

Integrated Management Report 2023 - ISA Interchile

isa
INTERCHILE

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ISA Interchile - 2023



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INTRODUCTION

1. INTRODUCTION

Message from Interchile S.A.'s Chairman of the Board

Dear shareholders:

I am pleased to present the 2023 Integrated Management Report of Interchile S.A. In this document, in addition to detailing the economic results, we will present the key aspects that reflect our Company's environmental, social and corporate governance performance.

We share with you an overview of the evolution of Interchile in recent years, a history that I have followed as a member of the Board of Directors and leader of ISA's energy business unit in the role of Chief Electric Power Transmission Officer, a position I held until the beginning of 2023.

The key to the success of our journey has undoubtedly been having a professional team with high standards, challenging ourselves every day and working with excellence and commitment to be a relevant player in Chile's energy transition, in addition to contributing to the care of the right balance of the energy trilemma: security of supply, accessibility to energy and long-term sustainability. That is why I would like to highlight the contribution of the Company's human team, because without them, it would not be possible to maintain the high standards of operational excellence, the proper management of our assets, or to go beyond the business, as we are doing in Chile, inspired by the strategic pillars reflected in the acronym V.I.D.A: Green: Care for the Environment, Innovation, Capacity Building and Articulation of Strategic Alliances.

In the context of this work, the health and safety of workers has been central, an issue that is the focus of the actions of each person involved in Interchile's activities. Already in 2022, we launched the corporate program "Connected to Life", which made satisfactory progress this year and in which we were able to highlight the development of visible leadership on site, which is crucial for this issue, with one of the best examples being the safety walks of our leaders in the different Company facilities.

Likewise, I would like to highlight the improvements in cybersecurity through significant progress in compliance with the NERC-CIP standard for the electricity sector, required by the Chilean National Power Grid Coordinator; the design and implementation of a Crime Prevention Model (CPM) based



on ISA's Corporate Ethics and Compliance Program; and the strengthening of economic, operational and socio-environmental risk management. These elements are key to projecting our Company into the future and anticipating and responding to the different scenarios of an ever-changing world.

As an investor committed to the development of Chile and in line with the Government's policy of promoting a just energy transition, we strive to prepare ourselves to diversify our project portfolio to enable this path. During 2023, ISA's capabilities were extended to Interchile in the preparation of competitive bids for the awarding of projects, an experience that proved invaluable to our teams, providing them with new foundational knowledge that will guide our future business opportunities.

In addition to maintaining an active participation in new tenders of the National Transmission Expansion Plan, to further strengthen our portfolio and contribution to Chile's energy development, we are actively participating in forums for growth opportunities, with the emerging momentum of large-scale storage that is taking place in Chile, as grid solutions or enabling infrastructure, to achieve the country's goals set for 2050 to achieve carbon neutrality and maintain the reliability of the energy system. In addition, we participate in various advocacy instances as relevant actors in the transmission segment, together with academia and civil society organizations, contributing with our skills and points of view to the debate on the regulation of our industry, with great momentum in government policies due to its relevance in the country's energy transition.

In this line, Interchile has been key to ISA's progress as a strategic partner of the Government to improve the investment plan in Chile, betting since 2018 to triple its assets by 2030 with an additional investment of US\$2,800 million to participate in competitive conditions in the tenders of the Transmission Expansion Plan and identify new opportunities that go far beyond traditional transmission, such as solutions related to storage.

Undoubtedly, the most important milestone in this regard was Interchile's participation and support in obtaining the award decree for the Kimal-Lagunas project in June 2023, which provides for the construction and operation of the 2x500 kV Nueva Lagunas-Kimal line and the construction of the Nueva Lagunas 500/220 kV substation for another player in the transmission market. This project will connect the Tarapacá region with the Antofagasta region in a 500 kV double circuit to transport large blocks of renewable energy, a key condition for the decarbonization of the country's energy matrix. This project is currently being built and will be operated by Interconexiones del Norte S.A., which is also part of ISA and strengthens Interchile's operations and projections.

This project has helped to strengthen the capabilities of our teams at Interchile, based on a long-term business strategy that contributes to the expansion of our project portfolio and the transfer of ISA's accumulated experience in operating transmission infrastructure with excellence in five countries.

We are proud of Interchile's progress in 2023, both internally, with the strengthening of its professional skills

and organization, and in terms of positioning the Company at the industry

level, always ensuring technical excellence in each of our actions.

By 2024, we face the challenges of contributing to the development of an industry that is increasingly sustainable and in harmony with the socio-environmental context, progressively reducing its carbon footprint; being a vector of social development in the territories where we operate as good long-term neighbors; continuing to promote the benefits of Latin American energy integration in multilateral forums and accompanying the development of Chile's potential role as a regional leader; and responding to the energy challenges as a guide for our actions.

The people and end users of electricity are our *raison d'être*, on which we build a solid reputation that embraces all our stakeholders. It is about the dream and the commitment to provide our societies and future generations the 'energy that transforms' through 'connections that inspire', in order to achieve together the Sustainable Development Goals, which we could also call our Humanity Goals.



César Ramírez R.
Interchile S.A.'s Chairman of the Board



Message from the General Manager

In January 2023, I accepted the challenge of becoming General Manager of Interchile, succeeding Gabriel Melguizo, who was appointed Chief Energy Transmission at ISA. My previous position was Director of Corporate Operations, and I have been with ISA for the past 27 years.

These changes represent a significant milestone, the result of the successful implementation of the succession plan for senior management and key positions that ISA and all its companies have performed and strengthened. This highlights the outstanding opportunities for professional development offered by the organization, where internal talent is recognized as a key factor for business sustainability. These talent development practices allow us to respond to current needs with teams that are ready, committed and proud to be part of the organization, and to anticipate the future by maintaining the capabilities to ensure continuity and strategy achievement.

The main challenge in my first year at the helm of Interchile has been to strengthen an organizational culture around the discipline of asset management, based on the ISO 55000 standard and ISA's best practices, which also implied consolidating the necessary tools that seek to maximize the value during our assets' life cycle, while maintaining the operational excellence that has characterized ISA and its companies. This approach is consistent with our higher purpose: to make connections that inspire, reaffirming our commitment to society and our vital role in the essential service of energy transmission.

