



INTEGRATED
MANAGEMENT REPORT
INTERCHILE 2022

isa
INTERCHILE

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Integrated Management Report Interchile 2022



INTERCHILE

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LETTER FROM THE CHAIRMAN OF THE BOARD

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Letter from the Chairman of the Board

DEAR SHAREHOLDERS

With the objective of the publication of the second Integrated Management Report 2022 of our company ISA INTERCHILE, I want to share with you the great steps we have taken this past year, to continue being protagonists of the energy transition that we as a company advocate, so that it is fair and focused on people, as well as on the generation of value for all our stakeholders.

Chile is a privileged country as it pertains to the capacity of generating renewable energy sources, with ambitious objectives, which we see with enthusiasm and as an example to follow at the regional level. The challenges to achieve a less polluting and more sustainable

matrix with the social and environmental environment are multiple, but we know that as a company that builds and operates transmission infrastructure, our contribution is fundamental.

That is why, I would first like to highlight our entire team, people that live and make it their own purpose to generate Connections that Inspire and thus reflect it in the organizational culture and in each of their actions. Therefore, our unwavering commitment is to the health and safety of workers, who must return home at the end of their workday in good physical and mental health to enjoy their family life.



Juan Emilio Posada
Presidente Directorio
ISA INTERCHILE

In the same way, the valuable human capital of the company has allowed us to strengthen the security of the assets and maintain operational excellence in our transmission lines Encuentro-Lagunas 2x200 kV and Cardones-Polpaico 2x500 kV, thus guaranteeing the continuity of the supply of the National Electric System for millions of homes.

Our portfolio of projects allows us to point out with satisfaction that we not only transmit electrons, but also the dream of a decarbonized Chile and a sustainable energy future for all. On that point, I would like to pause to highlight how we have crystallized our ISA 2030 Strategy and its sustainable pillars VIDA, through important initiatives that respond to global socio-environmental challenges and positively transform the territories in which we operate.

In 2022, we received two important recognitions from the United Nations Chile Global Compact network, for our contributions

to the fulfillment of the Sustainable Development Goals (SDGs), through the advances of the corporate program Conexión Desarrollo. This program, which is applied in coordination with public and private organizations, has strengthened the capabilities of eight technical-professional secondary education establishments, in the specialties of Electricity and Electronics in the Coquimbo Region. Conexión Desarrollo also has a special gender focus by contributing to the educational training of new generations of technical-professional women in a traditionally male sector.

The second recognition was obtained for the Participative Green Areas Program carried out in the commune of Freirina, Atacama Region, in partnership with Fundación Mi Parque. The Municipality of Freirina and the community organized in its neighborhood councils, sports clubs and various territorial organizations. With all of them we managed to recover more than 15,000 m² of public

spaces in a network of seven parks and squares that allow us to play, laugh, talk and share among everyone.

In environmental terms, the call for projects to the corporate program Conexión Jaguar, which in Chile adopts the name of Conexión Puma, has allowed us to be a contribution to the conservation of biodiversity and the mitigation of climate change with ambitious goals for 2030. We plan to reduce 303,965 potential tons of CO₂, from the recovery and preservation of forests for the reduction of Greenhouse Gas Emissions (GGE) in natural habitats and puma pathways in Chile.

In 2022, we achieved a balance that exceeded expectations with EBITDA compliance of USD 75.2 million and a favorable outlook for 2030. Also, ISA INTERCHILE maintained its long-term BBB+ risk rating in 2022, following the revision of the Fitch Ratings, which ratifies the market's confidence in the company.

In new investments, the company actively participated in the award of the Kimal-Lagunas project in September, one of the most important transmission projects tendered in the country in 2022 and which is key to the decarbonization of Chile's energy matrix. The project will have a total reference investment of USD 243 million. It is currently awaiting the decree that determines the rights of execution.

We are also proud to have been part of the offer structuring team of the HVDC Kimal – Lo Aguirre Line, in which ISA is part of the "Conexión Energía" consortium together with Transelec and China Southern Power Grid International (CSGI) through our shareholder ISA Inversiones Chile. This energy transmission project is the most relevant in the history of the country.

Further acknowledging that we are one, as stated in the ISA and its Companies Manifesto. We develop a territorial deployment with a sustainable seal, continuing with the work of

linking and closeness with our stakeholders. As a result of these actions, ISA INTERCHILE has registered a significant increase in the synthetic reputation index prepared by the consulting firm KPMG, going from 3.4% in 2019 to 4.0% in 2022, presenting the highest percentage of reputational growth among ISA companies.

In terms of growth and with each step we take, we remain committed to the creation of Sustainable Value to shareholders, with the generation of positive social and environmental impact and Corporate Validity.

The future of ISA INTERCHILE is certainly promising and we are inspired by the decisive steps that have been taken to consolidate teams, enrich the organizational culture and challenge us to achieve great objectives.

Our milestones in terms of projects, development of human talent, environmental achievements, links with the territory and communities, as well as the recognition

granted to ISA INTERCHILE, are proof of the immense growth potential that the company has. We will continue to build on our solid financial and operational foundations, as well as strengthen our teams of excellence, confident and committed to the important role we have in accelerating the energy transition and decarbonization.

I thank our employees, suppliers, communities and shareholders, because together we continue to build a legacy that will transcend generations and truly represent those "Connections that Inspire", mobilizing us to contribute towards the well-being of millions of people.



Juan Emilio Poada
Chairman of the Board of ISA INTERCHILE

LETTER FROM THE GENERAL MANAGER

After more than three years of leading ISA INTERCHILE, today I want to reflect on the great advances we have made in recent years and that allowed us to position ourselves as a relevant actor in the just energy transition and the decarbonization of the energy matrix in Chile. Those were years in which we achieved the creation of sustainable value not only for our stakeholders, but also for the territories where we operate together with the communities that inhabit them.

Within the framework of the 2022 Integrated Management Report, I want to highlight the work and effort of the Company to overcome the challenges we faced and that we were able to successfully overcome, honoring our commitment to the life, health and safety of all our workers.

In 2022 we made decisive progress on our three major areas of work: Sanitation, Strengthening and Growth. In the Sanitation area, we managed to correct social and environmental gaps associated with our transmission lines, and we took charge of restoring trust and strengthening our relationship with the communities of the territories within the area of influence of our assets.

In our Strengthening area, we reinforced the capabilities of the organization and the people who work at ISA Interchile, which resulted in greater efficiency and excellent service standards. At the same time, we are advancing in the implementation of the Connected with Life occupational health and safety program, with which we develop pioneering initiatives in the field of mental



Gabriel Melguizo Posada
Gerente General
ISA INTERCHILE

and physical health, to improve accident rates, provide greater safety in substations and workspaces, reconcile work, family and personal life and contribute to the integral well-being of all people, direct employees and contractors, who make up the ISA INTERCHILE family.

I would also like to highlight two relevant milestones that fill us with pride. The first, Connections for Development, an initiative in conjunction with Fundación Chile, which resulted in the strengthening of capabilities of Technical Secondary Education establishments in the Coquimbo Region and contributed to the formative relevance in the Energy sector and to the educational training of women, in this case of girls and adolescents, in an industry that seeks to expand and connect with current generations.

The second is the territorial deployment that we have carried out in the town of Freirina, Atacama Region.

The bond based of respect and trust that we have crystallized together with the indigenous Diaguita community Chipasse Ta Tatara has undoubtedly been a point to highlight. As a company we committed ourselves to go beyond the agreements contemplated in the Environmental Qualification Resolution of the Cardones - Polpaico project, carrying out active and permanent listening, which allowed us to be seen by the community as good neighbors and continue developing initiatives that were in pursuit of the community and the enhancement of its cultural heritage, such as the improvement of its cultural headquarters, the inauguration of the Plaza los Tambos and the launch of the book "Chipasse Ta Tatara, the rebirth of a people", written by a historian of Diaguita descent. In parallel, together with the community and the Municipality of Freirina, and the support of the Mi Parque Foundation, we carried out the participative construction of a network of 7 public spaces, which materialized in more than 15 thousand square meters of spaces with green areas, for the direct benefit in the quality of life of thousands of neighbors.

These initiatives were recognized by the United Nations Global Compact Chile through the Conecta 2022 Business Awards, by directly contributing to the Sustainable Development Goals SDG No. 4 "Quality Education" and SDG No. 5 "Gender Equality", in the case of Connections for Development, and SDG No. 11 "Sustainable Cities and Communities" and SDG No. 17 "Partnerships to achieve the goals", in the case of the network of community spaces in Freirina. These recognitions fill us with pride and satisfaction

In our Growth pillar, it is important to highlight the work we have been doing from ISA together with our strategic partners, Transelec and China Southern Power Grid International, through the company Conexión Energía for the construction of one of the most important energy infrastructure works in Chile and the continent: the Kimal - Lo Aguirre electric power transmission line, that will link Antofagasta with Santiago through 1,350 kilometers of direct current circuit.

This project will undoubtedly be a great enabler of Chile's energy transition.

As a result of the work of our Project Management and the entire company, I highlight the recent award to ISA Interchile of the Kimal-Nueva Lagunas Transmission Project, which will strengthen the expansion of Chile's electricity system and the decarbonization of its energy matrix, transporting clean energy from non-conventional sources of renewable energy from the north to the center and south of the country.

Finally, I would like to underscore one of the most important things: none of this would be possible without the human capital and the work that each of the ISA INTERCHILE employees carries out 365 days a year, to contribute to the energy transition and the construction of a better society. By becoming aware that we are all part of a whole, we generate connections that inspire

Thanks a lot.



Gabriel Melguizo Posada
General Manager ISA INTERCHILE.





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OUR COMPANY

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COMPANY PRESENTATION

ISA, a company of the Ecopetrol Group, is a multilatina with more than 55 years of experience and trajectory, which operates in the businesses of Electric Power, Roads, Telecommunications and ICT, which contributes to the quality of life of millions of people in Colombia, Brazil, Chile, Peru, Bolivia, Argentina and Central America, through the work of 4,713 employees in 51 companies.

The company develops its business based on technical excellence, the efficient provision of its services, the creation of sustainable value for its stakeholders and society in general, leveraged on innovation and digital transformation, and supported by the best practices of corporate governance, ethics and compliance.

ISA and its companies are committed to mitigating and adapting to climate change, the

rational use of resources, the development of programs that generate a positive impact on the environment, the integral development of the communities where it operates and the quality, reliability and availability of the services it provides.

After more than five decades of leadership in the region, ISA has transcended the physical act of connecting one point to another to connect people, making every connection an inspiring act.

Shareholder composition

ISA Interchile, a subsidiary of ISA, is a company that develops key projects that enable the decarbonization of Chile's energy matrix. Our activity consists of designing, building, operating and maintaining high voltage electric transmission systems that strengthen and optimize the transport of energy in the country, responding with quality and reliability to the needs of the national electricity system.

N° Shares	2022		2021	
	Subscribed and paid	%	Subscribed and paid	%
Shareholder				
Interconexión Eléctrica S.A. E.S.P.	94.109	0.10	73.788.480	78
ISA Inversiones Chile SPA	94.015.531	99.90	20.321.160	22
Total shares subscribed and paid	94.109.640	100	94.109.640	100



Identification of the company



Interchile S.A. is a company incorporated under Chilean law by public deed dated December 13, 2012, before the Notary Public of Santiago Mr. Raúl Undurraga Laso. His statement was registered and published in accordance with the law, dated December 31, 2012, and registered in the Registry of Reporting Entities maintained by the Commission for the Financial Market (CFM), with number 266 of June 14, 2013. Its legal address corresponds to **Cerro El Plomo street N° 5630, piso 18, oficina 1802, comuna de Las Condes, Santiago.** Their website is: www.interchilesa.com the head office phone is: **+56229456850.** and the email for inquiries is **interchile@interchilesa.com.**

ISA INTERCHILE IN FIGURES

88

Workers



24% Women

27%

Turnover Rate

81%

Work Environment



148

Suppliers



7.252

people benefited by our social management



USD 533.317

usd in social investment



USD 150.652 invested in worker training

1.962 KILOMETERS of transmission circuits



OUR OPERATIONS

In Chile, we operate two important transmission lines that have contributed to a greater robustness of the national electricity system. This infrastructure corresponds to the transmission lines "LT Encuentro-Lagunas 2x220 kV" and "LT Cardones-Polpaico 2x500 kV". The first one extends from north to south between the Lagunas Substation (SE), Tarapacá Region, and the Encuentro Substation (SE), Antofagasta Region. It consists of a 192-kilometre-long, 220 kV double-circuit line with 443 high-voltage pylons.

Meanwhile, the second consists of two 500 kV circuits along 753 kilometers. It comprises 1,728 high voltage pylons, covering the Atacama, Coquimbo, Valparaíso and Metropolitan regions. It includes the Nueva Cardones (Copiapó), Nueva Maitencillo (Freirina), Nueva Pan de Azúcar (Coquimbo)

substations and completes the route reaching the Polpaico (Til-Til) substation, and the 220 kV links with the Cardones, Maitencillo and Pan de Azúcar substations. Its location and capacity allows for the transport of renewable energy from wind and photovoltaic sources located in northern Chile, to the country's large consumption centers, thus contributing to the decarbonization of the energy matrix.

We operate the LT Encuentro-Lagunas and LT Cardones-Polpaico, which total about 1.000 kilometers in double circuit between the regions of **Tarapacá** and **Metropolitana**

Transmission Lines North Zone



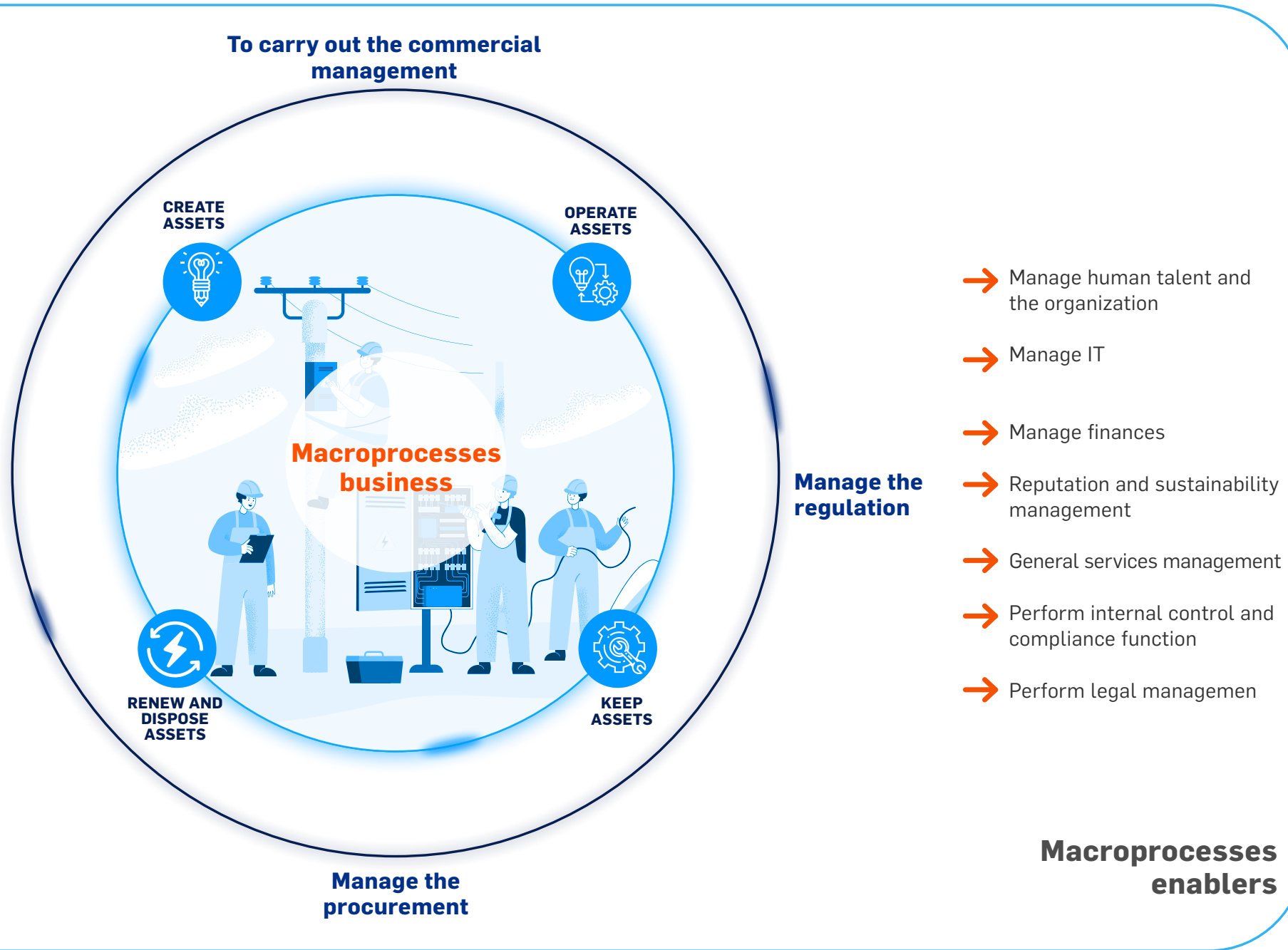
Value Chain

Value Chain Energy Transportation Business (Vision 2030)

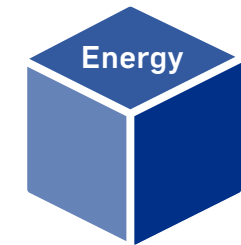
BUSINESS PLANNING AND EVALUATION

Visibilizing new energy businesses

Environmental, social and property management



Business for government (B2G)	Business for business (B2B)
Transmission	Traditional connection (conventional OR*G)
Regional Integration	New connection options (FERNC**)
Subtransmission	
Storage	Energy services distributed



*OR: Operadores de RED

**FERNC: Fuentes de Energía Renovable No Convencionales

ISA STRATEGY 2030: GROWTH WITH SUSTAINABLE VALUE

At ISA Interchile, we are a catalyst for the transformation of the country's energy matrix towards cleaner energies, for which we build and operate transmission systems that allow the arrival of energy to consumption centers.

ISA has a 2030 Strategy aimed at Growth with Sustainable Value, with which we align ourselves as a company. The aim is for the companies of the group to have a projection and remain present with time, transcending the economic benefits to project them

positively to society and the planet, helping to build a legacy for future generations.

That is why sustainability is at the heart of our actions and is essential to our business vision. The strategy is based on three dimensions of value: shareholder value, positive social and environmental impact and corporate validity. Because of this, investment decision-making reflects the balance between businesses and geographies; criteria of profitability and risk;

adjacency and vision; diversification and concentration. In this manner, we add value to our Ecopetrol group in market knowledge, operation and execution of projects to give it a greener and more sustainable portfolio.

The ISA 2030 Strategy Growth with Sustainable Value, is based on four pillars that guide actions and decisions on a day-to-day basis, as well as the way we relate internally and with the world. These pillars make up the acronym LIFE: Green, Innovation, Development and Articulation.



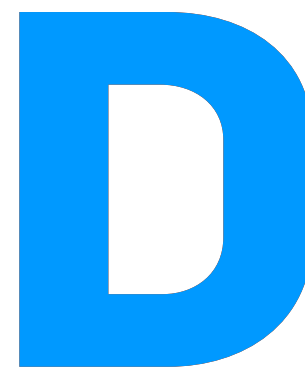
GREEN

Minimize the environmental impacts of the business and promote positive environmental initiatives. .



INNOVATION

Take advantage of business opportunities derived from technological evolution and trends..



DEVELOPMENT

Build capacities and leaders to face business challenges and promote the development of the territory and entrepreneurship ecosystem.



ARTICULATION

Seal strategic alliances for the achievement of the objectives.

ISA Strategy 2030: What we are looking for



Focus external and internal resources to articulate initiatives that contribute to the socioeconomic and environmental development of the places where we operate.



Enhance the growth of current businesses.



Strengthen the generation of value for our stakeholders.



Promote an entrepreneurship ecosystem and participate in sectors of interest to the company.



Promote a system that manages innovative solutions to the problems of the industry.



Enrich our portfolio through the incorporation of businesses that come from technological evolution and convergence between different areas.

Progress on the Strategy during 2022

In 2022 we strengthened capacities, improved positioning and achieved growth.



- ✓ Increase Asset Management maturity from 1.3 to 2.1 (target 3 to Q1/2024)
- ✓ Progress in the implementation of the strengthening plan
- ✓ Organizational climate remains at 81%
- ✓ Strengthening cybersecurity and regulatory management issues



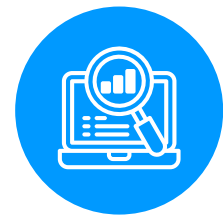
- ✓ We improved the reputation index from 3.4 in 2019 to 4.0 in 2022. (The scale is 1 to 5)
- ✓ BBB+ investment grade maintained
- ✓ We won two recognitions from the Chile Global Compact for contributions to the fulfillment of the 2030 Agenda and the United Nations Sustainable Development Goals.



- ✓ Active participation of the Company with the awarded Kimal-Lagunas project. Respective decree pending
- ✓ Formation of a new business growth team

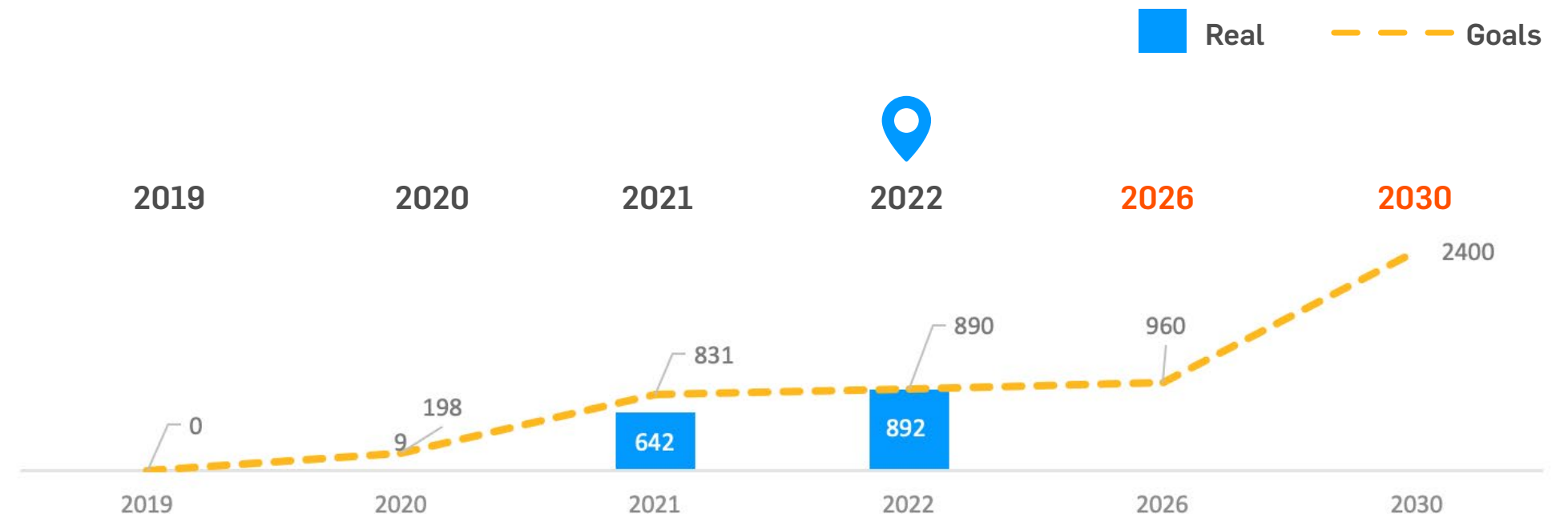
Contribution for each dimension of value

We remain committed to generating value, a balance that exceeds expectations and with a favorable outlook for 2030.



In shareholder value

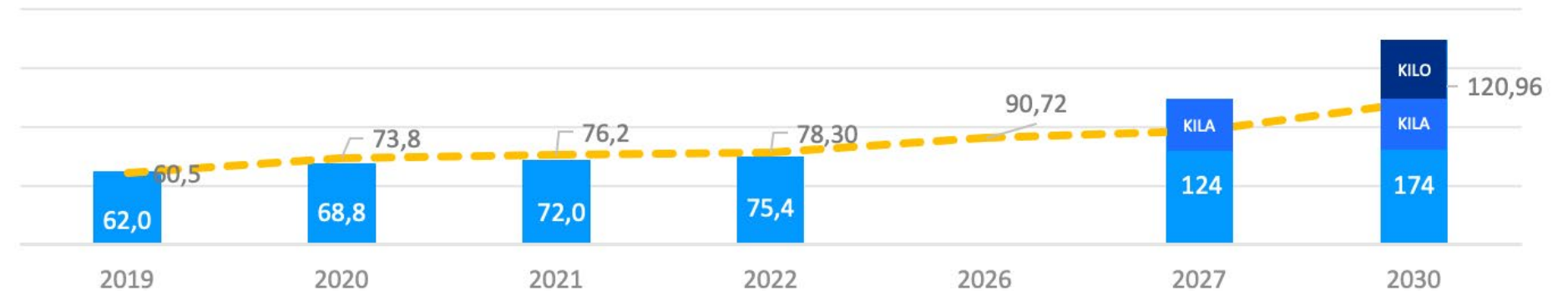
Invest USD 2.4 billion in current businesses and geographies.



Achieve efficiencies of USD 23 million in **TOTEX** core processes and support.



Achieve a minimum 70% increase in **EBITDA** (USD million).



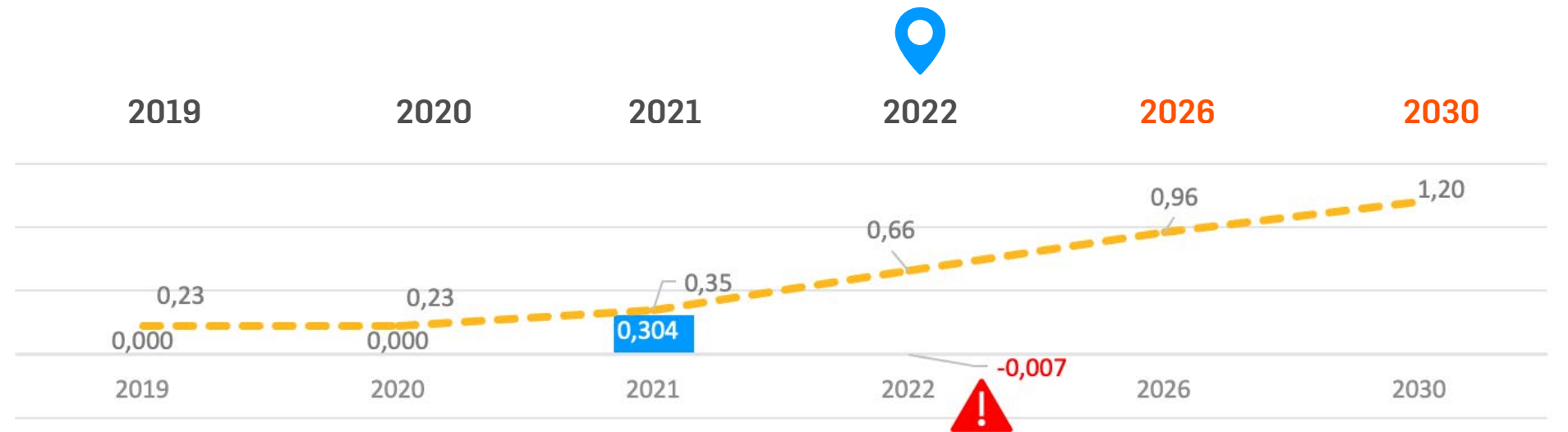
Onboard **strategic partners** for growth.



Our challenge is to create value for all our stakeholders.

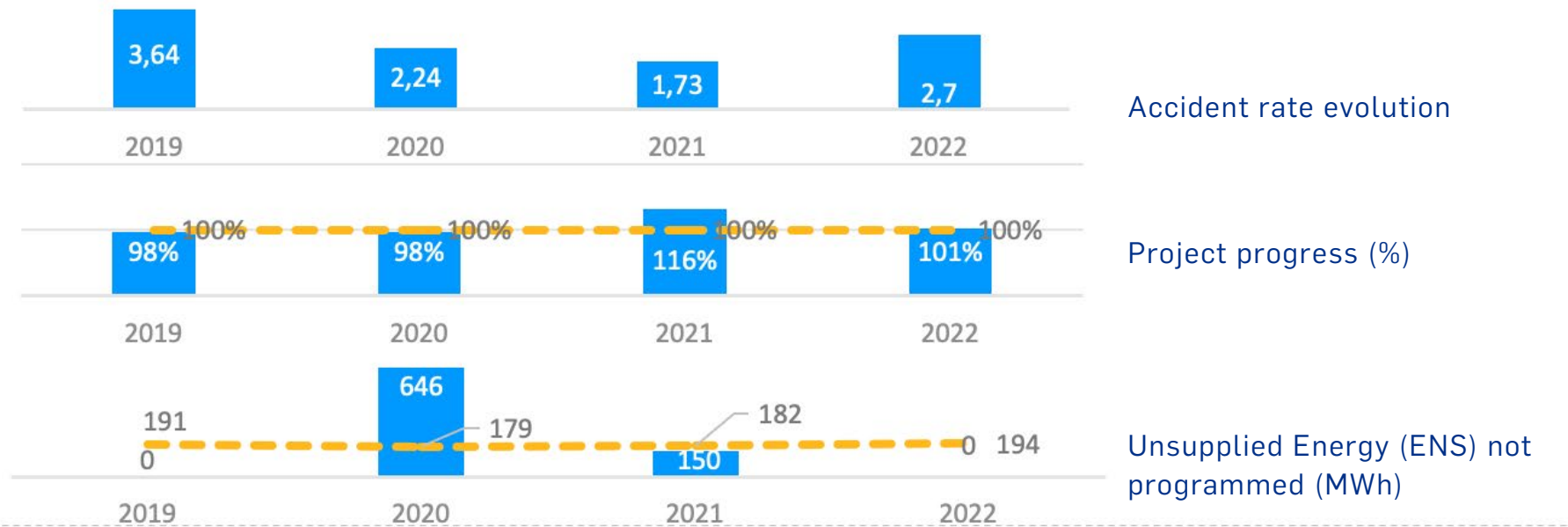
Real Goals

Reduce 1.2 million tons of **CO2e** to the planet.



In social and environmental management

Meet 100% of project deadlines and expected reliability level.



Generate benefits with high-impact **social programs**.

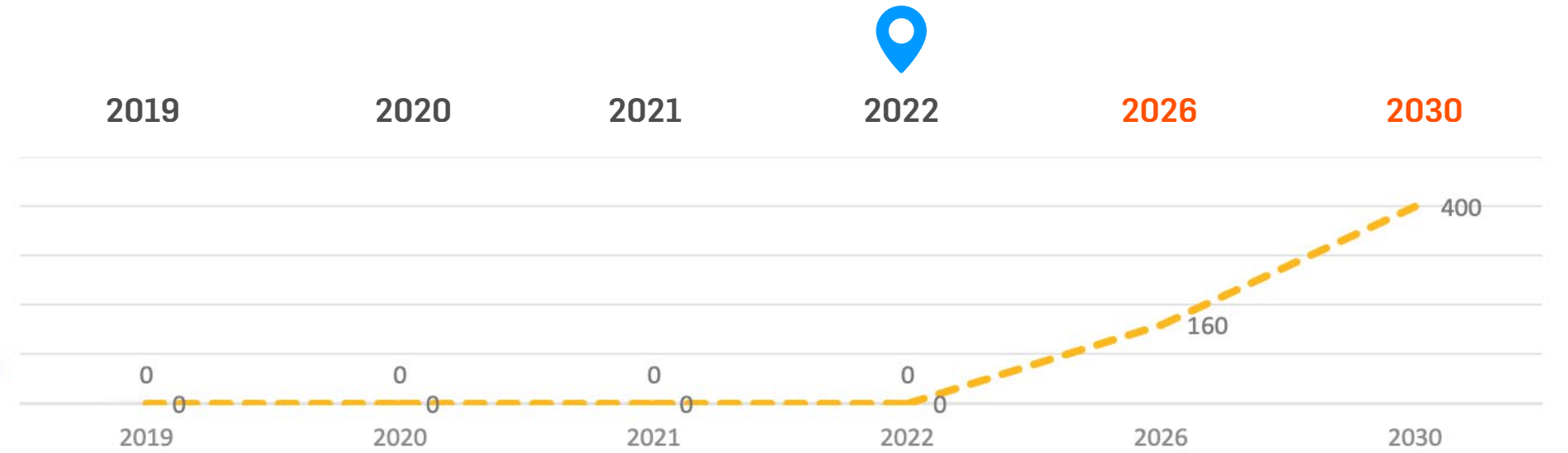


Establish **alliances** to develop social and environmental programs.

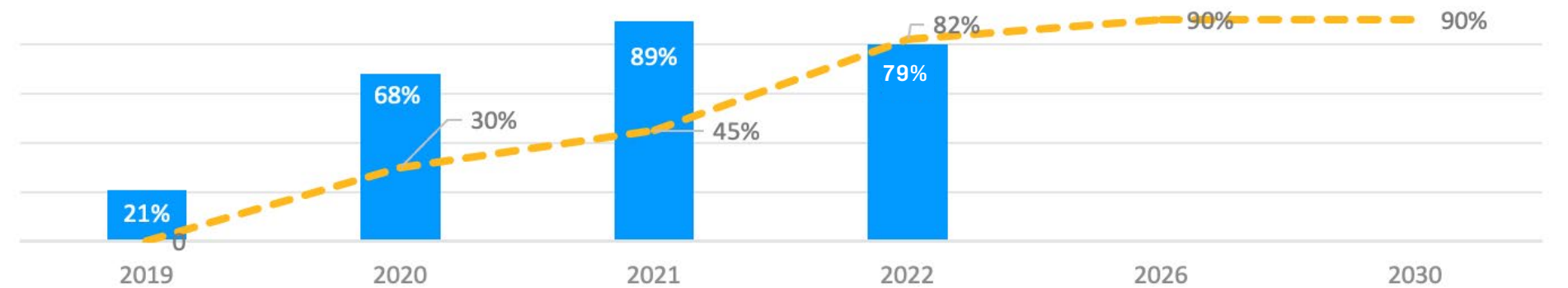


The year 2022 was marked by the strengthening plan and other capacity improvements.

Invest USD 400 million in **new electric power businesses**



Enable **organizational capabilities** to enhance competitive advantage and achieve **superior performance** in 90% of employees



In corporate validity

Intensify **digitization** of core and support processes and incorporate it into new value offerings

Mapas de Ruta de Digitalización
18/33
Iniciativas Estratégicas



Establish **alliances** to improve competitiveness and develop capabilities





Indicators






Initiatives



SCV

2022 results in management indicators

We obtained good results in 2022 that are reflected in the management indicators.

	Minimum value goal 2022	Maximum value goal 2022	Results 2022
 Shareholder value	EBITDA (USD million)	73,33	74,43
	Investment in current business (USD million)		59
	CAPEX compliance annual basis of projects		< 100%
 Positive social and environmental impact	ENS not programmed (MWh)	583,40	194,47
	Compliance with annual base physical progress of projects	95%	100%
	Accident frequency rate (own + contractors)		8,75
	Emission reduction (Tons of CO2e)	18	50.152
 Corporate Validity	Employees with superior performance	82%	89%
	Internal coverage of critical positions		≥40%
	Achievement of strategic initiative milestones		5

 Indicator met

 Indicator not met

CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

In 2015, ISA committed to work to meet the Sustainable Development Goals (SDGs), defined by the United Nations (UN) by 2030. Meanwhile, in April 2021 at ISA Interchile we joined as a company associated with Global Compact Chile, committing to the SDGs and compliance with the fundamental principles of the United Nations in matters of human rights, labor standards, environment and anti-corruption.



How we contribute to the fulfillment of the SDGs:



Strengths and advances: through the Corporate Program "Conexión Desarrollo".

Brechas: program that seeks to strengthen the educational ecosystem of the Coquimbo region and contribute to improving the quality and training relevance of future technicians in the energy sector and closing gaps in innovation and entrepreneurship capacities of students and teachers. This work is carried out in partnership with Fundación Chile.



Strengths and progress: we support with knowledge and technical excellence, through the energy transport infrastructure for electrical interconnections and the relationship with different actors.

Brechas: We see an insufficiency of the legal and institutional framework for the incorporation of renewable energies and energy storage issues.



Strengths and progress: the ISA 2030 Strategy aims to consolidate its company's leadership in the markets where it operates, seeking to be a pioneer in sustainability, through the application of new technologies and constant innovation processes, which seek to guarantee the development of the territories where it is present, maintaining the balance of ecosystems.

Brechas: the Company is prepared to shorten the gaps inherent in digital transformation and although it aims to apply the development of processes based on innovation, it currently intends to consolidate innovation centers and areas in its different operations, with the aim of being at the forefront of the industry and being a benchmark in the countries where it has a presence



Strengths and progress: we developed a program of participative construction of public spaces in Freirina, in partnership with Fundación Mi Parque, in which together with communities and the Municipality of Freirina, we recovered 15,000 m2 of parks and squares by having a network of 7 new public spaces that improve the quality of life of the community.

Brechas: Provide universal access to safe, inclusive and accessible green areas and public spaces, especially in cities and territories far from large cities and in particular for women, children, the elderly and fourth age and people with disabilities.



Strengths and progress: We promote challenging goals to contribute to the fight against climate change, measuring and compensating our carbon footprint and our flagship program "Puma Connection". In this manner we can contribute as Interchile with the reduction of emissions by 1.2 million tons of CO2e to achieve the corporate goal of ISA and its companies to reduce 11 million tons of CO2e by 2030.

Brechas: we consider the articulation of the private sector with the public sector fundamental, to have mitigation, reduction and adaptation actions, in addition to identifying risks and opportunities associated with climate change.



Strengths and progress: through the Corporate Program "Puma Connection", we work on biodiversity conservation in partnership with actors in the territory. In this manner we articulate initiatives for forest compensation and protection of flora and fauna, in addition to offsetting the carbon footprint.

