exception to the recognition and disclosure of deferred tax assets and liabilities related to income taxes from the Pillar Two Model Rules. Amendments issued clarify that IAS 12 applies to income taxes arising from tax law enacted or substantially enacted for the implementation of Pillar Two Model Rules issued by the Organisation for Economic Co-operation and Development (OECD), including the tax law which implement domestic minimum complementary taxes. This tax law and the income taxes derived therefrom are referred to as "Pillar Two legislation" and "Pillar Two income tax", respectively.

The amendments require an entity to disclose that it has applied the exemption to recognize and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. In this sense, an entity is required to separately disclose its current tax expense (benefit) related to Pillar Two income taxes in periods when the legislation in force.

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

The temporary exemption from recognition and disclosure of deferred tax information and the requirement to disclose the application of the exemption apply immediately and retrospectively to the issuance of the amendments.

Disclosure of current tax expense related to Pillar Two income taxes and disclosures related to periods prior to the enactment of the legislation are required for annual periods beginning on or after January 1, 2023, but are not required for any interim period ending on or before December 31, 2023.

The standards and interpretations, as well as the improvements and amendments to IFRS, which have been issued and effective at the date of these financial statements, are detailed as follows: The Company has not applied/ has applied this standards early.

	Amendments	Mandatory for
IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2024
IFRS 16	Lease Liability in a Sale and Leaseback	January 1, 2024
IAS 7 and IFRS 7	Disclosures about supplier finance arrangements	January 1, 2024
IAS 21	Lack of Exchangeability	January 1, 2025
IFRS 10 and IAS 28	Consolidated Financial Statements – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.	To be determined

IAS 1 Presentation of Financial Statements - Disclosure of Accounting Policies

In 2020 and 2022, the IASB issued amendments to IAS 1 to specify the requirements to classify 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 amendments are effective for periods beginning on or after January 1, 2024. The amendments must be applied prospectively. Early application is permitted and must be disclosed. However, an entity which applied early the 2020 amendments is also required to apply the 2022 amendments, and vice versa.

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 and leaseback .

The amendment provides that after the commencement date of a transaction sale and leaseback transaction, 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 leaseback. 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. Early adoption is permitted and it should be disclosed. The seller-lessee adopts the amendment retrospectively in accordance with IAS 8 to sale and leaseback transaction performed after the date of initial application (i.e., the amendment is not adopted to sale and leaseback transactions performed prior to the date of initial application). The date of initial application is the beginning of the annual reporting period in which an entity adopted IFRS 16 for the first time .

IAS 7 and IFRS 7 – Disclosure of supplier finance arrangements

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

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more financial service providers pay amounts owed by an entity to its suppliers. The entity agrees to settle those amounts with the financial service providers in accordance with the terms and conditions of the agreements, either on the same date or on a date later than the date on which the financial service providers provide payments to the entity's suppliers.

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including the terms and conditions of those arrangements, quantitative information about the liabilities related to those arrangements at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. Information on these arrangements is required to be presented in aggregate unless the individual arrangements have terms that are not similar among themselves or are unique. In the context of the quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that may be relevant to disclose.

The amendments will be effective for annual periods beginning on or after January 1, 2024. Early adoption is permitted and it should be disclosed. The amendments provide certain transitional exemptions with respect to comparative and quantitative information at the beginning of the annual reporting period and disclosures in interim financial information.

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

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

A currency is considered to be exchangeable for another currency when an entity can obtain the other currency within a normal administrative period and through a market or exchange mechanism where an exchange transaction would create enforceable rights and obligations.

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

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

This amendment is effective for periods beginning on or after January 1, 2025. Early adoption is permitted but it should be disclosed. In applying the amendments, an entity may not restate comparative information.

IFRS 10 Consolidated Financial Statements and IAS 28 Accounting for Investments in Associates – 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 IAS 28 (2011) in the treatment of the sale or contribution of assets between an investor and its associate or joint venture.

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

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

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, 2023 and 2022, 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 account 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, 2023	Billing in ThUS$	Representation %
Colbún S.A.	41,970	40%
Codelco Chile	13,213	13%
Enel Generación Chile S.A.	5,501	5%
Anglo American Sur S.A.	4,330	4%
Compañía General de Electricidad S.A.	3,860	4%
Enel Distribución Chile S.A.	3,106	3%
Engie Energía Chile S.A.	2,463	2%
Other customers	29,270	29%
Total billing for 2023	**103,713**	**100%**
Concentration % for the 7 main customers	**72%**	

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%**	

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 debt issuance 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 following table summarizes the conditions and characteristics associated with our financial debt as of December 31, 2023 and 2022:

As of 12.31.2023	TOTAL ThUS$	
	Bond issuance US$	Total
Principal owed	1,029,218	1,029,218
Accrued interest	13,382	13,382
Nominal rate	4.55%	
Actual rate	5.04%	

