

*Financial Statements*

**INTERCHILE S.A.**

*Santiago, Chile*

*As of December 31, 2022 and 2021*



**EY Chile**  
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## **Report of the Independent Auditor**

(Translation of Financial Statements originally issued in Spanish, see Note 2)

To the Shareholders and Directors of  
Interchile S.A.

We have audited the accompanying financial statements of Interchile S.A., which comprise the statement of financial position as of December 31, 2022, and the related statements of comprehensive income, the statements of changes in equity and of cash flows for the year then ended and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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



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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Interchile S.A., as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

### **Others Matters, Report of Other Auditors on December 31, 2021 Financial Statements**

The financial statements of Interchile S.A., for the year ended December 31, 2021, were audited by other auditors who expressed an unmodified opinion on those statements on March 11, 2022.

Santiago, Chile  
March 21, 2023

A handwritten signature in blue ink, appearing to read 'Gastón Villarroel O.', with a horizontal line drawn through the middle of the signature.

Gastón Villarroel O.  
EY Audit Ltda.

## Financial Statements

### INTERCHILE S.A.

As of December 31, 2022 and 2021  
(In thousands of US Dollars - ThUS\$)

(Translation of Financial Statements originally issued in Spanish, see Note 2)

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## Financial Statements

### **INTERCHILE S.A.**

As of December 31, 2022 and 2021

(In thousands of US Dollars - ThUS\$)

(Translation of Financial Statements originally issued in Spanish, see Note 2)

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Ch\$	:	Chilean Peso
MCh\$	:	Millions of Chilean Pesos
US\$	:	US Dollar
ThUS\$	:	Thousands of US Dollars
EUR	:	Euro
UF	:	Unidad de Fomento (Chilean inflation-indexed Units)

Financial Statements

**INTERCHILE S.A.**

As of December 31, 2022 and 2021

(Translation of a report originally issued in Spanish - See Note 2)

# INTERCHILE S.A.

## Classified Statements of Financial Position

As of December 31, 2022 and 2021

(In Thousands of US Dollars)

<b>ASSETS</b>	<b>Note</b>	<b>2022 ThUS\$</b>	<b>2021 ThUS\$</b>
<b>Current assets</b>			
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		<u>380,306</u>	<u>356,396</u>
<b>Non-current assets</b>			
Trade receivables and other non-current receivables	(8)	-	4,708
Other non-current non-financial assets	(9)	151	340
Property, plant and equipment, net	(12)	1,004,562	1,030,172
Intangible assets other than goodwill	(13)	111,732	110,123
Deferred tax assets	(11)	35,589	33,793
Total non-current assets		<u>1,152,034</u>	<u>1,179,136</u>
Total Assets		<u>1,532,340</u>	<u>1,535,532</u>

The accompanying notes numbers 1 through 22 are an integral part of these Financial Statements.

# INTERCHILE S.A.

## Classified Statements of Financial Position

As of December 31, 2022 and 2021

(In Thousands of US Dollars)

<b>LIABILITIES AND EQUITY</b>	<b>Note</b>	<b>2022 ThUS\$</b>	<b>2021 ThUS\$</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Accounts Payable	(14)	37,061	17,376
Current accounts payable to related entities	(10)	324	253
Current tax liabilities	(11)	10	13
Total current liabilities		<u>37,395</u>	<u>17,642</u>
<b>Non-Current Liabilities</b>			
Trade 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		<u>1,184,521</u>	<u>1,202,765</u>
Total Liabilities		<u>1,221,916</u>	<u>1,220,407</u>
<b>Equity</b>			
Issued capital	(16)	370,136	370,136
Retained earnings (accumulated deficit)	(16)	(59,712)	(55,011)
Other reserves		-	-
Total equity		<u>310,424</u>	<u>315,125</u>
Total Liabilities and Equity		<u>1,532,340</u>	<u>1,535,532</u>

The accompanying notes numbers 1 through 22 are an integral part of these Financial Statements.



## INTERCHILE S.A.

### Statements of Comprehensive Income by Function

For the years ended December 31, 2022 and 2021

(In Thousands of US Dollars)

	Note	2022 ThUS\$	2021 ThUS\$
<b>Profit (Loss)</b>			
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)
<b>Profit (loss) before Tax</b>		(6,486)	(109,665)
Income tax	(11)	1,785	30,398
Profit (loss) for the year		(4,701)	(79,267)
<b>Profit (loss)</b>		(4,701)	(79,267)
<b>Statement of Other Comprehensive Income</b>			
Components of other comprehensive income to be reclassified to profit or loss			
Cash Flow Hedges		-	83,163
Total other comprehensive income before taxes		-	83,163
		-	83,163
<b>Income taxes relating to components of other comprehensive income to be reclassified to profit or loss</b>			
Income taxes related to cash flow hedges		-	(22,455)
Total other comprehensive income (loss)		-	60,708
Total comprehensive income (loss)		(4,701)	(18,559)

The accompanying notes numbers 1 through 22 are an integral part of these Financial Statements.

## INTERCHILE S.A.

### Statements of Cash Flows (Direct Method)

For the years ended December 31, 2022 and 2021

(In Thousands of US Dollars)

<b>STATEMENTS OF CASH FLOWS - DIRECT METHOD</b>	<b>2022 ThUS\$</b>	<b>2021 ThUS\$</b>
<b>Cash Flows Provided by (Used In) Operating Activities</b>		
Proceeds 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 flows provided by (used in) operating activities	83,002	(9,970)
<b>Cash Flows Provided by (Used In) Investing Activities</b>		
Purchases of property, plant and equipment	(5,477)	(9,935)
Purchases of intangible assets	(1,692)	108
Interest received, classified as investing activities	6,351	-
Other cash inflows (outflows)	(36,987)	35,919
Cash flows provided by (used in) investing activities	(37,805)	26,092
<b>Cash Flows Provided by (Used In) Financing Activities</b>		
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 flows provided by (used in) financing activities	(57,400)	302,640
<b>Increase (Decrease) in Cash and Cash Equivalents, before the Effect of Exchange Rate Changes</b>	(12,203)	318,762
<b>Effects of Exchange Rate Change on Cash and Cash Equivalents</b>	91	(5,667)
<b>Increase (decrease) of Cash and Cash Equivalents</b>	(12,112)	313,095
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	314,065	970
<b>Cash and Cash Equivalents at End of Year</b>	301,953	314,065

The accompanying notes numbers 1 through 22 are an integral part of these Financial Statements.