As part of this Asset Management Maturity Project, we made significant progress in strategic alignment at all levels of the Company, as well as in strengthening collaborative working environments and relationships based on trust and respect for differences and diversity. In addition, there has been a significant improvement in risk and uncertainty management, strengthening decision making by optimizing cost, risk and performance, taking into account an asset lifecycle approach and the impact on all stakeholders. Hand in hand with this kind of progress and the cultural transformation mentioned in the previous paragraph, we have learned that in order to transform the future, we must take advantage of uncertainty, and to do so, we must build human connections, trust, commitment, and skills.

Another fundamental challenge has been to prioritize the health and safety of all stakeholders, whether they are Company employees or contractors. To address this issue comprehensively, we continued the "Connected to Life" corporate program launched in 2022, achieving significant results in 2023. In this way, I would like to highlight that the accident rate was zero, in line with the Group's expectations: "We would like zero accidents in the teams' daily work, because we believe that any accident can be prevented", a result that had the commitment of each person in all our teams and that we will try to maintain, adding more and better practices to give sustainability to these results.

In the implementation of the Corporate Program, I would like to highlight that Interchile stands out for its practices and efforts in the area of mental health, for which we have developed workshops led by our team and expert consultants to normalize conversations in safe spaces about situations that could threaten our mental and emotional peace. A proper management of mental health in the workplace is as important as the development of new professional skills.

Another action worth highlighting is the strengthening of our teams, a process that began in previous years but was consolidated in 2023. In addition, we know that there is still a significant gap in women participation in our energy industry, so we have joined the collective effort to continue to grow and provide professional development spaces for new generations of women who will contribute their talents to the growth of Interchile and the industry in general.

All of these are ways to realize our purpose, which is also aligned with the great goals of humanity, the goals of sustainable development, and it is a journey that has been marked by the excellence with which each person, an employee of Interchile, has continuously contributed, and that during these years, thanks to their tireless work with ethics, humility and gratitude, we have been able to create sustainable value for our main stakeholders.

An important milestone during the year was the first major maintenance in six years from the commissioning of the Encuentro-Lagunas transmission line. An important process of asset management in these two substations, which previously involved extensive planning and programming work to minimize the risks associated with this intervention, which included Live Line Work (LLW) to ensure the continuity of the service with the least possible impact on the National Electric System (SEN), as well as ensuring the safety and health of the people performing the work. It is also worth noting that compliance with the overall maintenance plan was 99.17% and there were no energy losses due to events in our facilities.

In the articulation pillar, the role of Interchile has been critical in the promotion and coordination for the reactivation of the Chilean Chapter of the Regional Energy Integration Commission (CIER), a regional international organization that brings together companies and organizations of the energy sector in Latin America and the Caribbean with the purpose of building a more integrated, sustainable and resilient energy sector that allows economic growth and social benefits for the entire region.

Another achievement related to our vocation to work for regional energy integration was our participation in November, together with ISA's CEO, in the VIII Energy Week of OLADE (Latin American Energy Organization, founded 50 years ago, with 27 member countries). I had the privilege of participating in the panel on regional electricity interconnections, as well as in the session for the exchange of views between the business community and the public authorities, mainly energy ministers.

To achieve the goal of the Conexión Puma program: contributing to reduce 1.2 million tons of CO₂e from the planet by 2030, which is being carried out in Chile together with ISA and our sister company INTERVIAL, we have established a working partnership with a key ally, the Colo-Colo football club, and with the technical support of Fundación Reforestemos and Fundación Basura. This initiative aims to raise awareness of environmental issues, combine the love of football soccer with environmental responsibility and pave the way for a more sustainable and environmentally friendly future. Conexión Puma is part of the Conexión Jaguar corporate sustainability program, through which ISA and its companies work to conserve biodiversity and mitigate climate change in all countries where they operate.

We have two other significant developments that fill us with pride as they focus on people and the Development Pillar. The Conexión Desarrollo initiative, in which we are working with Fundación Chile to strengthen the capacity of the educational ecosystem of secondary technical and vocational schools (EMTP) specializing in electricity and electronics in the Coquimbo region. Our goal is the

development of innovation and entrepreneurship skills in the professional technical sector, and also the promotion of women's education in the electrical field. At the same time, we strengthened our relationship with the United Way (UW) Foundation in Chile, an important ally with which we carry out corporate volunteerism through three activities: Mentoring, Children's Day Parties and Christmas, all with the communities in which our facilities operate.

I would like to highlight that for Conexión PUMA and the programs with UW, there was great acceptance from Interchile's employees to form volunteer teams, of which I am happy to say that I was part of the tree planting and mentoring activities for third grade students of the Cardenal Caro School located in La Pintana, and in which together we helped to show and inspire a better future for our society, adding our life experiences to the work for the higher purpose of the organization.

Within our Growth pillar, I would like to highlight the Kimal-Lagunas line project. As a team, we were involved in preparing the tender, which was awarded to ISA at the end of 2022, with the final decree issued in June 2023. We are currently contributing our experience and knowledge to make this project a reality, a work that will play a crucial role in the expansion of the Chilean electricity system, contributing to the decarbonization of the electricity matrix. It will transport clean energy from non-conventional renewable sources from the Kimal substation in the Antofagasta region to the Lagunas substation in

the Tarapacá region. This type of participation provides important capacity building in Interchile to pursue growth objectives, to the point that during 2023 we were able to directly lead the preparation and study of opportunities.

Although in this Integrated Management Report 2023 we show the important progress in different areas that contribute to achieving our goal, I want to focus on the most important factor: people. Everything we have achieved has been possible because of their dedication and commitment to the operational excellence that sets us apart: doing the right things, for the right reasons, in the right way. We recognize the importance of leadership in the just energy transition, in decarbonizing the energy matrix, in leaving a lasting footprint for future generations, in caring for what is least visible, and in making Connections that Inspire every day by becoming aware that we are part of a whole and that our commitment to all mentioned above helps us find meaning in what we do and to create a true sense of faith in which we find purpose and personal meaning in what we do.

Thank you very much.



Luis Llano Z.
CEO Interchile.



1.1. Profile of ISA and its Companies

[NCG 461 2.3, 6.4, 6.5]

Interchile S.A. is controlled by ISA Inversiones Chile SpA, which in turn is controlled by ISA, a company of the Ecopetrol Group. ISA is a multilatina with more than 56 years of experience and trajectory, operating in the Electricity, Roads and Telecommunications and ICT sectors, contributing to the quality of life of millions of people in Colombia, Brazil, Chile, Peru, Bolivia, Argentina and Central America, through the work of 5,011 employees in 53 companies.