Brechas: We identified opportunities in the development of wetland carbon sequestration quantification methodologies, along with supporting reforestation and wildfire prevention strategies.

REPUTATION AND MATERIALITY MODEL

Growth with sustainable value is at the heart of our strategy, so it is essential to identify those relevant issues that impact our stakeholders, thus achieving our objectives as a company.

In 2019 we implemented as a subsidiary of ISA a model for measuring reputation and managing sustainability. This is an important tool that guides decision-making and our actions.

This model is applied to ISA and all its companies, which allows us to have a materiality analysis, that corresponds to the relevant issues for our stakeholders and allows us to highlight attributes to position and manage the relationship through two aspects:

- How our responsible behavior should be (sustainability).
- What is the kind of recognition we expect to have (reputation).

Model Components



Reputation and Materiality Study year 2022

After the first study in which we participated as Interchile, in 2022 we analyze again the nine common areas of trust-building and the 28 elements of the integrated model.

This semiannual study is carried out by an independent external consultant and coordinated by ISA for all its companies. It included five stages: consultation with key audiences; relevance to the business; complementary materiality analysis; diagnosis of actual performance; and a communication diagnosis, after which conclusions and lessons were proposed for action and closing gaps.



Gap closing strategies for our stakeholders

After conducting the Reputation and Materiality Study, in August and September we carried out a series of workshops to close the identified gaps. The activity was organized by the Institutional Relations Management and sought to analyze actions to maintain and improve the results obtained through the management of relevant issues. Six sessions were held in which various areas of the company worked on specific stakeholders for them.

In 2022

In 2022, the Synthetic Reputation Index rose from 3.4, obtained in 2019, to 4.0, in a rating range of 1 to 5. In this manner, Interchile is the ISA company with the highest increase between the two evaluations. This result shows a solid management of the company in its relevant matters, which are positively impacting the confidence of its stakeholders.

Attributes that ISA is interested in managing



STAKEHOLDER MANAGEMENT

In the context of our ISA 2030 Strategy and promoting the sustainable development of our operations, stakeholders are central to our work. Consequently, we incorporate them into our management model and seek to maintain trusting and long-term relationships with them.



In this manner, our relationship strategy includes the responsible management of the company in all its areas, the enabling of communication channels, the timely and transparent delivery of information, the promotion of spaces for dialogue and the maintenance of active listening to internalize as an organization their needs, problems and concerns.



Commitments to our stakeholders

- » Contribute to sustainable development, collaborating with the well-being of society as a whole.
- » Promote long-term Human Rights relationships with regards to respectful, ethical, transparent, and constructive matters.
- » Strengthen relationships based on trust and legitimacy.
- » Generate communication channels that provide information and promote dialogue.
- » Be proactively involved in creating opportunities between the company and stakeholders, to make decisions on an informed basis.
- » Provide timely information of public interest.
- » Implement the EIMS (electrical installation management system), an Asset Management discipline as a standard to strengthen responsible management.

Participation spaces 2022



United Nations Global Compact Chile

Participation as an associated company, for the fulfillment of the Sustainable Development Goals (SDGs) and the 2030 Agenda. During 2022 we supported the extension of the Global Compact to the northern part of the country with events in the Coquimbo region. In addition, we obtained "Conecta Awards 2022" in two categories.



World Energy Council (WEC Chile)

Participation in the board, we sponsor dialogue events on the energy trilemma, we promote the participation of women in the Women in Energy development program and we articulate the Sustainability node.



Chilean Association of Renewable Energy and Storage (CARES A.G.):

Participation in the Operational and Sustainability Regulatory Committee.



Chilean-Colombian Chamber of Commerce (CCCC)

Participation in trade integration activities and promotion of a better business climate between Chile and Colombia.



Corporación Pro Til Til

Participation as an associated company and we integrate the board of directors of the corporation since 2021, together with seven partner companies with operations in the territory.



Atacama Integrated Territorial Energy Program (PTI Energía de Atacama)

Participation as an associated company of this initiative that articulates the public and private sectors, academia and communities linked to the energy cluster of the Atacama Region.



Transmisoras de Chile A.G.:

Participation in the board of directors of the guild and in the regulatory, legal, sustainability; operation and maintenance, public affairs and communications, safety and health at work committees.



International Council of Large Electric Networks (ICLEN Chile)

Participation in sponsorship of various events of the electricity industry.



Regional Energy Integration Committee (REIC)

In the promotion of initiatives aimed at improving the efficiency of companies in the electricity sector (REIC reference) and development of projects with a regional approach, considering the feasibility of international electricity interconnections



Industrial Corporation for Regional Development of Coquimbo – ICRDOC Coquimbo

Participation as an associated company through the development of suppliers and sustainability issues.



United Way Chile

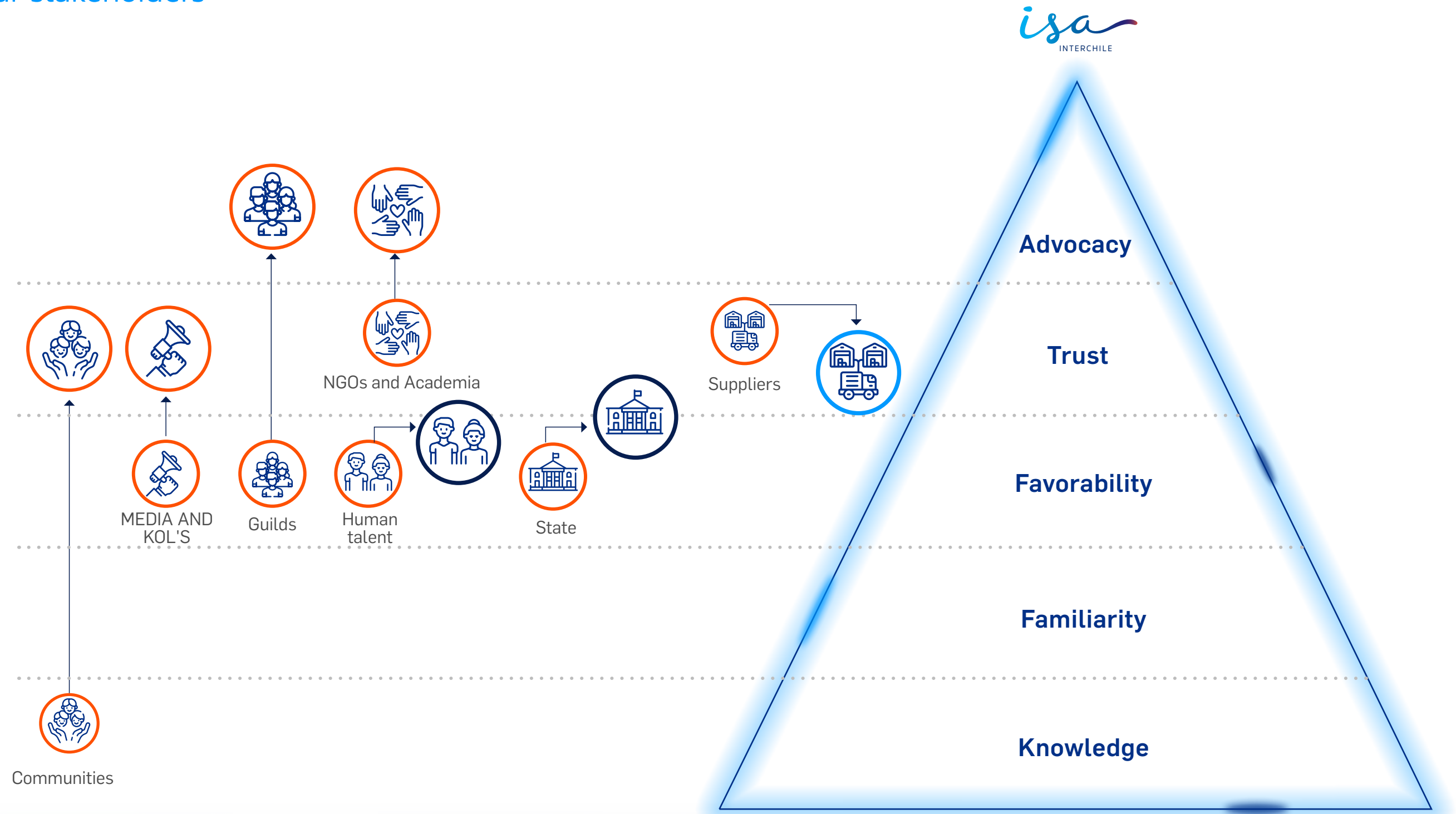
Participation as a partner company of this NGO for corporate volunteering.



Regional Chamber of Commerce of Valparaíso

Participation as an associated company.

Current position of our stakeholders





2

SOCIAL AND ENVIRONMENTAL MANAGEMENT

isa

INTERCHILE

PROACTIVE CONTRIBUTION TO GLOBAL ENVIRONMENTAL CHALLENGES

At ISA Interchile we work to contribute to the protection of the ecosystems and biodiversity of the territories where we develop our functions, whereby we also project ourselves with a global vision. We have a long-term view, as a result we identify, evaluate and mitigate the possible environmental risks that our operations may have.

We have an Environmental Strategy called "triple helix", which allows us to act on the three strategic environmental fronts: Biodiversity, Climate Change and Eco-efficiency.

Biodiversity

Our commitment is the identification, evaluation and early implementation of environmental strategies that allow us to



Environmental A triple helix strategy



BIODIVERSITY

Management of potential impacts on biodiversity throughout the life cycle of assets (sustainable transmission line corridors).

conserve and protect ecosystems in our areas of influence, avoiding the affectation of sensitive species and ecosystems and mitigating / compensating the impacts of our activities.

The integral management of Biodiversity considers three lines of work:



CLIMATE CHANGE

Consolidated practice of measuring, reducing and offsetting Greenhouse Gases (GHG) produced by business operations.

1. Design construction methods to minimize, from the genesis of the projects, impacts on the environment and biodiversity.

In the stages of design and preparation of offers, we use the impact prevention approach based on the ecosystem approach (BBOP Principles on Biodiversity Offsets) and the guidelines of the Environmental



ECO-EFFICIENCY

Transcending results and taking charge of impacts.

Assessment Service of Chile (EAS). These instruments allow us to design Appropriate Biodiversity Compensation (ABC) measures for projects that have significant impacts on biodiversity, with the aim of achieving a net loss of zero or even obtaining a net gain in biodiversity.

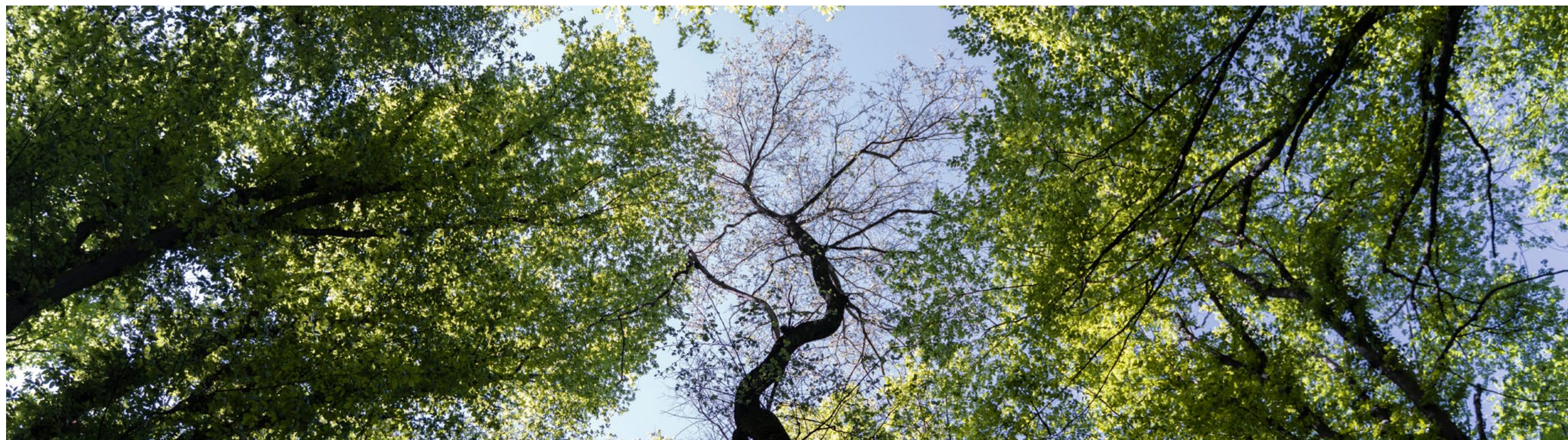
For this we developed the Analysis of Restrictions of the Expansion Plans, AREP and the Analysis of Environmental

Restrictions, AER, property and social, of all our projects in folder, which helps us optimize the design of transmission lines to avoid and minimize our passage through natural ecosystems.

Finally, the Environmental Management Plan, WFP, is developed, which includes all the identified measures necessary to mitigate, compensate and avoid the identified impacts on biodiversity for the entire life cycle of the asset.

2. Creating a portfolio of compensation areas.

This portfolio contains the potential areas to be considered for the implementation of the reforestation and restocking measures associated with the current projects. Ensuring compliance with the requirements of environmental authorities and planning the costs of these measures to be sustainable in the long term.



(1) Environmental Assessment Service

3. Actions in Biodiversity

We have a Biological Plan for Flora and Vegetation, which mainly considers mitigation measures associated with the relocation of flora and fauna species and compensation actions such as the production of species for reforestation and revegetation.

Under the commitment to replant 580 hectares of shrub species and reforest 120 hectares between the Atacama and Metropolitan regions, from 2022 we contemplate the restoration in the natural environment of approximately 100,000 individuals, with 32 species of flora, mainly endemic.

To this an Urban Revegetation Program is added, which aims to plant more than 15,000 new trees in 10 communes in the center-north of the country, to mitigate territorial inequality in terms of complying with the standards of green areas defined by national and international organizations and contributing to the capture of CO2.

With this reproductive purpose and with that of promoting the conservation of biodiversity in the Atacama Region, we signed an agreement with the Illustrious Municipality of Freirina that allowed the inauguration in 2019 of the first Regional Community Nursery of Atacama. The facility has the capacity to produce 12,000 endemic plants that will soon be planted in public areas of the commune. From 2023, it will oversee the Municipality of Freirina, with technical advice from Interchile consultants, and will be able to use it as an environmental education tool for schools and the community in general.

Additionally, in 2020 we made a five-year strategic alliance with the Institute of Agricultural Research (INIA), in its INIA La Cruz centers, in the Valparaiso Region, and INIA Intihuasi, in the Coquimbo Region. With those we project work to develop the care and conservation of seeds, as well as reproduction and reproduction processes in nurseries of 21 endemic species of low development and with little knowledge in reproduction and development techniques.

Under the commitment to replant 580 hectares of shrub species and reforest 120 hectares between the Atacama and Metropolitan regions, from 2022 we contemplate the restoration in the natural environment of approximately 100,000 individuals, with 32 species of flora, mainly endemic.

In Vicuña we established a nursery where 25,000 plants were produced, between trees and shrubs, until December 2022.

While in La Cruz we have a nursery with capacity for 72,000 plants, including shrub species, as well as a laboratory for cloning and research.



Environmental Education Program

In 2022 we continued with the dissemination activities of the book "Connected with Our Nature-Enhancement of the Ecological Heritage of the La Campana-Peñuelas and La Dormida Slope Biosphere Reserve", which contains environmental themes that allow us to better understand the value of that territory, its multiple uses, the challenges of sustainability and its governance.

During the last year, nearly 100,000 units were distributed in the formats of booklet or compilation volume of this educational material.

This project was carried out in conjunction with the journalistic company El Observador, with the aim of strengthening the education of children and young people in the communes linked to the La Campana-Peñuelas Biosphere Reserve. It has been delivered in schools, high schools and colleges in Limache, Olmué, Villa Alemana and Til Til, becoming an important tool for the defense and knowledge of the environment.



Operations located within or next to protected areas or areas of high biodiversity value

Geographical location.	Atacama Region. Coquimbo Region. Valparaiso Region. Metropolitan Region.
Position regarding the protected area (within the area, next to the area or with parcels in the protected area) or zone of high biodiversity value outside the protected area.	<ul style="list-style-type: none"> • Flowering Desert Zone: within the priority site. • Punta Teatino-Caleta de Hornos: within the priority site. • Cerro Santa Inés and Costa de Pichidangui: 600 meters from the priority site. • Los Molles-Pichidangui: within the priority site. • La Campana-Peñuelas Biosphere Reserve: crosses the transition zone. • El Roble: within the priority site.
Type of operation (office, manufacturing, production or extraction).	<ul style="list-style-type: none"> • Electric Transmission Line • Electrical Substation.
Surface area of the affected areas.	<ul style="list-style-type: none"> • Flowering Desert Zone: 107.65 hectares. • Punta Teatino-Caleta de Hornos: 12.68 hectares. • Los Molles-Pichidangui: S/l. • La Campana-Peñuelas Biosphere Reserve: S/l. • El Roble: 22,13 hectares.
Value of biodiversity, characterized by appearing on lists of protected status (such as IUCN protected area management categories, the Ramsar Convention and national legislations).	<ul style="list-style-type: none"> • Priority Sites for Conservation. • Biosphere Reserve RBIO-002, La Campana-Peñuelas, UNESCO, with a total area of 66.39 hectares.

Significant impacts of activities, products and services on biodiversity

Species reduction.	<ul style="list-style-type: none"> • Loss of vegetation in protected areas and priority sites for conservation. • Elimination of individuals of flora in conservation category. • Loss of vegetation. • Loss of native forest. • Loss of individuals or populations of xerophytic species. • Controlled disturbance of fauna prior to the excavation of foundations. • Bird anti-collision devices.
Habitat transformation.	<ul style="list-style-type: none"> • No
Changes in ecological processes outside the natural range of variation (such as salinity or changes in water table).	<ul style="list-style-type: none"> • No
Species affected.	<ul style="list-style-type: none"> • 36 species.
Extension of the areas that have suffered impacts.	<ul style="list-style-type: none"> • P001 Cardones-Maitencillo-Pan de Azúcar-Polpaico 2X500 kV line: 592.5 hectares. • P002 Encuentro-Lagunas 2x220 kV line: 3.69 hectares.
Duration of impacts.	<ul style="list-style-type: none"> • Construction phase..
The reversibility or irreversibility of impacts.	<ul style="list-style-type: none"> • Loss of xerophytic vegetation: irreversible. • Loss of vegetation in protected areas and/or priority sites for conservation: irreversible. • Elimination of individuals of flora in conservation category: irreversible. • Loss of native vegetation: irreversible. • Loss of native scrub vegetation: irreversible.

Protected or restored habitats

Habitat name	<ul style="list-style-type: none"> • Flowering desert (ephemeral grassland) • Northern belloto preservation forest • Lucumo preservation forest • Guayacán preservation forest • Carob preservation forest
Geographical location.	<ul style="list-style-type: none"> • Flowering desert: Atacama Region • Northern belloto habitat: Valparaiso Region • Carob habitat: Metropolitan Region • Guayacán habitat: Metropolitan Region • Metropolitan Region.- Lucumo habitat: Coquimbo region
Habitat areas restored or protected.	<ul style="list-style-type: none"> • No information
Area status at the end of the period (compared to baseline).	<ul style="list-style-type: none"> • No information
Third party verification.	<ul style="list-style-type: none"> • National Forestry Corporation, CONAF. • Superintendence of the Environment, SMA.
Type of action.	<ul style="list-style-type: none"> • Conservation/Protection
There is collaboration with third parties.	<ul style="list-style-type: none"> • Alliance with INIA for the reproduction of endemic species

Species appearing on the IUCN Red List and national conservation lists whose habitats are in areas affected by operations

Critically endangered	0
Endangered	2
Vulnerable	15
Almost threatened	10
Minor concern	9
Type of action	Conservation/Protection
There is collaboration with third parties	Alliance with INIA for the reproduction of endemic species.



What is PUMA Connection

CONEXIÓN
PUMA | isa

It is the sustainability program of ISA and its subsidiaries in Chile, Interchile and Intervial. Together with technical partners South Pole and Panthera, they support initiatives to contribute to:

- » **The reduction of Greenhouse Gas emissions that cause climate change.**
- » **The conservation of biodiversity and ecological connectivity in the places where the puma lives.**
- » **Improving the living conditions of rural communities in the areas of influence of forestry projects.**
- » **Raise awareness about environmental issues through education, art and culture.**

Intervial and Interchile, in partnership with the company Arauco, they help with the conservation of 26,000 hectares of native forest in the Cordillera de Nahuelbuta, which are part of the natural habitat of this feline.

In 2022, we supported technically and financially in the certification process of said area, lead by South Pole, for the issuance of carbon credits in 2023. These revenues will allow Arauco to obtain resources for communities to develop conservation and protection initiatives in this area.

Meanwhile, Panthera, a global NGO dedicated to the conservation of big cats around the world, conducts biodiversity monitoring and studies to know the status of populations and their densities

For the future, our goal is to develop new projects that allow expanding the coverage

of protected hectares, extending the program to wetlands and the compensation of emissions for forest fires avoided, a methodology that is under development.



Climate change

To contribute to the mitigation of climate change, we align ourselves with the joint actions of the government, social sectors and companies that seek to offset their emissions, along with monitoring, control and care management in the emissions of our Greenhouse Gases (GHG), especially in the management of sulfur hexafluoride gas (SF6), which operates as a dielectric insulator in various equipment. In addition to identifying and optimizing potential sources of GHG, we offset our emissions through the purchase of carbon credits generated in the Puma Connection or Jaguar Connection projects, another step that brings us closer to our goal of certifying ourselves as a carbon neutral company in its operation.

In terms of Adaptation, we initiated the development of a Climate Change Adaptation Study in collaboration with the Global Change Center and the Energy Center of the Pontificia Universidad Católica de Chile,

which aims to analyze the risks associated with natural phenomena caused by climate change that affect the assets of the company and the communities closest to the facilities. This will make it possible to develop a plan for adaptation to climate change in the short, medium and long term. The results of the study will be available in mid-2024.

Eco-efficiency

ISA's Corporate Environmental Policy establishes the commitment to quality and excellence in environmental management throughout the life cycle of assets, through actions such as the development of plans to contribute positively to the effects of climate change and adapt our infrastructure to the risks derived from this phenomenon.

In this context and complying with Chilean legislation and the commitments assumed in the Paris Agreement and based on the global pillars, at ISA Interchile we set the goal of reducing our GHG emissions.

As of 2022, we have been implementing a short- and long-term Eco-efficiency Strategy to reduce emissions by 5% by 2030.

As of 2022, we have been implementing a short- and long-term Eco-efficiency Strategy to reduce emissions by 5% by 2030, based on 2020, based on the Framework Law on Climate Change, the national plans of adaptation to climate change for the energy sector, the Huella Chile Program of the Environmental Ministry, to which we joined this year, and our commitment to the Global Pact. This Eco-efficiency strategy establishes annual goals for reducing and offsetting emissions, through the reduction of consumption of strategic resources (water and energy), waste

management throughout the life cycle of assets, sustainable mobility and teleworking, and allows us to have eco-efficiency indicators and measure the carbon footprint in scope 1, 2 and 3.

Short-term strategy: quantification of emissions



» Standardize and systematize the quantification of data of the environmental variables used for the quantification of emissions.



» Definition of verifiable, responsible and storage records.



» Verification of reported data.



» Strategy to improve data quality for those of greater significance.

Long-term strategy: energy efficiency and mobility efficiency.

Measure to achieve a 5% reduction by 2030:



» Establish activity data monitoring system.



» Methods of updating emission factors.



» Survey of main emission sources.



» Technological renewal plan.



» Submit the system to reporting and verification.



» Replacement of efficient lighting.



» Operational management plan for fuel and energy consumption.



» Use of efficient technologies for water management.



» Minimization of waste in project construction.

Energy consumption within the organization (MWh)	2020	2021	2022
Non-renewable fuels purchased and consumed (MWh)	146,93	99,52	20,67
ACPM consumption	112	91	20
Fuel consumption	35	9	1
CNG Consumption	ON	ON	ON
Natural gas consumption	ON	ON	ON
Coal consumption	ON	ON	ON
Non-renewable electricity purchased (MWh)	1.001.144	824.197	790.608
Steam / Heating / Cooling and other non-renewable energy purchased (MWh)	ON	ON	ON
Total non-renewable energy consumption (MWh)	1.001.291	824.297	790.629
Consumption of energy from renewable sources purchased or generated (MWh)	852.826	769.251	896.022
Photovoltaic	185.397	219.786	298.674
Wind	129.778	146.524	193.260
Other	537.651	402.941	404.088
Purchased and consumed renewable fuels (MWh)	Previously reported	Previously reported	Previously reported
Total renewable energy consumption (MWh)	852.826,2	769.250,6	896.022,2
Total internal energy consumption (MWh)	1.854.116,9	1.593.547,2	1.686.650,7
TRM (USD)	711,00	850,00	850
Total cost of energy consumption (USD)	11.305	14.208	8.290
Share of energy consumption in the year of total operating expenditure in the year (%)	0,001%	0,001%	0,004%

GHG emissions

Under the concept of sustainability, the challenge of reducing the environmental impact of our activity and the sector is always present in our strategies. For this we have been working from several fronts, trying to improve more and more in the measurement, control, reduction and compensation of gases; Additionally, we have an important challenge for the company in reducing SF6 leaks.

SF6 is an insulating gas used in GIS substations and the highest percentage of leaks corresponded to non-resistible damage to equipment, for which a solution was worked out with the supplier. We continue to work to improve in this area, staying within ISA and industry standards.

However, throughout 2022 we recorded leaks equivalent to a 0.78% of our inventory:

SF6 Gas Refills

2021	35 kg SF6
2022	340,42 kg SF&

Total SF6 inventory: **43402,94 kg**



Greenhouse Gas (GHG) Emissions Associated with Energy Supplies

Required Information	Units	Power supplied to retail customers	GWP used	Self-generated energy	GWP used	Purchase of electricity	GWP used
		Year 2022		Year 2022		Year 2022	
Carbon Dioxide (CO ₂) Emissions	ton CO ₂ e					541	1
Methane Emissions (CH ₄)	ton CO ₂ e						
Nitrous oxide (N ₂ O) emissions	ton CO ₂ e						
Hydrofluorocarbon Emissions (HFCs)	ton CO ₂ e						
Perfluorocarbon Emissions (PFCs)	ton CO ₂ e						
Sulphur hexafluoride (SF ₆) emissions	ton CO ₂ e						
Nitrogen trifluoride emissions (NF ₃)	ton CO ₂ e						
Global gross emissions associated with electricity by source	ton CO ₂ e	0	NA	0	NA	541	NA
Global gross emissions associated with electric power	ton CO ₂ e	541					

Our gross scope 1 emissions include:

» Consumption of fossil fuels, emissions from fixed sources and use of corporate mobile phones.

» Leakage emissions SF₆

Scope 1 Emissions Covered by the Kyoto Protocol

Required Information	Units	Year 2022	GWP used
Carbon dioxide (CO ₂) emissions	ton CO ₂ e	20,7	1
Methane Emissions (CH ₄)	ton CO ₂ e	0,079	28
Nitrous oxide (N ₂ O) emissions	ton CO ₂ e	0,28	265
Hydrofluorocarbon Emissions (HFCs)	ton CO ₂ e	0	
Perfluorocarbon Emissions (PFCs)	ton CO ₂ e	0	
Sulphur hexafluoride (SF ₆) emissions	ton CO ₂ e	8000,11	23.500
Nitrogen trifluoride (NF ₃) emissions	ton CO ₂ e	0	
Emissiones Globales Brutas de Alcance 1	ton CO ₂ e	8021	NA
Percentage of methane (CH ₄) (Ver en la sección de notas el numeral 3)	%		NA

Emissions Under Regulatory Limits

Required Information	Units	Year 2022	GWP used
Global gross emissions Scope 1 under regulatory emissions limit	ton CO ₂ e	8021	1
Percentage covered under the regulatory emissions limit	%	92,78	28

Greenhouse Gas (GHG) Inventory

	Activity	Quantity	Unit	ton Co ₂ e/year	Contribution
1 SCOPE	Use of ACPM in power generation plant	-	Gal	-	0,00%
	Company-owned gasoline-powered vehicles	124	Gal	1	0,01%
	Company-owned vehicles that run on diesel	1.934	Gal	20	0,23%
	Company-owned vehicles that run on gas	-	m3	-	0,00%
	Company-owned vehicles operating on biodiesel	-	Gal	-	0,00%
	Company-owned vehicles that run on ethanol	-	Gal	-	0,00%
	Replacement of coolant gas R-134a	-	Lb	-	0,00%
	R-22 Coolant gas replacement	-	Lb	-	0,00%
	Coolant gas replacement R-410 ^a	-	Lb	-	0,00%
	SF6 Gas Replenishment	340	Kg	8.000	92,54%
	Solkaflam 123 (HCFC-123) fire extinguisher refill	-	-	-	-
	Refilling CO2 extinguishers	50	M3	0	0,00%
	Gas consumption in restaurant	-	-	-	-
	Biodigesters	-	Kg CH4	-	0,00%
	Septic tanks	-	Kg CH4	-	0,00%
	Coolant gas replacement R-407C	-	Lb	-	0,00%
	Coolant gas replacement R-422D	-	Lb	-	0,00%
TOTAL SCOPE 1				8.021	92,78%
2 SCOPE	Electricity consumption	1.756.906	KWh	541,48	6,26%
	TOTAL SCOPE 2			541,48	6,26%

Continues ▼

3 SCOPE	Non-company-owned vehicles operating on gasoline	-	Gal	-	0,00%
	Non-company-owned vehicles operating on diesel	-	Gal	-	0,00%
	Non-company-owned and gas-powered vehicles	-	m3	-	0,00%
	Non-company-owned vehicles operating on biodiesel	-	Gal	-	0,00%
	Non-company-owned vehicles that run on ethanol	-	Gal	-	0,00%
	Transport of employees by bus (routes) - Diesel	-	Gal	-	0,00%
	Transportation of employees by taxi - Gasoline	503	Gal	4,28	0,05%
	Domestic flights	109.860	Km	30,62	0,35%
	International flights	209.055	Km	37,42	0,43%
	Paper consumption	-	Kg	-	0,00%
	Water consumption at headquarters	-	m3	-	0,00%
	Water consumption in substations	505	m3	0,53	0,01%
	Ordinary waste to be landfilled from headquarters	260	Kg	0,05	0,00%
	Ordinary waste to be landfilled from substations	300	Kg	0,06	0,00%
	Hazardous waste to be incinerated from headquarters	-	Kg	-	0,00%
	Hazardous waste to be incinerated from substations	-	Kg	-	0,00%
	Transport of waste (recyclable, non-recyclable and hazardous) to final disposal site	35.000	tkm	6,28	0,07%
	Transportation of employees to and from headquarters	90	Personas	3,43	0,04%
TOTAL SCOPE 3				82,67	0,96%

GEI Inventory - INTERCHILE

8.645,37 | 100,00%

Carbon Neutrality

Our contribution to the ISA 2030 Strategy aims to reduce 1.2 million tons of CO2 equivalent, which we intend to achieve, through the reduction of scope 1 and 2 consumption, the promotion of compensation programs such as Puma Connection and the purchase of carbon credits.

The total emissions of 2022 were 8,645.37 tons CO2eq, which correspond to the total carbon footprint of ISA Interchile during the year, measured in scopes 1 and 2. These will be offset through the purchase of carbon credits. The 2021 emissions were offset, through the purchase of carbon credits in April 2022. The bonds were certified by Verra and correspond to the Jaguar Connection project, located on the Chinchibá River in Colombia.

Real Estate Management and Territorial Intelligence

Real estate management is presented in a transverse way throughout the life cycle of our assets. From the early stage of bid preparations, providing relevant information on the identification of property restrictions that may limit the future development of a project. The value delivered by real estate management during the supply stage focuses on the early identification of properties and owners in which the project will be located, through the execution of a land registry, determination of property risks, mapping of homogeneous areas by land value and the estimation of the cost of acquiring service hands to consider in the general TOTEX of the offer.

On the other hand, during the execution phase of the project, real estate management focuses on obtaining concessions and definitive electrical service hands. To this

end, its action plan consists of addressing voluntary negotiation strategies and direct relationship with owners, in addition to leading the processing of these permits before the competent authority. All this, to ensure that the entrance to the premises is safe and consistent with the current regulations that apply to the acquisition of service hands.

Modern real estate management is associated with the concept of territorial intelligence that refers to the knowledge needed to understand territorial dynamics and structures, as well as the instruments used for the generation and its use. Everything, to guarantee and promote sustainable territorial development.



COMMITMENT TO SOCIO-ECONOMIC DEVELOPMENT

At ISA Interchile we have a deep commitment and vocation for the territories, especially in the 22 communes in which we are present. For this we have a Social Management Strategy 2021 – 2025, through which we address the reality of the places where we operate and support their positive transformation, through public-private articulation and the co-construction of sustainable value programs that leave a positive legacy of empowerment, encourage the promotion and respect of human rights.

We seek to relate to different actors, through dialogue and relationships of trust and closeness with companies, local suppliers, institutions, unions, social organizations,

academia and State agencies. We carry out collaborative initiatives with a short, medium and long-term perspective, promoting collective benefits based on a vision and a need raised from the territories.

In this sense, throughout the year we seek to improve the understanding of the communities around our operations, to design strategies that allow the construction of links and / or agreements with key players of the territories, among them are:

» Analysis and monitoring of the environment, through which we identify the main social, community, reputational, communicational, political risks, among others, that are present in the environment of each of the 22 territories.

» Territorial analysis and mapping, with scales ranging from the local to a more far-reaching territorial scope. This analysis aimed to update territorial concerns and needs and glimpse possibilities for collaboration and early detection of possible risks.

» Mechanism of communication with the communities with regards to the voluntary activities that were determined in our social management strategy and that allowed to initiate or give continuity to a dialogue with the main interest groups of each place

» Calendar of anniversaries and community activities to be aware of the main milestones that mark the various territories

Investment and scope in Social Management		
Social Management	2021	2022
Total Social Investment (USD)	\$702.455	\$533.317
Total Beneficiaries	6.850	7.252
Beneficiary Organizations	12	26

Environmental Management Strategy



We designed an Environmental Management Strategy based on a diagnostic analysis, which allowed us to establish its purpose, objectives and lines of action. To this end, the context of ISA Interchile in relation to our stakeholders and the quality of the links with them, the central issues of interest of the territories where we operate, as well as the analysis of social risks, adjusting to international sustainability standards and based on the territorial dynamics that are developed around our action, were taken into account.



Territorial Actions

Antofagasta Region

- In July, together with the Mi Parque Foundation, we presented the latest version of the measures contemplated within the Environmental Qualification Resolution (RCA) No. 0240/2016 of the project "New 2x220 kV Laguna Encounter Line" to the Aymara Community of Quillagua, in the commune of María Elena, which were approved. These consist of the construction of a viewpoint in the Meteorite Valley, an observation and interpretation station of the Quillagua Oasis and special touristic road signs, for the section of Pan-American Route 5 in the access to the town of Quillagua.

- In partnership with the Ganamos Todos Foundation, in November the inclusive school soccer tournament was held in the communes of Calama and Sierra Gorda, which brought together more than 140 children, with the aim of encouraging and strengthening

teamwork, participation and respect for fair play. This social action had the support and coordination of the municipalities and education departments of both communes, allowing these activities to be part of the social integration platform that communities in the territories promote every day.

Atacama Region

Between 2019 and 2022 we carried out, along with Fundación Mi Parque, a Green Areas Development Program in the commune of Freirina, to recover more than 15,000 m² of common spaces and promote citizen participation, the enhancement of local identities, the generation of links, development and contact with nature.

The program was conceived through ISA Interchile's search to promote a new paradigm in the fulfillment of commitments associated with Environmental Qualification Resolutions (EQR) of projects as relevant as the 2x500 kV Cardones-Polpaico Transmission Line, which

has been fundamental for the advancement of the objectives of decarbonization of the energy matrix.

This initiative received the recognition "Premios Conecta 2022" granted by the United Nations Global Compact Chile, for its contribution to the achievement of the Sustainable Development Goals

- In August, the Inclusive Football Tournament was organized by ISA Interchile, the Ganamos Todos Foundation and the Municipality of Vallenar. The activity, held for its second



consecutive year, sought to promote healthy habits through physical activity and cultivate values such as teamwork, respect for fair play, solidarity, integration and inclusion. More than 180 children from fifth to eighth grade and from 10 grade schools and high schools in the commune participated. In addition to football matches, talks were held by people linked to this sport and training for referees and coaches for the best development of sports activities.

- As a result of the Cardones-Polpaico transmission project and by virtue of the indigenous consultation process mandated by ILO Convention 169, since 2015, we have maintained a close relationship with the Chipase Ta Tatará Diaguita community, made up of 45 families in the commune of Freirina, which has led to the realization of various initiatives:

- » Construction of the Community Headquarters in 2018 with cultural relevance of the Diaguita Chiasse Ta Tatará Indigenous Community to promote



the development of these native people and to be a center for the realization of meetings, workshops and own activities. In 2022, through an alliance with Fundación Mi Parque, we made improvements to the infrastructure and inaugurated a new square called "Los Tambos" of 900 m².

- » In August 2022, the book "Chipasse Ta Tatará, el renacer de un pueblo" was launched, written by the Diaguita historian Jorge Cruz Campillay. The publication, the result of five

months of research, highlights the traditions of this community in the Huasco Valley.