## INTERCHILE S.A.

### Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(In Thousands of US Dollars)

<b>Statements of Changes in Equity</b>	<b>Issued Capital</b>	<b>Other Reserves</b>	<b>Retained Earnings (Accumulated Deficit)</b>	<b>Total Equity</b>
	<b>ThUS</b>	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
Opening balance financial year 01.01.2022	370,136	-	(55,011)	315,125
Capital increase	-	-	-	-
Loss of exercise	-	-	(4,701)	(4,701)
Other comprehensive income (loss)	-	-	-	-
<b>Final balance for the period 12.31.2022</b>	<b>370,136</b>	<b>-</b>	<b>(59,712)</b>	<b>310,424</b>

<b>Statements of Changes in Equity</b>	<b>Issued Capital</b>	<b>Other Reserves</b>	<b>Retained Earnings (Accumulated Deficit)</b>	<b>Total Equity</b>
	<b>ThUS</b>	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
Opening balance financial year 01.01.2021	370,136	(60,708)	24,256	333,684
Capital increase	-	-	-	-
Loss of exercise	-	-	(79,267)	(79,267)
Other comprehensive income (loss)	-	60,708	-	60,708
<b>Final balance for the period 12.31.2021</b>	<b>370,136</b>	<b>-</b>	<b>(55,011)</b>	<b>315,125</b>

The accompanying notes numbers 1 through 22 are an integral part of these Financial Statements.

## INTERCHILE S.A.

### Notes to the Financial Statements

December 31, 2022 and 2021

#### **Note 1 - General Information and Business Description**

INTERCHILE S.A. (hereinafter "the Entity", "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 18<sup>th</sup> floor - 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 ("CMF"), 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° 5630 10<sup>th</sup> 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 building 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 Azúcar

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

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### **Note 2 - Basis for Preparation of the Financial Statements**

#### **2.1) Basis of preparation and statement of compliance**

These financial statements correspond to the statements of financial position and the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021 and 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 ended December 31, 2022.

The financial statements have been prepared in accordance with the cost basis, which is generally based on the fair value of the consideration given in exchange for goods and services, except for cash, variable income investments and certain fixed income investments. INTERCHILE has prepared the financial statements on the basis that it will continue to operate as a going concern.

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

For the convenience of the reader, these Financial Statements and their accompanying notes have been translated from Spanish into English.

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 2 - Basis for Preparation of the Financial Statements (continued)

#### 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 (ThUS\$), except where stated otherwise.

#### 2.3) Conversion bases

Transactions in foreign currency and indexation 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 statement of comprehensive income. Assets and liabilities in Euros, Chilean pesos and Unidades de Fomento 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):

	<b>2022</b>	<b>2021</b>
	<b>US\$</b>	<b>US\$</b>
Unidad de Fomento	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.

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.

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### **Note 2 - Basis for Preparation of the Financial Statements (continued)**

#### **2.4) Responsibility for the information and estimates made (continued)**

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.

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### **Note 2 - Basis for Preparation of the Financial Statements (continued)**

#### **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 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.

### **Note 3 - Summary of Main 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 recognized 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.



# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 3 - Summary of Main Accounting Policies (continued)

#### 3.1) Financial assets (continued)

##### **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 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 assets 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 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.

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### **Note 3 - Summary of Main Accounting Policies (continued)**

#### **3.1) Financial assets (continued)**

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.

#### **Impairment of financial assets**

Financial assets, other than those valued at fair value through earnings, are assessed at each reporting date to establish the presence of impairment indicators. Financial assets are considered to be impaired 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 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:

# INTERCHILE S.A.

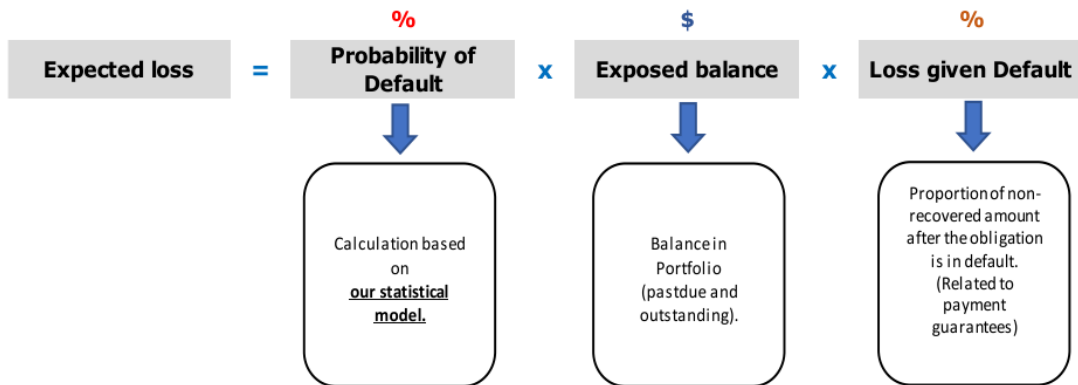
## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 3 - Summary of Main Accounting Policies (continued)

#### 3.1) Financial assets (continued)

##### Impairment of financial assets (continued)



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” as per its acronym in Spanish)**

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.

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 3 - Summary of Main Accounting Policies (continued)

#### 3.1) Financial assets (continued)

##### Impairment of financial assets (continued)

##### Non-financial asset impairment

##### - Estimation of the recoverable amount of a non-financial asset

The carrying amount of non-financial 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 CGU exceeds its recoverable value, the asset is reduced to its recoverable value and an impairment loss is recognized 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.

## INTERCHILE S.A.

### Notes to the Financial Statements

December 31, 2022 and 2021

#### **Note 3 - Summary of Main Accounting Policies (continued)**

##### **3.2) Property, plant and equipment and advance payments 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 obligations incurred by the Company as a result of using the element for a certain period.

Repair, preservation 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.

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 3 - Summary of Main Accounting Policies (continued)

#### 3.2) Property, plant and equipment and advances on jobs (continued)

Advance payments granted 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. Advance payments are presented as non-current assets and are reclassified to works in progress (property, 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, INTERCHILE 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:

<b>Assets</b>	<b>Range of Years</b>
Real estate Properties	6-10
Transmission Lines	40
Electrical Substations	15 - 40
Communications Equipment	10
Industrial Tools and Machinery	10
Furniture and utensils <sup>7</sup>	3
Vehicles	5
Computer equipment	<u>2 - 3</u>

#### 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.

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### **Note 3 - Summary of Main Accounting Policies (continued)**

#### **3.2) Property, plant and equipment and advances on jobs (continued)**

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 goodwill**

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.

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 3 - Summary of Main Accounting Policies (continued)

#### 3.3) Intangible assets other than goodwill (continued)

##### - 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 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

Software is amortized using 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.



## INTERCHILE S.A.

### Notes to the Financial Statements

December 31, 2022 and 2021

#### **Note 3 - Summary of Main Accounting Policies (continued)**

##### **3.5) Financial liabilities (continued)**

After initial recognition, interest-bearing financial obligations and bonds are measured at amortized cost, using the effective interest rate method. Amortized 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 recognizing 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.

##### **3.6) Provisions**

Provisions are recognized 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 S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### **Note 3 - Summary of Main Accounting Policies (continued)**

#### **3.6) Provisions (continued)**

INTERCHILE recognizes in the 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) Personnel benefits**

The costs associated with personnel 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 recognized 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 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.