The Company conducts its business on the basis of operational excellence, the efficient delivery of its services, the creation of sustainable value for its stakeholders and society in general, integrating cutting-edge technological solutions and supported by the best practices of ethics and corporate governance.

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

After more than five decades of leadership in different countries of Latin America, ISA has gone beyond the operation, connecting one point to another, connecting people, always looking for the higher purpose: to make connections that inspire.



Reference to ISA

ISA is a mixed public utility company, incorporated as a publicly-held shareholders' corporation, of commercial nature, of national order, governed by Laws 142 and 143 of 1994, and domiciled in the city of Medellin (Colombia). Ecopetrol is the majority or controlling shareholder of ISA, holding 51.41% of its share capital.

The Company has public and private investors. Its shares and bonds are traded on the Colombian Stock Exchange and it has a Level I American Depositary Receipt (ADR) traded on the Over the Counter (OTC) market in the United States. All of the shares constituting the share capital have the same rights, are ordinary, nominative and dematerialized, and there are no legal restrictions on their transferability. ISA maintains high standards of transparency, efficiency and corporate governance that provide protection and confidence to its investors.

ISA Shareholding Structure

| SHAREHOLDING STRUCTURE | | |
|--|---------------------------------------|----------------|
| SHAREHOLDER | NUMBER OF SHARES AS OF DECEMBER 31-23 | Ownership (%) |
| Empresa Colombiana de Petróleos – Ecopetrol | 569,472,561 | 51.41% |
| Empresas Públicas de Medellín | 97,724,413 | 8.82% |
| Private investors | 440,480,920 | 39.77% |
| Local institutional investors | 301,891,881 | 27.25% |
| Foreign investment funds | 106,697,446 | 9.63% |
| Natural persons | 31,592,793 | 2.85% |
| ADRs program | 298,800 | 0.03% |
| Outstanding subscribed and paid-in capital | 1,107,677,894 | 100.00% |

1.1.1. Interchile S.A.

[GRI 2-1, 2-2]

ISA Interchile, a company of ISA, is an electric power transmission company, a key segment for the decarbonization of Chile's energy matrix.

Our activity consists in the design, construction, operation and maintenance of high-voltage electrical transmission systems that strengthen and optimize the transportation of energy in the country, responding with quality and reliability to the needs of the national electrical system.

Interchile S.A. is a company incorporated under Chilean law by public deed dated December 13, 2012, before the Notary Public of Santiago, Mr. Raúl Undurruga Laso. Its summary was registered and published in accordance with the law on December 31, 2012, and registered on June 14, 2013 in the Registry of Reporting Entities of the Financial Market Commission (CMF), under number 266. Its legal address is Cerro El Plomo No. 5630, piso 18, oficina 1802, Las Condes, Santiago.

Website: www.ISAInterchilesa.com

Telephone: +56229456850.

The email address for inquiries is interchile@interchilesa.com and contacto@interchilesa.com

1.2 Our Purpose

[GRI 2-23] [NCG 461 2.1]

ISA Interchile, a subsidiary of ISA, conducts its business on the basis of operational excellence, the efficient delivery of its services, the creation of sustainable value for its stakeholders and society in general, leveraging innovation and digital transformation, and supported by best practices in corporate governance, ethics and compliance.

Connections that Inspire

We recognize that we are all part of a whole. Humankind and the planet demand ever-greater challenges. From now on, our effort must be to transform the experience gained into new responses to new challenges.

Understanding that whenever we connect one point

with another we are connecting people, making each connection an inspiring act.

Our commitment is to participate constructively and responsibly in decision making, creating connections without borders as a legacy for new generations.



Vision 2030

At ISA Interchile, we are an enabler of the transformation of Chile's energy matrix towards energy from renewable sources, for which we build and operate transmission systems that allow distributing energy to the centers of consumption.

ISA has a Strategy for 2030, which is oriented towards growth with sustainable value, to which we are aligned as a Company. The aim of this strategy is to ensure that companies project and remain in time, going beyond the economic benefits to project them in a positive way to society and the planet, helping to build a legacy for

future generations.

With respect to current and future businesses, we propose to select a portfolio focused on the creation of Sustainable Value. Investment decisions will therefore reflect a balance between businesses and geographies, profitability and risk criteria, proximity and vision, diversification and concentration.

The strategy is organized around four cross-cutting pillars: Green, Innovation, Development and Articulation, which are described in more detail in Chapter 3.

1.3. Shareholding Structure Interchile S.A. [NCG 461 6.5]

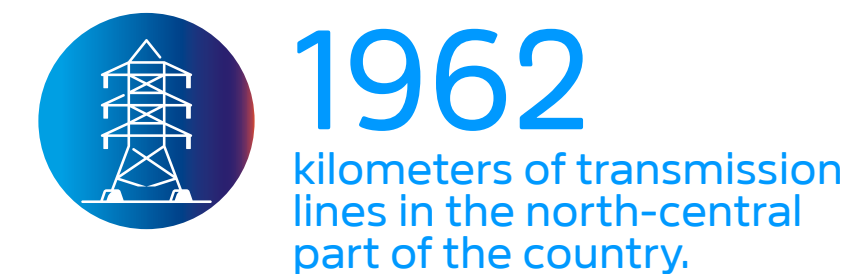
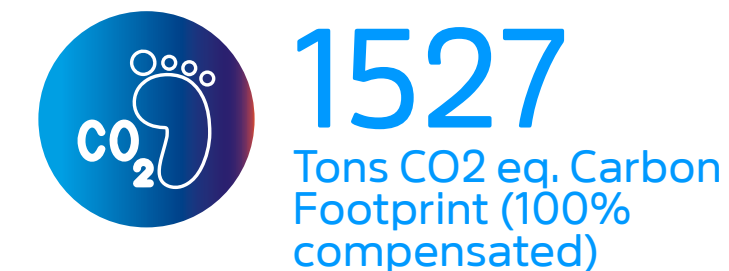
| No. of shares | 2023* | |
|---|---------------------|------------|
| | Subscribed and paid | % |
| Shareholder | | |
| Interconexión Eléctrica S.A. E.S.P. | 94,109 | 0.1 |
| ISA Inversiones Chile SPA | 94,015,531 | 99.9 |
| Total subscribed and paid shares | 94,109,640 | 100 |

*Amounts unchanged from prior year.