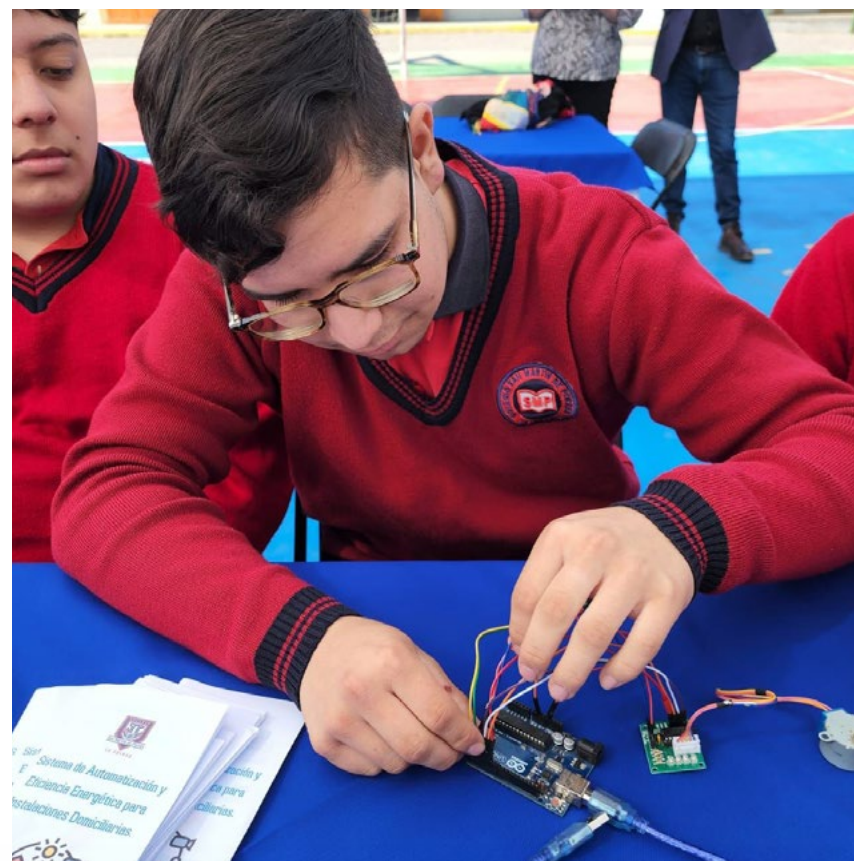
Over the years, this bond has been consolidated and deepened. Currently, we have a continuous relationship with this Diaguita community based on a program that seeks to spread the culture and values of these people. The work carried out was included as one of the two outstanding initiatives of Chile in the campaign "Humanizing Energy" carried out by the World Energy Council (WEC) and was the protagonist of one of the episodes of the documentary series "Humanising Energy" of the British Broadcasting Corporation (BBC StoryWorks). In addition, it was presented as a sample of good community work and enhancement of the Diaguita culture before the international energy community at the world conference "Executive Assembly & Energy Trilemma Summit", held on October 12 and 13, 2022 in Aberdeen, Scotland.

The story can be viewed on the WEC Youtube channel: Humanising Energy: Connecting communities through energy.

Coquimbo Region

- Since 2020, the company has been associated enterprise to the Industrial Development Corporation of the Coquimbo Region (CIDERE Coquimbo), which has allowed to strengthen the articulated intercompany work in economic and territorial development in the communes where ISA Interchile has influence, during 2022. As a result and during the last year, the company had an active participation in the Youth Table to promote and support different actions, as well as during the second semester of 2022, the evaluation of initiatives of I+E projects of the corporate program in education of the company that strengthens the capacities in technical high schools with specializations in electricity and electronics. On the other hand, through the guild an articulation was made to promote the application of initiatives in the Environmental Protection Fund of the Ministry of Environment that go in benefits of communities in the southern zone of the commune of Coquimbo. Finally, business rounds were developed by the Supply area of ISA Interchile that strengthened the registration of local suppliers in the region.

- During 2022, progress was made in the second year of the execution of ISA's corporate program in Chile "Connections for Development", which ISA Interchile implemented in the communes of La Serena, Ovalle and Andacollo, in the Coquimbo Region, for the strengthening of capacities in the educational ecosystem in 8 professional technical secondary education establishments with an impact on more than 630 students and 50 teachers and directors



Metropolitan Region

We are a company associated with the Pro Til Til Corporation. We participate in the board of directors and seek, together with the other member companies, the implementation of social programs of community development, support for entrepreneurship, culture and education for the improvement of the quality of life of the neighbors.

Within the framework of supporting local organizations in better management of water resources and access to water, in 2022 we delivered an atmospheric water capture equipment, provided by the Chilean company Freshwater Solutions, to the kindergarten "Manitos Raíz de Libertad", of the JUNJI in Polpaico. This initiative is part of the project "Facing Climate Change: purified water in your school!", implemented by the Pro Til Til Corporation and supported by ISA Interchile.

Conversations that Inspire



As an act to install topics of interest to citizens, "Conversations that Inspire" was born, a program of four interviews with inspiring actors in various matters of public interest such as the worldview of indigenous peoples; the importance of equity, diversity and inclusion in organizational culture; the way to be a good neighbor in the territories where companies operate; and the conservation of ecosystems for better living of future generations.

Corporate Volunteering

For a company like ISA Interchile, which works closely with and is linked to the areas where it operates, it is key to generate bonds of trust and cooperation in the territories. Under this premise and in accordance with the corporate volunteer program of ISA and its companies, we established an alliance with the NGO United Way, with which we carry out actions, with volunteer collaborators of Interchile at Christmas time, in the kindergarten "Manitos Raíz de Libertad" in Polpaico, commune of Til Til, in order to reduce the social gap and promote early childhood development, in addition to building an organizational culture based on trust, cooperation and teamwork.

Another action was carried out with the neighbors of the Quebrada Martínez sector, a community located in the region of Coquimbo. For the first time we celebrated a Christmas party with children over 11 years of age, which was a challenge. The instance gave way so that people of the community could strengthen ties. Many of them did not know each other because in this location houses are very separated from each other, and there are not many instances for developing relationships.

"Premios Conecta 2022" awards from Global Compact Chile



Interchile's initiatives, "Connections for Development" and "Participative Recovery of a Network of Community Spaces in the commune of Freirina", were recognized by Global Compact Chile for their contributions to the 2030 Agenda and their contribution to the Sustainable Development Goals (SDGs) of the United Nations.

On this occasion, there were 81 applicant initiatives, led by 41 Global Compact member companies. ISA Interchile was the winner in the "Prosperity" category, for the recovery program in Freirina, while in the "People" category, it highlighted "Connections for Development", which is being implemented in the Coquimbo Region.

Commitment to Education

The Atacama Technical Future Network, promoted by the Ministry of Education and led by Conexium, awarded ISA Interchile for our valuable contribution and permanent commitment to the development of human capital, in the context of the training strategy of technical-professional education in the Atacama Region.



Food Heritage and Local Development

In September, the agreement between ISA Interchile, the Rondó Foundation and the Cultural Heritage Center of the Pontificia Universidad Católica de Chile was formalized for the realization of the courses of "Food Heritage and Local Development" and "Innovation and Creativity of Local Food Heritage". It includes the delivery of 15 scholarships to local managers, professionals, chefs and farmers, among others, from different communities in Chile, Colombia and Peru. The objective of this initiative is to value the intangible heritage of these countries and put it at the service of communities through entrepreneurship.

Donations

In 2022 we generated a protocol for community investment, which regulates decision-making that includes smaller donations for the realization or development of activities carried out by ISA Interchile or by the communities present in the neighboring territories where we operate, in line with our ethics and compliance model.

This was accompanied by the monitoring of community investments made during the period, to have reportability and control of this type of activity framed in social management.

Along with our community development work and programs, we were also close to the communities, through material donations or money. In 2022 we implemented this contribution system for the following initiatives:

- » Support to families in the town of Cruz de Caña, in the commune of Coquimbo, affected by rains and floods in the area. This aid consisted of tools and rental of machinery for the removal of land and debris. This action is coordinated with the Board of Neighbors of the sector.
- » Donations through the Pro Til-Til Corporation to help victims of the fire that affected the town of Caleu in the commune of Til-Til, and that allowed the rental of machinery for the clean-up of the affected area.
- » Support in the realization of an important fair of school initiatives in the energy sector of educational establishments (technical high schools) in the province of Huasco, Atacama Region, through an agreement with Conexium Foundation.
- » Donation to Fundación Rondó that allowed to have 15 scholarships for an intangible heritage course for territorial leaders.

Commitment to Human Rights

In line with our Declaration of Commitment on Human Rights and Business and as a way to encourage respect and promotion of these to be fulfilled and integrated into our business culture, in 2022 we carried out training and training work for our workers on this subject.

99,5

Total hours spent training on human rights policies and procedures relevant to operations.

119

people **trained.**

* Consider suppliers and internships

80,6%

of workers received training in policies or procedures regarding humans rights relevant to operations.

STRATEGIC ALLIANCES FOR TRANSFORMATION



We believe in the importance of collaborative work to achieve our sustainable objectives of shareholder value, positively impacting the environment and society, while guaranteeing our corporate validity. That is why we encourage the generation of long-term alliances, within a framework of responsibility and respect, with partners who contribute to taking on challenges

together with our company, growing and taking advantage of opportunities, creating synergies that increase the development of capabilities and their scope.

Trade Union and Industrial Linkage

We are part of different organizations at national, regional and local levels, which

allow us to contribute to the energy industry, entrepreneurship and sustainability, as well as approaching the territories and their inhabitants to better understand their needs and enhance their development.

In the first place, we are an associated company and adhere to the principles of the United Nations Global Pact Chile (Global Pact) since 2021 and we honor our commitment by actively participating in the different initiatives implemented by the Global Pact and our adherence to the Sustainable Development Goals. Also, during 2022 we promoted the realization of Global Pact activities, in the northern zone of Chile, seeking to extend the work of the pact and commit more companies and organizations to the 2030 agenda for sustainable development.

We participate in different national and sectoral guilds with an active participation in boards and committees, an example of this is

the work in the Association of Transmitters of Chile and ACERA (Chilean Association of Renewable Energies and Storage). To this we include our participation in the World Energy Council (WEC Chile).

At the local level, we continue to consolidate our participation in the Til Til Industrial Development Corporation (Pro Til Til), the Coquimbo Industrial Development Corporation and the Valparaíso Regional Chamber of Commerce, and at the national level with the Sociedad de Fomento Fabril (SOFOPA) and the Chilean-Colombian Chamber of Commerce (CCCC). At the international level, we are part of the Chile chapter of the International Council of Large Electric Networks (ICLEN) and the World Energy Council.

Supplier Development

Our suppliers are our allies to ensure the contracting of the goods and services necessary for our operation as a company.

We work to generate long-term ties with them, based on transparency, probity, mutual commitment and sustainability. In this sense, we promote assertive communication and joint decision-making, where difficulties become opportunities for improvement through teamwork.

Supply chain

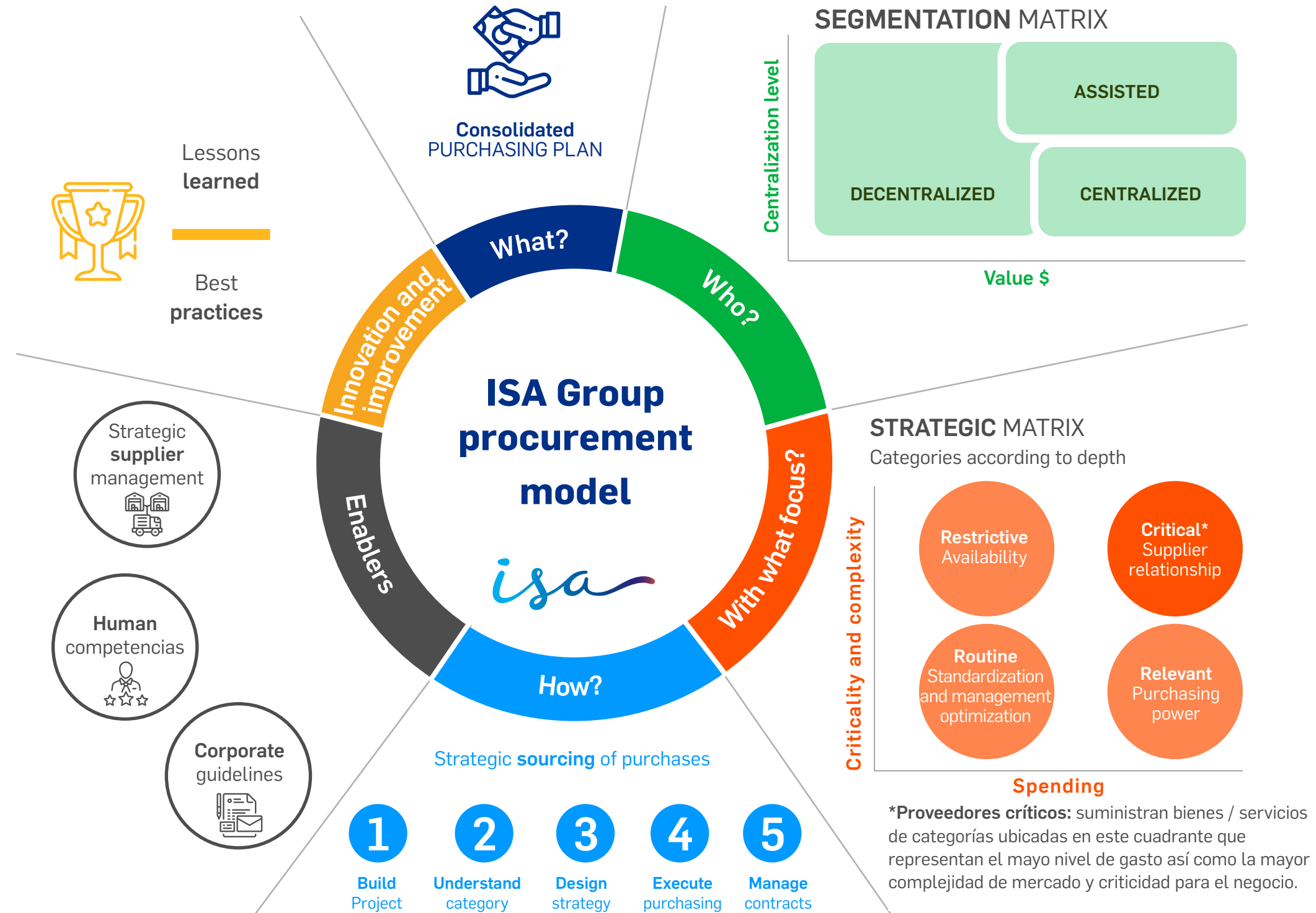
We have a Corporate Procurement Model, focused on ensuring the quality and timeliness of supplies to contribute to the achievement of the business strategy. Among its attributes it includes a Consolidated Purchasing Plan, identifies the optimal needs for the processes and recognizes and develops suppliers, identifying their capabilities, opportunities for improvement and gaps.

In 2022, following the implementation of the SOX Operational Excellence Project, which allows improving accounting and auditing

86% of our purchases are made from local suppliers, representing a total local purchase value of USD 16.057.682.

procedures, improvements were made to procurement and purchasing procedures to make them more efficient. This allows:

- » Greater agility at all stages of hiring.
- » Process automation and time reduction.
- » Process traceability.
- » Management efficiency..
- » Higher quality of information.

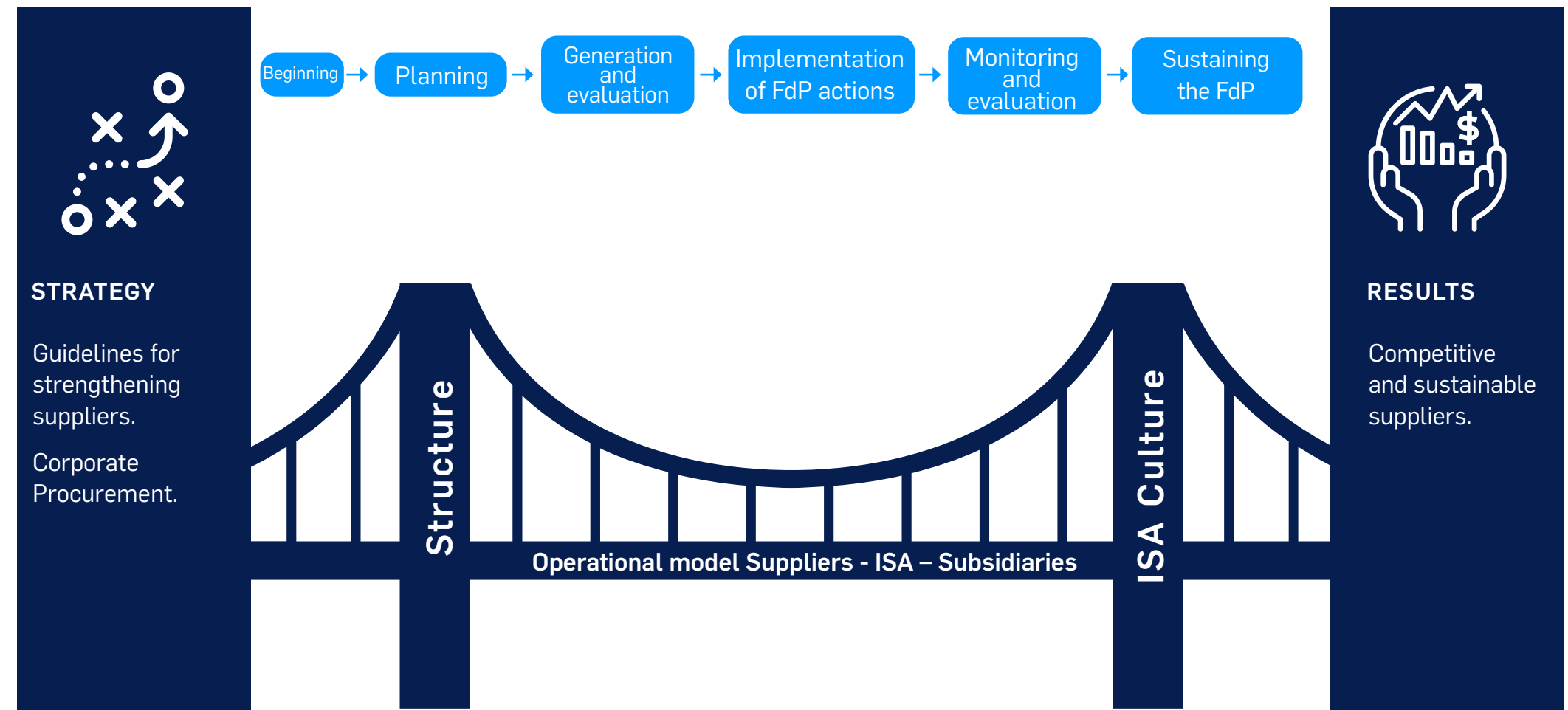


Supplier Strengthening and Development Program

This program seeks to implement a model for companies that supply critical or restrictive goods and services to ISA. It is articulated with the interests, needs and expectations of ISA and its subsidiaries, internal regulations, local legislation of each country where contracts are executed and the reality of each market. During the year 2022, a Strengthening and Development of Suppliers was carried out.

The Supplier Strengthening Model to be implemented is defined through five elements: Strategy, Methodology, Results, Structure and Culture. All of them are based on the Decalogue for the Development of Suppliers of ISA as an extended company.

Model Schematic



Decalogue for supplier development - Extended Enterprise

Operating Model



Integrated Territorial Program (PTI) Atacama Energy

In recognition of our territorial management and community relations, in 2022 we assumed the presidency of the Atacama Energy Integrated Territorial Program (ITP), promoted by Corfo and the Atacama Regional Ministerial Secretariat of Energy, whose objective is to promote the development of suppliers in the energy sector of the Atacama Region.

The instance seeks to coordinate and promote actions between the public, private and academic sectors, through a Territorial Management Model, to strengthen the energy industry in Atacama, promoting the installation of new and broader capacities in local suppliers, and to participate in the value chain of this industry.

At the end of October, the Procurement Area of ISA Interchile participated in the business roundtables of the Regional Development Forum, FOREDE 2022, held in the Atacama Region, and CIDERE in the Coquimbo Region. Both calls are part of the work of the company together with the unions to enhance the offer of local products and services to generate medium and long-term relationships with new suppliers.

Supplier Code of Conduct

We manage our supply chain according to ethical, human rights, labor, environmental and anti-corruption criteria in all our operations. In this way, we strengthen our suppliers from ethics, collaborative work and relationships of trust, for which we accompany ISA in the implementation of sustainable practices as a company adhering to the United Nations Global Compact.

This is reflected in the ISA Group's Supplier Code of Conduct. The document extends to ISA and its subsidiaries and defines the minimum non-negotiable criteria to which all suppliers with which ISA and the companies that maintain contractual relations with it must adhere to.

It is complemented by the Anti-Corruption and Anti-Bribery Guide, the Code of Good Corporate Governance and Commitments to Stakeholders. Through those we ratify our commitment to comply and promote throughout our value chain with environmental, social and corporate governance criteria in all our operations, urging our suppliers to comply with and disseminate them.

In 2022 we updated the Code of Conduct, which can be consulted on the ISA Interchile website. Their knowledge is a prerequisite for hiring suppliers. With the acceptance of the contractual conditions, they undertake to comply with the provisions through fair operating practices, respect and promote Human Rights in all their activities, contribute to the conservation of the natural environment and the management of its environmental impacts, and to carry out activities under criteria of ethics and transparency

Supplier Evaluation

To carry out responsible management of our suppliers, we make sure to get to know them better and to manage their possible gaps, in order to minimize risks and enhance their attributes.

This is done through a due diligence process and evaluations based on objective criteria in relation to quality, opportunity, HSE (Health, Safety & Environment). In the latter, a compliance percentage of 80% is required to guarantee our users a good quality of service. In 2022 we evaluated 100% of our suppliers, with a positive result of 92.01%.



3

CORPORATE VALIDITY

isa

INTERCHILE

EXCELLENCE IN THE FULFILLMENT OF THE ACTIVITY

Aware of the criticality of the electricity transmission service for the development of the country, we work with operational excellence to provide a quality service to users, communities and the environment, adjusting to current regulations. This work is based on an adequate management of assets throughout their life cycle, from the start of our projects, in order to obtain a high performance, low risk and cost-efficient operation, in order to achieve the objectives of the organization in a sustainable manner. As a company we seek to contribute to the leadership of the electricity sector with the best standards of operation, good practices, innovation and safety.



Culture of excellence in asset management

We contribute to the development of the country through responsible management, so operational excellence is part of our culture. That is why we are implementing an integrated asset management system, in accordance with the best international standards and good practices of ISA and its companies.

We aspire to be an organization with clear, efficient and articulated processes, to become a benchmark in the market and platform for the best professionals in the group and the country.

We want to obtain the maximum value from our assets during their life cycle, so as to achieve strategic objectives and achieve the sustainable value of the organization. We work in an integrated, risk-based, holistic, systemic, optimal, sustainable and systematic manner, in order to maximize the value of our assets and thus be recognized for the excellence of our operations.

The Asset Management Model has as principles in its policy:

- » Guarantee the provision of services with quality and efficiency, safe for people, in balance with the environment and communities, and considering the analysis of needs and expectations of stakeholders.
- » Add value in a sustainable manner, considering decision-making in the optimization of cost, risk and performance of assets throughout their life cycle.
- » Define and apply a framework for decision-making on assets, and for roles and responsibilities to ensure their present and future reliability.
- » Prioritize assets based on their risks and the risk model of the organization, to optimize the use of resources required in their management.
- » Ensure that activities and practices to manage assets are executed with an

integrated view of the life cycle in a coordinated and systematic manner.

- » Incorporate methods, practices and technologies that drive continuous improvement in assets and their management throughout their life cycles.
- » Maintain contingency plans to respond to incidents and emergencies, to ensure the continuity of critical activities..

Advances in maintenance



During the year 2022, compliance with the annual maintenance plan was 95% and the backlog (or pending non-preventive activities) was 3.7%, both indicators being a result of excellence. Additionally, the maintenance area was strengthened with the incorporation of specialists to enrich the mitigation of operational risks, and the implementation of innovation and technology.

Remote Monitoring

In March 2022 we started implementing a new technological tool for asset management: the latest version of the SCADA monitoring system for remote control of substations. It replaces the one that was installed in 2017 and, therefore, implies an important advance in the reliability and quality of our operations. It incorporates innovations such as situational awareness-based design, high server virtualization, and multisite operations. Likewise, the Advanced Monitoring Architecture (PI Historian) was implemented, which allows the management of historical and real-time information of energy transport assets, to strengthen decision-making in operation and maintenance processes.



During 2022, the implementation of the monitoring system of the Nueva Maitencillo 500 kV substation began as a pilot plan. This monitoring consists of installing cameras that allow for supervision of the operation of yard equipment and with thermal imaging cameras over the power equipment. The system will be commissioned at the beginning of January 2023.

Organizational Strengthening

At ISA Interchile we face various challenges on a permanent basis, such as guaranteeing the proper functioning of our facilities and contributing to the growth and expansion of the national electricity system, with a view for achieving the goals of our ISA 2030 Strategy. In this context, and others such as participation in the structuring and achievement of new projects such as Kimal-Lo Aguirre and Kimal-Nueva Lagunas, it required strengthening our capacities, in addition to the constant realization

of improvements in infrastructure and technology for our current facilities..

That is why in 2022 we initiated an Organizational Strengthening plan, which will carry out a cultural change in the organization to enable the growth of ISA Interchile.

This is based on four pillars of work:

1. Processes, which seek to finalize the implementation of the Integrated Management System, which include the strengthening and maturity of procedures.

2. People, which requires the strengthening of the structure, the incorporation of new work teams and the improvement of capacities.

3. Technology, which drives the acceleration of innovation processes and digital transformation.

4. Business, which involves the strengthening of mechanisms for the growth of the company, through a B2B Business area.

Within the framework of this plan, in 2022 a New Business team was formed, which aims to incorporate future operations both in transmission and in other energy areas.

Our organizational strengthening plan will enable the fulfillment of the strategy and provide benefits in all three dimensions of value.

Likewise, the Finance, Institutional Relations and Sustainability teams were strengthened, while the Legal Area became the Legal and Regulatory Affairs Directorate.

Benefits of the Strengthening Plan:

Shareholder value:

» Ensure ISA's growth in Chile in accordance with the ISA 2030 Strategy.

» Adequately manage the risks associated with the operation, compliance, human talent and the organizational context.

» Develop efficiencies from four levels: innovation, IT management, shared services and process maturity.

Social and environmental impact:

» In sanitation, capitalize on lessons learned in projects and eradicate the occurrence of similar events.

» To be leaders in social, environmental, territorial, legal and regulatory management in the sector.

» Promote good operating practices, reliability culture, cutting-edge technologies, innovation and continuous improvement to ensure operational excellence.

Corporate validity:

» Implement process management systems according to the ISA standard..

» Implement the ISA operational safety model, carry out exhaustive risk control in the operation and mitigate medical leave for mental health.

» Retention and development of talent, perform optimal management of critical positions, improve and maintain performance.

Cybersecurity Management

In line with asset management and to comply with Critical Infrastructure Protection Requirements of the National Electricity Sector in terms of cybersecurity. Different tasks related to compliance with the Cybersecurity Standard for the Electricity Sector based on the NERC-CIP standard issued by the CEN are being executed. For this, we designed a plan to protect and control security in the technological platforms that support our operation. This includes different lines of action:

1. Compliance with partial and total milestones of requirements of 13 Urgent Measures of the National Electrical Coordinator.

2. Evaluation of current situation and raising risks of physical and technological conditions of facilities.

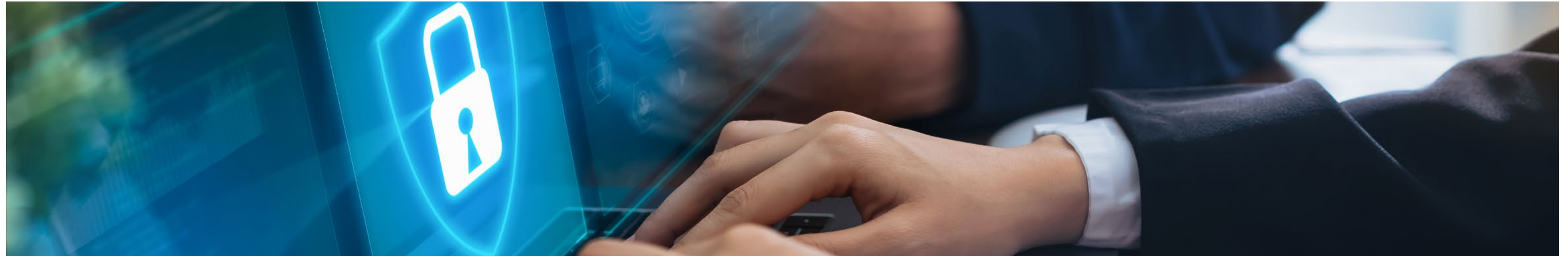
3. Compliance with the different chapters of the Cybersecurity Standard for the Electricity Sector issued by the CEN.

4. Joint cooperation at the corporate level in search of strengthening Cybersecurity in Operations and complying with Ecopetrol guidelines.

Actions carried out for the first pillar: progress in the fulfillment of urgent measures.

Head of Cybersecurity	Completed
Updated network diagrams	In process
Asset Inventory	Completed
Security rules on edge computers	Completed
Antivirus/Antimalware Solution	Completed
Vulnerabilities and Updated Security Patches	Completed
Secure configuration / hardening on technological platforms	Completed
Logical access control to systems	Completed
Strong passwords	Completed
Physical Access Control	In process
Backup systems	Completed
Cybersecurity Education and Awareness	In process
Cybersecurity incidents	Completed



**Progress achieved for the second pillar:**

- » Survey and classification of assets present in substations .
- » Collection of information regarding network architectures, systems and service providers.
- » In the process of implementing a new network architecture with the purpose of strengthening the perimeter security of each Substation.
- » Raising of vulnerabilities detected in Interchile dependencies

Actions carried out for the third pillar:

- » Establishment of a governance structure for critical infrastructure protection (CIP) compliance, which considers CIOs, CIP Strategic Committee and CIP Tactical Team.
- » Development of regulatory documentation for compliance of said standard.
- » Periodic CIP report issuance and Self-Assessment reports.
- » Periodic reports to the CEN regarding the progress of compliance with the requirements of said Standard.

Progress achieved for the fourth pillar:

- » Definitions regarding the Management technology tool and Asset control.
- » Definitions referring to Access Control and Perimeter Security systems..
- » Execution of Cybersecurity Advisory control network at the corporate level for definition of work framework that is coupled to Ecopetrol guidelines.

Digitalization and Information Technologies

At ISA Interchile we highlight the importance of Information Technology (IT), which is why we have designed a digital strategy to ensure our technological sustainability with a view to the year 2030. This is based on five major IT value agendas:

- » **Strategic Value Agenda:** Transform and optimize the operation through information technologies.
- » **Productivity Agenda:** Automation of tasks in transversal and business processes.
- » **Digital Transformation Agenda:** Cultural transformation to take advantage of the potential of technologies, to face the challenges of sustainable growth of the company.
- » **Cybersecurity Agenda:** Protection of critical infrastructure and data.

» **Service Improvement Agenda:** Strengthen the delivery of information technology services and make them more cost-efficient.

Digital Transformation Agenda Activities:

- » **4th Digital Transformation Fair:** held in October at the corporate level by ISA, addresses issues related to the Fourth Industrial Revolution.
- » **#SoyDigital:** biweekly corporate sessions of 15 minutes, which seek to communicate about digital tools.
- » **#SoyDigital Interchile:** Sessions on digital tools for ISA Interchile staff, held starting in August.
- » Short and instructive videos on digital tools.



Sanitation and Environmental Compliance Plan

From our foundation, ISA Interchile has ensured that we look after unforeseen effects derived from our operation. The environmental sanitation plan is one of our management pillars, within which strategic lines of actions are established aimed at optimizing environmental, property and social management in ongoing projects, with the objective of complying with our commitments and current regulations.

Although the environmental impacts of the projects are identified in the environmental licensing stage and the measures for their compliance are committed in the Environmental Qualification Resolution (EQR) of each project, during the construction of the Cardones-Polpaico Line, we incurred on a series of verified facts from inspections by the Superintendence of the Environment and the National Forestry Corporation, those that motivated sanction processes and lawsuits against the company.

In 2021 we carried out an environmental survey and evaluation of all the constructive deviations linked to our assets. The aforementioned gave rise to the design of an environmental sanitation plan, prepared under the PMI project management methodology, establishing for each deviation the economic and professional resources necessary to implement the reparatory measures in environmental terms, social and real estate.

The environmental sanitation plan includes a total of 90 actions to compensate deviations in reforestation, social management, infrastructure construction and other activities. It is estimated all of the actions will be executed in 2032, with an estimated budget of USD 35.8 million. To date, 56 actions have materialized, equivalent to an investment of USD 9.5 million.

Scope of our strategic action line for sanitation:

- » Achieve compliance with all social, environmental and real estate commitments.
- » Manage differences with the State
- » Manage claims to and from suppliers.
- » Manage legal processes and claims.

ATTRACTING, DEVELOPING AND CARING FOR TALENT

We consider our workers as the central pillar of our company, which is why we focus on the care and integral development of people. We have generated an organizational culture of safety that identifies us, characterized by a quality work environment, care for life, physical and emotional integrity, with healthy workspaces where self-care and well-being are promoted to enhance the development of the capabilities of those who work with us and help us achieve new short, medium and long-term objectives. Within this context, in 2022 the main programs we developed were "Connected to Life" and "Connected to Mental Health".



Work-Life Balance

We have a value-based proposition as a company for our workers, based on the balance between personal and work life, with leadership within the company that promotes and mobilizes the achievement of objectives in both areas.

From the pandemic, we conducted a survey that allowed us to identify family needs and physical and mental health. As a result, we

generated a wellness program in which 85 variables were detected for our different audiences in the organization, according to their needs, family, geographical and professional situation, among others.

This includes certain actions, among which the implementation of the hybrid work format stands out, which mixes the performance of functions in a collaborative space (cowork) and from the home of collaborators in a system under teleworking law; a healthy-living program, with activities for workers and their families such as active breaks, meditation and relaxation sessions; day-off, which consists of one day off per month so that our workers can disconnect and recharge energies, prior agreement with the leader of each team; along with a guide to benefits in health, family, finances, work and general aspects.

The experience gained in the implementation of the program led to a review of the program and the future implementation of new measures from 2023.

Connected to Mental Health

At ISA Interchile, we consider it essential to guarantee the quality of life, well-being and physical and emotional health of our employees. That was why, for the first time, during 2022 we implemented a program aimed at developing capacities, linked to the self-care of our mental well-being "Connected with Mental Health", it was carried out in three pillars: promotion (camaraderie activities to cultivate collaborative relationships), prevention (occupational health tools, training of skills and competencies, support in execution of improvement plans) and intervention (help

for teams and collaborators at a critical level of mental health). All our collaborators participated in the different activities, workshops, experiences and exercises that sought to strengthen bonds, communication, collaborative work, empathy and leadership, among other aspects, through techniques and practices of mental health care and well-being.

Thanks to these initiatives, we achieve the following:

» Promote self-care behaviors and prevention of

mental health and work-related diseases.

- » Reduce symptoms linked to work-related stress problems.
- » Incorporate tools for effective time management.
- » Develop effective and adaptive leadership skills.
- » Develop a healthy and safe work culture..
- » Support aspects of improvement in the work environment.



Capacity building

One of our main strategic challenges is to promote the constant growth of our professionals, through the best practices of the industry for the strengthening of their competencies, the reduction of knowledge gaps, the appropriation of organizational skills and the continuous development of leadership. In this way, we seek to respond

in an agile and timely manner to the requirements of new work models, as well as to current and future projects to have people at the highest labor standards and thus tend to our corporate validity.

Along with this, we promote the leader-worker relationship as a catalyst to achieve an optimal level of development of our employees, generating environments of trust

and cohesive and agile teams.

Thanks to work stemming from the Covid-19 pandemic, incorporated variables such as teleworking, flexible hours and the delivery of corporate benefits, in 2022 we achieved more autonomous collaborators in the execution of their functions, focused on solving problems, achieving objectives, and culturally committed to the company.

Talent Care and Development

We want to attract and retain talent, linking their purposes with that of the organization to create a virtuous and enriching dynamic for both parties that projects us over time. Together with programs such as wellness, we have developed succession and talent development plans. These are based on determining job profiles, detecting personnel with potential to occupy them and gap adjustment and mentoring programs to prepare workers to perform them. Added to this are programs such as "The ISA Leadership Brand," in which people are advised to perform or stay in key positions.

To develop highly qualified workers who learn and project themselves linked to our company in the long term, we have a training plan subject to the needs of each area, so that our workers have the greatest amount of knowledge and the necessary tools to perform their functions.

COVID-19 Seal



The offices of ISA INTERCHILE S.A. adapted to the new ways of working, so as of 2022 we are in a hybrid modality, since our offices are available for the #Cowork modality.

The measures we have taken to protect our employees have been highlighted, and on March 18, 2022, we

received the Covid-19 seal delivered by the ACHS, recognizing the work in the prevention of contagion in our facilities.

This recognition was received by the Joint Committee on Health and Safety at Work of our company.



New Hires and Worker Turnover 2022	
Total number of new hires	19
Total rate of new hires	26,76%
Total number of new hires of women	3
Rate of new recruitment of women	4,23%
Total number of new recruitments of men	16
Rate of new hires of men	22,54%
Total number of new hires of workers under 30	5
Rate of new hires of workers under 30	7,04%
Total number of new hires of workers between 30 and 50 years of age	11
Rate of new hires of workers between 30 and 50 years of age	15,49%
Total number of new hires of workers over 51	3
Rate of new hires of workers over 51	4,23%
Total number of worker retirements	12
Total number of voluntary withdrawals (resignations)	5
Total number of involuntary withdrawals (dismissals)	1
Total number of non-voluntary withdrawals (termination of contracts)	9



In 2022 our investment in training reached
USD 150.652

Average investment in training per FTE
USD 1.712



Average investment in training by gender



507 USD



1.700 USD

- Main actions and training programs:**
- » Training of graduates.
 - » Technical training.
 - » Implementation of LinkedIn Learning.
 - » Coaching program for managers and professionals with leadership potential.
 - » English courses.
 - » Co-financing MBA PUC, Master in Asset Management, master's in finance.