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%	

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, 2023 and 2022, assets and liabilities sensitive to changes in exchange rates are detailed as follows:

Assets	12.31.2023 ThUS$	12.31.2022 ThUS$
Cash and cash equivalents	5	251
Trade and other receivables, current	63,499	66,170
Total assets	**63,504**	**66,421**

Liabilities		
Trade and other payables	36,183	67,761
Total liabilities	**36,183**	**67,761**

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 2023	
Sensitivity analysis as of 12.31.2023	ThUS$	-10%	10%
Exchange rate sensitivity	877.12	789.41	964.83
Assets			
Cash and cash equivalents	5	1	(0)
Trade and other payables, current	63,499	7,055	(5,773)
Total assets	63,504	7,056	(5,773)
Liabilities			
Trade and other payables	36,183	4,020	(3,289)
Total liabilities	36,183	4,020	(3,289)
Effect on profit (loss), net	27,321	3,036	(9,062)

		Effect on profit or loss 2022	
Sensitivity analysis as of 12.31.2022	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	66,170	7,352	(6,015)
Total assets	66,421	7,380	(6,038)
Liabilities			
Trade and other payables	67,761	(7,529)	6,160
Total liabilities	67,761	(7,529)	6,160
Effect on profit (loss), net	(1,340)	(149)	122

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 at December 31, 2023 and 2022, cash and cash equivalents is detailed as follows:

Classes of cash and cash equivalents	12.31.2023	12.31.2022
	ThUS$	ThUS$
Cash on hand	1	1
Cash in banks	195	15,953
Short-term mutual fund deposits classified as cash equivalents	39,084	42,119
Total cash and cash equivalents	**39,280**	**58,073**

Information on cash and cash equivalents by currency		12.31.2023	12.31.2022
	Currency	ThUS$	ThUS$
Amount of cash and cash equivalents	Ch$	5	251
Amount of cash and cash equivalents	US$	39,275	57,822
Total cash and cash equivalents by currency		**39,280**	**58,073**

Cash and cash equivalents have no restrictions for their use.

4.1) Investments in mutual funds deposits as of December 31, 2023 and 2022

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, 2023 and 2022, the detail of other current financial assets is as follows:

Other current financial assets	12.31.2023	12.31.2022
	ThUS$	ThUS$
Performance bond, US$	297	297
Lease guarantee	6	6
Total other financial assets, current	**303**	**303**

6. OTHER NON-FINANCIAL ASSETS

As of December 31, 2023 and 2022, the detail of other non-financial assets, current is as follows:

Other non-financial assets, current	Current		Non-current	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
	ThUS$	ThUS$	ThUS$	ThUS$
Prepaid insurance (1)	557	481	-	-
Other prepaid expenses (2)	15	11	2,892	2,359
Total other non-financial assets, current and non-current	**572**	**492**	**2,892**	**2,359**

(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 financing 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:

	12.31.2023			12.31.2022		
	Assets before impairment	Impairment of trade receivables	Assets due to net trade receivables	Assets before impairment	Impairment of trade receivables	Assets due to net trade receivables
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Trade receivables	63,499	-	63,499	66,170	-	66,170
Total trade receivables	63,499	-	63,499	66,170	-	66,170

Trade receivables are 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

	Current	31-60 days	61-90 days	91-120 days	>120 days	12.31.2023 Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Gross non-renegotiated portfolio	50,278	4,314	1,453	339	7,115	63,499
Portfolio impairment						
Total portfolio December 31, 2023	50,278	4,314	1,453	339	7115	**63,499**

7. TRADE AND OTHER RECEIVABLES, CURRENT (continued)

7.1) Stratification of portfolio (continued)

						12.31.2022
	Current	31-60 days	61-90 days	91-120 days	>120 days	Total
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	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**

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, 2023 and 2022, amounted to ThUS$0.

8. INVENTORIES, CURRENT

As of December 31, 2023 and 2022, the detail is the following:

Inventories, current	12.31.2023	12.31.2022
	ThUS$	ThUS$
Spare-parts	724	1,044
Total assets from current inventories	**724**	**1,044**

9. CURRENT TAX ASSETS

As of December 31, 2023 and 2022, the detail of current tax assets and liabilities is as follows:

Current tax assets	12.31.2023	12.31.2022
	ThUS$	ThUS$
Recoverable taxes from prior periods	8,619	545
Monthly provisional income tax payment	1,486	9,227
Total current tax assets	**10,105**	**9,772**

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, 2023

Assets	Measured at amortized cost	At fair value through profit or loss	Total
	ThCh$	ThCh$	ThCh$
Cash and cash equivalents	195	39,085	39,280
Trade and other receivables, current	63,499	-	63,499
Total	**63,694**	**39,085**	**102,779**