1.4. ISA Interchile 2023 in numbers

[NCG 461 2.2, 5.1.1, 5.1.2] [GRI 2-7]





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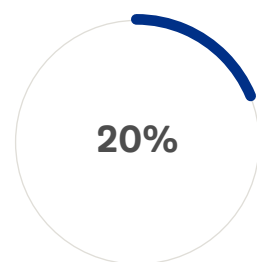
OUR COMPANY, GOOD
GOVERNANCE AND INTEGRITY

2. OUR COMPANY, GOOD GOVERNANCE AND INTEGRITY

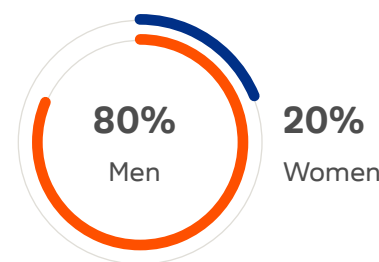
Our corporate governance is driven by the framework established in the 2030 Strategy of ISA and its companies, based on an organizational structure designed to achieve our operational and organizational objectives and based on a set of guiding principles. These principles include transparency, respect for the environment, compliance with applicable regulations in all our operations and the protection of human rights at all times.

For ISA and its companies, good governance and integrity means having governance bodies that ensure the transparency and independence of the company and the creation of sustainable value.

6 Ordinary meetings and 2 extraordinary meetings were held in 2023



Independent members



Gender Diversity

Remuneration by Director
USD \$2.500
net per month



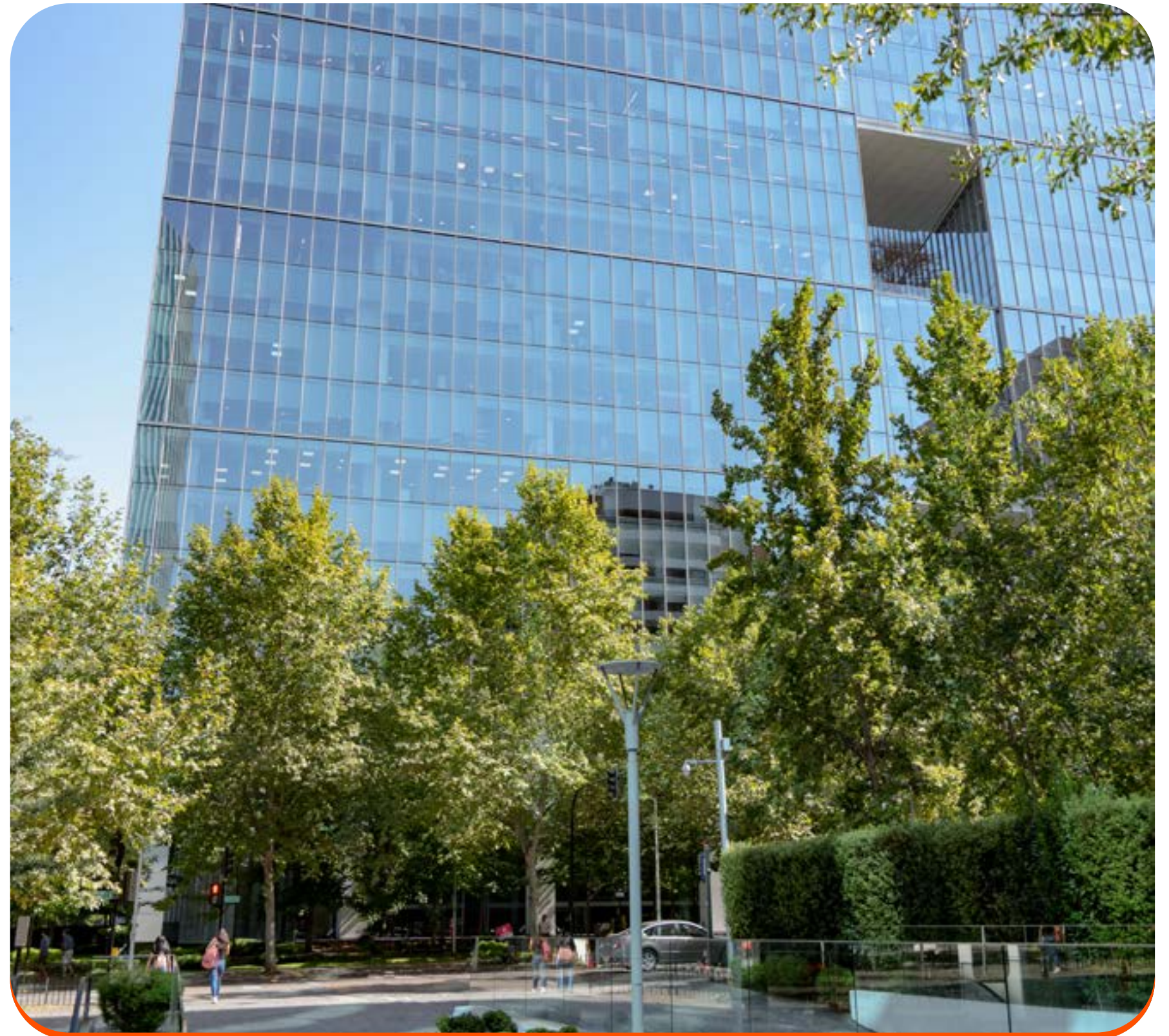
2.1. Corporate Governance and Board of Directors

[GRI 2-9, 2-10, 2-11, 2-12, 2-14, 2-19, 2-20] [NCG 461 3.1.i, 3.1.ii, 3.2, 3.3]

2.1.1. Board of Directors

We have a Board of Directors consisting of five members appointed at ISA shareholders' meeting on March 27, 2023. The term of office of these directors is three years, with the possibility of being re-elected indefinitely. It should be noted that on December 31, 2023, Juan Emilio Posada Echeverri, CEO of ISA and Chairman of the Board of ISA Interchile, tendered his resignation.

In accordance with the Law and our Company's bylaws, the members of the Board of Directors meet in ordinary session at least every two months.