- Main actions for capability building::**
- » Promotion of skills training paths in LinkedIn Learning.
 - » Establishment of an agreement with the Innovation Center of the Pontificia Universidad Católica de Chile, so that collaborators can attend training instances in innovation.

Training and Teaching	Women	Men	Total	
Total training hours completed in 2022	348,3	2919	3267,3	
Average hours of training per worker in 2022	11,61	32,43	27,23	
Hours of training that the organization's employees have had during the reporting period, by job category.	Number of workers Level 1	0	6	6
	Level 1 worker training hours: Presidents, managers and vice presidents	0	85,5	85,5
	Average hours of employee training Level 1	0	14,25	14,25
	Number of workers Level 2	2	12	15
	Worker training hours Level 2: directors and managers	59,6	284	343,5
	Average hours of worker training Level 2	82,3	69,8	22,9
	Number of workers Level 3	27	72	99
	Level 3 worker training hours: specialists, analysts, technicians and assistants	288,8	2549,5	2838,3
Average hours of worker training Level 3	19,1	27,2	28,67	

During 2022, 79% of our employees achieved a higher level of performance.

To enhance the development of our employees, we manage the performance of the teams, through follow-up tasks, deadlines for setting objectives and the promotion of continuous performance.

Workers Receiving Periodic Performance Evaluations and Professional Development in 2022	Total	%
Total of women with Performance Evaluation	15	20%
Total of men with Performance Evaluation	58	81%
Total employees with Level 1 and 2 Performance Evaluation: presidents, managers, vice presidents and directors	12	17%
Total number of workers with Level 3 Performance Evaluation	61	83%



Organizational Climate Survey

The Organizational Climate Survey measures 22 factors that affect the commitment and discretionary effort of our employees, and the support that our company gives them to achieve success of operations. Through it, we seek to promote diversity and inclusion, prioritize continuous learning and foster leadership in our organization, among other aspects, to improve our financial performance, retain our customers, attract and retain talent, and increase the performance of those who work with us.

In 2022 it was carried out between September 13 and October 7, with a comparability level of 94% (84 vs. 79 questions) in relation to 2021. 99% of respondents (67 people) responded, 1% more than in the previous period.

Its results show a consolidation of the level of favorability of our employees in relation

to the previous year. This remained at 81% and was higher than the levels of 2020 and 2019, where 75% and 70%, respectively, were achieved. Meanwhile, the average of ISA and its companies has a favorability of 84%.

Among the most positive specific results, the factors that showed clear strengths are Quality and Customer Orientation (93%), Recognition (90%) and Discretionary Effort (90%). There is also a significant improvement in the perception regarding the support and availability of resources that the company delivers to carry out its different processes. On the other hand, those questions that decreased the most show that organizational processes are not perceived as simple or agile, and that areas do not work in a coordinated manner to achieve specific results. Consequently, the Resource (64%) and Structure and Processes (61%) factors obtained the lowest favorability.

Equity, diversity and inclusion

We are a diverse organization that promotes equity and equal opportunities, values differences and generates spaces for all our employees to feel valued and respected. The corporate program "Other Perspectives" integrates the concepts of equity, diversity and inclusion as part of our organizational definition. From it we manage lines of work aimed at generating adequate spaces for participation for all those who work with us and be references in this area.

Within the framework of this program, we have the Equity, Diversity and Inclusion (EDI) Committee of ISA Interchile. Formed by a diverse and multidisciplinary team in which managers, directors, collaborators and collaborators from different areas participate to promote and develop initiatives in the aforementioned axes.

Work Focuses

Gender equity: We want to turn ISA Interchile into a company free of discrimination, with equal opportunities, that captures female talent and can count on a more equitable staff of collaborators.

Sexual diversity: We focus on respect and non-discrimination, as well as on raising awareness towards all our employees, suppliers and other stakeholders.

Disability: We seek inclusion of disabled people in selection processes, through strategic alliances with organizations that support employment issues

Divergent Thinking: We work to make our company a space open to dialogue, considering the cultural, generational and thought diversity that characterizes us, given our multi-Latino character.

Lines of work

» Promote the formation of diversified teams that allow the organization to advance towards the strategic objectives of 2030, including diversity and inclusion in processes.

» Incorporate diversity and inclusion as a generator of shareholder value, with social impact and corporate validity through innovation.

» Develop actions that allow raising awareness and involving the entire organization in this path.

» Articulate strategic alliances with the ISA Group, government organizations, NGOs and relevant social actors.

Pay Equity



We want to ensure a correct level of equality between all our job positions, for which we have a firm declaration regarding gender pay equity. We are governed by a corporate methodology of ISA, in which each position has a level of income associated with salary bands. Therefore, all positions in our structure are valued and measured equally, being separated into three levels: Managerial, Specialists and Analysts. When performing a search for any of them, income is determined by this methodology, thus achieving wage equity for anyone, whether male or female.

Percentage of Women in the Organization

% of women in junior positions (e.g., coordination)	6%
% of women in managerial positions in core areas and that generate revenue for the company (for example: financial, strategy, legal, projects)	1%
% of women in STEM careers (professionals in science, technology, engineering and mathematics (financial))	16%

Diversity of generations

Generation Z (2000-hoy)	0
Millennials (1981-2000)	60
Generation X (1965 - 1980)	27
Boomers (1946-1964)	1
Silent Generation (< 1945)	0

Main actions carried out in 2022, by pillars of action:

Gender Equity

Alliance with Energy + Women from the Ministry of Energy.

PTI Technical Program for the Incorporation of Technical Skills for Women in Electric Companies.

Transformation of internal processes:

- Reformulation of processes in Organizational Talent, with actions such as the redefinition of job descriptors and the elimination of gender biases.
- Recruitment of practices with a gender focus
- Incorporation of the concepts of diversity and inclusion in the induction process.
- Promotion and fostering of the search for female talent.
- Definition of pay equity.

Sexual diversity

Commemoration of LGBTQ pride month to raise awareness and learn about this community.

Disability

We incorporated two students in internships in agreement with the Andrés Bello University.

Divergent thinking

We plan to hold a series of workshops on this topic for 2022..

Awareness-raising and knowledge initiatives carried out by the EDI Committee in 2022:

» Awareness talks for employees on sexual diversity, gender and domestic violence. We seek to internalize and become familiar with the main concepts and their associated themes, to eliminate unconscious biases and to value the importance of managing equity, diversity and inclusion.

» Inclusion of a diversity and inclusion question in the Organizational Climate Survey, to raise the appreciation of our employees regarding the subject.

» Integration of the gender variable in the company's Training Plan, which has allowed, through a coaching process, to enhance female leadership in women who play a high-impact role beyond their positions.

» Continuity of the promotion to all women of the company and encourage

their participation in the development and leadership program for women, Women in Energy of WEC Chile.

Maternity/paternity leave 2021

Total number of workers using parental leave.	Women	2
	Men	2
Total number of workers returning to work.	Women	1
	Men	2
Total number of workers who returned to work after the end of parental leave who remained employed 12 months after returning to work.	Women	1
	Men	1
Return-to-work rate of workers who used parental leave.	Women	50%
	Men	100%
Retention rate of workers who used parental leave.		0%

50% is explained by maternity leave that is in force.

Occupational Safety

At ISA Interchile we implement the best risk prevention practices in the industry, promoting and training employees in occupational health and safety, to reduce work-related injuries. Our "Connected with Life" program encourages the implementation of actions and initiatives so that our employees can maintain or enhance their well-being.

Through the Safe Culture model, we focus on the prevention, detection and evaluation of the risks of accidents and occupational diseases, for our direct and indirect collaborators. The activities generated by this program include training, promotion of self-care and the implementation of practices that help the physical, mental and social integrity of people.

In 2022 we carried out a Security Diagnosis, which allowed us to evaluate our level of maturity in this area. As a result, we were at the Advanced level, going from a state of

maturity of 63.90% to 67.23%. This considers aspects such as having higher standards than those required by law, controls without neglecting the environment and people, awareness of the shared responsibility for safety of all actors, an internalized management system and recognition of the contribution of this aspect to EBITDA

Results were obtained with work plans for the eight activators: OSH Corporate Governance Structure, Visible Leadership, Cultural Traditions of Excellence, Information and Communications Management, Technical Knowledge in the Field, Risk Fluctuation, Evolution in Control Hierarchies, Productive Contribution of Security. To progress to the next step, nominated as Vanguardista, from 2022 we implemented a three-year improvement plan until 2025, aimed at four priority strategic focuses (Cultural Traditions of Excellence, Information and Communications Management, Risk Fluctuation, Productive Contribution of

Security) and the strengthening of the Corporate Governance Structure

At the same time, since 2017 we have evaluated our management in occupational health and safety, through the Accident Frequency Index for our own personnel and contractors. Its results have had a positive evolution, which is evidenced in the reduction of accidents.

Within the framework of our occupational health and safety policy, we urge our employees to ensure their health care by informing them of the dangers and risks to which they are exposed, providing truthful information and complying with the regulations in this matter. Along with this we have the standard of Self-Care System "Red Card", whose purpose is to promote the safety of the collaborator, reminding them that they should not do a job, in the event that there are no safe conditions or adequate standards to perform it.

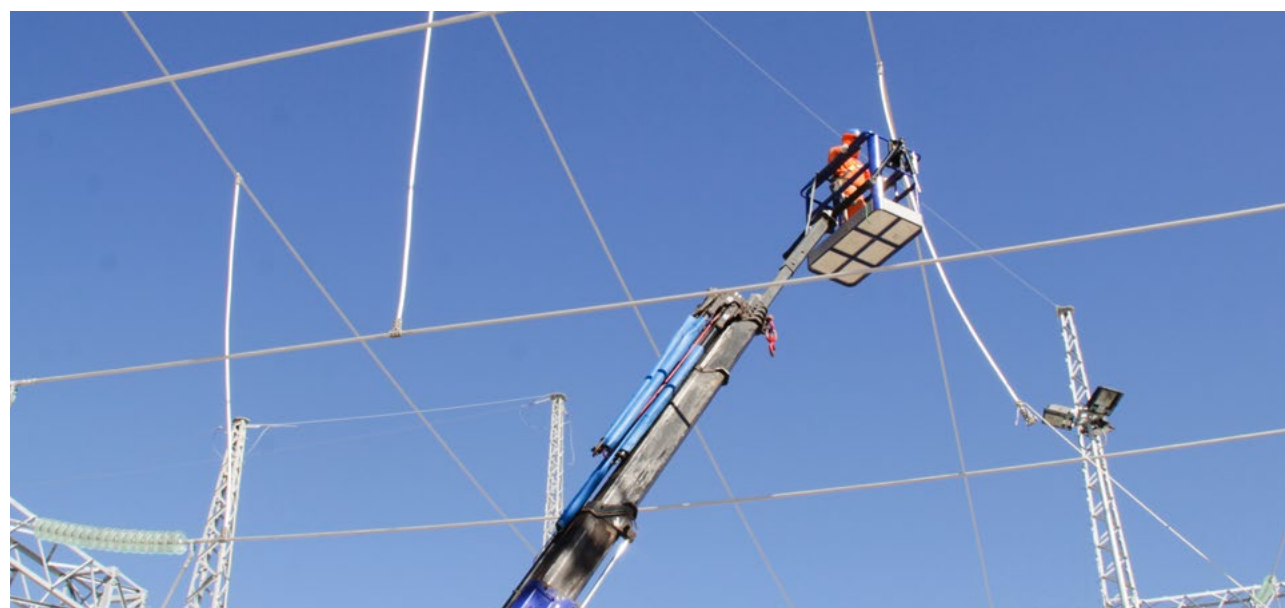
We exceeded the injury rate goal set for 2022, which corresponded to a frequency index (IF) of 8.75.

It closed the year with an IF of 2,69 with a single minor accident that only required five days of medical leave.



Accident Frequency

Unit	2019	2020	2021	2022
Frequency index	7,38	3,56	2,15	2,69
Injury Numbers	15	3	1	1



Injury Indicators

	Direct	Indirect	Total
Total hours worked in the year	178.740	191.831	370.571
Number of fatalities during the year	0	0	0
Number of Work Injuries Recorded	0	1	1
Number of registered absences from work	0	0	0
Number of occupational diseases recorded	0	0	0
Total Recordable Incident Rate (TRIR)	0	5,21	2,69
Fatality rate	0	0	0

Our Hazard Risk Matrix and Risk Assessment (HRMRA) and field risk analysis allow us to determine hazards that pose risks of occupational injury with major consequences. To avoid, mitigate or eliminate them, we carry out training in the most critical areas or those that have resulted in injuries or accidents.

Featured 2022 Joint Committee

Our Joint Committee on Occupational Health and Safety maintains an active role in the promotion and realization of activities related to the health of our workers. In 2022 it continued with its work program, based on four lines of action:

- Investigation of occupational accidents and diseases
- Safety inspections and observations.
- Training and dissemination
- Recognition and motivation.

Psycho-social Risks

In June, the ISTAS 21 Psycho-social Risk Survey was carried out by the Psycho-social Protocol Implementation Committee. Through the virtual platform of the ACHS, its objective is to ensure safer and healthier spaces for the company's employees. The result of the survey was Medium risk, a good result in the context of the pandemic that was being experienced, where it was possible to prevent mental illnesses and maintain a balance between work and family.

To promote and care for mental health, the Program connected with mental health was launched, generating high impact on employees with its different initiatives and the activities carried out, of which the following stand out: Mental health conversations, workshops on strengthening and integration of teams for occupational well-being, workshop on the promotion of self-care and mental health, Attention of psychologists and coaching.



4

SHAREHOLDER VALUE

GOOD GOVERNANCE AND INTEGRITY

Our governance ensures that we carry out our ISA 2030 Strategy, within a framework of transparency, independence and compliance with current legislation, to create sustainable value for all our stakeholders. It has an organizational structure that guarantees the fulfillment of our operational and organizational objectives.



Corporate governance

We have a Board of Directors composed of five members, who are appointed by a Shareholders Board. They remain in office for three years, with the possibility of being re-elected indefinitely. According to the Law and the statutes of our company, its members must meet at least every two months in ordinary session.

At the Ordinary Shareholders' Meeting held on March 16, 2022, it was agreed that the directors of the company will be remunerated with the sum of USD\$2,500 net per month from the aforementioned meeting. The aforementioned resolution was subsequently endorsed at the Fifteenth Extraordinary Shareholders' Meeting held on July 7, 2022.

By the end of 2022, the Board of Directors² is composed as follows:

POSITION	NAME	NATIONALITY
President	Juan Emilio Posada	Colombian
Vice-president	César Augusto Ramírez Rojas	Colombian
Director	Sonia Margarita Abuchar Alemán	Colombian



Juan Emilio Posada
ISA President

²In 2022, Interchile's board of directors underwent several changes in its composition:

- a) As of January 2022, it consisted of 4 members (resignation of independent director in September 2021), 1 independent director (Karen Poniachik).
- b) In March 2022, it was made up of 5 members: 2 of them independent (Mónica Jiménez and Karen Poniachik).

- c) In July 2022, the board of directors is renewed with 5 members, 1 independent (Mónica Jiménez).

- d) In August 2022, the independent director resigns. (Monica Jimenez) leaving with 4 directors.

- e) In November 2022, a director appointed by ISA (Carolina Botero) resigned, leaving the board of directors made up of 3 members appointed by ISA, without an independent director.

Our Company

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The Executive Committee considers, among other things, the strategic and management issues of the Company, monitors compliance with the activities related to the development

of the company's corporate purpose and the processes different areas oversee, financial, legal, social and environmental impact of business activities, the evaluation

and taking of measures against business risks and prepares the information that is presented for the consideration of the Board.

The Management Committee is made up of:

General Manager

Gabriel Melguizo Posada

» Electrical Engineer from the Polytechnic Institute of Belarus.

Masters in administration from EAFIT University, Colombia.

Run N° 26.924.570-0

Finance Manager (Acting)*

Pedro del Río Jara

» Business Administration from Universidad Adolfo Ibáñez

Masters in finance from Universidad Adolfo Ibáñez

Run N° 17.406.034-7

Project Manager

José Cascante Chaves

» Electrical Engineer from the National University of Colombia.

Specialization in Construction Management- Catholic University of Colombia

Degree in Electrical Markets and regulation - Universidad Católica de Chile

Masters in business law from Universidad Adolfo Ibáñez.

Run N° 24.627.491-6

Institutional Relations Manager

Álvaro González De La Barra

» Journalist, Bachelor of Social Communication from the Diego Portales University.

Master's degree in political and Corporate Communication from the University of Navarra, Spain.

Degree in Business Management from the University of Chile

Diploma in Environmental Management from the University of Santiago

Run N° 13.832.302-1

Operation and Maintenance Manager

Eduardo Sáez Manríquez

» Civil Electrical Engineer from the University of Chile.

Diploma in Free Competition, Universidad Adolfo Ibáñez.

Diploma in Green Hydrogen, Pontificia Universidad Católica de Chile.

Diploma in the Electricity Markets of the Future and its regulation, Pontificia Universidad Católica De Chile.

Diploma Coordination of Hydrothermal Electrical Systems

and Integration of NCRE, University of Chile.

Diploma in Maintenance Engineering, Universidad Técnica Federico Santa María.

Masters in Energy Economics from the Federico Santa María Technical University

Run N° 15.344.370-K

* **Note:** The company appointed Gustavo Cardona Gómez as Finance Manager, who in 2022 was in an induction process to the position that he will assume in 2023. Mr. Cardona is a Public Accountant from EAFIT University, Colombia; Specialist in Finance from EAFIT University, Colombia; master's in administration from EAFIT University, Colombia.

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Director of Organizational Talent**Héctor Andrés Guzmán Marín**

» Degree in Psychology from the Gabriela Mistral University.

Diploma in Human Resources from the Pontificia Universidad Católica de Chile. Certified as a Coach of the International Coach Federation (ICF).

Run N° 15.052.560-8

Director of Sustainability**Mauricio Rebolledo Sagredo**

» Industrial Civil Engineer from the University of Concepción.

Master's in organizational development from Universidad Diego Portales.

Diploma in Community Relations from the Pontificia Universidad Católica de Chile

Diploma in Local Economic Development from the University of Chile

Specialization in socio-environmental management from the Adolfo Ibáñez University

Diploma in Corporate Reputation Management from the University of La Sabana

Run N° 12.020.358-4

Director of Strategy**Ana María Correa Pérez**

» Mechanical Engineer from the Universidad Pontificia Bolivariana de Medellín.

MBA Candidate UC 2023 Masters Business Administration - Pontificia Universidad Católica De Chile

Diploma in Strategy and Management Control from the Adolfo Ibáñez University, Chile

Diploma in Project Management, ISIL, Peru Diploma in finance, National University of Colombia

Run N° 24.302.267-3

Director of Legal and Regulatory Affairs**Pedro Pablo Cerda Lecaros**

» Lawyer from Universidad del Desarrollo, Santiago.

Master's in business law, Universidad de los Andes.

Diploma in Administrative Authorizations, Permits and Concessions, Universidad de los Andes.

Diploma in Electricity Market and Regulation, Empresas Eléctricas A.G.

Diploma in War of the Pacific, Military School, Chilean Army.

Diploma in Natural Resources, Pontifical Catholic University of Chile.

Diploma in Business Law, Universidad del Desarrollo

Run N° 15.313.011.-6

Head of Administration and Supply**Wildo Gómez Villagra**

» Business Administration from the Autonomous University of Chile.

Administrator of Industries from the University of Santiago.

Diploma in Purchasing Management from the University of Valparaíso.

Diploma in the Electricity Markets of the Future and its regulation, Pontificia Universidad Católica De Chile

Run N° 9.989.031-2

Auditor and Compliance Officer**Marco Antonio Peña Garay**

» Auditor Accountant, Universidad Tecnológica Metropolitana, Santiago.

Postgraduate in Management Auditing, University of Santiago de Chile.

Run N° 12.051.390-7

Ethics and compliance model

To comply with the provisions of Law 20,393 on Criminal Liability of Legal Persons and with the corporate guidelines established by ISA to strengthen the ethical behavior of the company's workers and third parties who collaborate in the business. In 2021 our Board of Directors appointed a Crime Prevention Officer (CPO) externally, to lead the design and implementation of a Crime Prevention Model (CPM).

Crime Prevention Officer (CPO)



As of 2022, this function began to be carried out internally, while the Audit and Compliance Area was formed. Currently, the CPO reports directly to the Board of Directors, fulfilling the following functions:

- » Semi-annual report to the Board of Directors.
- » CPO monitoring and supervision plan.
- » Training for the Board of Directors and senior management.
- » Support in permanent dissemination work.
- » Administration of whistleblowing, reporting and management channel.
- » Management of conflicts of interest.
- » Update the risk matrix.
- » Achieve CPO certification.
- » Study of legislative initiatives that could affect the CPO.



In 2021, a Crime Prevention Model (CPM) was approved. This defines a series of activities such as the incorporation of Liability Clauses under Law 20,393 (workers and third parties), the creation of Policies and Procedures (Corporate Guides / Interchile documents), the identification of Crime Risks, the execution of training activities on Law 20,393 for ISA Interchile workers and relevant third parties, as well as support in other outreach activities. It also includes the management of conflict-of-interest declarations for employees and suppliers, an annual process that is carried out with all the organization's employees.

The CPM is also based on ISA's Business Ethics and Compliance Program, which includes procedures for the prevention, detection, investigation and response of crimes for all group companies.

As a result of the CPM, prevention activities are carried out, seeking to strengthen the culture of ethics and compliance in the company, through training in an e-learning format.

During 2022, three complaints were received and investigated. Two were dismissed and one ended with the dismissal of a person from the company.

In this context, during 2022 100% of our employees, including Board members, received training on our anti-corruption policies and procedures.

On the other hand, the detection of cases of corruption or ethical conflicts in the CPM is carried out through the Ethics Line, which corresponds to a web platform available on the intranet, and on the institutional website and a dedicated email address. Complaints can also be made directly to the CPO, which leads the investigations to solve them.

CPM Update



An update of the Crime Prevention Manual was carried out in 2022. The offences covered by the new Law No. 21,459 were incorporated into the risk matrix. This legislation establishes rules on computer crimes, repeals Law No. 19,913 and modifies other legal bodies, to adapt them to the requirements of the "Budapest Convention" on Cybercrime of the Council of Europe, to which Chile is a member of.

In turn, in November an evaluation of the risks contained in the Crime Prevention Matrix was carried out, considering the probability of occurrence and impact of fraud crimes, to value them and better focus resources for their prevention.

Finally, a Policy and Procedure for Donations and Sponsorships was established, which provides guidelines for the relationship with third parties in the Area of Institutional Relations.

STRENGTH AND GROWTH

We preserve our solvency for the future, through growth with sustainable value, which is based on having a balanced portfolio of projects, taking advantage of synergies between the companies of the ISA group and maintaining the financial responsibility of the business.

Growth strategy

Our growth is determined by the ISA 2030 Strategy and by the definition of ambitious goals at the level of projects and sustainable development. In Chile we have consolidated thanks to a reliable and efficient operation, and also because we have successfully identified and analyzed the different growth alternatives that have allowed us to strengthen our position in the industry, positively impact people's quality of life and contribute to the decarbonization of

the energy matrix by 2040, to subsequently reach carbon neutrality by 2050.

In this sense, in 2022 the New Business Team was formed, in order to meet our goal of developing new businesses for US\$ 400 million and in traditional transmission businesses for US\$ 2,400 million by 2030.

Likewise, we await the decree that establishes the rights of execution and joint exploitation of works that make up the Kimal-Lagunas project, awarded by the National Electric Coordinator in September 2022, one of the most important transmission projects tendered in the country in 2022, key to the decarbonization of Chile's energy matrix. The project will have a total reference investment of USD 243 million and will transport clean energy from Energías Renovables from the Kimal substation to the Lagunas substation.

Currently, we are positioned as the second most important player in the national segment



of electric power transmission (12.9% of market share, equivalent to 98.8 million dollars of Annual Value of Transmission by Tranche (VATT) Interchile's assets in operation total an availability standard that remains around 99.79%.

Market distribution according to national transmission system by VATT

Transmitting Company	Annual Transmission Value per Leg (VATT)	Percentage of distribution of the market
	[USD]	
Transelec	311.662.662	40,60%
Interchile	98.839.046	12,90%
TEN	88.989.044	11,60%
Transelec Concessions	37.654.218	4,90%
Alpha Transmitter	32.848.290	4,30%
Come on, come on.	32.402.266	4,20%
Eletrans	25.959.356	3,40%
CHAT	20.982.842	2,70%
RAISE	11.248.433	1,50%
ETCHING	11.047.082	1,40%
Redenor2	10.999.960	1,40%
SET	9.253.637	1,20%
TransChile	8.689.910	1,10%
Eletrans II	8.645.291	1,10%
DATE	8.605.166	1,10%
Zaldivar Transmission	7.607.306	1,00%
REDENOR	7.081.438	0,90%
CTNG	6.709.735	0,90%
Transemel	6.412.358	0,80%
STS	6.200.011	0,80%
STN	3.490.400	0,50%
Transquillota	2.742.076	0,40%
Codelco DCH	2.504.394	0,30%
EPM Transmission	1.826.696	0,20%
Don Goyo Transmission	1.446.990	0,20%
Wind Punta Sierra	955.521	0,10%
Codelco Andina	826.879	0,10%
Codelco DGM	562.879	0,10%
AES Gener	389.078	0,10%
Angamos	217.790	0,00%
AUSTRIAN SOLAR	198.132	0,00%
Chungungo	130.525	0,00%
Centella Transmission S.A.	-	0,00%
Eletrans III	-	0,00%
Enel Transmission	-	0,00%
General total	767.129.411	100%

With a view to giving solidity, growth and projection to our company, in 2022 we continue to consolidate what was achieved the previous year, as well as opening options to new operations and works that help improve our services, in order to contribute to the corporate validity and deliver value to our shareholders.

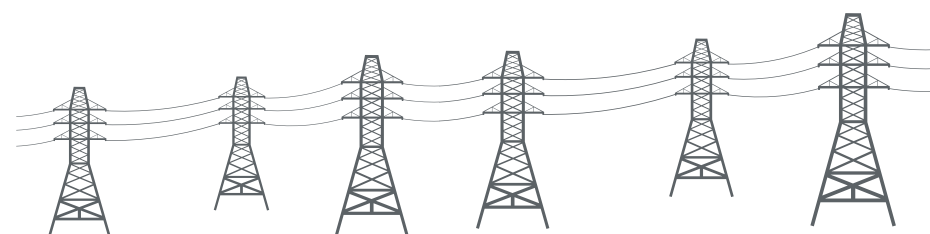
Premio Deal of The Year



Following the issuance of our first green bond, for an amount of USD 1.2 billion, in 2022 we were recognized by the international publication LatinFinance, an important source of financial intelligence based in New York and Miami, with its "ESG Deal of the Year 2021" award in the "Latin America Power" and "Overall Deal of The Year" categories. It should be noted that this instrument, listed on the Singapore Exchange Securities, achieved a long-term BBB+ rating by Fitch Ratings, while Moody's gave it a Baa1 rating. The title was evaluated by Sustanalytics, a specialized agency that certified that this green bond complies with environmental, social and governance (ESG) criteria.

The issuance of this instrument, at a fixed rate of 4.5% and a term of 35 years, allowed the refinancing of the debt commitments acquired during the construction phase of the Cardones-Polpaico Transmission Line, which was a fundamental enabler in the decarbonization plan of Chile's energy matrix, and thus contribute to the mitigation of climate change. It represents the largest placement of a green project bond in the instrument's history in Latin America and the Caribbean. 2022 fulfilled all the green covenants established for the bond, with a report allocating funds to qualifying projects, already reported in last year's report.

(*) Covenants are commitments made by the issuer with debt holders.



Featured projects

» New Kimal Transmission Line - New Lagoons

In September 2022, the Interchile team participated in the award of one of the most important transmission projects tendered during the year, which will transport clean energy from Non-Conventional Renewable Sources (NCRS) from the existing Kimal substation to Nueva Lagunas.

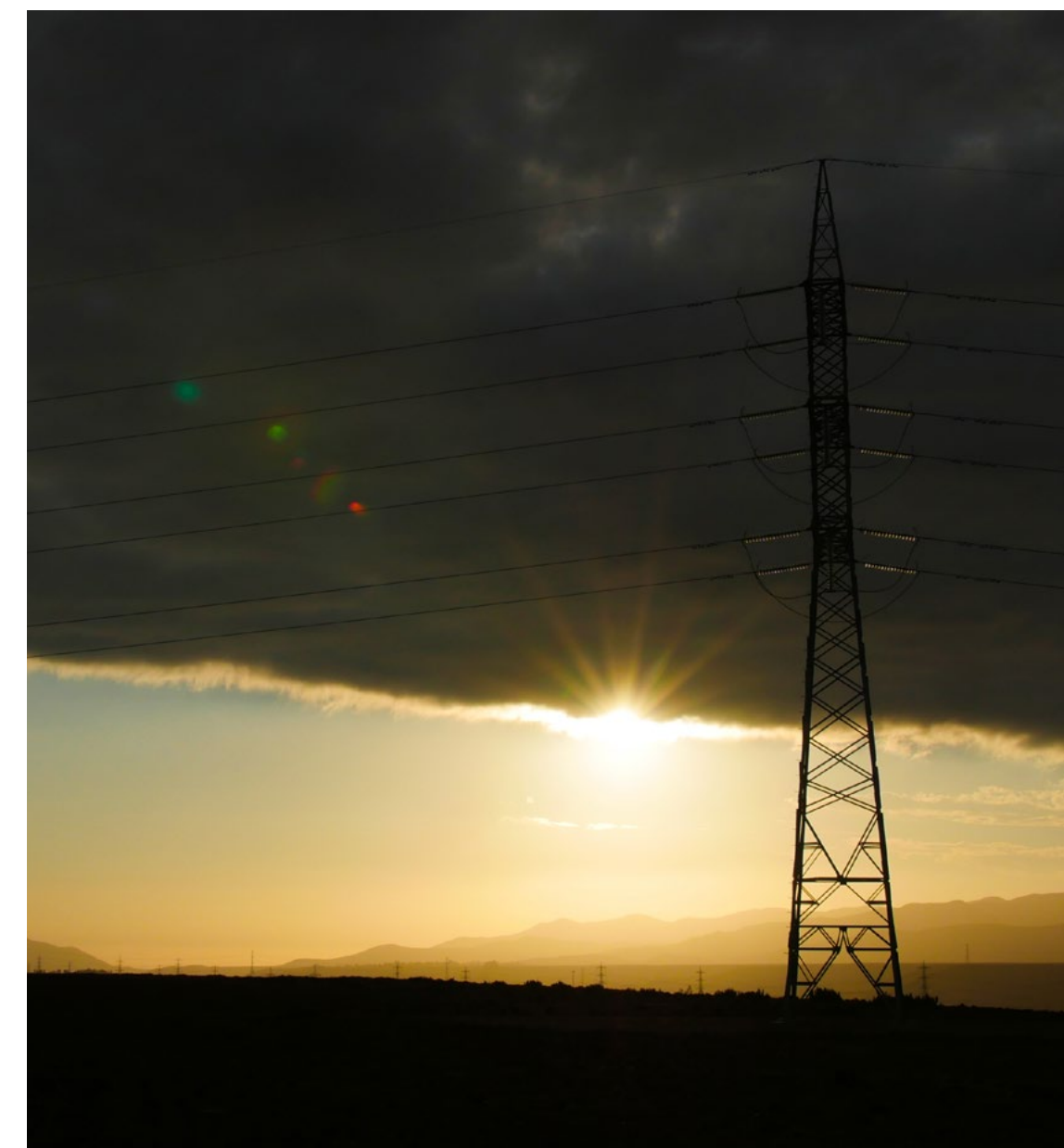
The project consists of the construction of the Nueva Lagunas SE, in addition to a line of two 500 kV circuits of 197 kilometers in length, together with the transformation yards from 500 kV to 220 kV. Its estimated investment is USD 243 million and includes an execution period of 48 months. In December 2022, the official award decree was still pending.

» Kimal-Lo Aguirre HVDC Transmission Line

The project was awarded in December 2021. To this end, the company Conexión S.A. was established, in charge of executing and operating it in consortium with Transelec and Southern Power Grid International.

Kimal-Lo Aguirre considers the construction of a bipolar HVDC transmission line with a capacity of 3,000 megawatts (MW) in 600 kV, in addition to two AC/DC converter stations, and will extend for more than 1,415 kilometers between the regions of Antofagasta and Metropolitana. It is the first continuous current line in South America, with the exception of Brazil. This typology allows to transmit a greater volume of energy, using smaller strip widths instead of traditional ones and, therefore, with less environmental impact.

Between January and September 2022, our company provided the support of its staff and logistics for the configuration and start of



the project. Currently, it is in the conceptual design stage. Its execution will take seven years and will require an investment of USD 1,500 million.

Projects in Progress

» **Project P9: Synchronized Control System for Autotransformer Operation of Nueva Cardones, Nueva Maitencillo and Nueva Pan de Azúcar Substations**

Installation project of digital elements for the automatic operation of transformers. Improves response times in cases of failure or need for equipment operation, which allows greater reliability to the 500 kV interconnected backbone system. It is in the assembly and commissioning stage, with an 82% progress in its execution.

» **Project P11: Capacity increase of the 2x220 kV line between Maitencillo and Nueva Maitencillo.**

It consists of changing the conductor in a one-kilometer stretch of line, which allows twice as much power to be transmitted, and the repowering of the extreme encapsulated

substations. It is 58% completed and would become operational in April 2023.

» **Project P12: Expansion of the Nueva Pan de Azúcar Substation**

Expansion of the 220 kV yard of the Nueva Pan de Azúcar Substation, through the incorporation of a new central switch, maintaining the existing technology (GIS), along with the extension of the platform and bar for a future diagonal in switch and half configuration. It is 68% complete at the end of 2022 and will be completed by mid-2023.

Expansion of the Nueva Pan de Azúcar

It is 68% complete at the end of 2022 and will be completed by mid-2023.



Projects in Operation

Currently, our strategic infrastructure in Chile has two projects in operation: the Cardones-Polpaico transmission lines, 2x500 kV, and Encuentro-Lagunas, 2x220 kV, through which we reach nearly 1,000 kilometers of double-circuit laying in the center-north of the country.

Additionally, and associated with the Cardones-Polpaico project, 3 banks of 750 MVA autotransformers were installed in the Nueva Cardones, Nueva Maitencillo and Nueva Pan de Azúcar substations, reaching a total of 1500 MVA of transformation per substation. To this work the reactive compensation project is added on the 2x500 kV line in Nueva Pan de Azúcar-Polpaico.

As a company we continue to participate in expansion processes lead by the National Electric Coordinator, with sights on working on new possibilities of electrical connections.



» Cardones-Polpaico Transmission Line

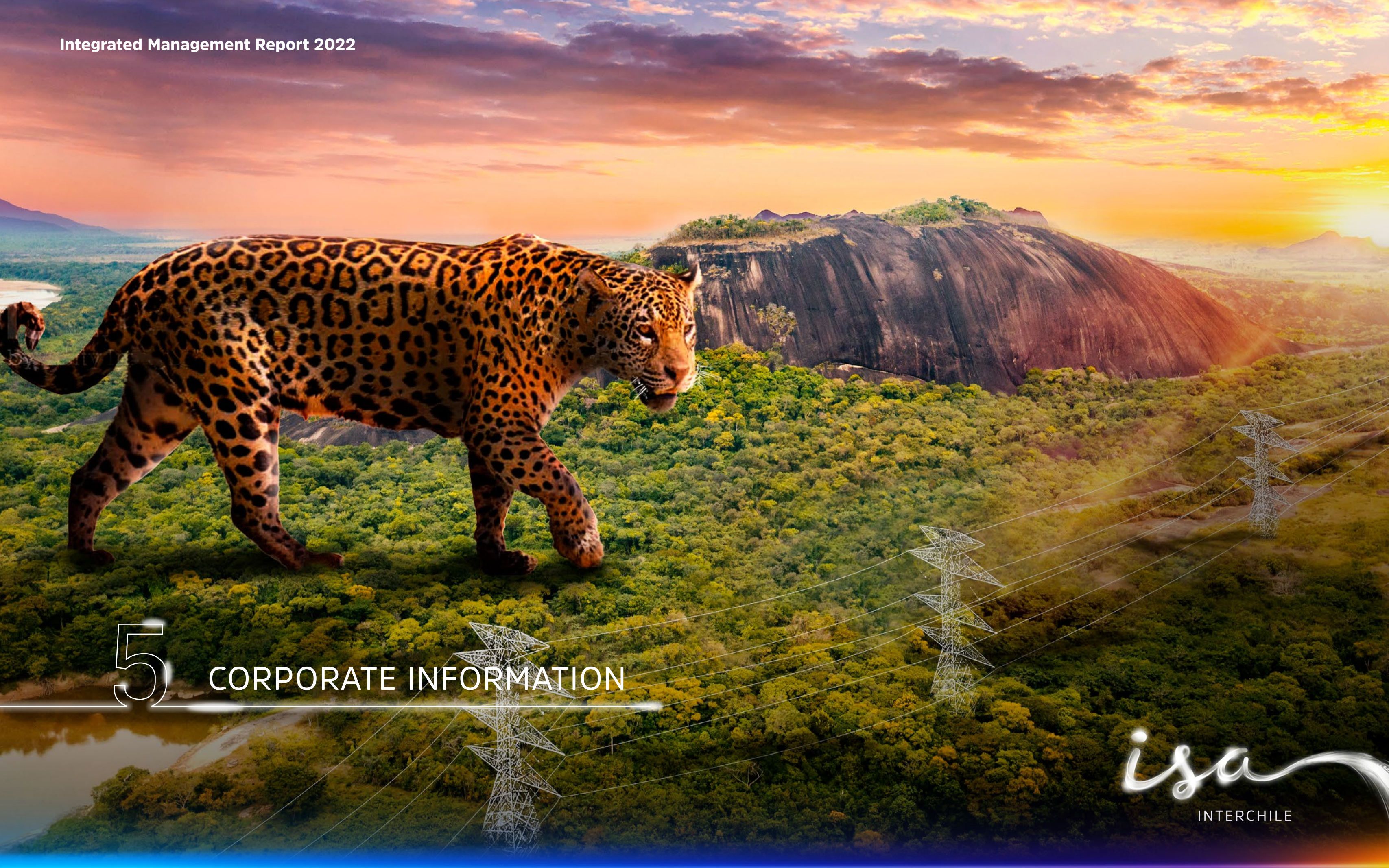
In 2019, we completed the commissioning of the Cardones-Polpaico Transmission Line, with a robust, safe, reliable infrastructure with greater capacity to face operational contingencies.