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 3 - Summary of Main Accounting Policies (continued)

#### 3.9) Statements of Cash Flows

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 Statements of Cash Flows 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 investing or financing.

- **Investing 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.

## INTERCHILE S.A.

### Notes to the Financial Statements

December 31, 2022 and 2021

#### Note 3 - Summary of Main Accounting Policies (continued)

##### 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 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

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.

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### **Note 3 - Summary of Main Accounting Policies (continued)**

#### **3.10) Recognition of income, costs and expenses (continued)**

##### 3.10.1) Revenue (continued)

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 shall 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 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.

## INTERCHILE S.A.

### Notes to the Financial Statements

December 31, 2022 and 2021

#### Note 3 - Summary of Main Accounting Policies (continued)

##### 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 recognized 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.

## **INTERCHILE S.A.**

### Notes to the Financial Statements

December 31, 2022 and 2021

#### **Note 3 - Summary of Main Accounting Policies (continued)**

##### **3.11) Leases (continued)**

###### **Leases when INTERCHILE acts as lessee (continued)**

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

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 3 - Summary of Main Accounting Policies (continued)

#### 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.

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.



## **INTERCHILE S.A.**

### Notes to the Financial Statements

December 31, 2022 and 2021

#### **Note 3 - Summary of Main Accounting Policies (continued)**

##### **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.

The Company currently only has single series shares issued.

The distribution of dividends to shareholders is recognized 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.

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 3 - Summary of Main Accounting Policies (continued)

#### 3.16) New Standards, Interpretations and Amendments

The Company applied for the first-time certain standards, interpretations and amendments, which are effective for periods beginning on or after January 1, 2022. The Company has not adopted in advance any standard, 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:

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

#### **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.

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 3 - Summary of Main Accounting Policies (continued)

#### 3.16) New Standards, Interpretations and Amendments (continued)

##### **IAS 16 Property, Plant, 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 shall be applied 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 January 1, 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 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 shall 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.

## **INTERCHILE S.A.**

### Notes to the Financial Statements

December 31, 2022 and 2021

#### **Note 3 - Summary of Main Accounting Policies (continued)**

##### **3.16) New Standards, Interpretations and Amendments (continued)**

###### **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 the 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.

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 3 - Summary of Main Accounting Policies (continued)

#### 3.16) New Standards, Interpretations and Amendments (continued)

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

##### **IFRS 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 beginning 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 Standard and 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.

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 3 - Summary of Main Accounting Policies (continued)

#### 3.16) New Standards, Interpretations and Amendments (continued)

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

	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 and IAS 28	Consolidated Financial Statements – sale or contribution of assets between an investor and its associate or joint venture	TBD

#### 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.

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 3 - Summary of Main Accounting Policies (continued)

#### 3.16) New Standards, Interpretations and Amendments (continued)

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

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

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 3 - Summary of Main Accounting Policies (continued)

#### 3.16) New Standards, Interpretations and Amendments (continued)

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

##### **IAS 12 Deferred tax relating to assets and liabilities arising from a single transaction (continued)**

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 shall 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.



# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 3 - Summary of Main Accounting Policies (continued)

#### 3.16) New Standards, Interpretations and Amendments (continued)

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

##### **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 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 shall 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

## INTERCHILE S.A.

### Notes to the Financial Statements

December 31, 2022 and 2021

#### Note 3 - Summary of Main Accounting Policies (continued)

##### 3.16) New Standards, Interpretations and Amendments (continued)

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

###### **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.

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 4 - Financial Risk Management

The Company's activities are exposed to a variety of financial risks. 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 US\$. Its source of return is income based on US\$. The way in which the risk of exchange rate variations is mitigated, is the contracting of debt for construction financing in US\$ 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).

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 4 - Financial Risk Management (continued)

#### 4.1) Market Risk (continued)

##### 4.1.1) Exchange rate risk (continued)

The investment is in the same currency as the US\$ financing, the income is indexed to the US\$, there is a residual risk corresponding to the fact that the income is based on the US\$, the costs contracted locally will be paid in Ch\$.

The way to mitigate the risk of exchange rate variations is the contracting of a large part of the debt for construction financing in US\$, 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 business resources, maintaining in greater quantity the cash surpluses in US\$, the continuity and sustainability of the businesses through the permanent management of the risks to which it is exposed.

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 4 - Financial Risk Management (continued)

#### 4.1) Market Risk (continued)

##### 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 (CPI) according to the remuneration scheme established in the Bidding Rules of the projects, this guarantees that our rates follow the variations of the US dollar, which allows to fit with the payments derivatives of long-term indebtedness (US\$). 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 US 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:

$$AVI_k = AVI_0 \cdot \frac{CPI_k}{CPI_0}$$

$$COMA_k = COMA_0 \cdot \frac{IPC_k}{IPC_0} \cdot \frac{DOL_0}{DOL_k}$$

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 4 - Financial Risk Management (continued)

#### 4.1) Market Risk (continued)

##### 4.1.3) Risk of macroeconomic variables (continued)

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.
- COMA: Value of the COMA that makes up the VATT awarded for the New Construction for Month 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.

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 4 - Financial Risk Management (continued)

#### 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 investment. 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 from sales to eight customers exceeded 80% of total revenue, as summarized below:

<b>Customer</b>	<b>2022 ThUS\$</b>
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 Cochran SPA	4,014
Other clients	9,963
Total	<u>94,398</u>
% Top Customers	89%

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 4 - Financial Risk Management (continued)

#### 4.2) Credit risk (continued)

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 Chilean pesos and US 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 ThUS\$	2021 ThUS\$
Cash and Banks	Ch\$	119	8,017
Cash and Banks	US\$	1,604	249,749
Term deposit Fixed Income CLP < 90 days	Ch\$	248	-
Term deposit Fixed Income USD < 90 days	US\$	299,982	56,299
Total		301,953	314,065

All cash and cash equivalents are not subject to availability restrictions.



## INTERCHILE S.A.

### Notes to the Financial Statements

December 31, 2022 and 2021

#### Note 7 - Other current Financial Assets

The composition of the item as of December 31, 2022 and 2021 is as follows:

<b>Detail</b>	<b>Currency Type</b>	<b>2022 ThUS\$</b>	<b>2021 ThUS\$</b>
Pledged banks	Ch\$	1,351	20,817
Pledged banks	US\$	1,287	2,482
Term deposit Fixed Income CLP < 90 days	Ch\$	6,543	-
Term deposit Fixed Income USD < 90 days	US\$	51,100	-
Letter of Credit	US\$	-	-
Other Guarantee Instruments	UF	4	-
<b>Total</b>		<b>60,285</b>	<b>23,299</b>

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.