Board of Directors



Juan Emilio Posada Echeverri
Director

Passport No: PE100475
Nationality: Colombian
Business Administrator
Date appointed or last
reappointed: 03/27/2023
In Chile, he sits on the
board of ISA Intervial



César Augusto Ramírez Rojas
Chief Officer

Passport No. PE135491
Nationality: Colombian
Electrical Engineer
Date appointed or last
reappointed: 03/27/2023
Independent



Sonia Margarita Abuchar Alemán
Director

Passport No. RO21336
Nationality: Colombian
Lawyer
Date appointed or last
reappointed: 03/27/2023
Chair of the Audit Committee



Gabriel Jaime Melguizo Posada
Director

Passport No. AV579375
Nationality: Colombian
Electrical Engineer
Date appointed or last
reappointed: 03/27/2023



Daniel Isaza Bonnet
Director

Passport No. PE187627
Nationality: Colombian
Business Administrator
Date appointed or last
reappointed: 03/27/2023

(*) Interchile S.A. has no alternate directors and no directors with disabilities.

(*) On December 2023, Juan Emilio Posada Echeverri is replaced by César Augusto Ramírez Rojas as Chairman of Interchile S.A.'s Board of Directors.

Distribution of the Board of Directors by nationality, age and seniority as of December 31, 2023:

| Nationality | Age | Seniority |
|---------------------|---------------------|-----------------------------------|
| Chilean | 0 | Under 30 years old: 0 |
| Other nationalities | 5 | Under 3 years: men 3 |
| | | Under 3 years: women 1 |
| | | 41-50 years old: man 1 |
| | | 9-12 years: men 1 |
| | | 51-60 years old: man, woman 1 / 1 |
| | 61-70 years: men 2 | |
| | Over 70 year old: 0 | |

Board Knowledge, Skills and Experience Matrix

| | Juan Emilio Posada Echeverri | César Augusto Ramírez Rojas | Sonia Margarita Abuchar Alemán | Gabriel Jaime Melguizo Posada | Daniel Isaza Bonnet |
|----------------------------------|------------------------------|-----------------------------|--------------------------------|-------------------------------|---------------------|
| Strategy | X | X | X | X | X |
| Business relations | X | X | | X | X |
| Leadership | X | X | X | X | X |
| Finance, accounting and auditing | | | | | X |
| Governance | X | X | X | X | X |
| Telecommunications | X | X | X | X | X |
| Risk management | | X | X | X | X |
| Environmental | | X | X | | |
| Mergers & acquisitions | X | X | X | | X |
| Cybersecurity | | X | X | | |
| Human resources | X | X | X | | X |

2.1.2. About the Board



Role of the Board

To act independently of management and oversee the progress of ISA Interchile's strategy, risks, business plan and environmental plan.

To be aware of risk management and to oversee the growth of the business in accordance with the strategy.

To monitor and protect the interests of the various stakeholders by reviewing, together with the Company's management, the dashboard that composes the indicators and targets for the Company.



Operation

It meets every two months in ordinary session, where there is analysis, discussion and deliberation on risks and environmental issues, among others.

The Audit Committee of the Board of Directors meets every two months.



Induction of new directors

Induction with a presentation by management on the Company's situation in terms of ISA Interchile's strategic, sustainability and operational issues.



Information systems for directors

Permanent and continuous **access** to information, minutes and relevant documents of Board meetings, as well as the historical record of attendance and matters discussed.



Training

Ongoing **training** on various regulatory issues. During 2023, the training related to the new Law on economic and environmental crimes stands out.

Inspiring boards 2023. This meeting brings together the members of the Boards of Directors of ISA companies and its mission is to become a benchmark for good corporate governance practices in Latin America. In 2023, the theme was "Our social impact transcends", inspired by the new challenges we face as humanity, and we had the presence of community leaders who shared their vision with us.



Regulatory bodies

We provide information to the Board of Directors on matters that, by law and/or by the procedures of ISA and its companies, require the approval of the Board of Directors. We then decide on the approval or rejection of the matters in a legally constituted meeting.



Management Reports

Company **sustainability reports** These are submitted to the Board for analysis, comments and recommendations.



Appointment and election of the highest governance body

The processes for the appointment and selection of the highest governance body and its committees are developed by ISA in accordance with Agreement No.110 of March 31, 2017.



Delegation of authority

For the purpose of **delegation of authority** in economic, environmental and social matters, we comply with Chilean legislation. This establishes that it is the Board of Directors of the Company that manages it, with the ability to delegate one or more of its powers to one or more managers, which is done in a meeting and this agreement is recorded in minutes that are reduced to a public deed and registered in the Commercial Registry. Then, if they have the power to delegate, they may grant one or more powers to senior executives or employees of the Company.



Board Remuneration

Determined by ISA. At the Ordinary Shareholders' Meeting held on March 16, 2022, it was agreed that the members will receive a net monthly remuneration of US\$2,500 associated with the participation in the Board of Directors. This was maintained during the year.

- There is no gender pay gap in the Board of Directors



Communication

ISA Interchile reports to the Board of Directors on everything that happens in the Company. This is due to the fiduciary duties and responsibilities that the Board has towards the shareholders.



Conflicts of interest

ISA conducts the director nomination process. In the case of external directors, an analysis of their profiles is made and they are also asked to submit a sworn statement.

In addition, when the agenda is approved during the Board meeting, the Board is asked to indicate whether or not there are any conflicts of interest in this regard.

2.2. Management Committee

[NCG 461 3.4, 3.1]

Our committee mainly deals with strategic and management issues of the Company. It also supervises the activities related to the development of the Company's business purpose and the processes in charge of the different areas, as well as the monitoring of financial, legal, environmental and social impacts, the evaluation and taking of measures against business risks, and the preparation of information to be submitted to the Board of Directors.

It is the responsibility of this Committee to manage the Company in the different macro-processes carried out by the various Divisions and the Management, as well as to advise the Board of Directors in the localized and day-to-day management of the Company's affairs, reporting to the Board of Directors every two months or more frequently if necessary.