Liabilities	Measured at amortized cost	At fair value through profit or loss	Total
	ThCh$	ThCh$	ThCh$
Other financial liabilities, current	14,745	-	14,745
Other financial liabilities, non-current	1,027,847	-	1,027,847
Trade and other payables	36,183	-	36,183
Payables due to related parties, current	4,492	-	4,492
Total	**1,083,267**	**-**	**1,083,267**

As of December 31, 2022

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	1,573	-	1,573
Total	**1,113,335**	**-**	**1,113,335**

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, 2023 and 2022; 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, 2023 and 2022, 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 in active markets for identical assets or liabilities.
- Level II: Inputs other than quoted prices included in Level I 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, 2023 and 2022, 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

	12.31.2023 ThUS$	12.31.2022 ThUS$
Current tax expense	-	(4,218)
Deferred tax benefit related to the generation and reversal of temporary differences (*)	1,245	42,212
Total income tax benefit	**1,245**	**37,994**

(*) Mainly relates to the effect of the adjustment of the Company's deferred taxes recoverable.

11. INCOME TAX AND DEFERRED TAXES (continued)

11.2) Deferred tax benefit

Recognized deferred tax assets, related to:	Opening balance as of 01.01.2022 ThUS$	Recognized in profit or loss for the year ThUS$	Acquired in a business combination. ThUS$	Closing balance as of 12.31.2022 ThUS$	foreign currency exchange ThUS$	Recognized in profit or loss for the year ThUS$	Recognized in other comprehensive income ThUS$	Closing balance as of 12.31.2023 ThUS$
Unbilled Revenue		13,538		13,538		2,747	-	16,285
Tax losses	8,466	184,173	-	192,639	98	816	-	193,553
Total deferred tax assets	8,466	197,711	-	206,177	98	3,563	-	209,838

Recognized deferred tax liabilities, related to:	Opening balance as of 01,01,2022 ThUS$	Recognized in profit or loss for the year. ThUS$	Acquired in business combination. ThUS$	Closing balance as of 12.31.2022 ThUS$	foreign currency exchange ThUS$	Recognized in profit or loss for the year. ThUS$	Recognized in other comprehensive income. ThUS$	Closing balance as of 12.31.2023 ThUS$
Depreciation	160,935	155,499	-	316,434	-	2,318	-	318,850
Total deferred tax liabilities	160,935	155,499	-	316,434	-	2,318	-	318,850
Total deferred taxes, net	**(152,469)**	**42,212**	**-**	**(110,257)**	**98**	**1,245**	**-**	**(109,012)**

11.3) Reconciliation of tax results

Reconciliation of tax expense using the legal rate to tax expense using the effective rate	Tax rate 2023	Balance as of 12.31.2023 ThUS$	Tax rate 2022	Balances as of 12.31.2022 ThUS$
Profit before taxes		(4,609)		(1,782)
Tax expense using the statutory rate	27%	1,245	27%	481
Increase (decrease) to income tax		-	(237%)	(4,218)
Increase (decrease) to income tax		-	2,342%	41,731
Total adjustments to tax expense using the legal rate			**2,105%**	**37,513**
Income tax benefit using the effective tax rate	**27%**	1,245	**2,132%**	37,994

11.4) Taxes recognized in equity

As of December 31, 2023 and 2022, Alfa Transmisora de Energía S.A. has not recognized deferred taxes in reserves within equity.

12. INTANGIBLE ASSETS OTHER THAN GOODWILL

The detail of intangible assets is as follows:

Classes of intangible assets, net 12.31.2022	12.31.2023 ThUS$	12.31.2022 ThUS$
Electric easements	39,320	39,161
Concessions	483,308	491,677
Total intangible assets, net	**522,628**	**530,838**

Classes of intangible assets, gross	12.31.2023 ThUS$	12.31.2022 ThUS$
Electric easements	39,320	39,171
Concessions	500,056	500,046
Total intangible assets, gross	**539,376**	**539,217**

Accumulated amortization and impairment, intangible assets	12.31.2023 ThUS$	12.31.2022 ThUS$
Concessions	(16,748)	(8,379)
Total accumulated amortization of intangible assets	**(16,748)**	**(8,379)**

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

As of December 31, 2023 and 2022, the detail of and movements in intangible assets are as follows:

Movements as of December 31, 2023	Electric easements ThUS$	Concessions ThUS$	Total ThUS$
Opening balance as of 01.01.2023	39,161	491,677	530,838
Additions	159	-	159
Amortization for the period (a)	-	(8,369)	(8,369)
Other movements	-	-	-
Net closing balance as of December 31, 2023	**39,320**	**483,308**	**522,628**

Movements as of December 31, 2022	Electric easements ThUS$	Concessions ThUS$	Total ThUS$
Opening balance as of 01.01.2022	39,202	500,046	539,248
Additions, Business Combination	-	-	-
Amortization for the period (a)	(10)	(8,369)	(8,379)
Total movements	(31)	-	(31)
Other closing balance as of December 31, 2022	**39,161**	**491,677**	**530,838**

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, 2023, 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.