**INTERCHILE S.A.**

Notes to the Financial Statements

December 31, 2022 and 2021

**Note 8 - Trade and Other Current Accounts Receivable**

The breakdown of trade and other current accounts receivable as of December 31, 2022 and 2021 is as follows:

Detail	Type of Currency	2022		2021	
		Current ThUS\$	Not Current ThUS\$	Current ThUS\$	Not Current ThUS\$
<b>Trade Debtors</b>					
Customers (1)	Ch\$	17,707	-	13,015	-
Reliquidations	Ch\$	-	-	5,010	4,708
Other debtors	Ch\$	102	-	29	-
Impairment value		(18)	-	(19)	-
<b>Total Trade Debtors</b>		<b>17,791</b>	<b>-</b>	<b>18,035</b>	<b>4,708</b>
<b>Other accounts receivable</b>					
Funds to be rendered	Ch\$	40	-	7	-
Advance payment of domestic suppliers	Ch\$	61	-	-	-
Advance payment of foreign suppliers	Ch\$	2	-	42	-
Staff advances	Ch\$	18	-	7	-
<b>Total Other Accounts Receivable</b>		<b>121</b>	<b>-</b>	<b>56</b>	<b>-</b>
<b>Total Trade receivables and other current accounts receivable</b>		<b>17,912</b>	<b>-</b>	<b>18,091</b>	<b>4,708</b>

The detail of the client portfolio is as follows:

Customers by Seniority	Due	Balances as of December 2022	Balances as of 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	-	-	-
<b>Total</b>		<b>17,707</b>	<b>13,015</b>

(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 María Elena Solar S.A.

## INTERCHILE S.A.

### Notes to the Financial Statements

December 31, 2022 and 2021

#### Note 8 - Trade and Other Current Accounts Receivable (continued)

Breakdown of impairment of trade and other accounts receivable:

Detail	2022 ThUS\$	2021 ThUS\$
Opening Balance	19	59
Low trade debtors	-	-
Increases/decreases in the year	(1)	(40)
<b>Total</b>	<b>18</b>	<b>19</b>

#### Note 9 - Other Non-Financial Assets

The composition of the item as of December 31, 2022 and 2021 is as follows:

Detail	Type of Currency	2022		2021	
		Current ThUS\$	Non Current ThUS\$	Current ThUS\$	Non Current ThUS\$
Advances on jobs under construction (1)	US\$	45	-	-	-
Insurance (2)	Ch\$	62	-	548	-
Warranties Granted	Ch\$	-	151	-	340
<b>Total</b>		<b>107</b>	<b>151</b>	<b>548</b>	<b>340</b>

- (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 Company.
- (2) The insurance corresponds mainly to policies that cover: all risks of operation and construction, general civil liability, fire and terrorism for the operation.

#### 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	2022		2021	
					Current ThUS\$	Not Current ThUS\$	Current ThUS\$	Not Current ThUS\$
Internexa Chile S.A.	76.073.154-4	Chile	Common Matrix	Ch\$	47	-	162	-
Isa Inversiones Chile SPA	76.104.097-9	Chile	Shareholders	US\$	2	-	231	-
<b>Related Total Receivables</b>					<b>49</b>	<b>-</b>	<b>393</b>	<b>-</b>

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 10 - Information on Related Parties (continued)

#### b) Balances payable

Enterprise	ID	Country	Relation	Currency	2022		2021	
					Current	Not Current	Current	Not Current
					ThUS\$	ThUS\$	ThUS\$	ThUS\$
Intercolombia S.A E.S.P.	900.667.857-1	Colombia	Common Matrix	US\$	208	-	112	-
XM Sociedad de Expertos de Mercado S.A.	900.042.857-1	Colombia	Common Matrix	US\$	-	-	54	-
Internexa Chile S.A.	76.073.154-4	Chile	Common matrix	Ch\$	116	-	87	-
Total payable related					324	-	253	-

## INTERCHILE S.A.

Notes to the Financial Statements

December 31, 2022 and 2021

### Note 10 - Information on Related Parties (continued)

#### c) Transactions

Transactions with related entities are as follows:

#### 2022

Name of Related Party	ID	Nature of the Relationship	Nature of Transactions	Type of Currency	Transaction Amount ThUS\$	Effect on Results ThUS\$
Interconexión Eléctrica S.A. E.S.P.	860.016.610-3	Shareholder	Bank Commissions Financing	US\$	12	12
Isa Inversiones Chile SPA	76.104.097-9	Shareholder	Cost recovery	Ch\$	984	(984)
			Engineering and Technical Supervision Services	US\$	115	115
XM Sociedad de Expertos de Mercado S.A.	900.042.857-1	Common matrix		US\$	245	245
Intercolombia S.A. E.S.P.	900.667.590-2	Common Matrix	Consulting, SAP Maintenance	US\$	487	487
Intercolombia S.A. E.S.P.	900.667.590-2	Common Matrix	Technical Service support OyM -SCADA	US\$	227	227
Intercolombia S.A. E.S.P.	900.667.590-2	Common Matrix	Advice in Service Center	US\$	64	64
Internexa Chile S.A.	76.073.154-4	Common matrix	Mtto Electromechanical Fiber Optic Service	Ch\$	677	649
Internexa Chile S.A.	76.073.154-4	Common matrix	Computer Service and Control Center	Ch\$		

## INTERCHILE S.A.

Notes to the Financial Statements

December 31, 2022 and 2021

### Note 10 - Information on Related Parties (continued)

#### c) Transactions (continued)

Transactions with related entities are as follows: (continued)

#### 2021

Name of Related Party	ID	Nature of the Relationship	Nature of Transactions	Type of Currency	Transaction Amount ThUS\$	Effect on Results ThUS\$
Interconexión Eléctrica S.A. E.S.P.	860.016.610-3	Shareholder	Engineering Services	US\$	52	-
Interconexión Eléctrica S.A. E.S.P.	860.016.610-3	Shareholder	Bank Commissions Financing	US\$	33	-
Isa Inversiones Chile SPA.	76.104.097-9	Shareholder	Loan	US\$	78,440	-
Isa Inversiones Chile SPA.	76.104.097-9	Shareholder	Cost recovery Projects	US\$	2,914	2,914
			Engineering and Technical Supervision Services			
XM Sociedad de Expertos de Mercado S.A.	900.042.857-1	Common matrix		US\$	201	(170)
XM Sociedad de Expertos de Mercado S.A.	900.042.857-1	Common matrix	Financial Advisory	US\$	3	(3)
Intercolombia S.A. E.S.P.	900.667.590-2	Common Matrix	Consulting, SAP Maintenance	US\$	264	(264)
Intercolombia S.A. E.S.P.	900.667.590-2	Common Matrix	Service Technician support O&M	US\$	469	(326)
Intercolombia S.A. E.S.P.	900.667.590-2	Common Matrix	Human Resources Advisory	US\$	13	(13)
			Mtto Electromechanical Fiber Optic Service			
Internexa Chile S.A.	76.073.154-4	Common matrix		Ch\$	65	65
Internexa Chile S.A.	76.073.154-4	Common matrix	Computer Service and Control Center	Ch\$	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.