It is composed of:



Luis Everley Llano Zulueta
General Manager

Taxpayer ID No. 28.145.158-8
Electrical Engineer



Ana María Correa Pérez
Director of Strategy

Taxpayer ID No. 24.302.267-3
Mechanical Engineer



José Cascante Chaves
Project Manager

Taxpayer ID No. 24.627.491-6
Electrical Engineer



Gustavo Cardona Gómez
Finance Manager

Taxpayer ID No. 28.038.434-8
Auditor



Álvaro González De La Barra
Corporate Affairs and Sustainability
Manager

Taxpayer ID No. 13.832.302-1
Journalist



Eduardo Sáez Manríquez
Operation and Maintenance Manager

Taxpayer ID No. 15.344.370-K
Civil Electrical Engineer



Héctor Andrés Guzmán Marín
Director of Organizational Talent

Taxpayer ID No. 15.052.560-8
Psychologist



Pedro Pablo Cerda Lecaros
Director of Legal and Regulatory
Affairs

Taxpayer ID No. 15.313.011 -6
Lawyer



Wildo Gómez Villagra
Director of Administration and
Procurement

Taxpayer ID No. 9.989.031-2
Business Administrator



Marco Antonio Peña Garay
Auditor and Compliance Officer

Taxpayer ID No. 12.051.390-7
Certified Public Accountant

Members do not receive any special remuneration for serving on this committee.

The Management Committee meets every Monday to monitor progress in risk management, corporate social responsibility and internal audit.

2.3. Stakeholders and material issues

[GRI 2-16, 2-26] [NCG 461, 3.7, 6.3, 8.2]

At the core of our strategy is growth with sustainable value, so it is essential to identify the relevant issues that impact stakeholders in order to achieve the Company's goals.

As a subsidiary of ISA, we have been conducting the Reputation and Materiality Study since 2019. This important tool guides our decisions and actions. The study is conducted twice a year by an external consultant and coordinated by ISA for all its companies.

This model allows us to analyze the relevant issues for our stakeholders, highlight the attributes to be positioned and manage the relationship through two aspects: (1) how we should behave responsibly (sustainability), and (2) what kind of recognition we expect (reputation).

2.3.1. Stakeholder consultation on economic, environmental and social issues

» For the environmental permitting of our projects, the processes are carried out by the Environmental Evaluation Service (SEA).

It should be noted that the highest government authority for economic issues is the Ministry of Finance and the Ministry of Economy; for environmental issues, the Ministry of Environment; and for social issues, the Ministry of Social Development.

As a regulated company, environmental, social and governance (ESG) issues must be reported annually to the Financial Markets Commission (CMF) in an integrated management report.

The most recent consultation, conducted in 2022, included five stages:

- 1. Consultation with key stakeholders**
- 2. Relevance to the business**
- 3. Complementary materiality analysis**
- 4. Diagnosis of actual performance**
- 5. Communication diagnosis**

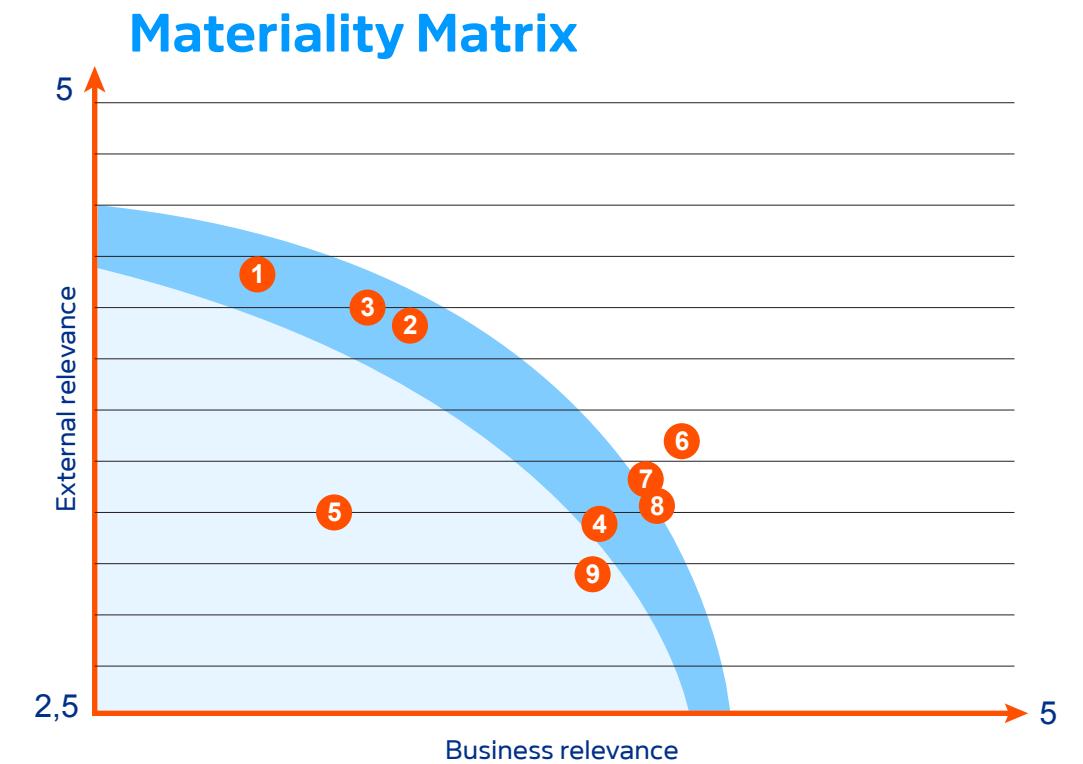
The issues of greatest interest to our stakeholders are the health and safety of direct and indirect employees, the strategy for mitigating and adapting to the effects of climate change, and alignment with the fulfillment of our higher purpose.

Other relevant issues raised by stakeholder engagement include:

- » Contributing to sustainable development by working for the benefit of society as a whole.
- » Promoting long-term relationships that are ethical, transparent, constructive and respectful of human rights.
- » Strengthening relationships based on trust and legitimacy.
- » Establishing channels of communication that provide information and promote dialogue.
- » Proactively engaging in creating opportunities for the company and its stakeholders to make informed decisions.
- » Providing timely information of public interest.

MATERIALITY ANALYSIS

For the definition of the contents, we took into account the materiality study carried out in 2021, with the objective of identifying and defining the most relevant issues for the sustainability management of ISA Interchile, through an exercise of consultation and dialogue with stakeholders. With this information, we generated the 2022 materiality matrix.