This allowed the real interconnection of the National Electric System (SEN), enabling the massive entry of renewable energies from the north to the center of Chile. Thanks to its operation, today around 2000 MW are being transported, of which approximately 35% corresponds to Renewable Energies.

A direct benefit of having a line of these characteristics is that wind and photovoltaic generators can inject all the clean energy they produce into the system, reinforcing the country's decarbonization process. Along with being one of the most important electricity transmission projects in the history of Chile, the commissioning of the Cardones-Polpaico line has generated a direct positive impact on millions of Chileans, who now have a more robust, safe, reliable electricity transmission infrastructure with greater capacity to face operational contingencies.

» Encuentro-Lagunas Transmission Line.

In June 2017 we started our operations in Chile, with the start-up of the Encuentro-Lagunas Transmission Line. It is an installation of 192 kilometers of double circuit line at 220 kV, which began operating to strengthen the electrical system of the Norte Grande and decongest the existing transmission lines in the area between the communes of Pozo Almonte and María Elena, allowing the enabling of energy between the regions of Tarapacá and Antofagasta. neuralgic zone for the development of wind and solar NCRE.



5

CORPORATE INFORMATION

isa

INTERCHILE

History of ISA Interchile

2012

ISA is awarded the exploitation and execution rights of the Cardones-Polpaico project, and subsequently concedes the rights to Interchile once this company was constituted..

December
Interchile, a subsidiary of ISA, is established as a public limited company with an exclusive transfer line.

2013

ISA is awarded the exploitation and execution rights of the Encuentro-Lagunas project, the first circuit. It later conceded the rights to Interchile.

2014

June
It is ordered to expand the Encuentro-Lagunas project with a second circuit..

December
ISA is awarded the exploitation and execution rights of the Banco Autotransformadores project in S/E Nueva Cardones, Nueva Maitencillo and Nueva Pan de Azúcar. Subsequently, it concedes the rights to Interchile.

2016

It is ordered to build extensions in S / E Nueva Maitencillo and Nueva Pan de Azúcar in the 220 kV system.

2017

June
The Encuentro-Lagunas project begins operations.

August
Project Reactive Compensation in line 2x500 kV New Sugarloaf-Polpaico.

September
ISA is awarded the exploitation and execution rights of the New Autotransformer Bank project in S/E Nueva Cardones, Nueva Maitencillo and Nueva Pan de Azúcar. Subsequently, it concedes the rights to Interchile.

November
The Nueva Cardones substation is energized, together with the first Autotransformer Bank of the S/E Nueva Cardones. The interconnection of the Central Interconnected System (SCI) and the Norte Grande Interconnected System (SING) is finalized, giving birth to the National Electric System (NES).

2018

January
The first Autotransformer Bank of the S/E Nueva Maitencillo and section 1 of the Cardones-Polpaico project, called Nueva Cardones-Nueva Maitencillo, begins operations.

April
The first Bank of Autotransformers of the S/E Nueva Pan de Azúcar begins operations.

May
Section 2 of the Cardones-Polpaico project, called Nueva Maitencillo-Nueva Pan de Azúcar, begins operations.

2019

May
The operation of section 3 of the Cardones-Polpaico project, called Nueva Pan de Azúcar-Polpaico, begins. It is an important milestone for the strengthening of the 500 kV interconnection of the National Electric System (SEN).

2020

December
The New Autotransformer Banks begins operations in Nueva Cardones, Nueva Maitencillo and Nueva Pan de Azúcar substations.

2021

July
ISA Interchile debuts in the international capital market, with its first green bond for USD 1,200 million. The operation is distinguished by the prestigious finance magazine, Latin Finance, with the "ESG Deal of the Year" award.

September
La empresa estatal petrolera colombiana Ecopetrol se convierte en la mayor accionista de la compañía ISA, matriz de Interchile, con el 51,4% de participación.

December
Interchile actively participates in the preparation of the offer for the HVDC Kimal-Lo Aguirre line, which is presented by its shareholder ISA Inversiones Chile in consortium with Transelec and Southern Power Grid International. The rights to execute and exploit this 1,500-kilometer HVDC technology project, which will extend between the regions of Antofagasta and Metropolitana, are awarded.

2022

Execution of the projects
Increase of capacity of the 2x220 kV Line between Maitencillo and Nueva Maitencillo and Expansion of the Nueva Pan de Azúcar Substation, with energy projection in May

September
Interchile participates in the award of the Kimal-Lagunas transmission project, which will transport clean energy from renewable sources. It consists of the construction of the S/E Nueva Lagunas, in addition to a line of two 500 kV circuits of 197 kilometers.

DRIVER INFORMATION

ISA develops its business based on technical excellence, the efficient provision of its services, the creation of sustainable value for its stakeholders and society in general, leveraged on innovation and digital transformation, and supported by the best practices of corporate governance and ethics.

ISA and its companies are committed to mitigating and adapting to climate change, the rational use of resources, the development of programs that generate a positive impact on the environment, the integral development of the communities where it operates and the quality, reliability and availability of the services it provides.

With 56 years of leadership in the region, thanks to excellent work, ISA transcends the physical act of connecting one point with another to connect people, making each connection an inspiring act.

Ownership and control

As of December 31, 2022, the capital of the company is divided into 94,109,640 ordinary shares based on the bylaws. They are registered shares, of a single series, of equal value and without nominal value.

DIVIDEND POLICY

The company's Dividend Policy is set forth in its Bylaws. These indicate:

» **Article Forty-six:** Minimum dividends. Unless otherwise agreed at the respective meeting by the unanimity of the shares issued, the company must distribute annually as dividends in money, at least 30% of the net profits of each year.

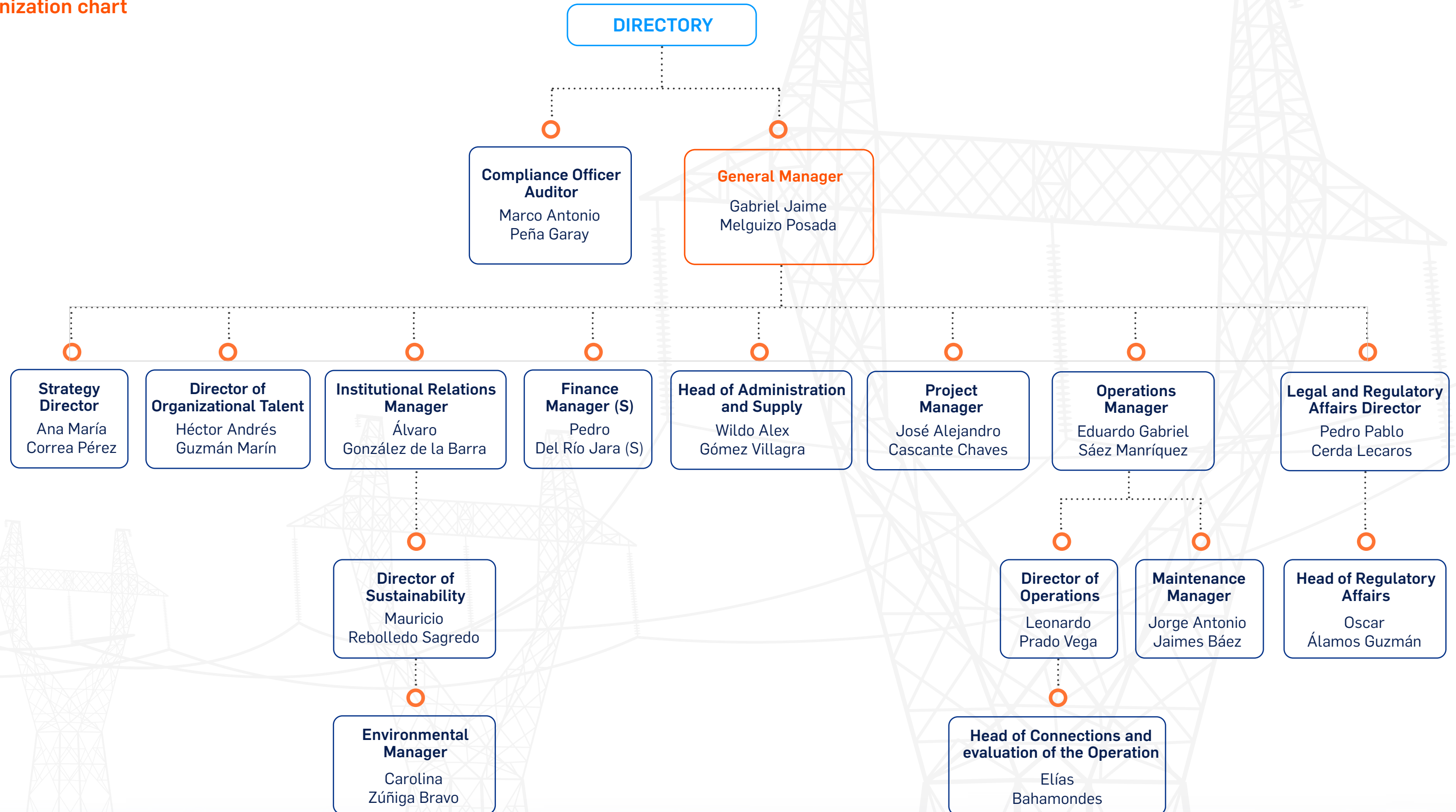
» **Article Forty-seven:** Provisional dividends. The Board of Directors may, under the personal responsibility of the directors who concur in the respective agreement, distribute provisional dividends during the year against the profits thereof,

Shareholder	N° of shares	% of shares
Shares subscribed and paid		
Interconexión Eléctrica S.A. E.S.P.	94.109	0,1%
ISA Inversiones Chile SpA.	94.015.531	99,9%
Total shares	94.109.640	100%

provided that there are no accumulated losses.

» **Article Forty-eight:** Enforceability of the Payment of Dividends. The payment of the minimum mandatory dividends will be due after 30 days from the date of the Meeting that approved the distribution of the profits for the year. The payment of the additional dividends agreed by the Board of Directors shall be made within the year in which the resolution is adopted, and on the date determined by the Board of Directors or fixed by the Board of Directors, if the Board of Directors has authorized it to do so. Payment of provisional dividends shall be made on a date to be determined by the Board of Directors. The dividends will be paid to the shareholders registered in the respective Registry on the fifth working day prior to the dates established for their resolution.

Organization chart



TRADEMARKS AND PATENTS

ISA Interchile has duly registered the necessary trademarks for its operations with the National Institute of Industrial Property, which depends on the Ministry of Economy, Development and Tourism. According to legal regulations, the registration of trademarks is valid for 10 years, with indefinite renewable status.

REGULATORY FRAMEWORK

The legal framework governing the electricity transmission business in Chile is regulated by DFL No. 4/2006, which establishes the Consolidated, Coordinated and Systematized Text of Decree enforced by Law No. 1 on Mining of 1982, General Law on Electrical Services and its subsequent amendments, which includes Law No. 19,940 (Short Law I), promulgated on 13 March 2004, Law No. 20.018 (Short Law II), enacted on 19 May

2005, Law No. 20.257 (Generation with Non-Conventional Renewable Energy Sources), enacted on 1 April 2008, and Law No. 20.936 (establishes a new electricity transmission system and creates an independent coordinating body of the National Electric System), enacted on July 11, 2016.

These rules are supplemented by the following regulations:

- » Regulation of the General Law on Electrical Services (Supreme Decree No. 327/97 of the Ministry of Mining) and its respective amendments.
- » Regulation on the qualification, valuation, pricing and remuneration of transmission facilities (Supreme Decree No. 10/19 of the Ministry of Energy).
- » Regulation of the coordination and operation of the National Electric System (Supreme Decree No. 125/17 of the Ministry of Energy).

- » Regulation of transmission systems and transmission planning (Supreme Decree No. 37/19 of the Ministry of Energy).

- » Regulation on the safety of electrical installations intended for the production, transport, provision of complementary services, storage and distribution systems of electrical energy (Supreme Decree No. 109/17 of the Ministry of Energy).

- » Regulation for the determination and payment of compensation for unavailability of electricity supply (Supreme Decree No. 31/17 of the Ministry of Energy).

In addition, these legal and regulatory standards are complemented by the following technical standards:

- » Technical standard for unavailability of supply and compensation (Resolution No. 491/20 exempt from the National Energy Commission).
- » Technical standard for safety and quality of

service and its technical annexes (Resolution No. 347/20 exempt from the National Energy Commission).

» Technical standard for coordination and operation.

The company's revenue comes from the use of its electric transmission assets. Some of them are subject to regulated amounts, while others correspond to contractual agreements with the users of the company's facilities. The total income generated using the facilities includes two components: i) the AVI, which is the annuity of the investment value (VI) and ii) the COMA, operation, maintenance and administration costs, which correspond to the cost required to operate, maintain and manage the corresponding facilities.

The new works awarded to the company in the public and international bidding processes carried out by the State of Chile, through the National Electric Coordinator, will be remunerated with the AVI and the COMA

presented in the awarded offer, for a period of 5 tariff periods, of 4 years each, which begin with the respective entry into operation of the asset. Once the aforementioned period has elapsed, the facilities and their recovery are reviewed in the corresponding Transmission Systems recovery study.

The company's liability extension works are remunerated with the AVI, calculated in such a way that the present value of these annuities (using an annual real discount rate and the economic life of each of the facilities) equals the cost of replacing the existing transmission facilities with new facilities with similar characteristics at current market prices, plus the COMA and the corresponding adjustment for income tax effects (A.E.I.R.) resulting from the valuation study. The income of both types of agreements, regulated and contractual, are recognized and invoiced monthly, using the values stipulated in the contracts, or in the case of regulated agreements, the payment tables prepared by the National Electric

Coordinator. In both cases, these values are updated with the corresponding indicators

The collection of the regulated revenues of the Company is carried out for the concepts of (i) Tolls, (ii) Transfer Balance and (iii) Transmission Charge, billing the month following the month in which the service was provided.

COMPREHENSIVE RISK MANAGEMENT

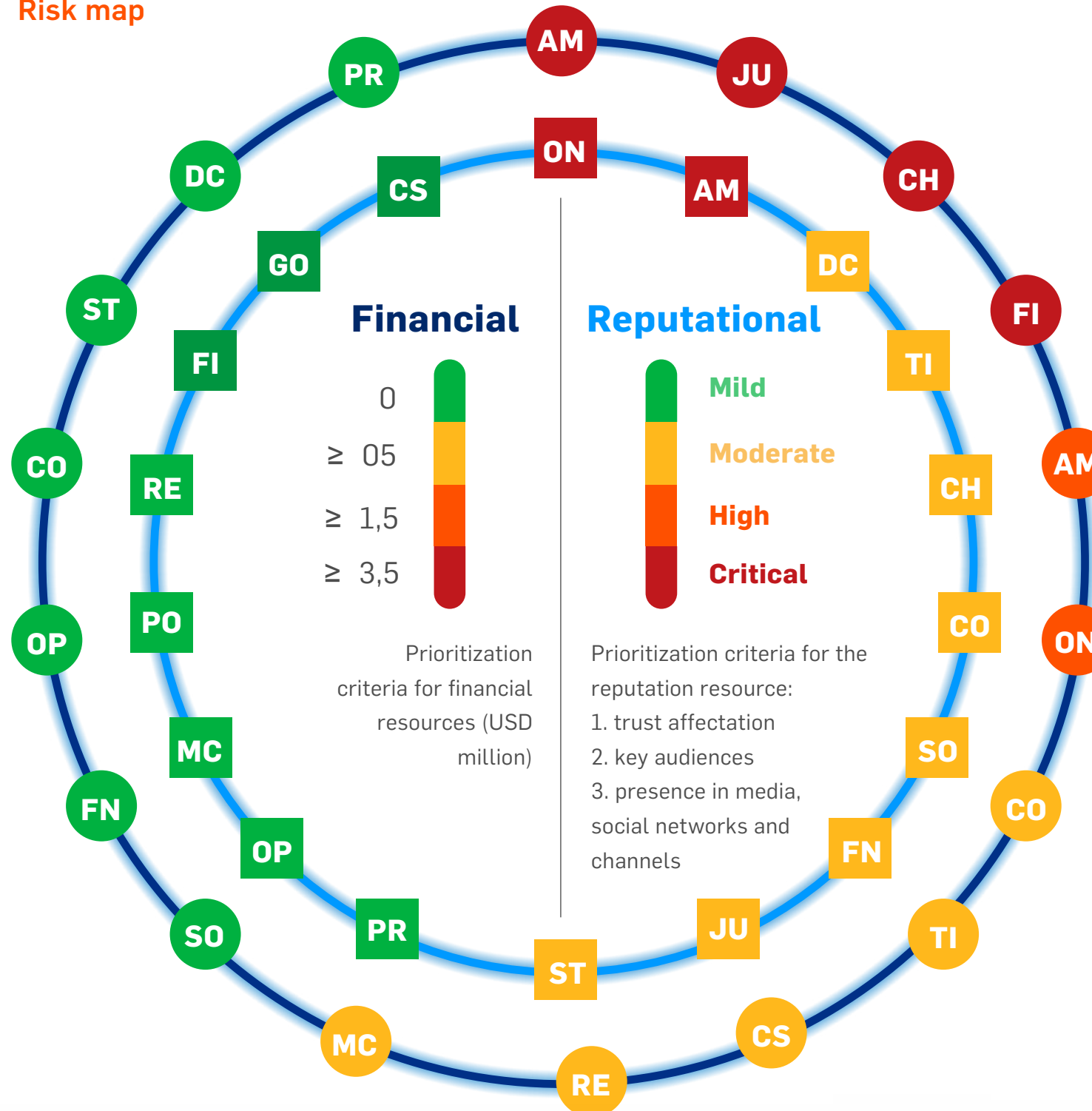
At ISA Interchile we understand risks as uncertain events that can prevent us from achieving our strategic objectives or affect business resources. Its management is essential for business continuity and corporate sustainability. This work must be done at all levels of our company, in a permanent, approved and systematic manner, in accordance with the guidelines of the Integral Risk Management Policy and the Risk Management Manual of ISA and its companies.

We apply control to the entire business cycle. For this, we generate a risk map, with its identification, assessment and management measures. This information is updated and consolidated every quarter.

During its validity in 2022, adjustments were made such as the update of risks, dimensions and categories. In addition, its management advanced in digital transformation, with reports made by the MetricStream tool.

At the close of the term, the status of INTERCHILE's consolidated risk map for financial and reputational resources in the eighteen categories defined for risk management is as follows:

Risk map



Resources

○ Financial □ Reputational

Economic

- RE-Regulatory
- JU-Legal
- PO-Political
- MC – Market, Competition, Mergers and Acquisitions
- FL - Market, liquidity and credit

Operational

- DC- Design construction and projects
- SC - Supply Chain
- BO - Business Operation
- CIT - Cybersecurity and information technology
- HC - Human capital and labour relations
- SH – Safety and health at work
- CO- Compliance

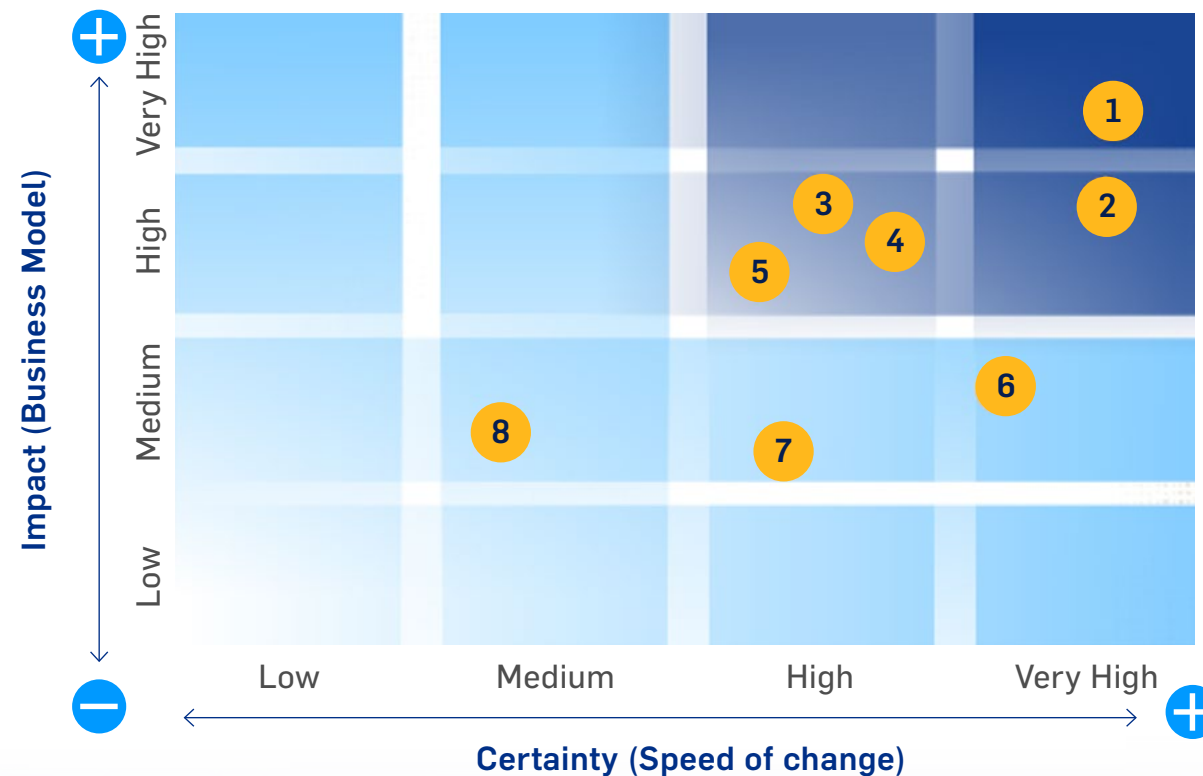
Social and environmental

- ENM-Environmental
- NP – Natural phenomena and extreme climate change
- PO - Public order and citizen security
- BU- Building
- SO- Social

RISK MONITORING AND REVIEW

At ISA and its companies, risk management is based on processes and from there the identification and administration of uncertain events that could affect the company's results is carried out. Therefore, each person responsible for the process, project, asset, contract, among others, is, in turn, directly responsible for its proper identification, assessment, prevention and mitigation. Risk tracking is associated with levels of responsibility in the structure of the organization, going through the process layer to reach the highest levels of the company, including its board of directors.

Additionally, the audit areas, in the development of their function, support their plan and development of their activities based on the analysis of business risks.



Current	Events
1	Political instability (global, regional, local)
2	Failure to promote and implement effective actions against the climate crisis.
3	Deep social instability
4	Accelerating the energy transition
5	Uncertainty and failure to adapt to disruptive technological advances
6	Cyber risks
7	High labour market volatility
8	Infectious diseases of pandemic dimensions



PRESENT RISKS

Derived from climate change: The increase in temperatures and thermal amplitude can damage the infrastructure and cause losses in the transmission system. To these risks floods and winds above 100 km / h are added. To address them, a Study of Adaptation to Climate Change is being carried out. Also, every year a Fire Plan and a Winter Plan are worked on together with the authorities to address the events that may occur in the vicinity of the electricity networks.

Processing: The realization of studies and procedures before the environmental authority may delay the execution and start-up of new projects. For this reason, ISA Interchile carries out processes of early citizen participation on a voluntary basis.

Failures: We have specialized personnel and supervision systems to detect failures and / or correct them as soon as possible, to avoid problems in the service. In July

Financial Risk Rating
Interchile maintained its long-term BBB+ risk rating in 2022, following the revision of the Fitch Ratings, which ratifies the market's confidence in the company.

there was a failure, unidentified in previous periods, on the Nueva Pan de Azúcar-Polpaico line, which involved the breakage of its conductors. An action plan was applied to address the critical points and mitigate their impact, so the supply to customers was not affected

Tariffs: Rates have been frozen by the competent authority from 2020. In turn, the 2024-2027 asset revaluation process is delayed by one year. To this, problems of payments of energy supply companies are added.

Easement Strip Occupations: The important demographic changes produced in the country have led several people to settle to live in the easement strips, putting their physical integrity and the operation of our facilities at risk. Currently, we have 31 identified fringe occupations.

Institutional Relations: The change of authorities produced from the election of a new government, which took office in March 2022, implied carrying out a relationship agenda at the local and regional level in those territories in which we are present.

Proyecto SOX

As Ecopetrol is listed on the Securities Exchange Commission (SEC) of New York, its companies must implement the SOX (Sarbanes-Oxley) Act, created in 2000 in the United States to regulate accounting and auditing processes in order to prevent fraud and corruption.

After Ecopetrol purchased 51.4% of ISA in 2021, in 2022 ISA and its companies, including Interchile, became jointly responsible for the information of the financial statements reported to the SEC. Therefore, they must be

subjected to procedures to comply with this legislation and ensure the effectiveness of the data.

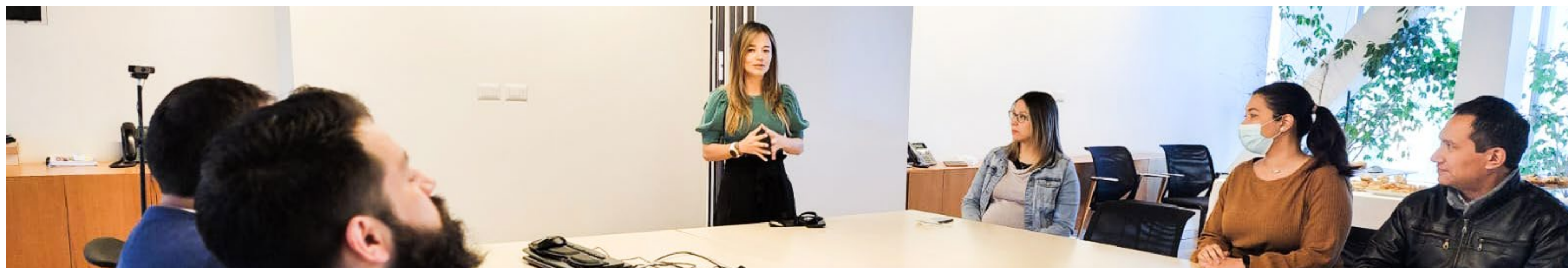
The incorporation process began this year in Interchile, to strengthen its internal control and that financial information is free of errors.

Applies to closing and financial reporting, general controls of technology, plant and equipment, income and accounts receivable, purchases and accounts payable, taxes, treasury, cash, investments,

payroll and benefits, and financial obligations.

Benefits for ISA and its companies:

- » **Work under international standards.**
- » **Correct deviations and adjust processes, strengthening our operational excellence.**
- » **Increase our financial credibility with suppliers and customers.**
- » **Advance our commitment to compliance and good governance.**



ISA Interchile Main Contractors

Type of Contractual Relationship	Business name of the supplier	Projects	Direct or Indirect Ownership Relationship between the Supplier and Interchile
EPC Contracts for Substations and Transformers			
EPC construction contracts	Siemens Energy	P07, P08	Does not exist
	Consorcio Siemens HMV	P08	Does not exist
	Inprolec	P06	Does not exist
Supply Contracts			
Contract for the supply of high-voltage equipment	ABB Ltda.	P08	Does not exist
Compensation supply contract	GIVE	P08	Does not exist
Contract for the supply of power transformers	Hyosung Corporation	P07	Does not exist
Line and Substation Maintenance Contract			
Transmission line maintenance contract	BBosch S.A.	P01, P02, P03, P04	Does not exist
Substation maintenance contract	BBosch S.A.	P01, P02, P03, P04, P06, P07, P08	Does not exist
Data and Communications Channel Contract	Internexa	P01, P02, P03, P04	Subsidiary company of Interconexión Eléctrica S.A. E.S.P. controller of the Company
Scada System Support and Maintenance Contract	Intercolombia	P01, P02, P03, P04	Subsidiary company of Interconexión Eléctrica S.A. E.S.P. controller of the Company



Main Suppliers of ISA Interchile

Supplier	Service
AMS Consultants SpA	Consultancies and environmental studies
Arcadis Chile SpA	Consultancies and environmental studies
Geobiota Consultants	Consultancies and environmental studies
Environmental Management Services Consultants (EMS)	Consultancies and environmental studies
WSP Consultants	Consultancies and environmental studies
Consultancies and Services Biomapu SpA	Consultancies and environmental studies
Pertiga Consultants	Consultancies in social management
Mi Parque Foundation	Construction of green areas, squares and parks
Chile Foundation	Education Consulting
COMTEC Consultants	Real Estate Management
Barros y Errázuriz Abogados Limitada	Legal advice
Gutierrez, Waugh, Jimeno y Asenjo Abogados Limitada	Legal advice
Dechert (Paris) LLP	Legal advice
Philippi Prietocarrizosa Ferrero DU & Uria	Legal advice
Lama Abogados Limited	Legal advice
Gamboa, Fuenzalida, Sanfeliu and Ugarte Compañía Limitada	Legal advice
CMS Carey & Allende	Legal advice
Moreno, Saéz y Aviles Abogados	Legal advice
BBosch S.A.	Consultancies, studies and maintenance
Business Continuity SpA	Consultancies and / or consultancies of technology - specialized
Private Security Training	Security
Colvin y Cía Ltda	Specialized tools for electrical maintenance
Comunicación Estratégica Ltda.	Advertising and printed material
DSAC Chile SpA	Strategic consultancies and/or consultancies
Empathy	Social Media Services
Ohm Energy SpA	Advice and/or technical consultancies in energy transport
Éticactiva	Crime Prevention Officer
Etcheberry & Keller EK.	Communication Consulting
Hyosung Corporation	Testing and commissioning of substation equipment
Engineering IEB Chile SpA	Advice and/or technical consultancies in energy transport
INPROLEC S.A.	Substation equipment
Agricultural Research Institute of Chile (INIA)	Consultancies and environmental studies
Internexa Chile S.A.	Services, maintenance, equipment, telecommunications networks
ONE INTERCOLOMBIA WITH ESP	Technological support and maintenance
Servicios e Inversiones Pasmal Ltda	Minor civil works
System Ingenieria Y Diseño S.A	Advice and/or technical consultancies in energy transport
Valgesta Energía SpA	Advice and/or technical consultancies in energy transport

MAIN PROPERTIES

ISA Interchile is the owner of the property called "Lote Pan de Azúcar", where the electrical substation "Nueva Pan de Azúcar" is located, located in the commune and Region of Coquimbo, acquired by public deed of sale dated June 19, 2014, signed at the notary of Mr. Oscar Fernández Mora in the City of La Serena. This domain is registered in the Property Registry, on pages 11,505 number 6,170 of the year 2014 of the Real Estate Conservator of the city of Coquimbo.

ISA Interchile owns the property called "Lote Ocho A", where the "Nueva Maitencillo" electrical substation is located, located in the commune of Freirina, Atacama Region, acquired by public deed of sale dated March 24, 2015, granted before the notary public Holder of the Third Notary of Rancagua, Mr.

Ernesto Montoya Peredo. This domain is registered on page 283 number 236 of the Property Registry of the year 2015 of the Real Estate Conservator of Freirina.

INSURANCE

- MAPFRE covers everything from electronic equipment to earthquakes and fires.
- Chilena Consolidada covers infidelity and civil liability for directors.
- Zurich covers liability for directors and officers.

Society	Policy
Alliance	D&O Civil Liability
BCI Seguros	Motor Vehicles
Chilena Consolidada	D&O Civil Liability
IN	Civil Liability (Office)
MAPFRE	Electronic Equipment Insurance
MAPFRE	Material Damage Operation
MAPFRE	Fire/Terrorism Operation
Southbridge	Civil Liability Operation
Zurich	Infidelity and Financial Risks
Zurich	Data Protection



FINANCING STRUCTURE

On July 26, 2021, Interchile S.A. carried out a placement of Green Bond (ESG) in the international markets of guaranteed debt securities, for a total amount of USD 1,200 million, subject to rule number 144A issued by the "Securities and Exchange Commission" of the United States of America. This is the only financing that Interchile S.A. currently maintains.

Being the local guarantee agent Scotiabank Chile and the foreign bond representative Citibank N.A., the agreed rate was 4.5% fixed and with interest and semi-annual payment capital. This interest is payable as of December 30, 2021. The duration of the instrument is 35 years and with capital depreciation from June 30, 2028.

SUBSIDIARIES AND AFFILIATES

As of December 31, 2022, Interchile S.A. has no subsidiaries or affiliates or investments in other companies..

DISTRIBUTABLE UTILITY

As of December 31, 2022, Interchile S.A. has no distributable profits.

COMMENTS AND PROPOSALS FROM SHAREHOLDERS

As of December 31, 2022, Interchile S.A. has no comments and proposals from shareholders.

LIQUIDITY SURPLUSES

Short-term cash surplus investments are made in accordance with ISA's Investment policies. These consider permanent follow-up, monitoring and qualification of the financial market and its actors, in the search for minimum exposure to financial risk and maximum profitability. All these investments must also comply with the requirements of the Interchile Bond credit agreement.

The following are the main guidelines considered in the Short-Term Surplus Investment Policy:

» The management of the company's excess liquidity should be based on the definition, quantification and rating of the minimum risk and/or maximum acceptable risk with respect to entities, securities and operations. In our case, the maximum acceptable risk



is that which is indicated in the Bono credit agreement (term deposits of less than 90 days, issued by banking financial institutions).

» Within this allowable risk framework, the most profitable treasury operations should be sought, trading with at least three banks.

» The company must plan and carry out the operations of management of excess liquidity, based on the commitments established in the cash budget, thus reducing liquidity risk and avoiding unexpected situations of resource requirements. This is done with the aim of not liquidating investments in advance.

» The policy of managing excess liquidity cannot be speculative.

» The selected financial institution must present maximum risk levels acceptable to the company. In our case, they must be banking entities regulated by the CMF (Commission for the Financial Market) for investments made in Chile.

» Eligible surplus liquidity securities should meet the following requirements:

a) Be a fixed-income security, with a maximum term of 90 days.

b) The entities issuing these securities must comply with the minimum levels of risks.



6

PROFILE OF THIS REPORT

isa

INTERCHILE

ABOUT THIS REPORT

We present our second Integrated Management Report, which accounts for our economic, social and environmental performance, during the period corresponding to January 1, 2022 to December 31, 2022. This report has been prepared in accordance with the Essential option of the GRI 2021 Standards and considering the methodology established by the International Integrated Reporting Council (IIRC), with the purpose of demonstrating to the different stakeholders our ability as a company to create sustainable value.

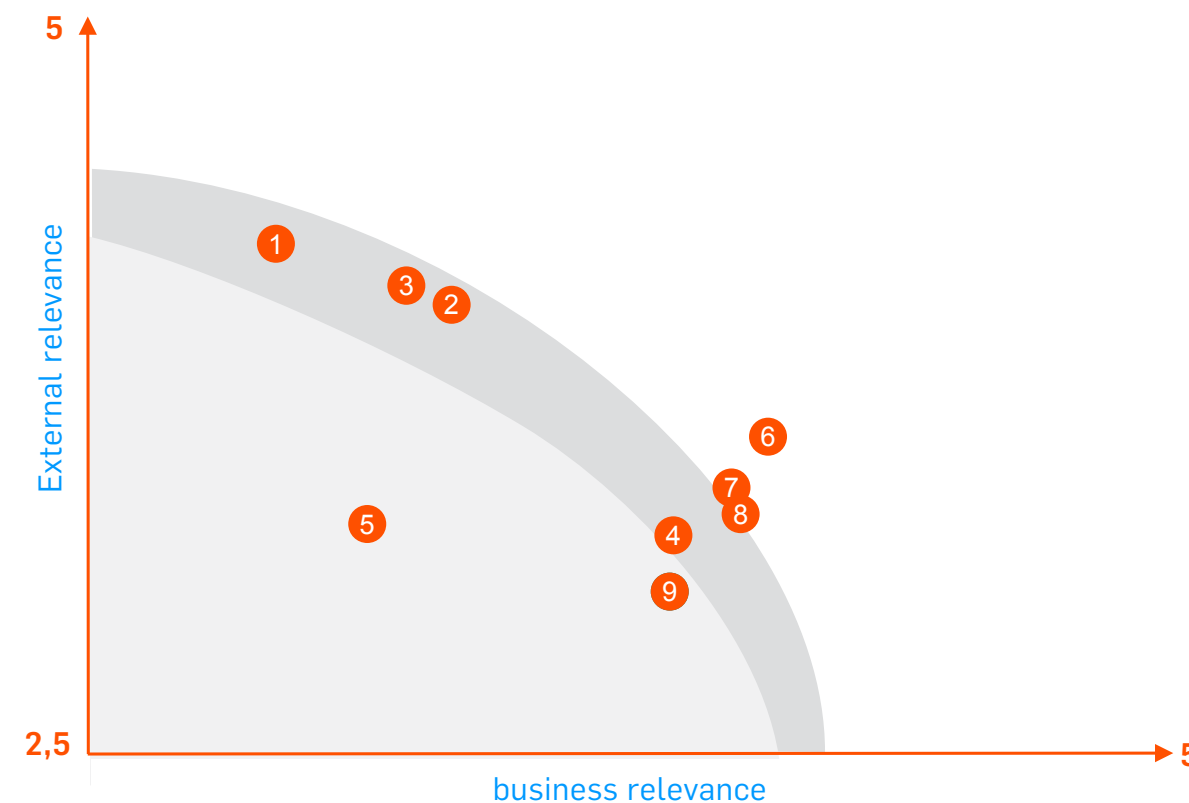
MATERIALITY ANALYSIS

For the definition of the contents, we consider the materiality study carried out in 2021, with the aim of raising and defining the most relevant issues for the management of sustainability of ISA Interchile, in an exercise of consultation and dialogue with stakeholders. With this information, the materiality matrix 2022 was built.