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 10 - Information on Related Parties (continued)

#### 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	ThUS\$
19360232	Bernardo Vargas Gibsone	Former Chairman of the Board	Colombia	3
42107940	Carolina Botero Londoño	Director	Colombia	38
4344455	Cesar Ramirez Rojas	Director	Colombia	46
52411766	Monica Jimenez Gonzalez	Director	Colombia	23
50897172	Sonia Abuchar German	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.

## INTERCHILE S.A.

### Notes to the Financial Statements

December 31, 2022 and 2021

#### Note 10 - Information on Related Parties (continued)

##### e) Remuneration and other benefits (continued)

##### 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)
Jose Cascante Chaves	Project Manager
Eduardo Saez Manriquez	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 ThUS\$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 ThUS\$ 850,527 and ThUS\$ 717,152, respectively.

The current tax liability of ThUS\$10 and ThUS\$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.



# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 11 - Income Taxes and Deferred Taxes (continued)

#### 11.1) Income tax (continued)

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 recognized in profit or loss

<b>Concept of Profit (Expense)</b>	<b>2022 ThUS\$</b>	<b>2021 ThUS\$</b>
Current tax expenditure (single tax)	(10)	(13)
Deferred taxes	1,795	30,411
Total income tax profit (expense)	<u>1,785</u>	<u>30,398</u>

#### 11.3) Deferred taxes

Deferred tax assets and liabilities as of December 31, 2022 and 2021 are as follows:

<b>Detail</b>	<b>2022</b>		<b>2021</b>	
	<b>Assets ThUS\$</b>	<b>Liabilities ThUS\$</b>	<b>Assets ThUS\$</b>	<b>Liabilities ThUS\$</b>
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	<u>232,807</u>	<u>197,218</u>	<u>197,593</u>	<u>163,800</u>
Net deferred tax balance	<u>35,589</u>	<u>-</u>	<u>33,793</u>	<u>-</u>

**INTERCHILE S.A.**

## Notes to the Financial Statements

December 31, 2022 and 2021

**Note 11 - Income Taxes and Deferred Taxes (continued)****11.4) Reconciliation of tax expense using the statutory rate with tax expense using the effective rate**

<b>Tax Expense Reconciliation</b>	<b>2022 ThUS\$</b>	<b>2021 ThUS\$</b>
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)	<u>1,785</u>	<u>30,398</u>

<b>Concepts</b>	<b>2022 %</b>	<b>2021 %</b>
Legal tax rate	27.0	27.0
Other tax increases (decreases)	(54.5)	(54.7)
Benefit Tax by tax using effective rate	<u>(27.5)</u>	<u>(27.7)</u>

**INTERCHILE S.A.**

Notes to the Financial Statements

December 31, 2022 and 2021

**Note 12 - Property, Plant and Equipment**

a) The details of this item are as follows:

<b>As of December 31, 2022</b>	<b>Gross Assets ThUS\$</b>	<b>Accumulated Depreciation ThUS\$</b>	<b>Net Assets ThUS\$</b>
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
<b>Total</b>	<b>1,124,808</b>	<b>(120,246)</b>	<b>1,004,562</b>

(1) During 2022, ThUS\$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.

<b>As of December 31, 2021</b>	<b>Gross Assets ThUS\$</b>	<b>Accumulated Depreciation ThUS\$</b>	<b>Net Assets ThUS\$</b>
Construction (works 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
<b>Total</b>	<b>1,119,131</b>	<b>(88,959)</b>	<b>1,030,172</b>

## INTERCHILE S.A.

Notes to the Financial Statements

December 31, 2022 and 2021

### Note 12 - Property, Plant and Equipment (continued)

b) Movement details

Detail	Constructions	Properties	Transmission Lines	Electrical Substations	Furniture and Supplies	Computer Equipment	Communication Equipment	Vehicles	Machinery and Tools	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
As of 01.01.2022	9,181	596	677,473	342,382	30	19	8	74	409	1,030,172
Additions	5,084	264	324	-	-	30	-	-	39	5,741
Transfers	(7,487)	-	-	7,487	-	-	-	-	-	-
Disposals	-	-	(64)	-	-	-	-	-	-	(64)
Decrease Acc. Deprec.	-	-	6	-	-	-	-	-	-	6
Depreciation expense	-	(291)	(18,328)	(12,601)	(6)	(11)	(1)	(16)	(39)	(31,293)
As of 12.31.2022	6,778	569	659,411	337,268	24	38	7	58	409	1,004,562

Detail	Constructions	Properties	Transmission Lines	Electrical Substations	Furniture and Supplies	Computer Equipment	Communication Equipment	Vehicles	Machinery and Tools	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
As of 01.01.2021	62,420	885	695,801	290,622	31	16	7	17	283	1,050,082
Additions	9,699	-	-	62,938	4	10	2	69	151	72,873
Disposals	(62,938)	-	-	-	-	-	-	-	-	(62,938)
Depreciation expense	-	(289)	(18,328)	(11,178)	(5)	(7)	(1)	(12)	(25)	(29,845)
As of 12.31.2021	9,181	596	677,473	342,382	30	19	8	74	409	1,030,172

## INTERCHILE S.A.

Notes to the Financial Statements

December 31, 2022 and 2021

### Note 12 - Property, Plant and Equipment (continued)

b) Details of movements (continued)

#### Capitalized financing costs

The breakdown of capitalized financing costs as of December 31, 2022 and 2021 is as follows:

#### Information to be disclosed on capitalized interest costs:

<b>Capitalized Interest Cost, Property, Plant and Equipment</b>	<b>2022 ThUS\$</b>	<b>2021 ThUS\$</b>
Capitalization rate of capitalized interest cost, property, plant and equipment	0.0044%	7.8000%
Amount of capitalized interest costs, property, plant and equipment	52	1,878

**INTERCHILE S.A.**

Notes to the Financial Statements

December 31, 2022 and 2021

**Note 13 - Intangible Assets Other Than Goodwill**

a) The breakdown of intangible assets as of December 31, 2022 and 2021 is as follows:

<b>As of December 31 , 2022</b>	<b>Gross Assets ThUS\$</b>	<b>Accumulated Depreciation ThUS\$</b>	<b>Net Assets ThUS\$</b>
Easements	109,297	-	109,297
Licenses y software	628	(596)	32
Rights of use	153	(1)	152
Other Intangibles	2,251	-	2,251
<b>Total</b>	<b>112,329</b>	<b>(597)</b>	<b>111,732</b>