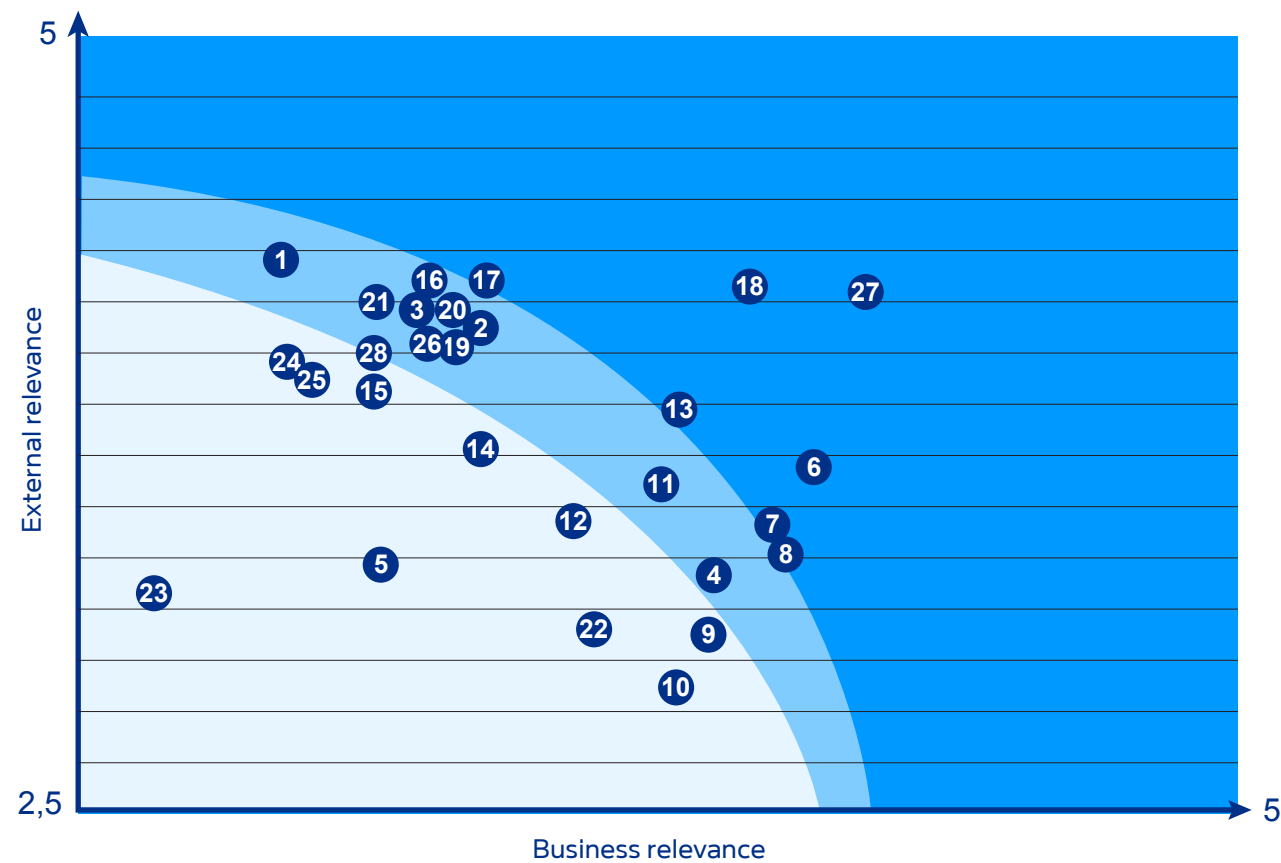


Material issues

- | | | | | |
|--|--|--|---|--|
| <p>1 Occupational health and safety for direct and indirect employees</p> | <p>2 Strategy to mitigate and adapt to the effects of climate change</p> | <p>3 Consistency with the fulfillment of the higher purpose</p> | <p>4 Compliance with the promise of value with rigor and excellence</p> | <p>5 Management of environmental impacts associated with activities</p> |
| <p>6 Ability to achieve financial and business goals with a long-term vision, capitalizing on opportunities and ensuring the corporate sustainability</p> | <p>7 Leadership in initiatives that contribute to the protection of ecosystems and biodiversity</p> | <p>8 Ethical, moral and transparent behavior</p> | <p>9 Proximity to and dialogue with stakeholders and listening to their expectations</p> | |

Materiality matrix by attribute

- » The attributes with the highest materiality are Health and Safety for direct and indirect employees, climate change mitigation and adaptation strategy, and alignment with higher purpose.
- » The attributes with the lowest materiality are purpose-driven leaders who evolve by creating connections that inspire and third-party risk management.



| | | | |
|-----------|--|-----------|---|
| 1 | Independence from governance and third parties | 15 | Physical and information infrastructure security and cybersecurity |
| 2 | Ethical conduct, integrity and transparency | 16 | Leadership in initiatives to protect ecosystems and biodiversity |
| 3 | Governance structure and composition responsive to strategic challenges | 17 | Management of environmental impacts associated with our activities |
| 4 | Influential and inspiring company, with the ability to anticipate, adapt and positively transform the environment | 18 | Strategy to mitigate and adapt to the effects of climate change |
| 5 | Purpose-driven leaders who develop by creating connections that inspire | 19 | Contribution to sustainable development and the transformation of territories, creating a positive legacy for the regions |
| 6 | Aligned with the fulfillment of a higher purpose | 20 | Proximity and dialogue with stakeholders and listening to their expectations |
| 7 | Ability to achieve financial and business goals with a long-term vision, capitalizing on opportunities and ensuring the corporate validity | 21 | Respect and promote human rights and manage social impact |
| 8 | Appropriate growth strategy | 22 | Long-term partnerships to achieve common goals, build stakeholder capacity and reinforce positive impacts |
| 9 | Flexibility in risk appetite and versatility to pursue new business opportunities | 23 | Third-party risk management |
| 10 | Optimization resources and capabilities among Group companies to maximize value creation | 24 | Attractive and desirable employer |
| 11 | Anticipating and preparing for challenges and trends | 25 | Ability to develop highly skilled professionals who are willing to learn and commit to the organization for the long term |
| 12 | Culture of innovation with flexibility and agility | 26 | Quality labor practices and respect for employees |
| 13 | Deliver on the promise of value with rigor and excellence | 27 | Occupational health and safety for direct and indirect employees |
| 14 | A benchmark with respect of standards and practices | 28 | Management of equity, diversity, and inclusion |

2.3.2. Stakeholders and reputation

[GRI 2-29, NCG 461 3.7]

Stakeholder relations are a fundamental part of our operations and management model. This task is managed by Corporate Affairs and Sustainability Management.