Material Topics

- 1** Occupational safety and health for direct and indirect employees.
- 2** Climate change mitigation and adaptation strategy.
- 3** Consistency with the fulfillment of the higher purpose.
- 4** Delivering on the promise of value with rigor and excellence.
- 5** Management of environmental impacts associated with activities.
- 6** Ability to meet financial and business objectives with a long-term vision taking advantage of opportunities and ensuring corporate validity.
- 7** Leadership in initiatives to contribute to the protection of ecosystems and biodiversity.
- 8** Ethical, integral and transparent behavior.
- 9** Closeness and dialogue with interest groups and listening to their expectations.

Materiality Matrix



Material topic	Management approach	How we manage it
<p>Occupational safety and health for direct and indirect employees</p>	<p>We focus on preventing, detecting and evaluating the risks of accidents and occupational diseases, both of our direct and indirect workers, placing people and their well-being at the center of our management.</p>	<ul style="list-style-type: none"> » Occupational Health and Safety Policy » Safe culture model » "Connected with life" Program » "Connected to Mental Health" Program » Hazard Risk Matrix and Risk Assessment (MIPER)
<p>Climate change mitigation and adaptation strategy</p>	<p>Coherence with the pillars that support our corporate strategy. As part of ISA we seek to be a transcendent company, with good sustainability practices and an ally to contribute to transforming the reality of the faceted territories in the face of future challenges.</p>	<ul style="list-style-type: none"> » Eco-efficiency strategy » Huella Chile Program » Puma Connection » Purchase of bonds to achieve carbon neutrality
<p>Consistency with the fulfillment of the higher purpose</p>	<p>Coherence with the pillars that support our corporate strategy. As part of ISA we seek to be a transcendent company, with good sustainability practices and an ally to contribute to transforming the reality of the faceted territories in the face of future challenges.</p>	<ul style="list-style-type: none"> » Institutional relationship strategies » Closing gaps identified in the reputation and materiality study » ISA Group Compliance Program » Adherence to a Global Pact
<p>Delivering on the promise of value with rigor and excellence</p>	<p>We comply with our activity considering the needs and expectations of our stakeholders, providing services with the best quality, opportunity and effectiveness possible.</p>	<ul style="list-style-type: none"> » Asset management model » Organizationalstrengthening plan » Cybersecurity Management » SOX Act
<p>Management of environmental impacts associated with activities</p>	<p>We take responsibility for the environmental impact of our activity during the life cycle of the assets, maximizing eco-efficiency and complying with environmental and legal requirements.</p>	<ul style="list-style-type: none"> » Environmental strategy » SF6 Leakage Management » Real estate management and territorial intelligence » Sanitation plan and Environmental Compliance

Continues ▼

Material topic	Management approach	How we manage it
<p>Ability to meet financial and business objectives with a long-term vision, taking advantage of opportunities and ensuring corporate validity</p>	<p>We work to optimize capital investment, managing the opportunities that ensure our corporate validity, ensuring compliance with the objectives established in the strategic business plan and Commitment to our stakeholders.</p>	<ul style="list-style-type: none"> » First green project bond issued » Growth strategy » Expansion of projects in operation » Construction of new projects
<p>Leadership in initiatives to contribute to the protection of ecosystems and biodiversity</p>	<p>We take a proactive position in the protection and conservation of natural resources inspiring others to protect them, contributing to the improvement of the natural environment.</p>	<ul style="list-style-type: none"> » Protection of ecosystems and biodiversity » Biological plan with mitigation measures » Environmental Education Program » Measures for the protection of wetlands, bodies and waterways » Measures for soil protection » Prevention measures and combating forest fires
<p>Ethical, integral and transparent behavior</p>	<p>The trust we project towards stakeholders and investors is based on the establishment of ethical and transparent corporate governance and a solid institutional framework that incorporates these values in a transversal way in the daily activity of the company.</p>	<ul style="list-style-type: none"> » ISA Business Ethics and Compliance Program » Corporate Policy of Integral Risk Management
<p>Closeness and dialogue with the interest groups and listening to their expectations</p>	<p>We actively participate in development processes, through alliances and synergies with key players who share territories and purposes, focused on the transfer of skills and knowledge.</p>	<ul style="list-style-type: none"> » Social management strategy » Environment management strategy » Territorial actions » Corporate volunteering » Trade union and industrial links

TABLE GRI

GRI Indicator	Description	Page	Global Compact Principles
2-1	Organizational Details	12	
2-2	Entities included in sustainability reporting	116	
2-3	Reporting period, frequency and point of contact	107	
2-4	Information updates	107	
2-5	External verification	No realizada	
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GRI Indicator	Description	Page	Global Compact Principles
2-20	Process for determining remuneration	75, 81	
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2-24	Incorporating commitments and policies	18, 19, 20, 21, 22	
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2-27	Compliance with laws and regulations	68	
2-28	Membership of associations	29	
2-29	Approach for the participation of Interest groups	28	
2-30	Collective negotiation agreements	ISA Interchile no cuenta con sindicatos	
201-1	Direct economic value generated and distributed	116	
204-1	Spending proportions on local suppliers	55	
205-1	Operations assessed for corruption-related risks	58	10
205-2	Communication and training on anti-corruption policies and procedures	85	10
205-3	Confirmed cases of corruption and measures taken	85	10

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GRI Indicator	Description	Page	Global Compact Principles
302-1	Energy consumption within the organization	40	7, 8 y 9
303-1	Interaction with water as a shared resource	40, 50	7, 8 y 9
303-5	Water consumption	44	7, 8 y 9
304-1	Owned operation centers, leased or managed located within or adjacent to high value zones for biodiversity outside of protected areas	36	7, 8 y 9
304-2	Significant impacts of activities, products and services on biodiversity	36	7, 8 y 9
304-3	Protected or restored habitats	37	7, 8 y 9
304-4	Species on the IUCN Red List and national conservation lists whose habitats are in areas affected by operations	37	7, 8 y 9
305-1	Direct GHG emissions (scope 1)	43	7, 8 y 9
305-2	Indirect GHG emissions from power generation (scope2)	43	7, 8 y 9
305-3	Other indirect GHG emissions (scope 3)	44	7, 8 y 9
305-5	Reduction of GHG emissions	39, 45	7, 8 y 9
306-3	Waste generated	44	7, 8 y 9
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307-1	Failure to comply with environmental legislation and regulations	68	7, 8 y 9
308-1	New suppliers that have passed evaluation and selection filters according to environmental criteria	59	7, 8 y 9

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GRI Indicator	Description	Page	Global Compact Principles
308-2	Negative environmental impacts in the supply chain and measures taken	59	7 y 8
401-1	New hires and staff turnover	72	
403-1	Parental leave	76	6
403-9	Work-related Injury	78	
404-1	Average hours of training per year per employee	72	
404-3	Percentage of employees who receive periodic performance appraisals and professional development	73	
405-1	Diversity in governing bodies and employees	75	6
405-2	Ratio of basic salary and remuneration of women to men	75	6
406-1	Cases of discrimination and corrective action taken	85	6
410-1	Security personnel trained in human rights policies or procedures	53	1 y 2
411-1	Cases of violations of the rights of indigenous people	no register	1 y 2
412-1	Operations subject to human rights reviews or impact assessments	no register	1 y 2
413-1	Local community engagement operations, impact assessments and development programs	46, 47	1 y 2
414-1	New suppliers that have passed selection filters according to social criteria	59	4 y 5
414-2	Negative social impacts in the supply chain and measures taken	59	4 y 5

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ESSENTIAL FACTS AND FINANCIAL STATEMENTS

Financial statements for the years ended December 31, 2022 and 2021
and report of the independent auditor.

ESSENTIAL FACTS

During the year, ISA Interchile reported the following Essential Facts to the Financial Market Commission:

21/01/2022

▶ On January 21, 2022, reports the voluntary resignation of Mr. Bernardo Vargas Gibsone, Colombian passport No. PE101369, from the Board of Directors of Interchile S.A.

02/03/2022

▶ On March 2, 2022 reports that Mr. Aquiles Marcelo Vargas Fuenzalida, identity card No. 11,529,987-5, leaves the Company's Chief Financial Officer. In his replacement, Mr. Pedro Antonio del Río Jara, Identity Card No. 17,406,034-7, will temporarily replace him in that capacity while the selection process for the new Chief Financial Officer is being carried out.

16/03/2022

▶ On March 16, 2022 reports the appointment of new directors of the company..

07/07/2022

▶ On July 7, 2022 reports the revocation of the current Board of Directors and its corresponding replacement.

10/08/2022

▶ On August 10, 2022, reports the voluntary resignation of Mrs. Mónica Jiménez González, Colombian passport A0465825, from the Board of Directors of Interchile S.A.

02/11/2022

▶ On November 2, 2022 reports the voluntary resignation of the director Carolina Botero Londoño, Colombian passport AR210850, from the board of Interchile S.A.

29/11/2022

▶ On November 29, 2022 reports a change in the shareholding of Interchile S.A., and thus a change of control.

30/11/2022

▶ On November 30, 2022, reports the nomination of Mr. Luis Everley Llano Zuleta as the new Chief Executive Officer of Interchile S.A., who will assume the position as of January 20, 2023.

FINANCIAL STATEMENTS INTERCHILE S.A.

December 31, 2022 and 2021



EY Chile
Avda. Presidente
Riesco 5435, piso 4,
Las Condes, Santiago

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Informe del Auditor Independiente

Señores
Accionistas y Directores
Interchile S.A.

Hemos efectuado una auditoría a los estados financieros adjuntos de Interchile S.A., que comprenden el estado de situación financiera al 31 de diciembre de 2022 y los correspondientes estados de resultados integrales, de cambios en el patrimonio y de flujos de efectivo por el año terminado en esa fecha y las correspondientes notas a los estados financieros.

Responsabilidad de la Administración por los estados financieros

La Administración es responsable por la preparación y presentación razonable de estos estados financieros de acuerdo con Normas Internacionales de Información Financiera. Esta responsabilidad incluye el diseño, implementación y mantención de un control interno pertinente para la preparación y presentación razonable de estados financieros que estén exentos de representaciones incorrectas significativas, ya sea debido a fraude o error.

Responsabilidad del auditor

Nuestra responsabilidad consiste en expresar una opinión sobre estos estados financieros a base de nuestra auditoría. Efectuamos nuestra auditoría de acuerdo con Normas de Auditoría Generalmente Aceptadas en Chile. Tales normas requieren que planifiquemos y realicemos nuestro trabajo con el objeto de lograr un razonable grado de seguridad que los estados financieros están exentos de representaciones incorrectas significativas.

Una auditoría comprende efectuar procedimientos para obtener evidencia de auditoría sobre los montos y revelaciones en los estados financieros. Los procedimientos seleccionados dependen del juicio del auditor, incluyendo la evaluación de los riesgos de representaciones incorrectas significativas de los estados financieros, ya sea debido a fraude o error. Al efectuar estas evaluaciones de los riesgos, el auditor considera el control interno pertinente para la preparación y presentación razonable de los estados financieros de la entidad con el objeto de diseñar procedimientos de auditoría que sean apropiados en las circunstancias, pero sin el propósito de expresar una opinión sobre la efectividad del control interno de la entidad. En consecuencia, no expresamos tal tipo de opinión. Una auditoría incluye, también, evaluar lo apropiadas que son las políticas de contabilidad utilizadas y la razonabilidad de las estimaciones contables significativas efectuadas por la Administración, así como una evaluación de la presentación general de los estados financieros.



Consideramos que la evidencia de auditoría que hemos obtenido es suficiente y apropiada para proporcionarnos una base para nuestra opinión de auditoría.

Opinión

En nuestra opinión, los mencionados estados financieros presentan razonablemente, en todos sus aspectos significativos, la situación financiera de Interchile S.A. al 31 de diciembre de 2022 y los resultados de sus operaciones y los flujos de efectivo por el año terminado en esa fecha de acuerdo con Normas Internacionales de Información Financiera.

Otros Asuntos, Informe de otros auditores sobre los estados financieros al 31 de diciembre de 2021

Los estados financieros de Interchile S.A. por el año terminado el 31 de diciembre de 2021 fueron auditados por otros auditores, quienes expresaron una opinión sin salvedades sobre los mismos en su informe de fecha 11 de marzo 2022.

Santiago, 21 de marzo de 2023

Gastón Villarroel O.
EY Audit Ltda.

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\$:
Chilean Peso

M\$:
Millions of Chilean
pesos

US\$:
US Dollar

MUS\$:
Thousands of US
dollars

EUR:
Euro

UF:
Development Unit

CLASSIFIED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31
(THOUSANDS OF US DOLLARS)

ASSETS	Note	2022 TUS\$	2021 TUS\$
CURRENT ASSETS			
Cash and cash equivalents	(6)	301.953	314.065
Other current financial assets	(7)	60.285	23.299
Trade receivables and other current accounts receivable	(8)	17.912	18.091
Accounts receivable from related entities	(10)	49	393
Other current nonfinancial assets	(9)	107	548
Total current assets		380.306	356.396
NON-CURRENT ASSETS			
Trade receivables and other non-current receivables	(8)	-	4.708
Other non-current non-financial assets	(9)	151	340
Property, plant and equipment, ne	(12)	1.004.562	1.030.172
Intangible assets other than capital gains	(13)	111.732	110.123
Deferred tax assets	(11)	35.589	33.793
Total non-current assets		1.152.034	1.179.136
Total Assets		1.532.340	1.535.532

CLASSIFIED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31
(THOUSANDS OF US DOLLARS)

LIABILITIES AND EQUITY	Note	2022 TUS\$	2021 TUS\$
LIABILITIES			
CURRENT LIABILITIES			
Commercial accounts payable and other current accounts payable	(14)	37.061	17.376
Accounts payable to current related entities	(10)	324	253
Current tax liabilities	(11)	10	13
Total current liabilities		37.395	17.642
NON-CURRENT LIABILITIES			
Commercial accounts payable and other non-current accounts payable	(14)	313	17.937
Non-current financial liabilities	(15)	1.184.208	1.184.828
Total non-current liabilities		1.184.521	1.202.765
Total Liabilities		1.221.916	1.220.407
EQUITY			
Issued capital	(16)	370.136	370.136
Cumulative results	(16)	(59.712)	(55.011)
Other bookings		-	-
Total equity		310.424	315.125
Total Liabilities and Equity		1.532.340	1.535.532

Attached notes numbers 1 through 22 make up an integral part of these Financial Statements

STATEMENTS OF COMPREHENSIVE INCOME BY
FUNCTION FOR THE YEARS ENDED DECEMBER 31
(THOUSANDS OF US DOLLARS)

	Note	2022 TUS\$	2021 TUS\$
GAIN (LOSS)			
Income from ordinary activities	(17)	94.398	85.975
Cost of sales	(18)	(39.203)	(37.493)
Gross profit		55.195	48.482
Administrative expenses	(18)	(9.944)	(6.957)
Other Income		(771)	(932)
Financial income and expenses	(18)	(51.057)	(144.545)
Exchange differences		91	(5.713)
Profit (loss) before Tax		(6.486)	(109.665)
Income tax	(11)	1.785	30.398
Profit (loss) for the year		(4.701)	(79.267)
Gain (loss)		(4.701)	(79.267)
STATEMENT OF OTHER COMPREHENSIVE INCOME			
Components of another integral result to be reclassified to the result			
Cash Flow Hedges		-	83.162
Total other comprehensive pre-tax income		-	83.162
INCOME TAXES RELATING TO COMPONENTS OF OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS			
Income taxes related to cash flow hedges		-	(22.455)
Total other comprehensive result		-	60.708
Total comprehensive result		(4.701)	(18.559)

Attached notes numbers 1 through 22 make up an integral part of these Financial Statements

**STATEMENTS OF COMPREHENSIVE INCOME BY
FUNCTION FOR THE YEARS ENDED DECEMBER 31**
(THOUSANDS OF US DOLLARS)

DIRECT CASH FLOW STATEMENTS	2022 TUS\$	2021 TUS\$
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES		
Receipts from the provision of goods and services	141.542	99.075
Payments to suppliers for the supply of goods and services	(58.525)	(110.326)
Other cash inflows	(15)	1.281
Cash flow from (used in) operating activities	83.002	(9.970)
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(5.477)	(9.935)
Purchases of intangible assets	(1.692)	108
Interest received, classified as investment activities	6.351	-
Other cash inflows (outflows)	(36.987)	35.919
Cash flow from (used in) investing activities	(37.805)	26.092
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES		
Debt payments (Amortization to Equity)	-	(756.809)
Amounts from long-term loans	-	1.200.000
Interest and financial expenses paid	(57.400)	(140.046)
Leasing	-	(505)
Cash flow from (used in) financing activities	(57.400)	302.640
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, BEFORE THE EFFECT OF EXCHANGE RATE CHANGES	(12.203)	318.762
Effects of Exchange Rate Change on Cash and Cash Equivalents	91	(5.667)
Increase (decrease) of Cash and Cash Equivalents	(12.112)	313.095
Cash and Cash Equivalents at the Beginning of the Period	314.065	970
Cash and Cash Equivalents at End of Period	301.953	314.065

Attached notes numbers 1 through 22 make up an integral part of these Financial Statements

STATEMENTS OF CHANGES IN EQUITY

December 31, 2022 and 2021

(IN THOUSANDS OF DOLLARS)

Statements of Changes in Equity	Issued Capital TUS\$	Other Reservations TUS\$	Cumulative Results TUS\$	Total Equity TUS\$
Opening balance financial year 01.01.2022	370.136	-	(55.011)	315.125
Capital increase	-	-	-	-
Loss of exercise	-	-	(4.701)	(4.701)
Another comprehensive result	-	-	-	-
Final balance period 31.12.2022	370.136	-	(59.712)	310.424

Statements of Changes in Equity	Issued Capital TUS\$	Other Reservations TUS\$	Cumulative Results TUS\$	Total Equity TUS\$
Opening balance financial year 01.01.2021	370.136	(60.708)	24.256	333.684
Capital increase	-	-	-	-
Loss of exercise	-	-	(79.267)	(79.267)
Another comprehensive result	-	60.708	-	60.708
Final balance period 31.12.2021	370.136	-	(55.011)	315.125

Attached notes numbers 1 through 22 make up an integral part of these Financial Statements

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE 1 - GENERAL INFORMATION AND BUSINESS DESCRIPTION

INTERCHILE S.A. (hereinafter "the Partnership", "the Company" or "INTERCHILE") was constituted as a Closed Limited Partnership by public deed on December 13, 2012, before the Notary of Santiago Raúl Undurraga Laso. It has its legal address at Ave. Cerro El Plomo N° 5630 Piso 18 - office 1802, Las Condes, Metropolitan Region, Santiago, Chile and its Tax ID is 76.257.379-2.

The Company is registered with No. 266 in the Register of Reporting Entities of the Financial Market Commission ("FMC"), given that its registration is a requirement of the National Energy Commission as a prerequisite for the process of allocation of rights and object of the Company.

The parent company of the Partnership is ISA Inversiones Chile SPA with legal address at Ave Cerro El Plomo N° 56 10th floor - Las Condes, Metropolitan Region, Santiago, Chile, which in turn is a subsidiary of Interconexión Eléctrica S.A. E.S.P. which is the Parent Company of Grupo

Empresarial ISA, controlled by Grupo Ecopetrol based in Bogota - Colombia.

The sole purpose of the Company is the transmission of electricity through national, zonal and / or dedicated transmission systems or of, or any other classification of transmission facilities that the regulations may contemplate in the future, either on its own account or on behalf of third parties; the commercialization of the capacity for the transmission and transformation of electricity in the Central Interconnected System or in the Interconnected System of the Greater Northern Territories; the construction, administration and / or operation of electrical transmission facilities, both of their own and those of third parties; the provision of services in activities related to the corporate purpose, whether in the country or abroad; the performance of any other activities related to the energy transmission and transport of electric energy; and, in general, the execution of all types of contracts and conventions, which are directly or indirectly related to the corporate purpose, which may be developed directly or through other companies.

INTERCHILE is currently constructing the following projects:

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

The Company is currently generating income from projects in operation related to the development of its main activity.

NOTE 2 - BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**2.1) Basis of preparation and declaration of compliance.**

These financial statements correspond to the statements of financial position and the statements of comprehensive income, changes in equity and

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

cash flow for the years ended December 31, 2022 and 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB). Certain specific instructions for the presentation of financial information and disclosures in the financial statements issued by the CMF were also applied.

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

The financial statements have been prepared in accordance with the cost principle, which is generally based on the fair value of the consideration given in exchange for goods and services, except for cash, equity investments, some fixed income investments.

These financial statements were approved by the Board of Directors of the Company on March 17, 2022

2.2) Functional currency

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

All information in these financial statements is presented in thousands of dollars (TUS\$), except where otherwise indicated

2.3) Conversion bases

Transactions in foreign currency and readjustable units (e.g. UF and UTM) are recorded at the exchange rate of the respective currency or rebalancing unit on the date the transaction meets the requirements for initial recognition. At year-end, the balances of monetary assets and liabilities in Chilean pesos are valued at the exchange rate prevailing at that date, and exchange differences arising from such valuation are recorded in the comprehensive income statement. Assets and liabilities in Euros, Chilean pesos and development units are translated into US dollars at the exchange rates in effect at the date of the financial statements,

in accordance with the following detail (US\$ 1 equivalences):

	2022 US\$	2021 US\$
Development Unit	0,0244	0,0273
Chilean Peso	0,0012	0,0012
Euro	0,92	0,88

2.4) Responsibility for the information and estimates made

The information contained in these financial statements is the responsibility of the Company's Board of Directors, which expressly states that IFRS has been fully applied

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

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

Information on the most significant areas of estimating uncertainties and critical judgments in the application of accounting policies that have the most material effect on the amount recognized in the financial statements is described in each applicable note.

The Company's estimates relate mainly to:

» Lease contracts, their classification is based on the degree of expected risks and benefits, derived from the ownership of the asset, which includes the possibility of losses due to capacity technological idle or obsolescence and variations in performance, due to changes in economic conditions. This classification is made at the beginning of the contract

and is not changed during its term, unless the lessee and the lessor agree to modify the clauses of the lease. However, changes in estimates

» Economic life or residual value of the asset- shall not give rise to a reclassification of that lease

» Useful life of plant and equipment property; which are reviewed and adjusted prospectively if any changes are identified.

» Impairment of accounts receivable; The amount of such losses is updated at each filing date to reflect changes in credit risk since initial recognition.

» Deferred tax recovery; The use of professional judgment is required to determine whether deferred tax assets should be recognized in the statement of financial position. To use deferred tax assets, the probability that the Company will generate taxable profits in future periods is evaluated. In addition, future changes in tax laws could limit the company's ability to obtain tax deductions in future periods. Any difference between the estimates and subsequent actual disbursements

is recorded in the year in which it occurs.

» Provision for legal and administrative processes: To estimate the value of the contingency of loss in the processes that are pending against INTERCHILE, the legal advisors evaluate, among other aspects, the merits of the claims, the jurisprudence of the courts in this regard and the current status of the proceedings. This provision is associated with the probability of occurrence, as well as professional judgment and the opinion of legal advisors.

2.5) Balance and transaction clearing

As a general rule, the financial statements do not offset assets and liabilities, nor income and expenditures, except in those cases in which the compensation is required or permitted by any standard and this presentation reflects the economic substance of the transaction.

Income or expenses arising from transactions that, contractually or by imperative of a legal norm, contemplate the possibility of compensation and the Company intends to liquidate the position for its net amount or to realize the assets and proceed to the

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

payment of the liabilities simultaneously, will be present net in the comprehensive income statement.

2.6) Classification of current and non-current balances

In the statement of financial position, balances are classified according to their maturities, that is, as current those with maturities equal to or less than twelve months and as non-current, those with maturities greater than that period. In the case of obligations whose maturity is less than twelve months, but whose long-term refinancing is ensured at the discretion of the Company, through credit agreements available unconditionally with long-term maturity, they could be classified as non-current liabilities.

NOTA 3 - APPLIED ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are described below. As required by IFRS, these

policies have been defined based on IFRS in effect as of December 31, 2022, and have been applied uniformly in all periods presented in these financial statements.

3.1) Financial assets

Acquisitions and disposals of financial assets are recognised on the trading date, i.e. the date on which the Company undertakes to acquire or sell the asset.

Financial assets are classified into the following categories:

- » Financial assets at fair value with changes in profit or loss
- » Financial assets at amortized cost
- » Financial assets at fair value with changes to comprehensive income

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

Financial assets at fair value with changes in profit or loss

Financial assets at fair value with changes in profit or loss are held primarily for the purpose of being sold in the short term. Assets in this category are classified as current assets.

Investments in marketable securities are initially recorded at cost and subsequently their value is updated based on their market value (fair value), changes in their value are recorded in results at the time they occur.

Financial assets at amortized cost

This category includes financial assets that meet the following conditions:

- a) The business model that underpins it aims to maintain financial assets to obtain contractual cash flows and, in turn,
- b) The contractual terms of financial assets give rise on specific dates only to cash flows consisting of principal and interest payments. The financial assets that meet the conditions established in IFRS

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

9, to be valued at amortized cost in the Company are: cash equivalents, accounts receivable and loans. These assets are recorded at amortized cost, corresponding to the initial fair value, less repayments of principal made, plus uncollected accrued interest calculated using the effective interest rate method.

Financial assets at fair value with changes in other comprehensive income

They correspond to investments in equities that are not held for trading, nor do they correspond to a contingent consideration of an acquirer in a business combination. For these investments, INTERCHILE may elect in the initial recognition and irrevocably, present at fair value in another comprehensive income, the gains or losses for the subsequent measurement.

These instruments are measured at fair value. The gains and losses derived from the new fair value measurement are recognized in the other comprehensive income until the write-down of the asset accounts.

Financial asset Write-offs

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

When a financial asset is written off at amortized cost, the difference between the carrying amount of the asset and the sum of consideration received and receivable is recognized in profit or loss. In addition, when you write off an investment in a debt instrument rated at fair value through other comprehensive income, the accumulated gain or loss in the other comprehensive income is reclassified to income. In contrast, in the write-off of an investment in a designated equity instrument at fair value through other comprehensive income, the gain or loss accumulated in the other comprehensive income is not reclassified as income but is transferred to accumulated earnings.

Deterioration of financial assets

Financial assets, other than those valued at fair value through earnings, are evaluated at each reporting date to establish the presence of deterioration indicators. Financial assets are considered to deteriorate when there is objective evidence that, as a result of one or more events occurring after initial recognition, the estimated future cash flows of the investment have been impacted.

IFRS 9 requires recording expected credit losses on all debt securities, loans and trade debtors, either on a 12-month or lifetime basis. INTERCHILE applied the simplified model and recorded the expected losses in the lifetime of all trade debtors.

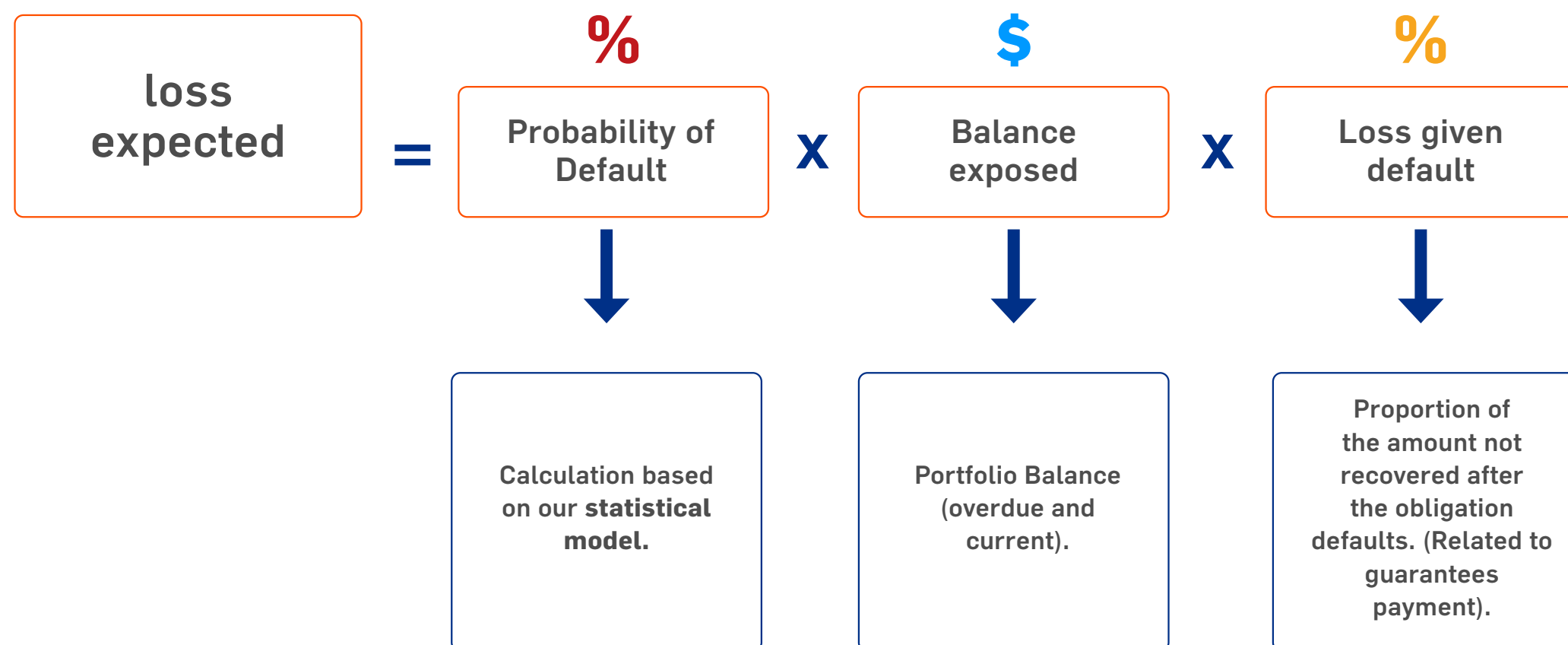
Reasonable and substantiated information about past events, present conditions and reasonable forecasts with respect to future economic conditions has been used in the determination of the expected loss impairment, provided that obtaining such information does not involve excessive cost or effort. Additionally, the use of certain practical

NOTES TO FINANCIAL STATEMENTS

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solutions is contemplated to estimate the expected loss, if these are consistent with the principles included in the standard.

As of December 31, 2022, the Company uses the following methodology for calculation:



Where:

- Exposed balance

The exposed balance of the asset is understood as the current balance of principal, interest and other accounts receivable, of the obligations or portfolio analyzed.

- Likelihood of default

It corresponds to the probability that during the term of the instrument or in the life of it, the debtors of a certain obligation or portfolio will incur default.

- Loss given default - PDI

It is defined as the economic deterioration that the Entity would incur in the event that any of the situations of default materialize. The PDI for debtors qualified in the default category will suffer a gradual increase according to the days elapsed after the classification in that category.

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

The carrying amount of nonfinancial assets, excluding deferred taxes, is reviewed at each reporting date to determine if there is evidence of impairment. If there are indications, the recoverable value of the asset is estimated against the profit for the period. Recoverable value is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those of other assets or groups of assets. When the carrying amount of an asset or CSU exceeds its recoverable value, the asset is reduced to its recoverable value and an impairment loss is recognised in profit or loss.

When an impairment loss is recorded, future depreciation expense is calculated on the adjusted carrying value of the asset or CGU. Impairment losses can be recovered only if the reversal is related to a change in the estimates used after the impairment loss was recognized in prior periods. These recoveries do not exceed the carrying

amount of the assets, net of depreciation or amortization, that would have been determined if such impairment had not been recognized.

- Effective interest rate or amortized cost method

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

3.2) Property, plant and equipment and advances on jobs

Property, plant and equipment are recorded at cost, less accumulated depreciation and impairment losses.

The cost of property, plant and equipment includes

its purchase price plus all costs directly related to the location of the asset and its operationalization as intended by the Administration and the initial estimate of any costs of dismantling and removing the element or rehabilitating the physical site where it sits.

The constructions and jobs in progress include the following items accrued only during the construction period:

a) Financial expenses related to external financing that are directly attributable to construction, whether specific or generic. In relation to generic financing, the activated financial expenses are obtained by applying the weighted average cost of financing to the average accumulated investment that can be activated.

b) Personnel expenses directly related and others of an operational nature, attributable to construction.

c) Estimated expenses necessary for a future dismantling, removal or rehabilitation of the site on which the asset is built, only when they constitute

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obligations incurred by the Company as a result of using the element for a certain period.

Repair, maintenance and maintenance expenses are charged to comprehensive results for the period in which they occur.

Additions and the costs of expansion, modernization or improvements are capitalized as higher value of the corresponding goods, provided that they increase their useful life, expand their productive capacity and operational efficiency, improve the quality of services or allow a significant reduction in costs.

At the closing date or whenever there is an indication that there may be an impairment in the value of the assets, the recoverable value of the assets shall be compared with their net book value. Any record or reverse of a loss in value, arising as a result of this comparison, is charged or credited to comprehensive results as appropriate.

The profit or loss resulting from the disposal or retirement of an asset is calculated as the difference

between the price obtained in the disposal and the value recorded in the books recognizing the charge or credit to full results of the period.

Advances given to contractors to finance equipment manufacturing and progress are treated as non-monetary assets and are recognized at the disbursement value actually made. In the case of foreign currency advances, they are converted into U.S. dollars at the exchange rate at the date of disbursement. Advances are presented as non-current assets and are reclassified to works in progress (properties, plant and equipment under construction) based on the actual progress of the works.

Depreciation

The Company depreciates the components of property, plant and equipment, from the moment these assets are in condition of use, distributing linearly the cost of the same between the estimated years of useful life. Annually, NTERCHILE reviews the residual value, depreciation method and remaining useful life of assets, and accounts for any changes prospectively. The estimated useful

life years are summarized as follows:

Assets	Range of Years
Properties	6-10
Transmission Lines	40
Subestaciones Eléctricas	15-40
Communications Equipment	10
Industrial Tools and Machinery	10
Furniture and utensils	3
Vehicles	5
Computer equipment	2-3

- Assets under construction and assembly

Properties used during the course of construction for purposes of administration, production, supply or for undefined purposes are recorded at cost, less any recognized impairment losses. When these assets under construction and assembly are ready for their intended use, they are classified into the appropriate categories of property, plant and equipment and depreciation begins at that time, that is, when they are in the location and condition necessary to be able to operate as intended.

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

INTERCHILE deregisters an item of property, plant and equipment at the time of its disposal or when it is no longer expected to generate future economic benefits. The gain or loss arising from the retirement of property, plant and equipment is determined as the difference between the selling price, net of any costs directly related to the sale and the carrying value of the asset and is recognized in the results.

- Components of assets

A component of a fixed asset is an element that can be considered as part of another asset, but which, by its very characteristics, by the function it performs and by the type of strategies or activities that are followed during its technical or service life, can be treated as a separate asset. Each significant component of property, plant and equipment is identified and separated from other assets for depreciation purposes during its useful

life and to facilitate its treatment and accounting control. Important spare parts and permanent maintenance equipment that INTERCHILE and its companies expect to use for more than one financial year normally meet the conditions to be qualified as property, plant and equipment. Similarly, if spare parts and ancillary equipment of a fixed asset can only be used in relation to the fixed asset, they shall be accounted for as part of property, plant and equipment.

3.3) Intangible assets other than capital gains

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

Intangible assets are initially recognized at acquisition or production cost and subsequently measured at their cost net of their corresponding accumulated amortization and any impairment losses incurred.

An intangible asset is decommissioned at the time

of disposal, or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the deregistration of an intangible asset, measured as the difference between the net proceeds from the sale and the carrying amount of the asset, is recognized in profit or loss at the time the asset is deconstructed.

The depreciation of intangible assets is calculated by the straight-line method over the useful life of the asset.

Easements

Easements are rights obtained for the use of a strip of land in the installation of a transmission line.

These types of intangibles are permanent rights whose term of use is indefinite, although the transmission lines to which the easements are related have a finite life. INTERCHILE has the possibility of replacing the transmission lines when the useful life of these is exhausted or can use the right of easements acquired for any other service related to the transmission of energy and telecommunications, in accordance with what is described in the purposes of the constitution of

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the easements. The easements have an indefinite useful life and are not amortized, so they are evaluated for impairment on an annual basis. Once the easement has been evaluated in the case of evidence of deterioration, its recoverable value is analyzed and calculated. Recoverable value is the greater of fair value less costs to value in use. For the estimation of value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects both the current market conditions of the value of money over time, as well as the specific risks associated with the asset.

Software and licenses

The software is amortized by the straight-line method over a maximum period of three years. The licenses are amortized by the straight-line method during the periods in which the benefits are expected to be received, according to the feasibility studies for their recovery.

Charges for studies and research on projects are treated as expenses at the time they are incurred.

3.4) Capitalization of interest

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

3.5) Financial liabilities

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

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

After initial recognition, interest-bearing financial obligations and bonds are measured at amortized cost, using the effective interest rate method. Amortised cost is calculated taking into account any discounts or premiums on the issue and direct attributable costs. Interest, calculated by the effective interest method, is recognized as a finance expense in consolidated

income. Accounts payable to suppliers are short-term financial liabilities recorded at nominal value, as they do not differ significantly from their fair value.

INTERCHILE writes off financial liability when the obligation specified in the contract is settled, cancelled or matures. Where an existing financial liability has been replaced by a financial liability of the same lender, under substantially different terms, or the terms of an existing liability are substantially modified, that change is accounted for by deregistering the original liability and recognising the new liability. The difference between the corresponding values is recognized in the income statement.