The amounts paid for the 99.999998% interest are as follows:

Detail	**12.31.2021** **ThUS$**
Share premium	1,172,499
Adjustment of price paid in 2023	116,463
Price paid	**1,288,962**

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	**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	12.31.2023 ThUS$
Opening balance as of 01.01.2022	336,649
Increases (1)	121,700
Total	**458,349**

(1) Relates to a price adjustment in accordance with Section 2.6 of the Purchase Agreement which among other variables, mainly considered suspensive conditions associated with the new tariff decree, which at such date, had not been published by the National Electric Coordinator.

14. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprise the following:

Classes of property, plant and equipment, net	12.31.2023 ThUS$	12.31.2022 ThUS$
Land	3,112	3,112
Assets under construction	76,283	100,682
Machinery	374,890	349,965
Total property, plant and equipment, net	**454,285**	**453,759**

Classes of property, plant and equipment, gross	12.31.2023 ThUS$	12.31.2022 ThUS$
Land	3,112	3,112
Assets under construction	76,283	100,682
Machinery	401,572	364,248
Total property, plant and equipment, gross	**480,967**	**468,042**

Accumulated depreciation and impairment of property, plant and equipment	12.31.2023 ThUS$	12.31.2022 ThUS$
Machinery	(26,682)	(14,283)
Total accumulated depreciation	**(26,682)**	**(14,283)**

14. PROPERTY, PLANT AND EQUIPMENT, (continued)

14.1) Movements in property, plant and equipment

As of December 31, 2023 and 2022, movements recorded in Property, plant and equipment are detailed as follows:

Movements as of December 31, 2023	Land	Assets under construction	Machinery	Total
	ThUS$	ThUS$	ThUS$	ThUS$
Opening balance as of 01.01.2023	3,112	100,682	349,965	453,759
Additions	-	12,473	452	12,925
Transfers	-	(36,872)	36,872	-
Other movements	-	-		-
Depreciation for the period	-	-	(12,399)	(12,399)
Total movements	-	(24,399)	24,925	526
Net closing balance as of December 31, 2023	**3,112**	**76,283**	**374,890**	**454,285**

Movements as of December 31, 2022	Land	Assets under construction	Machinery	Total
	ThUS$	ThUS$	ThUS$	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**

As of December 31, 2023 and 2022, 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	12.31.2023	12.31.2022
	ThUS$	ThUS$
Cost of sales	12,399	11,428
Total depreciation	**12,399**	**11,428**

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, 2023 and 2022 are detailed as follows:

	12.31.2023	12.31.2022
Right-of-use assets, net	ThUS$	ThUS$
Right-of-use assets Facilities	-	4
Right-of-use assets Vehicles	-	-
Total Right-of-use assets, net	**-**	**4**

	12.31.2023	12.31.2022
Right-of-use assets, gross	ThUS$	ThUS$
Right-of-use assets Facilities	159	159
Right-of-use assets Vehicles	599	599
Total right-of-use assets, gross	**758**	**758**

	12.31.2023	12.31.2022
Accumulated depreciation for right-of-use assets	ThUS$	ThUS$
Right-of-use assets Facilities	(159)	(155)
Right-of-use assets Vehicles	(599)	(599)
Total accumulated depreciation for right-of-use assets	**(758)**	**(754)**

14. PROPERTY, PLANT AND EQUIPMENT, (continued)

14.4) Right-of-use assets (continued)

As of December 31, 2023 and 2022, the composition and movement of right-of-use assets, net, is as follows:

Changes for the period 2023	Right-of-use assets Facilities	Right-of-use assets Vehicles	Right-of-use assets, net
	ThUS$	ThUS$	ThUS$
Opening balance as of 01.01.2023	4	-	4
Additions	-	-	-
Depreciation for the period	(4)	-	(4)
Total movements	**(4)**	**-**	**(4)**
	-	**-**	**-**
Closing balance as of 12.31.2023			

Changes for the period 2022	Right-of-use assets Facilities	Right-of-use assets Vehicles	Right-of-use assets, net
	ThUS$	ThUS$	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**

14.5) Other disclosures

As of March 31, 2023, the Company had commitments associated with the acquisition of property, plant and equipment for construction contracts of ThUS$26,837. The main companies with which it operates are the following: Colbún S.A., Monlux, Bbosch, SEMI.

Alfa Construction Contracts					**Supplier**	**Date**	**Amount**
Reinforcement LT 110 kV Río Aconcagua - Nueva Panquehue	Extension	DE 293/2018	Decree 8T	Construction	SEMI	Feb-24	5,239
Se Mulchen	Extension	DE 171/2020	Decree 11T	Processing	Bbosch	Jun-25	5,183
Capacity increase 1x110 kV Las vegas - Esperanza	Extension	DE 171/2020	Decree 11T	Processing	Monlux	Jun-24	2,480
Capacity increase 2x110 kV Esperanza - Río Aconcagua	Extension	DE 171/2020	Decree 11T	Processing	Monlux	Jun-24	2,116
SE Codegua	New project	DE 231/2018	Decree 4T	Construction	Colbún S.A.	Jun-24	11,819
						Total	**26,837**

As of December 31, 2023 and 2022, there are no operating assets that are temporarily out of service.