<b>As of December 31, 2021</b>	<b>Gross Assets ThUS\$</b>	<b>Accumulated Depreciation ThUS\$</b>	<b>Net Assets ThUS\$</b>
Easements	109,297	-	109,297
Licenses and software	613	(514)	99
Other intangibles	727	-	727
<b>Total</b>	<b>110,637</b>	<b>(514)</b>	<b>110,123</b>

b) Detail of movements

<b>Detail</b>	<b>Labor ThUS\$</b>	<b>Licenses and Software ThUS\$</b>	<b>Rights of Use ThUS\$</b>	<b>Other Intangibles ThUS\$</b>	<b>Total ThUS\$</b>
As of 01.01.2022	109,297	99	-	727	110,123
Additions	-	15	153	1,524	1,692
Transfers	-	-	-	-	-
Disposals	-	-	-	-	-
Amortization Expense	-	(82)	(1)	-	(83)
As of 12.31.2022	109,297	32	152	2,251	111,732

<b>Detail</b>	<b>Labor ThUS\$</b>	<b>Licenses and Software ThUS\$</b>	<b>Other Intangibles ThUS\$</b>	<b>Total ThUS\$</b>
As of 01.01.2021	109,297	153	324	109,774
Additions	-	29	403	432
Transfers	-	-	-	-
Disposals	-	-	-	-
Amortization Expense	-	(83)	-	(83)
As of 12.31.2021	109,297	99	727	110,123

## INTERCHILE S.A.

### Notes to the Financial Statements

December 31, 2022 and 2021

#### Note 14 - Trade and Other Accounts Payable

Trade creditors and other accounts payable as of December 31, 2022 and 2021 are as follows:

Detail	Type of Currency	2022		2021	
		Current ThUS\$	Non-current ThUS\$	Current ThUS\$	Non-current ThUS\$
Suppliers	Ch\$	3,916	-	3,261	-
CEN advances**	Ch\$	12,354	-	-	-
Environmental and Legal Liabilities	Ch\$	7,477	-	5,128	12,281
CEN Reliquidation Liabilities*	UF	5,824	-	3,133	5,018
Labor liabilities	Ch\$	798	-	-	-
Social laws	Ch\$	-	-	58	-
Various creditors	Ch\$	69	-	34	-
Tax withholdings	Ch\$	1,507	-	1,486	-
Personnel holidays	Ch\$	-	-	233	-
Lease liabilities	UF	313	313	-	638
Other accounts payable	Ch\$	4,803	-	4,043	-
<b>Total</b>		<b>37,061</b>	<b>313</b>	<b>17,376</b>	<b>17,937</b>

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 corresponds to instructions received from the CEN that exceed the VATT, mainly due to the freezing of the CUT and the delay in the publication of decree number 7T of 2022 of the Ministry of Energy for the balance corresponds to instructions received from CEN that exceed VATT, mainly due to the freezing of the CUT and the delay in the publication of decree number 7T of 2022 of the Ministry of Energy for the valuation of Transmission System Installations for the 2020-2023 quadrennium.

## INTERCHILE S.A.

### Notes to the Financial Statements

December 31, 2022 and 2021

#### Note 14 - Trade and Other Accounts Payable (continued)

##### Leases

##### 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:

	<b>Properties ThUS\$</b>	<b>Total ThUS\$</b>
Balance as of January 1, 2022	596	596
Additions and/or transfers	264	264
Depreciation	(291)	(291)
Balance as of December 31, 2022	569	569

	<b>Properties ThUS\$</b>	<b>Total ThUS\$</b>
Balance as of January 1, 2021	885	885
Additions and/or transfers	-	-
Depreciation	(289)	(289)
Balance as of December 31, 2021	596	596



**INTERCHILE S.A.**

## Notes to the Financial Statements

December 31, 2022 and 2021

**Note 14 - Trade and Other Accounts Payable (continued)****Leases (continued)**

Also, the carrying amounts of lease liabilities and movements during the period are presented:

	<b>2022</b>	<b>2021</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Opening Balance	638	949
Additions	264	-
Difference in change	21	(30)
Lease payments	(297)	(281)
Closing balance	<u>626</u>	<u>638</u>

The analysis of the maturities of lease liabilities is as follows:

	<b>2022</b>	<b>2021</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Less than a year	313	281
Between one and five years	313	357
Total	<u>626</u>	<u>638</u>

These are the amounts recognized in the results of the period for leases:

	<b>2022</b>	<b>2021</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
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	<u>960</u>	<u>747</u>

The company's total lease cash outflows during the year by ThUS\$315 (ThUS\$458 in 2021).

## INTERCHILE S.A.

### Notes to the 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 ThUS\$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 ThUS\$27,000 to ensure compliance with interest payment obligations in favor of bondholders.

This information is summarized in the following tables:

Syndicated Loan	Nominal ThUS\$	Amortization Period		Frequency of Capital Amortization	Frequency of Interest Payments
		Start	Expiration		
Bond 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.

## INTERCHILE S.A.

### Notes to the Financial Statements

December 31, 2022 and 2021

#### Note 15 - Financial Instruments (continued)

##### 15.1) Financial Liabilities (Interest-bearing loans) (continued)

Current and non-current financial liabilities are composed as follows

	<b>Maturities of Financial Obligations</b>			
	<b>Current</b>		<b>Non-Current</b>	
	<b>12.31.2022</b>	<b>12.31.2021</b>	<b>12.31.2022</b>	<b>12.31.2021</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
Interest-bearing bonds	-	-	1,184,208	1,184,828
Grand total	-	-	1,184,208	1,184,828

The Green Bond requested is ThUS\$1,200,000 and as of December 2022 amortized costs were recorded for a net value of ThUS\$16,442, so the balance of the item financial liabilities is ThUS\$1,184.208.

**INTERCHILE S.A.**

Notes to the Financial Statement

December 31, 2022 and 2021

**Note 15 - Financial Instruments (continued)**

**15.1) Financial Liabilities (Interest-bearing loans) (continued)**

**a) Interest-bearing loans (continued)**

**Non-current 12.31.2022**

Source of Funding	Original currency	Date of Disbursement	Date of Maturity	Type	Nominal	Effective Rate	Maturities			
							from 1 to 3 years	3 to 5 years	more than 5 years	Total
							ThUS\$	ThUS\$	ThUS\$	ThUS\$
Citibank N.A.	US\$	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 amortization of the Green Bond will begin to be carried out on June 30, 2028, semiannually.

**Non-current 12.31.2021**

Source of Funding	Original currency	Date of Disbursement	Date of Maturity	Type	Nominal	Effective Rate	Maturities			
							from 1 to 3 years	3 to 5 years	more than 5 years	Total
							ThUS\$	ThUS\$	ThUS\$	ThUS\$
Citibank N.A.	US\$	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

**INTERCHILE S.A.**

Notes to the Financial Statement

December 31, 2022 and 2021

**Note 15 - Financial Instruments (continued)**

**15.1) Financial Liabilities (Interest-bearing loans) (continued)**

The following detail only means further disclosure of the funding liabilities shown below.