Clearing of financial assets and liabilities

Financial assets and liabilities are netted and reported in the financial statements if, and only if, there is a statutory right enforceable at the closing date requiring receipt or cancellation of amounts recognized at net worth, and when there is an intention to offset on a net basis to realize the assets and settle the liabilities, simultaneously.

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3.6) Provisions

Provisions are recognised when:

- a)** The Company has a present obligation, whether legal or constructive, as a result of past events;
- b)** It is likely that an outflow of resources will be necessary to settle the obligation; and
- c)** The amount has been reliably estimated.

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

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

Certain contingent conditions that may result in a loss for INTERCHILE and will only be resolved in the future, when

one or more events occur or may occur, may exist at the date of issuance of the financial statements. INTERCHILE, together with its legal advisors, estimate the value of these contingencies. This estimate is a key judgment of management and is a matter of opinion.

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

3.7) Staff benefits

The costs associated with staff benefits related to the services provided by workers during the year are charged to comprehensive results in the corresponding period.

3.8) Income taxes and deferred taxes

Income tax expense represents the sum of current income tax and deferred tax.

The Company determines the current income tax charge on the basis of tax laws enacted or substantially enacted as of the year-end date. The Administration periodically evaluates the position taken in tax affidavits with respect to situations in which tax laws are subject to interpretation. In addition, where applicable, it constitutes provisions on the amounts you expect to pay to the tax authorities.

Deferred taxes are calculated on the basis of temporary differences that arise between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are also recognized for tax losses and tax credits. Deferred tax is determined using tax rates (and laws) passed or about to be approved on the date of the close of the period and expected to apply when the corresponding deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that future tax benefits are likely to become available to offset such differences. Tax assets and liabilities are measured by the value expected to be recovered or

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paid to the tax authorities, and income tax expense is recognized in profit or loss, except when it relates to items recognized directly in equity or in other comprehensive income, in which case it will be recognized in equity or other comprehensive income or when it arises from the initial recording of a business combination.

INTERCHILE reviews the carrying value of deferred tax assets at each closing date and reduces their carrying amount when it is no longer likely that sufficient taxable profits will be available to allow the use of all or part of the deferred tax asset.

3.9) Cash flow statements

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

The Company prepares the Cash Flow Statements using the direct method.

- Operating activities

These are the activities that constitute the main source of ordinary income of the Company, as well as other activities that cannot be classified as investment or financing.

- Investment activities

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

- Financing activities

Activities that produce changes in the size and composition of equity and liabilities of a financial nature.

Restricted cash is a monetary resource classified independently with the objective of allocating it to specific and previously determined purposes, such as: payment of debt, acquisition of capital goods, or to dispose in case of an emergency and / or unforeseen

losses. Therefore, it has certain limitations for its availability, whether of a legal or contractual nature and cannot be freely disposed of to cover current financial commitments, resulting from the normal activities of the Company.

3.10) Recognition of revenue, costs and expenses**3.10.1) Revenue**

The Company recognizes income from ordinary activities to describe the transfer of goods or services promised to customers, in exchange for a value that reflects the consideration to which it is expected to be entitled in exchange for these goods or services.

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

Step 1: Identify the contract with the customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

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Step 4: Assign the transaction price to the performance obligations of the contract

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

INTERCHILE has the following criteria for the recognition of income:

The legal framework governing the electricity transmission business in Chile is regulated by DFL No. 4/2006, which establishes the consolidated, coordinated and systematized text of Decree with Force of Law No. 1, on Mining, of 1982, General Law on Electric Services (DFL(M) No. 1/82) and its subsequent amendments, including Law 19,940 (Short Law I), promulgated on March 13, 2004, Law 20.018 (Short Law II), promulgated on May 19, 2005, Law 20.257 (Generation with Non-Conventional Renewable Energy Sources), promulgated on April 1, 2008 and Law 20.936 (establishes a new electricity transmission system and creates an independent coordinating body of the national electricity system), promulgated July 11, 2016. These standards are complemented by the Regulations of the General Law on Electrical Services

of 1997 (Supreme Decree No. 327/97 of the Ministry of Mining) and their respective amendments, and also by the Technical Standard for Safety and Quality of Service (R.M.EXTA No. 40 of May 16, 2005) and its subsequent amendments.

The Company's income comes from the remuneration it earns for the use of the Company's electric transmission assets. A portion of the revenue is subject to regulated amounts, while another portion of it comes from contractual agreements with users of the Company's facilities. The total income generated by the use of the facilities includes two components: i) the AVI which is the annuity of the investment value (VI) and ii) the COMA, operation, maintenance and administration costs, which correspond to the income associated with the cost required to operate, maintain and manage the corresponding facilities. The New Works awarded to the Company in the bidding processes of the State of Chile, will be remunerated with the AVI and the COMA, presented for a period of 240 months. Once the aforementioned period has elapsed, the facilities and their recovery TUST be reviewed in the Transmission Systems recovery study. The Extension Works of responsibility of the Company,

will be remunerated with the AVI calculated in such a way that the present value of these annuities (using an annual real discount rate and the economic life of each of the facilities), equals the cost of replacing the existing transmission facilities, by new facilities with similar characteristics at current market prices, plus the COMA assigned in the Decree.

The income from both types of agreements, regulated and contractual, are recognized and invoiced monthly using the values stipulated in the contracts or, in the case of regulated ones, the payment tables prepared by the National Electric Coordinator. In both cases these values are updated with the corresponding indicators. The collection of the regulated revenues of the Company is carried out for the concepts of (i) tolls and (ii) tariff revenues, which are invoiced the month following the month in which the service was provided.

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

3.10.2) Operating costs and expenses

Costs and expenses are charged on an accrual

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basis. Interest expense is accounted for on the basis of the effective interest rate applicable to the principal outstanding during the relevant accrual period.

Expenditures that are not capitalizable as part of works in progress are recognized in the income statement to the extent that they accrue, regardless of the time at which they are paid and are recorded in the periods to which they relate.

3.11) Leases

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

IFRS 16 was issued in January 2016 and replaced IAS 17, which prescribes accounting policies for accounting for and disclosing information relating to leases; IFRIC 4, which determines whether an agreement contains a lease; SIC-15, which establishes the treatment of incentives arising from an operating lease, and SIC-27, which evaluates

the substance of transactions involving the legal form of a lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize their contracts under a model similar to that of financial leases under IAS 17. It is effective for annual periods beginning on or after January 1, 2019. The required disclosures are presented in footnote 14.

**Leases when
INTERCHILE acts as lessee**

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

The right-of-use asset is measured at cost, which comprises:

- » The amount of the initial measurement of the lease liability.
- » Lease payments made before or from the start

date, less lease incentives received.

- » The initial direct costs incurred by the lessee.
- » An estimate of the costs to be incurred by the lessee in dismantling and disposing of the asset, restoring the location in which it is located, or restoring the asset to the condition required by the terms and conditions of the lease.

The lease liability is measured at the present value of lease payments that have not been paid by that date. Lease payments are discounted using the interest rate implied in the lease, if that rate could be easily determined, otherwise, INTERCHILE uses the lessee's incremental loan rate.

After the start date, INTERCHILE measures its right-of-use assets by applying the cost model and amortizes them according to the contract time and usage expectations. Lease liabilities are measured.

- » Increasing the carrying amount to reflect interest on lease liabilities.

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

Leases when**INTERCHILE acts as lessor**

INTERCHILE classifies each of its agreements as an operating lease or a financial lease, depending on the essence of the transaction and not on the form of the contract. A lease shall be classified as financial when it substantially transfers all risks and rewards inherent in the ownership of the asset. A lease shall be classified as operating if it does not transfer substantially all the risks and rewards inherent in the ownership of the asset.

INTERCHILE initially recognizes payments from operating leases as linear income. Also, the initial direct costs incurred in negotiating and agreeing to an operating lease are added to

the carrying amount of the leased asset, and recognized on a straight-line basis over the term of the contract. In subsequent periods, lease assets are depreciated and/or impaired based on Group policies.

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

In subsequent measurements, INTERCHILE recognizes the financial income over the term of the lease, based on a pattern that reflects a constant rate of return on the net financial investment made in the lease. They also

apply period-related lease payments to gross investment in the lease, to reduce both principal and unearned financial income; and implement IFRS 9 write-off and impairment requirements for net investment in leasing.

3.12) Measuring fair value

The fair value of an asset or liability is defined as the price that would be received for selling an asset or paid for transferring a liability in an orderly transaction between market participants at the measurement date.

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

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In determining fair value, an enterprise uses valuation techniques that are appropriate to the circumstances and for which sufficient data exist to make the measurement, maximizing the use of relevant observable input data and minimizing the use of unobservable input data.

In consideration of the hierarchy of input data used in valuation techniques, assets and liabilities measured at fair value are classified into the following levels:

- » Level I: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- » Level II: valuation techniques for which data and variables that have a significant effect on the determination of recorded fair value are observable, either directly or indirectly.
- » Level III: internal valuation techniques, using variables estimated by the Company not observable for the asset or liability (there is no observable market information).

» When measuring fair value, an enterprise takes into account the characteristics of the asset or liability, in particular.

» For non-financial assets, a fair value measurement takes into account the ability of the market participant to generate economic benefits by using the asset to its maximum and best use or by selling it to another market participant who would use it to its maximum and best use.

» For liabilities and equity instruments, fair value means that the liability will not be liquidated and the equity instrument will not be written off or otherwise extinguished on the measurement date. The fair value of the liability reflects the effect of default risk, that is, the risk that a Company will not meet an obligation, which includes, but is not limited to, the company's own credit risk.

» For financial assets and liabilities with offset positions at market risk or counterparty credit

risk, fair value is measured on a net basis, consistent with how market participants would price the net risk exposure at the measurement date.

3.13) Environment

The Company adheres to the principles of sustainable development, which reconcile economic development, caring for the environment and the safety and health of its employees.

The Company does not currently develop activities that are contrary or have a negative impact on the environment, therefore, it has not made investments that have as their main purpose the minimization of adverse environmental impacts and the protection and improvement of the environment.

3.14) Social capital

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

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The Company currently only has single series shares issued.

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

3.15) Related Party Information

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

Key management personnel are those persons who have the authority and responsibility to plan, direct and control the activities of INTERCHILE, directly or indirectly, including any director or administrator (whether executive or not). It includes the members of the Board of Directors of INTERCHILE, the members of INTERCHILE's senior management and the first level management employees who report directly to it, and the directors with the power to make decisions of high financial impact.

3.16) New rules, interpretations and amendments

The Company applied for the first time certain

rules, interpretations and amendments, which are effective for periods beginning on or after January 1, 2022. The Company has not adopted in advance any rule, interpretation or amendment that has not yet become effective when issued.

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

	Amendments	Mandatory implementation date
IFRS 3	Reference to the Conceptual Framework	January 1, 2022
IAS 16	Property, plant and equipment: charges before intended use	January 1, 2022
IAS 37	Onerous contracts – cost of fulfilling a contract	January 1, 2022
IFRS 3, IFRS 1, IFRS 9, IFRS 16, IAS 41	Annual improvements to the 2018-2020 standards	January 1, 2022

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IFRS 3 Reference to the Conceptual Framework

In May 2020, the IASB issued amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework. These amendments are intended to replace the reference to an earlier version of the IASB Conceptual Framework (1989 Framework) with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 to avoid the problem of potential "day 2" gains or losses arising from contingent liabilities and liabilities that would fall within the scope of IAS 37 provisions, contingent liabilities and contingent assets or IFRIC 21 levies, if incurred separately. The exception requires entities to apply the criteria of IAS 37 or IFRIC 21, respectively, rather than the Conceptual Framework, to determine whether an obligation exists at the date of acquisition.

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

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

IAS 16 Property, Silver, and Equipment: Charges Before Intended Use

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds from the sale of items produced while taking that asset to the location and condition necessary for it to operate in the manner intended by management. Instead, an entity recognizes the proceeds from the sale of those items and the costs of producing those items in the result of the period.

The amendment TUs apply retroactively only to PP&E elements available for use on or after the beginning of the first submitted period when the entity first applies the amendment.

In full IFRS, the amendment is effective for annual periods beginning on or after January 1, 2022. and early application is permitted. The modification

should apply retroactively to items of property, plant and equipment that are available for use from the beginning of the first submitted period when the entity first applies the modification. The amendment is applicable from 1 January 2022. This modification had no financial impact on INTERCHILE.

IAS 37 Onerous contracts – cost of fulfilling a contract

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

The amendments are intended to provide clarity and help ensure consistent application of the standard. Entities that previously applied the incremental cost approach will see an increase in provisions to reflect the inclusion of costs directly related to contract activities, while entities that previously recognized provisions for contract losses using the guidance in the previous standard, IAS 11 Construction Contracts, will

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need to exclude the allocation of indirect costs from their provisions. Judgment will be required to determine which costs are "directly related to contract activities", but we believe guidance in IFRS 15 will be relevant.

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

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

IFRS 1, IFRS 9, IFRS 16 and IAS 41 Annual improvements to IFRS 2018 - 2020

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

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

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

An entity applies the change to financial liabilities that are changed or exchanged after the beginning of the reporting year in which the entity first applies the change.

Illustrative examples accompanying IFRS 16: Leasing incentives. The amendment deletes the illustration of landlord payments in connection with leased property improvements in Illustrative Example 13 accompanying IFRS 16. This eliminates potential confusion regarding the treatment of leasing incentives when applying IFRS 16.

IAS 41: Taxation in fair value measurements. The amendment removes the requirement in IAS 41.22 that entities exclude taxable cash flows when measuring the fair value of assets within the scope of IAS 41.

The amendment is effective for annual periods beginning on or after January 1, 2022, however, it does not have an impact on the entity's financial statements.

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

NIIF 17 Insurance Contracts

IFRS 17 sets out the principles for the recognition, measurement, presentation and disclosure of insurance contracts and replaces IFRS 4 Insurance Contracts.

IFRS 17 establishes a general model, which is modified for insurance contracts with discretionary participation characteristics, described as the 'Variable Fee Approach'. The general model is simplified if certain criteria are met, by measuring the liability for the remaining hedge using the 'Premium Allocation Approach'. The general model uses current assumptions to estimate the amount, opportunity, and uncertainty of future cash flows and explicitly measures the cost of that uncertainty; it takes into account market interest rates and the impact of insurance holders' options and guarantees.

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

IFRS 17 should be applied retrospectively unless it is impracticable, in which case the modified retrospective approach or fair value approach applies. For purposes of transition requirements, the initial application date is the beginning of the annual reporting period in which the entity first applies the The transition date is the beginning of the period immediately preceding the date of initial implementation.

The Entity will carry out the impact assessment of the amendment once it enters into force.

Amendments		Mandatory Application Date
IAS 1	Disclosure of Accounting Policies	January 1 , 2023.
IAS 8	Definition of Accounting Estimates	January 1 , 2023.
IAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	January 1 , 2023.
IAS 1	Classification of liabilities as Current or Non-Current	January 1 , 2024.
IFRS 16	Lease liabilities related to sales with subsequent lease	January 1 , 2024.
IFRS 10 e IAS 28	Consolidated Financial Statements – sale or contribution of assets between an investor and its associate or joint venture	TBD

NOTES TO FINANCIAL STATEMENTS

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IAS 1 Presentation of financial statements - Disclosure of accounting policies

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

The amendments are intended to help entities provide disclosures about accounting policies that are most useful by:

- Replace the requirement that entities disclose their "significant" accounting policies with the requirement that they disclose their "material" accounting policies.
- Include guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

In assessing the materiality of accounting policy information, institutions should consider both the

size of transactions and other events or conditions and the nature of those events.

The amendment will be effective for annual periods beginning on or after January 1, 2023. Early application of amendments to IAS 1 is permitted if this fact is disclosed.

IAS 8 Definition of accounting estimates

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

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

specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not bug fixes.

The amendments are effective for annual periods beginning on or after January 1, 2023 to changes in accounting policies and changes in accounting estimates occurring on or after the beginning of that period. Early application is allowed.

The entity will carry out the impact assessment of the amendment once it enters into force.

IAS 12 Deferred tax relating to assets and liabilities arising from a single transaction

In May 2021, the IASB issued amendments to IAS 12, reducing 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 settling a liability are deductible for tax purposes, it is a matter of judgment (having considered

NOTES TO FINANCIAL STATEMENTS

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the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgment is important in determining whether there are temporary differences in the initial recognition of assets and liabilities.

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

The amendment will be effective for annual periods beginning on or after January 1, 2023. The entity shall carry out the impact assessment of the amendment once it enters into force. .

IAS 1 Classification of liabilities as current or non-current with covenants

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

1. What is meant by the right to postpone liquidation?
2. That there should be a right to postpone to the end of the reporting period.
3. That classification is not affected by the likelihood that an entity will exercise its right of deferral.
4. That only if a derivative embedded 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 should be implemented prospectively. Advance application is permitted, which TUST be disclosed. However, an entity implementing the 2020 amendments early is also obliged to implement the 2022 amendments, and vice versa.

To date, it is expected that this modification will have no financial impact on INTERCHILE. .

IFRS 16 Lease liabilities related to sales with subsequent lease

The amendment addresses the requirements that a seller-lessee uses to measure the lease liability that arises in a subsequent lease sale transaction.

The amendment states that after the commencement date of a sale transaction with subsequent leaseback, 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

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paragraphs 36 to 46 of IFRS 16, the seller-lessee determines the "lease payments" or the "revised lease payments" in such a way that the seller-lessee would not recognize any amount of profit or loss related to the right of use that it 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 cessation of a lease, as required by paragraph 46(a) of IFRS 16.

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

A seller-tenant applies the amendment to annual reporting periods beginning on or after January

1, 2024. Early application is allowed and that fact TUST be disclosed. A seller-lessee applies the amendment retroactively in accordance with IAS 8 to subsequent leaseback sale transactions made after the initial application date (i.e., the modification does not apply to subsequent lease sale transactions made before the initial application date). The initial implementation date is the beginning of the reporting period in which an entity first applied IFRS 16.

The amendment is effective for annual periods beginning on or after January 1, 2024 and is allowed for early application. To date, this modification has no financial impact on INTERCHILE.

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

The amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) address a recognized

inconsistency between the requirements of IFRS 10 and those of IAS 28 (2011) in the treatment of the sale or contribution of assets between an investor and its associate or joint venture.

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

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

The entity shall carry out the impact assessment of the amendment once it enters into force.

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**NOTE 4 - FINANCIAL
RISK MANAGEMENT**

The Company's activities are exposed to a variety of financial risks. The Management reviews the main risks and uncertainties faced by the business and for this evaluation uses as a basis the Integral Risk Management Policy of ISA (parent company) and its companies, which declares its criteria and defines the framework of action for the management of risks that generate vulnerability in economic resources, and that they are required in all processes that are critical for the continuity and competitiveness of the companies that make up the group. They clearly and explicitly define the conceptual and action framework for the objective, systematic and approved application of risk management, within which financial risk is considered.

The financial risks to which the Company is exposed, which include interest rate, inflation, credit and liquidity risk, are managed within a framework of guidelines of ISA and its companies, functional support by the corresponding management of

the parent company and specific authorized instructions. by the Board of Directors. These policies include definitions that instruct on acceptable risk limits, metrics for measuring risk, and frequency of risk analysis. The Company's role is to administer these policies and also includes providing internal financial reports which analyze exposure to risks.

4.1) Market risk

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

Within INTERCHILE the market risk in general is low since in Chile there is a stable regulatory entity, which encourages free competition and investment in expansion of generation, distribution and transmission capacity.

4.1.1) Exchange rate risk

This risk corresponds to unfavorable changes with

respect to what is expected in a particular position due to variations in the price of the currencies in which they are expressed. The Company maintains consistency in terms of the ratio of assets and liabilities in foreign currencies, so the exchange rate risk is limited.

The payments related to the investment currently made by the Company are denominated mainly in USD. Your source of return is income based on USD. The way in which the risk of exchange rate variations is mitigated, is the contracting of debt for construction financing in USD as a general rule, the constant evaluation of forward derivative contracts, the evaluation of contracting currency hedges or equivalent, in addition of the natural hedges of construction contracts, periodic monitoring of the exchange rate in order to detect early warnings, to minimize the impacts of the exchange rate, with the hiring of a financial information service (Bloomberg)

The investment is in the same currency as the USD financing, the income is indexed to the USD, there is a residual risk corresponding to the fact that the income is based on the USD, the costs

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contracted locally will be paid in CLP.

The way to mitigate the risk of exchange rate variations is the contracting of a large part of the debt for construction financing in USD, in addition to the constant monitoring of the exchange rate and the execution of natural hedges in construction contracts.

4.1.2) Interest rate risk

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

» Financial obligations

As of December 31, 2022, INTERCHILE's debt corresponds 100% to a bond issued at a fixed rate, so this risk is zero compared to existing obligations. In July 2021, the company refinanced its liabilities through a green bond 144 A RegS, for the amount of USD1,200,000,000

» Temporary investments

As of December 31, 2022, INTERCHILE S.A. has temporary fixed income investments, with the objective of maintaining the integrity of the resources and mpresariales, maintaining in greater quantity the cash surpluses in USD, the continuity and sustainability of the businesses through the permanent management of the risks to which it is exposed.

4.1.3) Risk of macroeconomic variables

As of December 31, 2022, INTERCHILE, the Company's revenues are associated with the behavior of the Consumer Price Index (CPI), the United States Consumer Price Index and the Consumer Price Index of Chile (IPC) according to the remuneration scheme established in the Bidding Rules of the projects, this guarantees that our rates follow the variations of the dollar, which allows to fit with the payments derivatives of long-term indebtedness (USD). The revenues to cover the operating costs (COMA) are indexed to the CPI which allows to maintain consistency with the variations of the Operation and Maintenance contracts.

Throughout 2022, Chile's macroeconomic variable projections changed constantly. Mainly there has been a high volatility in the exchange rate and rise in inflation, for which central banks worldwide, through their different tools, have had to intervene to give stability to the market and long-term projections. GDP had strong downward corrections throughout the year, while CPI data were upward. Faced with these uncertainties, INTERCHILE is constantly monitoring changes that could be structural, to take the pertinent corrective and mitigation actions.

The Annual Value of Transfer per Section (VATT), offered by the Company in its Economic Offer in dollars, will be readjusted annually according to the variation of its components AVI (annuity of the investment value) and COMA (cost of operation, maintenance and administration) according to the following formulas:

Where, for all the above formulas:

AVI: Value of the AVI, which makes up the VATT awarded for the New Construction for the Month K.

NOTES TO FINANCIAL STATEMENTS

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COMA: Value of the COMA that makes up the VATT awarded for the New Construction for Month K. .

$$AVI_k = AVI_0 \cdot \frac{CPI_k}{CPI_0}$$

$$COMA_k = COMA_0 \cdot \frac{IPC_k}{IPC_0} \cdot \frac{DOL_0}{DOL_k}$$

CPI: Value of the Consumer Price Index in the second month prior to month k, published by the National Institute of Statistics (INE) of Chile.

DOL: Average Observed Dollar Price, in the second month prior to month k, published by the Central Bank of Chile

CPI: Value of the Consumer Price Index

(AllUrBanconsumers), in the second month prior to month k, published by the Bureau of Labor Statistics (BLS) of the.

Government of the United States of America.

4.1.4) Liquidity risk

Liquidity risk is defined as the inability to obtain sufficient funds for the fulfillment of obligations by their maturity date, without incurring unacceptably high costs.

For the purposes of proper liquidity risk management, there is a Financial Planning and Annual Budget model that allows constant monitoring of short and long-term cash flow and identify thus the specific temporary needs of resources.

4.2) Credit risk

Credit risk is defined as the contractual default, default or doubtful collection of the obligations contracted by the Company's

clients, as well as by the counterparties of the financial instruments acquired or used, which would result in financial losses.

In Chile, the electricity transmission business is regulated by the National Energy Commission; therefore, customers adhere to the rules established by said entity, representing for INTERCHILE a negligible risk in the area of accounts receivable.

Despite the international financial situation, worldwide, Interchile, was not affected by credit risks, the company has a large concentration of first-line customers, more than 45% of total sales are made with companies with rating grade of . In addition, these commitments are supervised by the National Electric Coordinator, there is an active collection of the balances receivable each month, keeping a rigorous control of them.

In the year ended December 31, 2022, revenue

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from sales to eight customers exceeded 80% of total revenue, as summarized below:

Customer	2022 TUS\$
ENEL Generación Chile S.A.	25.768
Colbún S.A.	13.346
Engie Energía Chile S.A.	12.268
Compañía General de Electricidad S.A	10.549
Enel Distribución Chile S.A.	9.337
AES Andes SA	9.153
Empresa Eléctrica Cochrane SPA	4.014
Other clients	9.963
Total	94.398
% Top Customers	89%

Regarding the risk associated with financial instruments, it refers to the delinquency, doubtful collection or non-recovery of the obligations contracted with the counterparties of the financial instruments acquired or used by the Company. As of December 31, 2022, the acquired portfolio of financial instruments is with financial institutions considered to be of good credit quality.

The maximum exposure to credit risk is equal to the book value of the financial asset balances in the statement of financial position.

4.3) Risk measurement

The Company periodically carries out analyses and measurements of exposure to the different risks, in accordance with what has been presented in the preceding paragraphs.

NOTE 5 - BUSINESS SEGMENTS

The Company has defined a single business segment and this includes operations related to the transmission of electric power and includes all the activities of the Company.

NOTE 6 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents correspond to balances of money held on cash and in bank checking accounts and term deposits with maturities of less than 90 days from the date of acquisition.

Time deposits correspond to fixed income funds in pesos and dollars and are recorded at their amortized cost.

The composition of the item as of December 31, 2022 and 2021 is as follows:

Detail	Currency Type	2022 TUS\$	2021 TUS\$
Cash and Banks	Pesos	119	8.017
Cash and Banks	USD	1.604	249.749
Term deposit Fixed Income CLP < 90 days	Pesos	248	-
Term deposit Fixed Income USD < 90 days	USD	299.982	56.299
Total		301.953	314.065

All cash and cash equivalents are not subject to availability restrictions.

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NOTE 7 - OTHER CURRENT FINANCIAL ASSETS

The composition of the item as of December 31, 2022 and 2021 is as follows:

Detail	Currency Type	2022 TUS\$	2021 TUS\$
Pledged banks	Pesos	1.351	20.817
Pledged banks	Dollar	1.287	2.482
Term deposit Fixed Income CLP < 90 days	Pesos	6.543	-
Term deposit Fixed Income USD < 90 days	USD	51.100	-
Letter of Credit	Dollar	-	-
Other Guarantee Instruments	UF	4	-
Total		60.285	23.299

The balance of Other Current Financial Assets is composed of bank current account balances and temporary investments with Term Deposit instruments with maturities of less than 90 days from the date of acquisition, these are not in cash because they are restricted securities.

74% of the funds registered in bank accounts and term deposits come from disbursement of green bond credit obtained in July 2021 to refinance liabilities of the company, while 26% of the funds registered in bank accounts and time deposits is cash of the company, only 6.8% are funds pledges that come

from operating income and reserve account to pay interest

As indicated above, these balances have usage restrictions and can only be used for contractual payments under such contracts.

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NOTE 8 - TRADE RECEIVABLES AND OTHER CURRENT ACCOUNTS RECEIVABLE

The breakdown of trade receivables and other current accounts receivable as of December 31, 2022 and 2021 is as follows:

Detail	Currency Type	2022		2021	
		CURRENT TUS\$	NOT CURRENT TUS\$	CURRENT TUS\$	NOT CURRENT TUS\$
Trade Debtors					
Customers ⁽¹⁾	Pesos	17.707	-	13.015	-
Reliquidations	Pesos	-	-	5.010	4.708
Other debtors	Pesos	102	-	29	-
Value Deterioration		(18)	-	(19)	-
Total Trade Debtors		17.791	-	18.035	4.708
Other accounts receivable					
Funds to be rendered	Pesos	40	-	7	-
Advance payment of domestic suppliers	Pesos	61	-	-	-
Advance payment of foreign suppliers	Pesos	2	-	42	-
Staff advances	Pesos	18	-	7	-
Total Other Accounts Receivable		121	-	56	-
		17.912	-	18.091	4.708

The detail of the client portfolio is as follows:

Customers by Seniority	Due	Balances to December 2022	Balances to December 2021
Current		16.531	-
Due		1.176	13.015
Expired between 1 and 90 days	1.175		
Expired between 91 and 180 days	1		
More than 180 days	-		
Total		17.707	13.015

(1) The main accounts receivable at closing correspond to Enel Distribución Chile S.A, Engi Energía Chile S.A. El Pelicano Solar Company SPA, Empresa Eléctrica Puente Alto S.A and Maria Elena Solar S.A

Breakdown of impairment of trade receivables and other accounts receivable:

Detail	2022 TUS\$	2021 TUS\$
Opening Balance	19	59
Low trade debtors	-	-
Increases/decreases in the year	(1)	(40)
Total	18	19

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE 9 - OTHER NON-FINANCIAL ASSETS

The composition of the item as of December 31, 2022 and 2021 is as follows:

Detail	Currency Type	2022		2021	
		CURRENT TUS\$	NOT CURRENT TUS\$	CURRENT TUS\$	NOT CURRENT TUS\$
Advances on jobs under construction (1)	Dollar	45	-	-	-
Insurance (2)	Pesos	62	-	548	-
Warranties Granted	Pesos	-	151	-	340
Total		107	151	548	340

(1) The advances for jobs under construction correspond to advance payments made to Consorcio PTI., provider of engineering services and supplies for the projects being developed by the Compan.

(2) The insurance corresponds mainly to policies that cover: all risks of operation and construction, general civil liability, fire and terrorism for the operation.

NOTES TO FINANCIAL STATEMENTS

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NOTE 10 - INFORMATION ON RELATED PARTIES

Transactions between the Company and related parties are part of the Company's usual transactions as to their subject matter and conditions.

a) Balances receivable

Enterprise	ID	Country	Relation	Currency Type	2022		2021	
					CURRENT TUS\$	NOT CURRENT TUS\$	CURRENT TUS\$	NOT CURRENT TUS\$
Internexa Chile S.A.	76.073.154-4	Chile	Common Matrix	CLP	47	-	161	-
Isa Inversiones Chile SPA	76.104.097-9	Chile	Shareholders	USD	2	-	231	-
Related Total Receivables	Total	Total			49	-	393	-

b) Balances payable

Enterprise	ID	Country	Relation	Currency Type	2022		2021	
					CURRENT TUS\$	NOT CURRENT TUS\$	CURRENT TUS\$	NOT CURRENT TUS\$
Intercolombia S.A E.S.P.	900.667.857-1	Colombia	Common Matrix	USD	(208)	-	(112)	-
XM Society of Market Experts	900.042.857-1	Colombia	Common Matrix	USD	-	-	(54)	-
Internexa Chile S.A.	76.073.154-4	Chile	Common Matrix	CLP	(116)	-	(87)	-
Total payable related					(324)	-	(253)	-

NOTES TO FINANCIAL STATEMENTS

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c) Transactions

Transactions with related entities are as follows:

2022

Related Party Name	ID	Nature of the Relationship	Nature of Transactions	Currency Type	Transaction Amount TUS\$	Effect on Results TUS\$
Interconexión Eléctrica S.A. E.S.P.	860.016.610-3	Shareholder	Bank Commissions Financing	Dollar	12	12
Isa Inversiones Chile SPA	76.104.097-9	Shareholder	Cost recovery	Pesos	(984)	(984)
XM Sociedad de Expertos de Mercado S.A.	900.042.857-1	Common matrix	Engineering and Technical Supervision Services	Dollar	115	115
Intercolombia S.A. E.S.P.	900.667.590-2	Common matrix	Consulting, SAP Maintenance	Dollar	245	245
Intercolombia S.A. E.S.P.	900.667.590-2	Common matrix	Technical Service support OyM -SCADA	Dollar	487	487
Intercolombia S.A. E.S.P.	900.667.590-2	Common matrix	Advice in Service Center	Dollar	227	227
Internexa Chile S.A.	76.073.154-4	Common matrix	Mtto Electromechanical Fiber Optic Service	Pesos	64	64
Internexa Chile S.A.	76.073.154-4	Common matrix	Computer Service and Control Center	Pesos	677	649

2021

Related Party Name	ID	Nature of the Relationship	Nature of Transactions	Currency Type	Transaction Amount TUS\$	Effect on Results TUS\$
Interconexión Eléctrica S.A. E.S.P.	860.016.610-3	Shareholder	Engineering Services	Dollar	(52)	-
Interconexión Eléctrica S.A. E.S.P.	860.016.610-3	Shareholder	Bank Commissions Financing	Dollar	(33)	-
Isa Inversiones Chile SPA	76.104.097-9	Shareholder	Loan	Dollar	(78.440)	-
Isa Inversiones Chile SPA	76.104.097-9	Shareholder	Cost recovery Projects	Dollar	2.914	2.914
XM Sociedad de Expertos de Mercado S.A.	900.042.857-1	Common matrix	Engineering and Technical Supervision Services	Dollar	(201)	(170)
XM Sociedad de Expertos de Mercado S.A.	900.042.857-1	Common matrix	Financial Advisory	Dollar	(3)	(3)
Intercolombia S.A. E.S.P.	900.667.590-2	Common matrix	Consulting, SAP Maintenance	Dollar	(264)	(264)
Intercolombia S.A. E.S.P.	900.667.590-2	Common matrix	Service Technician support O&M	Dollar	(469)	(326)
Intercolombia S.A. E.S.P.	900.667.590-2	Common matrix	Human Resources Advisory	Dollar	(13)	(13)
Internexa Chile S.A.	76.073.154-4	Common matrix	Mtto Electromechanical Fiber Optic Service	Pesos	65	65
Internexa Chile S.A.	76.073.154-4	Common matrix	Computer Service and Control Center	Pesos	(756)	(746)

All operations have been carried out at market values . The exposure criterion determined by the Company is to disclose all transactions with related parties.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

d) Administration and Senior Management

The members of Senior Management and other persons who assume the management of the Company, as well as the Shareholders or the natural or legal persons they represent, have not participated as of December 31, 2022 and 2021, in unusual and/or relevant transactions of the Company.

The Company is managed by a Board of Directors composed of 5 members, who remain for a period of 3 years with the possibility of being re-elected.

As of December 31, 2022, the directors and subsequent resignation of Monica Jiménez Gonzalez and Carolina Botero Londoño, are Mr. Juan Emilio Posada Echeverri, Mr. Cesar Augusto Ramirez Rojas and Mrs. Sonia Margarita Abuchar Alemán.

e) Remuneration and other benefits

The directors may or may not be remunerated as determined by the respective Ordinary Shareholders' Meeting.

e.1) Board Remuneration

For the year ended December 31, 2022, directors were remunerated as follows:

ID	Name	Position	Country	TUS\$
19360232	Bernardo Vargas Gibsone	Former Chairman of the Board	Colombia	3
42107940	Carolina Botero Londoño	Director	Colombia	38
4344455	Cesar Ramírez Rojas	Director	Colombia	46
52411766	Monica Jiménez González	Director	Colombia	23
50897172	Sonia Abuchar Alemán	Director	Colombia	46
70118287	Juan Emilio Posada E	Chairman of the Board	Colombia	23
6379415-5	Karen Poniachik Pollak	Director	Chile	16
Total				195

e.2) Other transactions

There are no other transactions between the Company and its directors and Management of the Company.

e.3) Guarantees constituted by the Company in favor of the Partners

During the years ended December 31, 2022 and 2021, the Company has not carried out such operations.

NOTES TO FINANCIAL STATEMENTS

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e.4) Incentive plans for top executives and managers

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

Key management personnel

Name	Position
Gabriel Melguizo Posada	General Manager
Pedro del Rio	Finance Manager (S)
José Cascante Chaves	Project Manager
Eduardo Sáez Manríquez	Operations Manager
Alvaro González De La Barra	Institutional Relations Manager and Sustainability

As of December 31, 2022, the variable and fixed salaries of the Company's senior executives totaled TUS\$1,219.

NOTE 11 - INCOME TAXES AND DEFERRED TAXES**11.1) Income tax**

The Company did not determine income tax of 1st category as of December 31, 2022 and 2021 for presenting accumulated tax losses amounting to TUS\$ 850,527 and TUS\$ 717,152 respectively.

The current tax liability of TUS\$ 10 and TUS\$ 13 as of December 31, 2022 and December 31, 2021 respectively, correspond to a single tax provision according to Article 21 of the Income Law.

In accordance with current legislation, the tax years eventually subject to review by the tax authority contemplate for most of the taxes that affect the Company's operations the transactions generated from 2012 to date.

The Company, in the normal development of its operations is subject to regulation and supervision by the Internal Revenue Service, as a result of

which differences may arise in the application of criteria in the determination of taxes. Management estimates, based on the history available to date, that there are no significant additional liabilities to those already recorded in the financial statements.