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	12.31.2023 Current ThUS$	12.31.2023 Non-current ThUS$	12.31.2022 Current ThUS$	12.31.2022 Non-current ThUS$
Bonds payable (Bonds) (a)	US$	14,753	1,027,847	14,772	1,029,220
Liabilities under finance lease arrangements	US$	(8)	-	9	-
Total obligations		**14,745**	**1,027,847**	**14,781**	**1,029,220**
Total other financial liabilities		**14,745**	**1,027,847**	**14,781**	**1,029,220**

(a) 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	Balance as of 01.01.2023 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 12.31.2023 ThUS$
USA bond	Private bond issue	US$	1,043,992	-	(1,299)	(51,323)	51,230	1,042,600
Total			**1,043,992**	**-**	**(1,299)**	**(51,323)**	**51,230**	**1,042,600**

Instrument	Transaction description	Currency	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**

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

15.2) Obligations to the public (bonds)

As of December 31, 2023 and 2022, the detail of the Company's bonds payable is as follows:

As of December 31, 2023

As of December 31, 2023

Bond country placement	Identification	Maturity	No. of register or identification of the instrument	Currency	Amortization periodicity	Effective interest rate	Annual nominal rate	Maturities							Outstanding principal owed
								Current			Non-current				ThUS$
								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	9/27/2051	1st issuance	U.S. dollar	Biannual	5.04%	4.55%	13,482	1,271	**14,753**	14,883	13,618	999,346	**1,027,847**	**1,029,218**
Total								13,482	1271	**14,753**	14,883	13,618	999,346	**1,027,847**	**1,029,218**

As of December 31, 2022

As of December 31, 2022

Bond country placement	Identification	Maturity	No. of register or identification of the instrument	Currency	Amortization periodicity	Effective interest rate	Annual nominal rate	Maturities							Outstanding principal owed
								Current			Non-current				ThUS$
								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 MUS$	
P.P.L. (1)	1st series	9/27/2051	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**

(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.

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

15.3) Maturity and currency of the obligation

As of 12.31.2023	
Tax ID	77.337.345-0
Company name	Alfa Transmisora de energía S.A.
Country	Chile
No. of register	1st issuance
Series	1st serie
Maturity date	9/27/2051
Currency	US$
Amortization periodicity	Biannual
Interest rate	Fixed
Base	Fixed
Cash rate	5.04%
Nominal rate	4.55%

Nominal Amount	ThUS$
1 to 3 years	**25,805**
90 days to 1 year	2,990
1 to 2 years	15,156
2 to 3 years	7,659
3 to 5 years	**1,065,957**
3 años to 4 years	5,260
Over 5 years	1,060,697
Subtotal nominal amounts	**1,091,762**

Carrying amounts	ThUS$
hasta 90 días	-
90 days to 1 year	14,753
Bonds payables	**14,753**
1 to 3 years	**28,501**
1 to 2 years	14,883
2 to 3 years	13,618
3 to 5 years	**999,346**
3 años to 4 years	5,874
Over 5 years	993,472
Bonds payables, non-current	**1,027,847**
Total bonds payables	**1,042,600**

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

15.4) Covenants

The main financial guarantees issued in September 2021, for a period of 30 years (denominated in UF and US$) and established in current debt bond agreements related to capital requirements are:

Debt service coverage ratio: Means, for each determination date, the ratio of: (a) Free Cash Flow and (b) the sum of capital payments, interests, additional amounts (if any) and any other payable under the Financing Covenants, for each case for the calculation period of the DSCR.

Free Cash Flow: Shall mean, in any calculation period, the resulting surplus of: a) Revenue of such period’s projects, minus (b) the sum of all Operating Costs during the same period.

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

(a) Regulated income and dedicated contracts,
(b) Interest income and other income from Permitted Investments,
(c) VAT Reimbursements,
(d) Net amounts received under any hedging agreements,
(e) Any delay in starting or business interruption insurance,
(f) Any liquidated damages arising from delays and any other amounts relating to claims under Project Documents, and
(g) Of the transactions and not excluded by the following condition and, (ii) any permitted transfer from the Issuer's U.S. dollar Rate Reset Reserve Account to the Issuer's U.S. dollar Revenue Account; provided that the proceeds shall be from (1) any sale of equity interest in the Issuer, (2) any debt for funds borrowed, (3) the sale within a Project not in the ordinary course of business, as determined in accordance with Cash Flow accounting principles, (4) casualty insurance policy, (5) any expropriation awards related to a Project and (6) performance under the Senior Security Documents, in each case, shall be excluded from the calculation of Project Revenue.