Financial Obligations	Final Balance	Cash Flows			Non-Cash Flow movements			Final Balance 2022 ThUS\$
		Capital Received	Capital Payments	Interest and Commissions Paid	Accrued interest	Changes in Fair Value	Other	
	2021 ThUS\$	ThUS\$	ThUS\$	ThUS\$	2022 ThUS\$	ThUS\$	ThUS\$	
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	Final Balance	Cash Flows			Non-Cash Flow movements			Final Balance 2022 ThUS\$
		Capital Received	Capital Payments	Interest and Commissions Paid	Accrued interest	Changes in Fair Value	Other	
	2021 ThUS\$	ThUS\$	ThUS\$	ThUS\$	2022 ThUS\$	ThUS\$	ThUS\$	
Loans 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)	134,552	(83,162)	22,746	1,184,828

## INTERCHILE S.A.

### Notes to the Financial Statements

December 31, 2022 and 2021

#### Note 16 - Disclosures on Net Equity

##### a) Subscribed and paid-up capital and number of shares

The share capital subscribed and paid as of December 31, 2022, amounts to ThUS\$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° Shares	2022		2021	
	Subscribed and Paid	%	Subscribed and Paid	%
<b>Shareholder</b>				
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 at the notary of Santiago of Mr. 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.

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 16 - Disclosures on Net Equity (continued)

#### c) Distributable net income and dividends

In accordance with the provisions of the Law on Corporations, in that the distribution of dividends shall correspond to at least 30% of profits (minimum dividend), unless there exists a unanimous agreement of the Shareholders' Meeting.

In the financial years 2022 and 2021 no dividends were agreed or paid.

#### d) Accumulated gains (losses)

The components of this item for the years ended December 31, 2022 and 2021 are as follows:

Retained earnings (Accumulated deficit)	2022 ThUS\$	2021 ThUS\$
Retained earnings (Accumulated deficit)	(55,011)	24,256
Income (loss) for the period	(4,701)	(79,267)
Total	<u>(59,712)</u>	<u>(55,011)</u>

### Note 17 - Revenue

The breakdown of operating income is as follows:

Income Detail	2022 ThUS\$	2021 ThUS\$
Energy transport services, use of lines and networks	92,972	85,223
Connections	562	528
Other Business Services	864	224
Total revenue	<u>94,398</u>	<u>85,975</u>

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 18 - Expenses of the Year

#### 18.1) Operating costs

The costs generated to produce revenue are detailed below :

<b>Detail</b>	<b>2022 ThUS\$</b>	<b>2021 ThUS\$</b>
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
Insurances	747	596
Other costs of O&M	1,199	1,342
Depreciation	31,007	29,581
Total operating costs	<u>39,203</u>	<u>37,493</u>

#### 18.2) Administrative expenses

The breakdown of administrative expenses is as follows:

<b>Detail</b>	<b>2022 ThUS\$</b>	<b>2021 ThUS\$</b>
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	<u>9,944</u>	<u>6,957</u>



# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 18 - Expenses of the Year (continued)

#### 18.3) Financial results

The breakdown of administrative expenses is as follows:

<b>Detail</b>	<b>2022 ThUS\$</b>	<b>2021 ThUS\$</b>
<b>Revenue</b>		
Financial income	6,351	299
Total financial income	<u>6,351</u>	<u>299</u>
<b>Expense</b>		
Interest Syndicated loans (*)	-	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	<u>57,408</u>	<u>144,844</u>
Total financial result	<u>51,057</u>	<u>144,545</u>

(\*) Liquidation of syndicated debt and swap during 2021.

## INTERCHILE S.A.

### Notes to the Financial Statements

December 31, 2022 and 2021

#### Note 19 - Commitments and Contingencies

##### a) Committed third-party guarantees

INTERCHILE has commitments or *covenants*, related to the delivery of information and to comply with obligations arising from the conclusion of contracts with bondholders .

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, has complied with the commitments acquired.

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 19 - Commitments and Contingencies (continued)

#### a) Committed third-party guarantees (continued)

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	US\$ Value ThUS\$	Expiration
Arcadis Chile SpA	Faithful compliance of contract	UF	2	100	29-09-23
Biomapu Advisory and Services	Faithful compliance and payment of	Ch\$	26,403	31	27-02-23
Biomapu Advisory and Services	Labor obligations of the contract	Ch\$	6,601	8	27-02-23
AT-EME Consultores SpA	Labor obligations of the contract	Ch\$	254	-	27-02-23
AT-EME Consultores SpA	Faithful Compliance and Payment	Ch\$	1,015	1	27-02-23
AT-EME Consultores SpA	Labor obligations of the contract	Ch\$	873	1	27-02-23
AT-EME Consultores SpA	Faithful Compliance and Payment	Ch\$	3,491	4	27-02-23
Billy Andres Araya Richards	Faithful compliance of contract	Ch\$	1,902	2	27-03-23
Cía Minera Doña Ines de Collahuasi SCM	Faithful compliance of contract	US\$	200	200	07-08-23
Comercial Técnica Ltda.	Faithful compliance of contract	UF	15	15	01-08-23
Comercial Técnica Ltda.	Faithful compliance of contract	UF	8	8	01-08-23
Consultant EDAFOS S.A.	Labor obligations of the contract	Ch\$	5,851	7	24-05-24
Consultant EDAFOS S.A.	Faithful compliance of contract	Ch\$	11,702	14	24-05-24
Energie Asesorías e Inversiones SPA	Labor obligations of the contract	Ch\$	2,269	3	01-07-23
Energie Asesorías e Inversiones SPA	Faithful compliance of contract	Ch\$	4,538	5	01-07-23
Gestión Ambiental S.A.	Labor obligations of the contract	Ch\$	37,533	44	30-06-24
Gestión Ambiental S.A.	Faithful compliance of contract	Ch\$	75,065	88	30-06-24
OHMIO Energía SPA	Faithful compliance of contract	UF	240	9,804	31-12-25
Pertica Asesorías SPA	Faithful compliance of contract	Ch\$	11,252	13	01-05-23
Rockblast Design SPA	Faithful compliance 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 compliance 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	US\$	9	9	30-12-23
Siemens Energy SpA	Faithful compliance of contract	US\$	2,685	2,685	18-02-23
Siemens Energy SpA	Quality	UF	44	1,810	31-05-24
Siemens Energy SpA	Quality	US\$	418	418	31-05-24
Siemens Energy SpA	Quality	EUR	1,124	1,124	31-05-24
Company ASEMAFOR SPA	Faithful compliance of contract	Ch\$	8,505	10	31-12-26
Company ASEMAFOR SPA	Labor obligations of the contract	Ch\$	4,252	5	31-12-26
Tripan S.A.	Labor obligations of the contract	Ch\$	11,534	14	01-04-24
Tripan S.A.	Faithful fulfillment of contract	Ch\$	23,068	27	01-04-24
Tripan S.A.	Labor obligations of the contract	Ch\$	59,056	69	07-06-23
Tripan S.A.	Faithful fulfillment of contract	Ch\$	118,113	137	07-06-23
Tripan S.A.	Labor obligations of the contract	Ch\$	4,943	6	07-06-23
Tripan S.A.	Faithful fulfillment of contract	Ch\$	9,887	12	07-06-23
Unisys South American Corporation	Faithful fulfillment of contract	Ch\$	1,975	2	30-10-25
WSP Ambiental Chile S.A.	Faithful fulfillment of contract	US\$	1	1	03-06-23
WSP Ambiental Chile S.A.	Labor obligations of the contract	US\$	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	US\$	47	47	28-02-23