11.2) Tax expense recognised in profit or loss

Concept of Profit (Expense)	2022 TUS\$	2021 TUS\$
Current tax expenditure (single tax)	(10)	(13)
Deferred taxes	1.795	30.411
Total income tax profit (expense)	1.785	30.398

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11.3) Deferred taxes

Deferred tax assets and liabilities as of December 31, 2022 and 2021 are as follows:

Detail	2022		2021	
	ACTIVE TUS\$	PASSIVE TUS\$	ACTIVE TUS\$	PASSIVE TUS\$
Tax Depreciation - Financial	-	192.696	-	159.704
Tax loss	229.642	-	193.631	-
Activated expenses	-	4.522	-	4.096
Other items	3.165	-	3.962	-
Subtotal	232.807	197.218	197.593	163.800
Net deferred tax balance	35.589	-	33.793	-

11.4) Reconciliation of tax expense using the statutory rate with tax expense using the effective rate

Tax Expense Reconciliation	2022 TUS\$	2021 TUS\$
Tax results using legal rate	(1.750)	(29.610)
Rejected expenses	10	13
Other deferred tax increases (decreases)	3.525	59.995
Effective rate tax benefit (expense)	1.785	30.398

Concepts	2022 %	2021 %
Legal tax rate	27,0	27,0
Other tax increases (decreases)	(54,5)	(54,7)
Benefit Tax by tax using effective rate	(27,5)	(27,7)

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTA 12 - PROPERTY, PLANT AND EQUIPMENT

a) The details of this item are as follows:

As at 31 December 2022	Active Brute TUS\$	Depreciation Accumulated TUS\$	Active Net TUS\$
Construction (works in progress) ⁽¹⁾	6.778	-	6.778
Properties	1.728	(1.159)	569
Transmission lines	732.898	(73.487)	659.411
Electrical substations	382.544	(45.276)	337.268
Furniture and office supplies	62	(38)	24
Computer equipment	86	(48)	38
Communication equipment	11	(4)	7
Vehicles	205	(147)	58
Machinery and Tools	496	(87)	409
Total	1.124.808	(120.246)	1.004.562

As of December 31, 2021	Active Brute TUS\$	Depreciation Accumulated TUS\$	Active Net TUS\$
Construction (jobs in progress)	9.181	-	9.181
Properties	1.464	(868)	596
Transmission lines	732.638	(55.165)	677.473
Electrical substations	375.057	(32.675)	342.382
Furniture and utensils	62	(32)	30
Computer equipment	56	(37)	19
Communication equipment	11	(3)	8
Vehicles	205	(131)	74
Machinery and Tools	457	(48)	409
Total	1.119.131	(88.959)	1.030.172

(1) During 2022, TUSD 1.6 was capitalized to the project of Expansion S/E Nueva Maitencillo 220kv and Expansion S/E Nueva Pan De Azúcar 220kv; TUSD 1.7 a New Bank of Autotransformers 1X750 MVA 500/220 kV SE Nueva Cardones, SE Nueva Maitencillo, SE Nueva Pan de Azúcar and TUSD 4.1 a Reactive Compensation in line 2X500 kV Nueva Pan de Azúcar- Polpaico.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

b) Movement details

Detail	Constructions TUS\$	Properties TUS\$	Transmission Lines TUS\$	Electrical Substations TUS\$	Furniture and Supplies TUS\$	Computer Equipment TUS\$	Communication Equipment TUS\$	Vehicles TUS\$	Machinery and Tools TUS\$	Total TUS\$
to 01.01.2022	9.181	596	677.473	342.382	30	19	8	74	409	1.030.172
High	5.084	264	324	-	-	30	-	-	39	5.741
Transfers	(7.487)	-	-	7.487	-	-	-	-	-	-
Low Cost	-	-	(64)	-	-	-	-	-	-	(64)
Downto Dep. Acum	-	-	6	-	-	-	-	-	-	6
Depreciation expense	-	(291)	(18.328)	(12.601)	(6)	(11)	(1)	(16)	(39)	(31.293)
AI 31.12.2022	6.778	569	659.411	337.268	24	38	7	58	409	1.004.562

Detail	Constructions TUS\$	Properties TUS\$	Transmission Lines TUS\$	Electrical Substations TUS\$	Furniture and Supplies TUS\$	Computer Equipment TUS\$	Communication Equipment TUS\$	Vehicles TUS\$	Machinery and Tools TUS\$	Total TUS\$
To 01.01.2021	62.420	885	695.801	290.622	31	16	7	17	283	1.050.082
High	9.699	-	-	62.938	4	10	2	69	151	72.873
low	(62.938)	-	-	-	-	-	-	-	-	(62.938)
Depreciation expense	-	(289)	(18.328)	(11.178)	(5)	(7)	(1)	(12)	(25)	(29.845)
AI 31.12.2021	9.181	596	659.411	342.382	30	19	8	74	409	1.030.172

Capitalized financing costs

The breakdown of capitalized financing costs as of December 31, 2022 and December 31, 2021 is as follows:

Information to be disclosed on capitalized interest costs:

Capitalized Interest Cost, Property, Plant and Equipment

	2022 M\$	2021 M\$
Capitalization rate of capitalized interest cost, property, plant and equipment	0.0044%	7.8000%
Amount of capitalized interest costs, property, plant and plant team	52	1.878

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE 13 - INTANGIBLE ASSETS OTHER THAN CAPITAL GAINS

a) The breakdown of intangible assets as of December 31, 2022 and 2021 is as follows:

As of December 31, 2022	Gross Active Brute TUS\$	Amortization Accumulated TUS\$	Net Active Net TUS\$
Easements	109.297	-	109.297
Licences y software	628	(596)	32
Rights of Use	153	(1)	152
Other Intangibles	2.251	-	2.251
Total	112.329	(597)	111.732

As of December 31, 2021	Gross Active Brute TUS\$	Amortization Accumulated TUS\$	Net Active Net TUS\$
Labor hands	109.297	-	109.297
Licences and software	613	(514)	99
Other Intangibles	727	-	727
Total	110.637	(514)	110.123

b) Detail of movements

Detail	Labor hands TUS\$	Licences and Software TUS\$	Rights of Use TUS\$	Other Intangibles TUS\$	Total TUS\$
to 01.01.2022	109.297	99	-	727	110.123
Additions	-	15	153	1.524	1.692
Transfers	-	-	-	-	-
Low	-	-	-	-	-
Amortization Expense	-	(82)	(1)	-	(83)
At 31.12.2022	109.297	32	152	2.251	111.732

Detail	Labor hands TUS\$	Licences and Software TUS\$	Other Intangibles TUS\$	Total TUS\$
To 01.01.2021	109.297	153	324	109.774
Additions	-	29	403	432
Transfers	-	-	-	-
Low	-	-	-	-
Amortization Expense	-	(83)	-	(83)
At 31.12.2021	109.297	99	727	110.123

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE 14 - COMMERCIAL ACCOUNTS PAYABLE AND OTHER ACCOUNTS PAYABLE

Trade creditors and other accounts payable as of December 31, 2022 and 2021 are as follows:

Detail	Currency Type	2022		2021	
		CURRENCY	NON-CURRENT	CURRENCY	NON-CURRENT
		TUS\$	TUS\$	TUS\$	TUS\$
Suppliers	Pesos	3.916	-	3.261	-
CEN advances**	Pesos	12.354	-	-	-
Environmental and Legal Liabilities	Pesos	7.477	-	5.128	12.280
CEN Reliquidation Liabilities*	UF	5.824	-	3.133	5.018
Labor liabilities	Pesos	798	-	-	-
Social laws	Pesos	-	-	58	-
Various creditors	Pesos	69	-	34	-
Tax withholdings	Pesos	1.507	-	1.486	-
Staff holidays	Pesos	-	-	233	-
Lease liabilities	UF	313	313	-	638
Other accounts payable	Pesos	4.803	-	4.043	-
Total		37.061	313	17.376	17.937

The average period for payment to suppliers is 30 days in 2022, so fair value does not differ significantly from its book value. .

(*) Resettlements: In March 2020, the CEN released its Review Report of the year (IRA 2019), establishing rules for transmitting companies, to comply with the changes established in Law 20,936 of 2016 where it modified the transmission payment regime described in the previous laws, assigning the entire payment of the transmission system to final customers, both free and customers subject to price regulation, through the payment of a single transmission charge (CUT); that is, it transferred the payment obligation from the generating companies to the final consumers. Therefore, in that report, the CEN applied the Equivalent Transmission Charge (CET) retroactively to January 2019, including the obligation to return, by the transmitters to the generators. For purposes of properly managing the balance of the national transmission, the monthly distribution of the Single Transmission Charges will continue to consider the results of the IRA 2019, published in May 2020, leaving all transmitters monthly in the same proportion of deficit with respect to their VATT (the ratio between accumulated balance and accumulated VATT is the same for all transmitters). The balance, with respect to the total to be repaid according to the IRA 2019, has been gradually returned from September 2022 to regulated customers, complying with opinion No. 4-2020 on 12 monthly installments in UF

(**) This balance is caused by the freezing of the CUT and the delay in the publication of decree number 7T of 2022 of the Ministry of Energy for the valorization of the Transmission Systems Facilities for the Quadrennium 2020-2023.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

14.1) Leases as tenants

INTERCHILE has leases mainly related to real estate, vehicles and computer equipment for its operation, both with third parties and with related companies.

Real estate leases generally have lease terms from 4 to 10 years, vehicles 2 years and computer and telecommunications equipment for 1 year.

In general, INTERCHILE contracts have periodic adjustment clauses according to inflation indices, the company has restrictions on subleasing the assets and the leased assets are guaranteed by the lessor's title.

INTERCHILE applies the exceptions proposed by the standard of leases of underlying assets of low value and whose term ends in 12 months.

The carrying amounts of right-of-use assets and movements during the period are as follows:

	Properties TUS\$	Total TUS\$
Balance as of January 1, 2022	596	596
Additions and/or transfers	264	264
Depreciation	(291)	(291)
Balance as at December 31, 2022	569	569

	Properties TUS\$	Total TUS\$
Balance as of January 1, 2021	885	885
Additions and/or transfers	-	-
Depreciation	(289)	(289)
Balance as at December 31, 2021	596	596

Also, the carrying amounts of lease liabilities and movements during the period are presented:

	2022 TUS\$	2021 TUS\$
Opening Balance	638	949
Additions	264	-
Difference in change	21	(30)
Lease payments	(297)	(281)
Ending balance	626	638

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

	2022 TUS\$	2021 TUS\$
Less than a year	313	281
Between one and five years	313	357
Total	626	638

These are the amounts recognized in the results of the period for leases:

	2022 TUS\$	2021 TUS\$
Depreciation expenses of leased assets	291	289
Interest expense on lease liabilities	38	40
Short-term lease expenses	2	418
Lease expenses of low-value assets	629	-
Total amount recognized in the income statement	960	747

The company's total lease cash outflows during the year by \$315 (\$458 in 2021).

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE 15 - FINANCIAL INSTRUMENTS**15.1) Financial liabilities (interest-bearing loans)**

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

Local guarantee agent SCOTIABANK CHILE and the foreign bond representative CITIBANK N.A. The agreed rate is 4.5% fixed, and interest and principal are paid semi-annually. These interests have been paid since December 30, 2021, the duration of the instrument is 35 years and with capital amortization as of June 30, 2028.

On October 27, 2022, INTERCHILE obtains a Credit Line for TUSD 27,000 to ensure compliance with interest payment obligations in favor of bondholders.

This information is summarized in the following tables:

Syndicated Loan	Nominal TUS\$	PAYBACK PERIOD		FREQUENCY OF CAPITAL AMORTIZATION	FREQUENCY OF INTEREST PAYMENTS
		START	EXPIRATION		
Bonus 144A	1.200.000.000	30.06.2028	30.06.2056	Semiannual	Semiannual

At the close of 12.31.2022 there were no defaults that refer to the payment of principal, interest or amortization funds, nor are there amounts in the loan book payable that are unpaid outside the term established in the contract.

Current and non-current financial liabilities are composed as follows:

	MATURITIES OF FINANCIAL OBLIGATIONS			
	CURRENTS		NON-ORDINARY	
	31.12.2022 TUS\$	31.12.2021 TUS\$	31.12.2022 TUS\$	31.12.2021 TUS\$
Interest-bearing bonds	-	-	1.184.208	1.184.208
Grand total	-	-	1.184.208	1.184.208

The Green Bond requested is TUSD1,200,000 and as of December 202,202 amortized costs were recorded for a net value of TUSD1,442, so the balance of the item financial liabilities is TUSD1,184.208

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

Not current 31.12.2022

Source of Funding	Original currency	Date of Outlay	Date of Expiration	Type	Nominal	Effective Rate	Maturities			
							from 1 to 3 Years TUS\$	from 3 to 5 Years TUS\$	More than 5 Years TUS\$	Total
Citibank N.A.	USD	26.07.2021	30.06.2056	Fixed Rate	4,50%	4,64%	-	-	1.184.208	1.184.208
Grand total							-	-	1.184.208	1.184.208

The mortization of the Green Bond will begin to be carried out on June 30, 2028 semiannually.

No Current 31.12.2021

Source of Funding	Original currency	Date of Outlay	Date of Expiration	Type	Nominal	Effective Rate	Maturities			
							from 1 to 3 Years TUS\$	from 3 to 5 Years TUS\$	More than 5 Years TUS\$	Total
Citibank N.A.	USD	26.07.2021	30.06.2056	Tasa Fija	4,50%	4,64%	-	-	1.184.208	1.184.208
Grand total							-	-	1.184.208	1.184.208

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

The following detail only means further disclosure of the funding liabilities shown below.

Financial Obligations	balance to final	Cash Flows				Non-Cash Flow Balance to		balance to final
	2021 TUS\$	Capital Received TUS\$	Capital Payments TUS\$	Interest and Commissions Paid TUS\$	Accrued interest 2022 TUS\$	Changes in Fair Value TUS\$	Other TUS\$	2022 TUS\$
Long-term Green Bond	1.184.828	-	-	(57.400)	56.250	-	(1.770)	1.184.208
Grand total	1.184.828	-	-	(57.400)	56.250	-	(1.770)	1.184.208

Financial Obligations	balance to final	Cash Flows				Non-Cash Flow Balance to		balance to final
	2021 TUS\$	Capital Received TUS\$	Capital Payments TUS\$	Interest and Commissions Paid TUS\$	Accrued interest 2022 TUS\$	Changes in Fair Value TUS\$	Other TUS\$	2022 TUS\$
We lend with financial institutions to:								
Syndicated Loan	724.385	-	(756.809)	(45.824)	40.330	-	37.918	-
Hedging derivative instruments	83.162	-	-	(71.122)	71.122	(83.162)	-	-
Long-term Green Bond	-	1.200.000	-	(23.100)	23.100	-	(15.172)	1.184.828
Grand total	807.547	1.200.000	(756.809)	(140.046)	63.978	(83.162)	(22.746)	1.184.208

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE 16 - EQUITY DISCLOSURES

a) Subscribed and paid-up capital and number of shares

The share capital subscribed and paid as of December 31, 2022 amounts to TUS\$ 370,136, represented by 94,109,640 ordinary shares, nominative, of a single series, of equal par value. Of the total of 94,109,640 shares, they are paid in full leaving the share distribution as follows:

N° Actions	2022		2021	
	Subscribed and Paid	%	Subscribed and Paid	%
Shareholder				
Interconexión Eléctrica S.A. E.S.P.	94.109	0.10	73.788.480	78.40693
ISA Inversiones Chile SPA.	94.015.531	99.90	20.321.160	21.59307
Total shares subscribed and paid	94.109.640	100,00	94.109.640	100,000000

By means of an Extraordinary Shareholders' Meeting of the company ISA Inversiones Chile SpA held on November 29, 2022 and reduced to a public deed with this same date in the notary of Santiago de don Patricio Raby Benavente, it was agreed to increase the share capital of ISA Inversiones Chile SpA, which was paid by the Colombian company and also shareholder of INTERCHILE S A, Interconexión Eléctrica S.A. E.S.P. through the contribution in ownership of 73,694,371 shares of its property issued by the company Interchile S.A. Due to the above, there was a change in the shareholding

of the shareholders of Interchile S.A., and with it a change of control.

On December 12, 2022, by extraordinary meeting of our parent company ISA Inversiones Chile SPA, it was decided to divide the company into two, maintaining a continuation company with the same name and controlling INTERCHILE, constituting a new company called ISA inversiones Chile Vias SPA.

b) Capital Management

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

There have been no changes in capital management objectives or policies in the reporting period.

c) Distributable net income and dividends

In accordance with the provisions of the Law on Corporations, in that the distribution of dividends TUS\$ correspond to at least 30% of profits (minimum dividend), except unanimous agreement of the Shareholders' Meeting.

In the financial years 2022 and 2021 no dividends were agreed or paid.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

d) Accumulated gains (losses)

The components of this item for the year ended December 31, 2022 and 2021 are as follows:

Accumulated Gains (Losses)	2022 TUS\$	2021 TUS\$
Accumulated Gains (Losses)	(55.011)	24.256
Result of the Period or fiscal year	(4.701)	(79.267)
Total	(59.712)	(55.011)

NOTE 17 - REVENUE

The breakdown of operating income is as follows:

Income Detail	2022 TUS\$	2021 TUS\$
Energy transport services , use of lines and networks	92.972	85.223
Connections	562	528
Other Business Services	864	224
Total revenue	94.398	85.975

NOTE 18 - EXPENDITURES FOR THE PERIOD**18.1) Operating costs**

The costs generated to produce revenue are detailed below:

Detail	2022 TUS\$	2021 TUS\$
Wages and salaries	2.413	1.799
Other Operations Personnel Costs	428	348
Operating costs	1.199	1.655
Maintenance costs	1.877	1.790
Environmental costs	34	272
Property costs	299	110
Insurance	747	596
Other costs of O&M	1.199	1.342
Depreciation	31.007	29.581
Total operating costs	39.203	37.493

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

18.2) Administrative expenses

The breakdown of administrative expenses is as follows: :

Detail	2022 TUS\$	2021 TUS\$
Remunerations	3.798	3.703
Other personnel costs	532	289
Third Party Services	3.491	472
Office expenses	707	872
Communications costs	417	403
Relationship expenses	244	216
Support, connection and regulation costs	162	598
Other administrative expenses	221	92
Depreciation and amortization	365	348
Other expenses	7	(36)
Total administrative expenses	9.944	6.957

18.3) Financial results

The breakdown of administrative expenses is as follows:

Detail	2022 TUS\$	2021 TUS\$
Revenue		
Financial income	6.351	299
Total financial income	6.351	299
Expense		
Interest loans Syndicated(*)	-	45.824
Interest Green Bond loans	56.250	23.100
Interest Swap loans(*)	-	71.122
Other financial expenses	1.158	4.798
Total financial expenses	57.408	144.844
Total financial result	51.057	144.545

(*) Liquidation of syndicated debt and swap during 2021.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE 19 - COMMITMENTS AND CONTINGENCIES

a) Committed third-party warranties

INTERCHILE has commitments or covenants, related to the delivery of information and to comply with obligations arising from the conclusion of contracts with bondholder.

A minimum debt service coverage ratio is required for:

- » Incurring additional debt.
- » Deliver dividends.

Additionally, it established commitments related to information reports, compliance with insurance and guarantees, among other financial, environmental and legal commitments.

In relation to financing, INTERCHILE as of December 31, 2022, have fulfilled the commitments acquired.

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

Taker	Object	Origin Currency	Nominal Value	USD Value TUS\$	Expiration
Arcadis Chile SpA	Faithful fulfillment of contract	UF	2	100	29-09-23
Asesoría y servicios Biomapu	Faithful compliance and payment of fines	CLP	26.403	31	27-02-23
Asesoría y servicios Biomapu	Labor obligations of the contract	CLP	6.601	8	27-02-23
AT-EME Consultores SpA	Labor obligations of the contract	CLP	254	0	27-02-23
AT-EME Consultores SpA	Faithful compliance and payment of fines	CLP	1.015	1	27-02-23
AT-EME Consultores SpA	Labor obligations of the contract	CLP	873	1	27-02-23
AT-EME Consultores SpA	Faithful compliance and payment of fines	CLP	3.491	4	27-02-23
Billy Andrés Araya Richards	Faithful fulfillment of contract	CLP	1.902	2	27-02-23
Cía Minera Doña Ines de Collahuasi SCM	Faithful fulfillment of contract	USD	200	200	07-08-23
Comercial Técnica Ltda.	Faithful fulfillment of contract	UF	15	15	01-08-23
Comercial Técnica Ltda.	Faithful fulfillment of contract	UF	8	8	01-08-23
Consultora EDAFOS S.A.	Labor obligations of the contract	CLP	5.851	7	24-05-24
Consultora EDAFOS S.A.	Faithful fulfillment of contract	CLP	11.702	14	24-05-24
Energie Asesorías e Inversiones SPA	Labor obligations of the contract	CLP	2.269	3	01-07-23
Energie Asesorías e Inversiones SPA	Faithful fulfillment of contract	CLP	4.538	5	01-07-23
Gestión Ambiental S.A.	Labor obligations of the contract	CLP	37.533	44	30-06-24
Gestión Ambiental S.A.	Faithful fulfillment of contract	CLP	75.065	88	30-06-24
OHMIO Energía SPA	Faithful fulfillment of contract	UF	240	9.804	31-12-25
Pertica Asesorías SPA	Faithful fulfillment of contract	CLP	11.252	13	01.05-23
Rockblast Desing SPA	Faithful fulfillment of contract	UF	-	3	30-03-23
Securitas S.A.	Labor obligations of the contract	UF	2	80	17-06-24
Securitas S.A.	Faithful fulfillment of contract	UF	4	160	17-06-24
Siemens Energy SpA	Labor obligations of the contract	UF	10	410	30-12-23
Siemens Energy SpA	Labor obligations of the contract	USD	9	9	30-12-23
Siemens Energy SpA	Faithful fulfillment of contract	USD	2.685	2.685	18-02-23
Siemens Energy SpA	Quality	UF	44	1.810	31-05-24
Siemens Energy SpA	Quality	USD	418	418	31-05-24
Siemens Energy SpA	Quality	EUR	1.124	1.124	31-05-24
Sociedad ASEMAFOR SPA	Faithful fulfillment of contract	CLP	8.505	10	31-12-26
Sociedad ASEMAFOR SPA	Labor obligations of the contract	CLP	4.252	5	31-12-26

Continues ▼

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

Taker	Object	Origin Currency	Nominal Value	USD Value TUS\$	Expiration
Tripan S.A.	Labor obligations of the contract	CLP	11.534	14	01-04-24
Tripan S.A.	Faithful fulfillment of contract	CLP	23.068	27	01-04-24
Tripan S.A.	Labor obligations of the contract	CLP	59.056	69	07-06-23
Tripan S.A.	Faithful fulfillment of contract	CLP	118.113	137	07-06-23
Tripan S.A.	Labor obligations of the contract	CLP	4.943	6	07-06-23
Tripan S.A.	Faithful fulfillment of contract	CLP	9.887	12	07-06-23
Unisys Sudamericana Corporation	Faithful fulfillment of contract	CLP	1.975	2	30-10-25
WSP Ambiental Chile S.A.	Faithful fulfillment of contract	CLP	1	1	03-06-23
WSP Ambiental Chile S.A.	Labor obligations of the contract	CLP	1	1	03-06-23
WSP Ambiental Chile S.A.	Faithful fulfillment of contract	UF	1	38	26-05-25
WSP Ambiental Chile S.A.	Labor obligations of the contract	USD	47	47	28-02-23

b) Guarantees committed to third parties

b.1) Guarantees associated with the crossing of tracks

As of December 31, 2022, the guarantee slips issued are the following:

Guarantees Associated with the Crossing of Tracks

Beneficiary	Object	Origin Currency	Balance in USD	Issue Date	Completion Date
Regional Director of Metropolitan Roads	Guarantee payment of damages to third parties in Travvieso works	UF	1.405	31.01.2019	Expired Payment in transit
Regional Director of Metropolitan Roads	Guarantee the payment of damages to third parties in Works of I cross	UF	826	31.01.2019	Expired Payment in transit
Regional Director of Metropolitan Roads	Guarantee the payment of damages to third parties in Crossing Works	UF	826	31.01.2019	Expired Payment in transit
Regional Director of Metropolitan Roads	Guarantee the payment of damages to third parties in Crossing Works	UF	826	31.01.2019	Expired Payment in transit

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

b.2) Guarantees associated with financing

Type of Warranty	Beneficiary	Object	Origin Currency	Balance in USD	Completion Date
First Degree Mortgage on Real Estate	Scotiabank Chile -Local Agent Citibank - Offshore Agent Bondholders	Guarantee compliance with the obligations to pay the bond to bondholders, through mortgages of the following real estate:			
		Lot 8 of the Huasco subdivision project, Freirina Commune, Atacama Region Lot Pan de Azúcar, Fundo Martínez, of the Commune of Coquimbo			
First Degree Non-Possessory Pledge on Assets	Scotiabank Chile -Local Agent Citibank - Offshore Agent Bondholders	Guarantee compliance with the payment obligations of the bond to bondholders, through mortgages of:			
					Interchile's fixed assets
First Degree Non-Possessory Pledge on Rights	Scotiabank Chile -Local Agent Citibank - Offshore Agent Bondholders Scotiabank Chile -Local Agent	Guarantee compliance with the obligations to pay the bond, through the SD Pledge on the Right of:	USD	1.200.000.000	30.06.2056
					Transelec Contracts
First Degree Non-Possessory Pledge on Electric Concession Rights	Scotiabank Chile -Local Agent Citibank - Offshore Agent Bondholders	Guarantee the fulfillment of the obligations of the bond, through the pledge of:			
					Electrical Concessions
First Degree Non-Possessory Pledge on Money and Permitted Investments	Scotiabank Chile -Local Agent Citibank - Offshore Agent Bondholders	Guarantee compliance with the obligations of payment of the bond, through the first degree pledge of:			
					Money and Investments allowed
LC Scotiabank Chile	Scotiabank Chile -Local Agent Citibank - Offshore Agent Bondholders	Guarantee compliance with interest payment obligations in favor of Interchile bondholders, through the LC granted by Scotiabank Chile.	USD	27.000.000	22.09.23

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

c) Insurance policies

Guarantees Associated with Crossroads

Society	Policy	Amount Insured/ currency	Validity Until
Allianz	Resp. Civil D&O	30.000.000 USD	24-04-23
BCI Seguros	Motor Vehicles	9.800 UF	31-08-23
Chilena Consolidada	D&O Liability	10.000.000 USD	27-04-23
FID	Resp. Civil (Office)	3.000 UF	28-02-23
MAPFRE	Electronic Equipment Insurance	27.986 UF	20-04-23
MAPFRE	Material Damage Operation	417.391.200 USD	01-06-24
MAPFRE	Arson / Terrorism Operation	20.000.000 USD	01-06-24
Southbridge	Resp. Civil Operation	10.000.000 USD	01-07-23
Zurich	Infidelity and Financial Risks	10.000.000 USD	27-04-23
Zurich	Data Protection	50.000.000 USD	28-02-23

d) Detail of litigation and judicial

Processes Relevant judicial processes

Place of trial or appeal: Committee of Ministers for Sustainability. Subject: Resource of Claim "PAC" of the Law N° 19.300 on General Bases of the Environment. Presented by natural persons residing in the area and legal entities, such as NGOs, which, during the process of citizen participation established in the Environmental Impact Assessment System, submitted observations against the Cardones Polpaico Project, which would not have been considered by the Environmental Assessment Service (SEA) to grant the Environmental Qualification Resolution. Claims of the complainants: That RCA No. 1608/2015 take charge of all their observations made during the process of citizen participation. Status of the case: Failed, on March 10, 2022, the Committee of Ministers for Sustainability issued a pronouncement rejecting the claim resources, leaving the respective Resolution to be issued and no claims were filed with the respective Environmental Court, so the case was closed in its entirety.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

Seat of trial or appeal: 2nd Environmental Court. Subject: 3 Claims against the SEA for rejecting the appeal for invalidation of the Environmental Qualification Resolution (RCA) No. 1608/2015. Presented by: Comunidad Agrícola La Dormida, Cámara de Turismo de Olmué A.G. and Functional Community Organization Neighbors Los Nogales Ex Fundo Loreto. Claims of the complainants: That RCA No. 1608/2015 be invalidated. Status of the case: In agreement to write judgment.

Venue of trial or appeal: 2nd Environmental Court ROL D-056-2020. Subject: Lawsuit for environmental damage. Claims of the claimants: Redress of environmental damage. Case status : The parties are in a process of conciliation and evidence.

Seat of trial or appeal: Superintendence of the Environment (SMA), Exempt Resolution No. 9 / ROL D-096-2018 of November 24, 2020 reformulates charges. Subject: sanctioning process for infringement of RCA No. 1608/2015 and Supreme Decree No. 38/2011 of the Ministry of the Environment. Status of the case: A sanctioning resolution was issued with respect to which a claim

was filed before the 1st Environmental Court of Antofagasta, ROL R-49-2021 and R-50-2021. The court issued a judgment in respect of which both the SMA and INTERCHILE filed a cassation petition with the Supreme Court.

Seat of trial or appeal: Superintendence of the Environment (SMA), Exempt Resolution No. 1 / ROL D-129-2020 of September 25, 2020 formulates charges. Subject: sanctioning process for infringement of RCA No. 1608/2015. Case Status: Compliance program filed on October 19, 2020 and awaiting approval or rejection.

Seat of trial or appeal: 2nd Labor Court of Vallenar, Demand Role O-3-2018: Matter: indirect dismissal, nullity of dismissal and collection of labor benefits presented by Eyzaguirre Huanca and others (17 people in total) against EMI SPA and INTERCHILE S.A. Status of the case: concluded, a settlement was reached with the plaintiffs.

Seat of trial or appeal: 2nd Labor Court of Vallenar, Demand Role O-3-2018: Matter: indirect dismissal, nullity of dismissal and collection of

labor benefits presented by Eyzaguirre Huanca and others (17 people in total) against EMI SPA and INTERCHILE S.A. Status of the case: concluded, a settlement was reached with the plaintiffs.

Seat of trial or appeal: Courts of Letters in Civil Matters. Subject: Claim for appraisal. Status of the cases: from the discussion stage to the filing of appeals. Claimants' claims: The claimants' claims in each case are always disproportionate to what was established by the Commission, sometimes exceeding 10 times the original amount. However, court rulings are consistent in recognizing increases that are below 50% of what was originally set by the Commission. The appraisal claim should be considered an action that is part of the project budgeting process, as it is considered to be part of the business of establishing assets that affects the properties.

Seat of trial or appeal: Superintendence of Electricity and Fuels (SEC) Ordinary Official Letter No. 2611 of March 25, 2020 formulates charges. Subject: sanctioning process for infringement of electrical regulations. Submitted by: SEC. Claims of the

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

complainants: application of fine and payment of compensation. Status of the case: The process was closed by resolution No. 14726 of November 10, 2022, without causing a fine. Notwithstanding the foregoing, the SEC ordered by resolution No. 1480333 of November 22, 2022 to reimburse the electricity supply distribution companies that compensated end customers for a value of TUSD 169.

Seat of trial or appeal: Courts of Letters in Civil Matters. Subject: Compensation for damages. Applicant: Strunk and Others. Status of cases: conciliation and evidence. Claims of the claimants: damages in the amount of TUSD 1,843.

Seat of trial or appeal: Courts of Letters in Civil Matters. Subject: Compensation for damages for non-contractual civil liability. Applicant by: Luz del Norte SpA. Status of cases: summons to hear judgment. Claims of the claimants: damages in the amount of TUSD 3,047.

Seat of trial or appeal: Courts of Letters in Civil Matters. Subject: denunciation of new work. Presented by: different owners. Status of the

cases: from the first instance sentencing stage to the filing of appeals. Claims of the claimants: to paralyze the construction of works.

Seat of trial or appeal: Court of Letters in Civil Matters. Subject: forced fulfillment of contract plus compensation for damages. Presented by: Felval s.a. Status of the case: end of discussion period. Claimants' claims: To receive estimated compensation of TUS\$ 139.

Seat of trial or appeal: Court of Letters in Civil Matters. Subject: compensation for damages. Presented by: Powerteck SPA. Status of the case: appeal from judgement at first instance. Claimants' claims: estimated compensation at TUS\$ 1,831.

Seat of trial or appeal: Court of Letters in Civil Matters. Subject: revocation action. Presented by: Creditors of ISOLUX Ingeniería, Agency in Chile. Status of the case: judgment of first instance, rejecting the application. Claims of the claimants: restitution to ISOLUX's assets for the purposes of its bankruptcy proceedings for an estimated sum of SSMD 116.

Processes in favor

Seat of trial or appeal: Court of Letters in Civil Matters. Subject: exercise of servitude. Applicant: INTERCHILE S.A. Against: Consultora Predial SPA. Status of the case: Judgment of first instance favorable to Interchile, on appeal. Claimants' claims: to receive compensation estimated at TUS\$ 292.

Place of trial or appeal: International Centre for Settlement of Investment Disputes. Subject: international investment dispute. Applicant: Interconexión Eléctrica S.A. E.S.P. (ISA), ISA Inversiones Chile SpA and Interchile S.A. Against: Republic of Chile. Status of the case: discussion. Claims: to receive compensation estimated at TUS\$ 230,727.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE 20 - ENVIRONMENT

The Company participates in the electricity transmission market, its transmission assets are fundamental for the implementation of the decarbonization strategy of Chile's energy matrix, as they enable the entry of renewable energies (wind and solar) produced in the great north, to the national electricity system.

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

The Company faces two sanctioning procedures (D-

096-2018 and D-129-2020), by the Superintendence of the Environment (SMA); To ensure compliance with environmental commitments and normalize deviations, the company submitted to the environmental authority (SMA), a Compliance Program (PDC), which is in the review stage.

The Company, as part of its eco-efficiency strategy, has committed to the measurement, reduction and compensation of its Greenhouse Gas (GHG) emissions and since 2021 is a carbon neutral company in its operations.

The Society received two recognitions from the United Nations Global Compact Chile for its contributions to the Sustainable Development Goals (SDGs), CONECTA 2022 awards in the "People" category and "Prosperity", for the implementation of the initiatives: "Participatory development of community green areas in Freirina, Atacama", in partnership with Fundación Mi Parque. And "Development Connection for the strengthening of technical-professional secondary

education in the Coquimbo Region" in partnership with Fundación Chile.

In 2022, in order to comply with environmental obligations, both the mandatory compliance measures established in the RCA, and its voluntary commitments to communities, it made investments of the order of USD 10.5 million.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE 21 - FOREIGN CURRENCY

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

21.1) Summary of foreign currency balances

Type or Class of Foreign Currency Assets or Liabilities, Summary	Amount expressed in currency of Presentation		
	Type of coin of Origin	2022 TUS\$	2021 TUS\$
Current assets	CLP	28.089	32.371
Total Assets		28.089	32.371
Current liabilities	CLP	16.433	6.676
Non-current liabilities	CLP	-	-
Total Liabilities		16.433	6.676
Paid-in capital	CLP	370.136	370.136

21.2) Currency balances, current and non-current assets

Type or Class of Foreign Currency Assets , Current Assets	Amount expressed in currency of Presentation		
	Type of coin of Origin	2022 TUS\$	2021 TUS\$
Cash and cash equivalents	CLP	439	7.619
Other current financial assets.	CLP	7.894	20.813
Trade receivables and other current accounts receivable	CLP	19.454	3.599
Other current non-financial assets.	CLP	301	340
Current and current tax assets	CLP	1	-
Total Current assets		28.089	32.371

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

21.3) Currency balances, current and non-current liabilities

	Amount Expressed in Presentation Currency		
	Type of coin of Origin	2022 TUS\$	2021 TUS\$
Commercial accounts payable and other accounts payable	CLP	2.985	5.804
Current and current tax liabilities	CLP	1.022	872
Non-current financial liabilities	CLP	12.426	-
Total current and non-current liabilities	CLP	16.433	6.676

NOTE 22 - SUBSEQUENT EVENTS

Through a board meeting held on December 19, 2022, the company's board of directors appointed Mr. Luis Everley Llano Zuleta as the new general manager of Interchile S.A., as of January 20, 2023, because Mr. Gabriel Jaime Melguizo Posada on that same date will assume the Vice Presidency of Transmisión de Energía de Interconexión Eléctrica S.A. E.S.P. (Colombia).

At the 64th board meeting of February 2023, Mr. Gabriel Jaime Melguizo Posada and Mr. Daniel Isaza Bonnet were appointed as replacement directors of Interchile S.A.

As of the date of these financial statements, the Company is not aware of other subsequent events affecting the financial position as of December 31, 2022.

FINAL NOTES

This 2022 Annual Report, which is an Integrated Management Report, voluntarily reports in accordance with General Rule No. 461 of the Financial Market Commission (CMF) and incorporates sustainability and corporate governance issues.

Thus, the new Annual Report is structured based on an integrated reporting approach, which includes information requirements on the entity's profile, corporate governance, risk management system, strategy and business model.

» **Entity profile:** mission, vision and corporate purpose.

» **Corporate governance:** governance and risk management framework, including the composition and role of the board of directors or equivalent, corporate governance practices and reference is made to sustainability risks and particularly climate change.

» **Strategy:** strategic objectives, time horizons and investment plans.

» **People:** indicators and policies related to the entity's personnel, including, among other aspects, diversity, gender pay gap, job security, workplace and sexual harassment, training and benefits.

» **Business model:** industry sector, properties, stakeholders, subsidiaries and associates.

» **Supplier management:** payment policies and indicators and supplier evaluation.

» **Regulatory compliance indicators** in matters related to customers, workers, environment, free competition and others.

» **Sustainability indicators** according to the type of industry that corresponds to the entity, in accordance with international standards.

Responsible for reporting

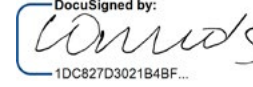
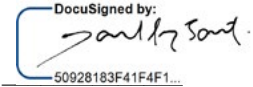
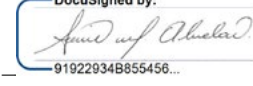
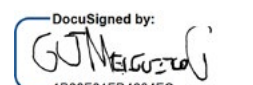

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Mauricio Rebolledo Sagredo
Director of Sustainability
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DECLARACIÓN JURADA DE RESPONSABILIDAD

INTERCHILE S.A.

Tanto los Directores como el Gerente General de Interchile S.A. que suscriben esta declaración se hacen responsables, bajo juramento, respecto de la veracidad de la información proporcionada en la presente Memoria anual 2022, en cumplimiento de la Norma de Carácter General N° 30, emitida por la Superintendencia de Valores y Seguros, hoy Comisión para el Mercado Financiero.

<u>Nombre</u>	<u>Pasaporte Colombiano/ Cédula de Identidad</u>	<u>Cargo</u>	<u>Firma</u>
César Augusto Ramírez Rojas	Pasaporte PE135491	Vicepresidente Director	
Daniel Isaza Bonnet	Pasaporte PE187627	Director	
Sonia Margarita Abuchar Alemán	Pasaporte AR021336	Directora	
Gabriel Jaime Melguizo Posada	Pasaporte AV579373	Director	
Luis Everley Llano Zuleta	Pasaporte AS178199	Gerente General	

17 de marzo de 2023



isa
INTERCHILE