Operating costs: Shall mean, for any period, the sum, computed without duplication, of all costs and expenses paid or reimbursed by the Issuer and its Restricted Subsidiaries during such period (other than maintenance costs described in sub-clause (ii) of the definition of Construction Costs) in connection with the ownership, operation, maintenance and administration of the Projects, including, without limiting the generality of the foregoing:

(a) Costs and fees for Project operation and administration and costs of repairs to maintain the assets in operating conditions; including maintenance capital expenditures in the ordinary course of business (other than maintenance costs described in sub-clause (ii) of the definition of Construction Costs) and any amounts due and payable under the Transition Services Agreements;
(b) Costs of insurance;
(c) Taxes and royalties;
(d) Costs of utilities, supplies and other services acquired or used in connection with the operation and maintenance of the Projects;
(e) Costs and fees attendant to obtaining and maintaining in effect any Governmental Approvals relating to the Projects;

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

15.4) Covenants (continued)

(f) Legal, accounting and other professional fees associated with any fees, expenses or other amounts payable to the Bondholders' Representative, Collateral Agent, Rating Agencies or any agent, consultant or advisor engaged in connection with the Secured Obligations); provided that, for the avoidance of doubt, none of the following shall constitute an Operating Cost: (1) Debt Service or other amounts payable pursuant to any Financing Document or in connection with any Secured Obligation (except, in each case, to the extent paid to an agent or any agent acting on behalf of any Senior Secured Party to pay fees or charges or reimbursement for expenses or losses pursuant to a Financing Document or other written agreement), (2) Construction Costs, (3) Mandatory Capex, (4) Restricted Payments, and (5) any Rate Reset Payments paid by the Issuer from funds in the U.S. dollar Rate Reset Reserve Account of the Issuer.

The following table details the compliance with the DSCR for the calculation of the aforementioned covenant for the period ended September 30, 2023.

a) Free Cash Flow	**ThUS$**
Revenue from regulated customers and dedicated contracts	83,547
Interest income from permitted investments	1,810
Project income [a1]	**85,357**
Costs and expenses associated with project operation and administration and repair costs maintained by assets under operating conditions; including capital expenditure for maintenance in the ordinary course of business (except for maintenance costs described in sub-clause (ii) of the Construction Cost definition) and any amount owed and payable under the Transition Service Agreements	(6,545)
Insurance policy costs	(642)
Legal, accounting, and other professional fees	(321)
Operating costs [a2]	**(7,508)**
Free Cash Flows [a1 - a2]	**77,849**
b) Debt expenses	
Bonds payable	55,895
Debt expenses	**55,895**

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

$$DSCR = \frac{77{,}849}{55{,}895} = \mathbf{1.39x}$$

(*) Relates to accrued interest and repayment of principal owed for the twelve-month period beginning immediately after September 30, 2022.

As of December 31, 2023, the Company meets the effective DSCR, because it exceeds the factor required by the contract, which is higher than or equal to 1.15x for making restricted payments, based on the criteria provided in bonds issuance contracts.

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

15.5) Liabilities under finance lease agreements

As of December 31, 2023 and 2022, the detail of financial liabilities under finance lease agreements is detailed as follows:

Other non-financial liabilities	Currency	12.31.2023		12.31.2022	
		Current	Non-current	Current	Non-current
		ThUS$	ThUS$	ThUS$	ThUS$
Capital lease liabilities	UF	(8)	0	9	9
Total lease liabilities		**(8)**	**0**	**9**	**9**

16. TRADE AND OTHER PAYABLES

This caption comprises the following:

Trade and other payables	12.31.2023	12.31.2022
	ThUS$	ThUS$
Trade payables:		
Trade payables	35,620	17,623
Other payables	221	49,309
Total trade payables	**35,841**	**66,932**
Other payables:		
Withholdings payable	342	829
Total other payables		
Total	**36,183**	**67,761**

As of December 31, 2023 and 2022, 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, 2023 and 2022, this caption is composed of the following:

Receivables due from related parties:

					Total current		Total non-current	
Related party	Taxpayer ID	Relationship	Country	Transaction description	12.31.2023 ThUS$	12.31.2022 ThUS$	12.31.2023 ThUS$	12.31.2022 ThUS$
APG Chile SpA	77.091.367-5	Common shareholders	Chile	Loan (1)		166	-	-
APG Expansión Chile SpA	77.332.904-4	Common shareholders	Chile	Loan (1)	548	151	-	-
Diego de Almagro Transmi de Energía	76.536.654-2	Common shareholders	Chile	SEN	-	-	-	-
Transmisora Eléctrica de Quillota S.A.	77.017.930-0	Common shareholders	Chile	SEN	-	67	-	-
Total trade receivables due from related parties					548	384	-	-

Payables due to related parties:

					Total current		Total non-current	
Related party	Taxpayer ID	Relationship	Country	Transaction description	12.31.2023 ThUS$	12.31.2022 ThUS$	12.31.2023 ThUS$	12.31.2022 ThUS$
Celeo Redes Chile Ltda.	76.613.942-6	Common shareholders	Chile	Loan (1)	1,233	1,573	695	-
APG Chile Expansión SpA	77.332.904-4	Common shareholders	Chile	Loan (1)	2,625	-	180,865	82,073
Diego de Almagro Transmi de Energía S.A.	76536654-2	Common shareholders	Chile	Billing	-	-	-	-
Celeo Expansión Chile SpA	77.355.214-2	Common shareholders	Chile	Loan (1)	634	-	44,810	20,205
Celeo Concesiones S.L.U	59.159.380-3	Common shareholders	España	Expenses rebilling	-	-	-	-
Total trade payables due to related parties					4,492	1,573	226,370	102,278

(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

Related party	Taxpayer ID	Relationship	Currency	Country	Transaction description	Amount 12.31.2023 ThUS$	Effect on profit or loss (debit) / credit 12.31.2023 ThUS$	Amount 12.31.2022 ThUS$	Effect on profit or loss (debit) / credit 12.31.2022 ThUS$
Celeo Redes Chile Ltda.	76.613.942-6	Common shareholders	US$	Chile	Administrative services	1,799	(1,799)	10,017	(8,830)
APG Chile Expansión SpA	77.332.904-4	Common shareholders	US$	Chile	Loan	93,171	-	4,190	
					Interest on loan	8,246	(8,246)	(1,188)	(1,188)
Celeo Expansión Chile SpA	77.355.214-2	Common shareholders	US$	Chile	Loan	23,293	-	1,047	-
					Interest on loan	2,023	(2,023)	(291)	(291)
Celeo Redes S.L.U.	B86243391	Common shareholders	EUR	España	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, 2023 and 2022, this caption comprises the following:

Other current provisions	For legal proceedings (1) ThUS$	Total ThUS$
Opening balance as of 01.01.2023	359	359
New provisions, other provisions	707	707
Increase in existing provisions, other provisions	-	-
Decrease in existing provisions, other provisions		-
Closing balance as of 12.31.2023	**1,066**	**1,066**

Other current provisions	For legal proceedings (1) ThUS$	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**

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

19. OTHER NON-FINANCIAL LIABILITIES

As of December 31, 2023 and 2022, the detail of other non-financial liabilities is as follows:

Other non-financial liabilities	Currency	12.31.2023		12.31.2022	
		Current	Non-current	Current	Non-current
		ThUS$	ThUS$	ThUS$	ThUS$
Prepaid revenue (1)	US$	824	8,829	985	10,638
Other non-financial liabilities (2)	US$	-	-	116,463	-
Total other non-financial liabilities		**824**	**8,829**	**117,448**	**10,638**

(1) The balance presented as deferred revenue (income), non-current includes ThUS$5,804 related to the lease recognition that the Company has with Anglo American, with contractual maturity in 2030, plus ThUS$3,025 for the contract of the dedicated line with Duqueco SpA, with contractual maturity in 2028.
(2) Relates to a price adjustment 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, 2023 and 2022, this caption comprises the following:

Paid-in capital	Subscribed capital ThUS$	Paid-in capital ThUS$
Opening capital as of 01.01.2023	98,501	98,501
Capital increase	-	-
Total equity as of December 31, 2023	98,501	98,501
Total equity as of December 31, 2023	98,501	98,501

20.1) Distribution of ownership interest

As of December 31, 2023 and 2022, the distribution of ownership interest is as follows:

Shareholders	No. of Shares 12.31.2023	Ownership 12.31.2023 %	No. of Shares 12.31.2022	Ownership 12.31.2022 %
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, 2023, 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 (CMF for its Spanish acronym) 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, 2023 and 2022, the net distributable profit is as follows:

	12.31.2023 ThUS$	12.31.2022 ThUS$
Loss (profit) attributable to owners of the Parent	(3,364)	36,212
Adjustments per the policy		
Depreciation and amortization for the year	20,772	19,836
Profit for the period for distribution	**17,408**	**56,048**

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, 2023, capital is defined as issued, subscribed and paid-in capital.

21. REVENUE

As of December 31, 2023 and 2022, this caption comprises the following:

Revenue	12.31.2023 ThUS$	12.31.2022 ThUS$
Regulated, toll and transmission revenue	88,950	88,460
Total revenue	**88,950**	**88,460**

The Company 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. OPERATING SEGMENTS

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

The Company has assets that are located in parts of Chile covering 932 kilometers from the Valparaíso Region to the Biobío Region.