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 19 - Commitments and Contingencies (continued)

#### b) Guarantees committed to third parties

##### b.1) Guarantees associated with the crossing of tracks

As of December 31, 2022, the Performance bonds issued are the following:

Performance Bonds Associated with the Crossing of Tracks					
Beneficiary	Object	Origin Currency	Balance in US\$	Issue Date	Completion Date
Regional Director of Metropolitan Roads	Guarantee payment of damages to third parties in Crossing Works	UF	1,405	01.31.2019	Overdue Payment in transit
Regional Director of Metropolitan Roads	Guarantee the payment of damages to third parties in Crossing Works	UF	826	01.31.2019	Overdue Payment in transit
Regional Director of Metropolitan Roads	Guarantee the payment of damages to third parties in Crossing Works	UF	826	01.31.2019	Overdue Payment in transit
Regional Director of Metropolitan Roads	Guarantee the payment of damages to third parties in Crossing Works	UF	826	01.31.2019	Overdue Payment in transit

## INTERCHILE S.A.

Notes to the Financial Statement

December 31, 2022 and 2021

### Note 19 - Commitments and Contingencies (continued)

#### b) Guarantees committed to third parties (continued)

##### b.2) Guarantees associated with financing

Type of Guarantee	Beneficiary	Object		Origin Currency	Balance in US\$	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	US\$	1,200,000,000	30.06.2056
			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:	Transec 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.		US\$	27,000,000	22.09.2023

## INTERCHILE S.A.

### Notes to the Financial Statements

December 31, 2022 and 2021

#### Note 19 - Commitments and Contingencies (continued)

##### c) Insurance policies

<b>Company</b>	<b>Policy</b>	<b>Amount Insured/ currency</b>	<b>Valid Until</b>
Allianz	Civil Liability D&O	30,000,000 US\$	24-04-23
BCI Insurance	Motor Vehicles	9,800 UF	31-08-23
Chilean Consolidated	D&O Liability	10,000,000 US\$	27-04-23
FID	Civil Liability (Office)	3,000 UF	28-02-23
MAPFRE	Electronic Equipment Insurance	27,986 UF	20-04-23
MAPFRE	Material Damage Operation	417,391,200 US\$	01-06-24
MAPFRE	Arson / Terrorism Operation	20,000,000 US\$	01-06-24
Southbridge	Civil Liability Operation	10,000,000 US\$	01-07-23
Zurich	Infidelity and Financial Risks	10,000,000 US\$	27-04-23
Zurich	Data Protection	50,000,000 US\$	28-02-23

##### d) Details of litigation and court proceedings

###### Relevant legal proceedings

Seat 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: 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.

## INTERCHILE S.A.

### Notes to the Financial Statements

December 31, 2022 and 2021

#### Note 19 - Commitments and Contingencies (continued)

##### d) Details of litigation and court proceedings (continued)

###### Relevant legal proceedings (continued)

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 Organización Comunitaria Funcional Vecinos Los Nogales Ex Fundo Loreto. Claims: That RCA No. 1608/2015 be invalidated. Status of the case: In agreement to pass sentence.

Seat of trial or appeal: 2nd Environmental Court ROL D-056-2020. Subject: Lawsuit for environmental damage. Claims: Repair 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, Case 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: Local Police Court, Matter; Complaint for breach of law on the protection of Native Forests No. 20,283. Presented by: Corporación Nacional Forestal. Status of the case: This corporation made a series of complaints for violations of this law, which are in different procedural stages, being those of relevance Roles No. 2445-2019 in JPL I Ilapel and Roll No. 4971-2019 in JLP Til Til. Claims: Sentence with fine to municipal benefit for 13,500 UTM and ThUS\$ 640 respectively, in addition to the presentation of a correction plan for both cases.

## INTERCHILE S.A.

### Notes to the Financial Statements

December 31, 2022 and 2021

#### Note 19 - Commitments and Contingencies (continued)

##### d) Details of litigation and court proceedings (continued)

###### Relevant legal proceedings (continued)

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: 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 ThUS\$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: damages in the amount of ThUS\$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: damages in the amount of ThUS\$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 : 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. Claims: To receive estimated compensation of ThUS\$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 of first instance sentence. Claims: estimated compensation at ThUS\$1,831.



## **INTERCHILE S.A.**

### Notes to the Financial Statements

December 31, 2022 and 2021

#### **Note 19 - Commitments and Contingencies (continued)**

##### **d) Details of litigation and court proceedings (continued)**

###### **Relevant court proceedings (continued)**

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: restitution to ISOLUX's assets for the purposes of its bankruptcy proceedings for an estimated sum of SSMD 116

###### **Proceedings 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. Claims: to receive compensation estimated at ThUS\$ 292.

Seat 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 ThUS\$ 230,727.

## INTERCHILE S.A.

### Notes to the 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 Company 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 US\$10.5 million.

# INTERCHILE S.A.

## Notes to the Financial Statements

December 31, 2022 and 2021

### Note 21 - Foreign Currency

At the closing date of the financial statements, the Company maintains balances in Chilean pesos, as follows :

#### 21.1) Summary of foreign currency balances

Type or Class of Foreign Currency Assets or Liabilities, Summary	Amount expressed in presentation currency		
	Type of currency of Origin	2022 ThUS\$	2021 ThUS\$
Current assets	Ch\$	28,089	32,371
Total Assets		28,089	32,371
Current liabilities	Ch\$	16,433	6,676
Non-current liabilities	Ch\$	-	-
Total Liabilities		16,433	6,676
Paid-in capital	Ch\$	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 presentation currency		
	Type of currency of Origin	2022 ThUS\$	2021 ThUS\$
Cash and cash equivalents	Ch\$	439	7,619
Other current financial assets.	Ch\$	7,894	20,813
Trade other current accounts receivable	Ch\$	19,454	3,599
Other current non-financial assets.	Ch\$	301	340
Current and current tax assets	Ch\$	1	-
Total Current assets		28,089	32,371

## INTERCHILE S.A.

### Notes to the Financial Statements

December 31, 2022 and 2021

#### Note 21 - Foreign Currency (continued)

##### 21.3) Currency balances, current and non-current liabilities

	Amount Expressed in Presentation Currency		
	Type of currency of Origin	2022 ThUS\$	2021 TUS\$
Trade and other accounts payable	Ch\$	2,985	5,804
Current and current tax liabilities	Ch\$	1,022	872
Non-current financial liabilities	Ch\$	12,426	-
Total current and non-current liabilities	Ch\$	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 in 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.