23. COST OF SALES

As of December 31, 2023 and 2022, this caption comprises the following:

Cost of sales	12.31.2023 ThUS$	12.31.2022 ThUS$
Maintenance and operating expenses	(3,488)	(7,523)
Machinery depreciation	(12,399)	(11,467)
Total cost of sales	**(15,887)**	**(18,990)**

24. DETAIL OF SIGNIFICANT RESULTS

As of December 31, 2023 and 2022, this caption comprises the following:

24.1) Administrative expenses

Administrative expenses are detailed as follows:

Administrative expenses	12.31.2023 ThUS$	12.31.2022 ThUS$
Advisory expenses and fees	(576)	(2,816)
Depreciation and amortization	(8,373)	(8,452)
Administrative services expenses from related companies	(1,799)	(2,106)
Other administrative expenses	(1,629)	(1,519)
Total administrative expenses	**(12,377)**	**(14,893)**

24.2) Finance income and finance costs

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

Finance income and finance costs	12.31.2023 ThUS$	12.31.2022 ThUS$
Finance income		
Interest on loans to related parties	1,953	162
Interest for financial investments	-	-
Total finance income	**1,953**	**162**
Finance costs		
Bonds payable (1)	(51,232)	(50,931)
Costs for interest on loans to related parties	(10,269)	(5,639)
Other finance costs	(2,522)	(2,351)
Total finance costs	**(64,023)**	**(58,921)**

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

24. DETAIL OF SIGNIFICANT RESULTS (continued)

24.3) Other income by function

As of December 31, 2023 and 2022, other income per function is detailed as follows:

Other income, by function	12.31.2023 ThUS$	12.31.2022 ThUS$
Other income	-	18
Total other income, by function	**-**	**18**

24.4) Exchange rate difference

Foreign currency translation for the years ended December 31, 2023 and 2022 is detailed as follows:

Foreign currency translation difference	12.31.2023 ThUS$	12.31.2022 ThUS$
Foreign currency translation difference - Assets:		
Cash and cash equivalents	1,059	514
Trade and other receivables, current	(4,882)	(1,212)
Trade receivables due from related parties, current	(6)	513
Current tax assets	3	22
Other current financial assets	-	(47)
Other non-financial assets, current	4	(59)
	(3,822)	(269)
foreign currency translation difference - Liabilities:		
Other financial liabilities, current	(2)	472
Trade and other payables	(36)	1,203
Current tax liabilities	67	926
Trade payables due from related parties, current	69	50
Other provisions	437	-
	535	**2,651**
Total foreign currency translation difference (net)	**(3,287)**	**2,382**

25. COMMITMENTS AND CONTINGENCIES

25.1) Commitments

The Company has not entered into other engagements during the period ended December 31, 2023.

25.2) Lawsuits and Contingencies

As of December 31, 2023, the Company has the following lawsuits and contingencies.

On July 3, 2023, the Company was notified of an arbitration claim by Corporación Nacional del Cobre de Chile ("Codelco", and the "Codelco Claim") established that the payments from the agreement "SIC Connection Service Contract and Transmission Capacity Lease", entered between Colbún S.A. and Codelco - El Teniente Division on September 7, 2001, ("Contract") subsequently transferred to Colbún Transmisión S.A. and later acquired by Alfa Transmisora de Energía S.A. ("Alfa Transmisora de Chile"), should be lower because mostly facilities are considered classified by the authority as national transmission facilities on the Contract in 2011.

On July 31, 2023, the Company filed a response to Codelco's lawsuit, affecting Codelco's claims. Arbitration process has concluded its conciliation stage with no success, and the evidentiary stage is pending.

In the opinion of management, substantiated by its external advisors, the Company has sufficient legal support to challenge Codelco's claims and demand payment of the amounts owed in the same arbitration, with a favorable approach.

Additionally, the Company is protected under the Purchase and Sale Agreement of shares issued by Colbún Transmisión S.A. entered into on March 30, 2021, by and between Colbún S.A., Colbún Desarrollo SpA (Sellers) and Alfa Desarrollo SpA (currently, Alfa Transmisora de Energía S.A.), against possible losses caused to the Company related to the Codelco Claim.

25.3) Guarantees issued

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

Summary	USD
Guarantees for third parties (Projects)	6,507,038
Guarantees, DSRA	30,450,000
Guarantees, OMRA	1,050,000
Total	**38,007,038**

These guarantees were issued to secure the projects and the Standby Letter Credits issued by Alfa for the Debt Service Reserve Account; the O&M Reserve Account established in the LC Facility Agreement.

26. SANCTIONS

During the reporting periods, the Company or its Directors or Senior Executives, have not been sanctioned by the Chilean Financial Market Commission nor by any other regulatory agency.

27. 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 2023, the Company has not made any other disbursements for environmental purposes and has no commitments related thereto.

28. SUBSEQUENT EVENTS

Between January 1, 2024, 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, 2023.

29. Appendix 1: External auditor fees

The fees agreed with the external auditors as of December 31, 2023 is as follows:

Concept	**January - December 2023 ThUS$**
Audit services	61
Other	-
Total	**61**

The information above, which is not required under current accounting standards, is included in the financial statements at the request of the external auditors.