*For the current year, the percentage of progress on the Gap Closure Plan is **80%***

This result shows a good management of the company in its relevant issues, which has a positive impact on the trust of its stakeholders.

Diaguita leader participated in a dialogue with stakeholders and boards of directors of ISA and its companies.



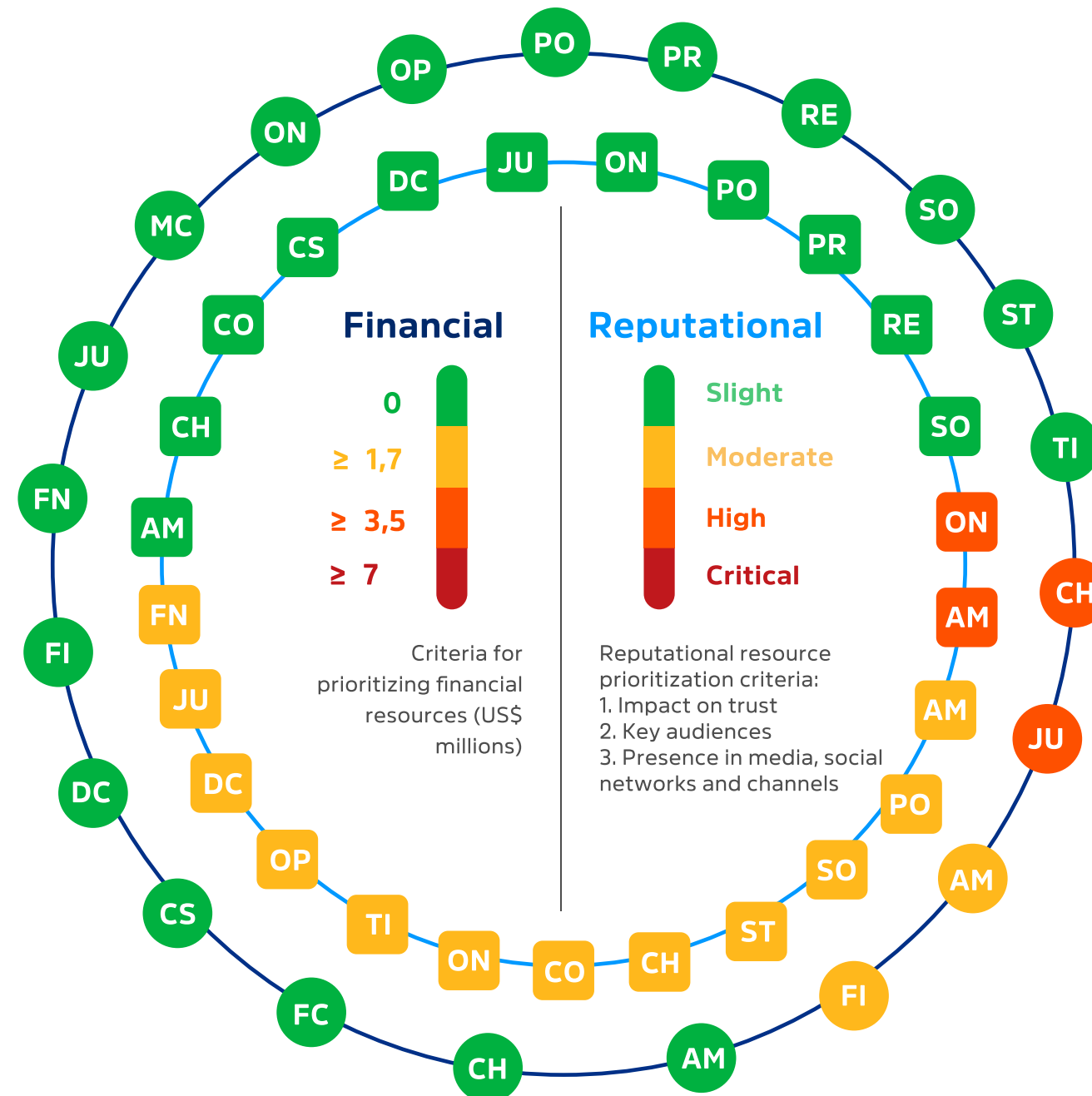
2.4. Risk Management and Compliance

[GRI 2-27, 2-25, 2-15] [NCG 461 3.1.iii, 3.5, 3.6, 8.1]

2.4.1. Approach to risks

At Isa Interchile, we define risk as an uncertain event that could prevent us from achieving our strategic objectives or adversely affect our business assets, and therefore its management is essential for business continuity and corporate sustainability. This work must be done in our organization in a continuous, standardized, and systematic manner, in accordance with the guidelines of the Comprehensive Risk Management Policy and the Risk Management Manual of ISA and its companies.

At the end of the year, the status of Interchile's consolidated risk map for financial and reputational resources in the eighteen categories defined for risk management was as follows:



Risk Map

Resources

○ Financial □ Reputational

Economic

- GO - Governance
- RE - Regulatory
- JU - Legal
- PO - Political
- FI - Market, liquidity and credit
- MC - Market, competition, mergers and acquisitions

Operational

- ON - Business operation
- DC - Design and construction
- CS - Supply chain
- TI - Cybersecurity and information technology
- CH - Human capital and labor relations
- ST - Occupational health and safety

Compliance

- FC - Fraud and Corruption (FCPA)
- DI - Data and Information
- LA - Money Laundering (ML), Financing of Terrorism (FT) and Financing of the Proliferation of Weapons of Mass Destruction (FPWMD)

Socio-environmental

- AM - Environmental
- FN - Extreme natural phenomena and weather events
- PR - Land
- SO - Social
- OP - Public order and public safety

Note: Acronyms stand for risks in spanish language

Risk monitoring and review

At ISA Interchile, risk management is based on processes that identify and manage uncertain events that could affect the Company's results.

Therefore, each person responsible for a process, project, asset, contract, etc. is directly responsible for its proper identification, assessment, prevention and mitigation. Risk monitoring is linked to the levels of responsibility in the organizational structure, from the process level to the highest levels of the Company, including the Board of Directors.

In addition, the audit areas prepare an annual plan that

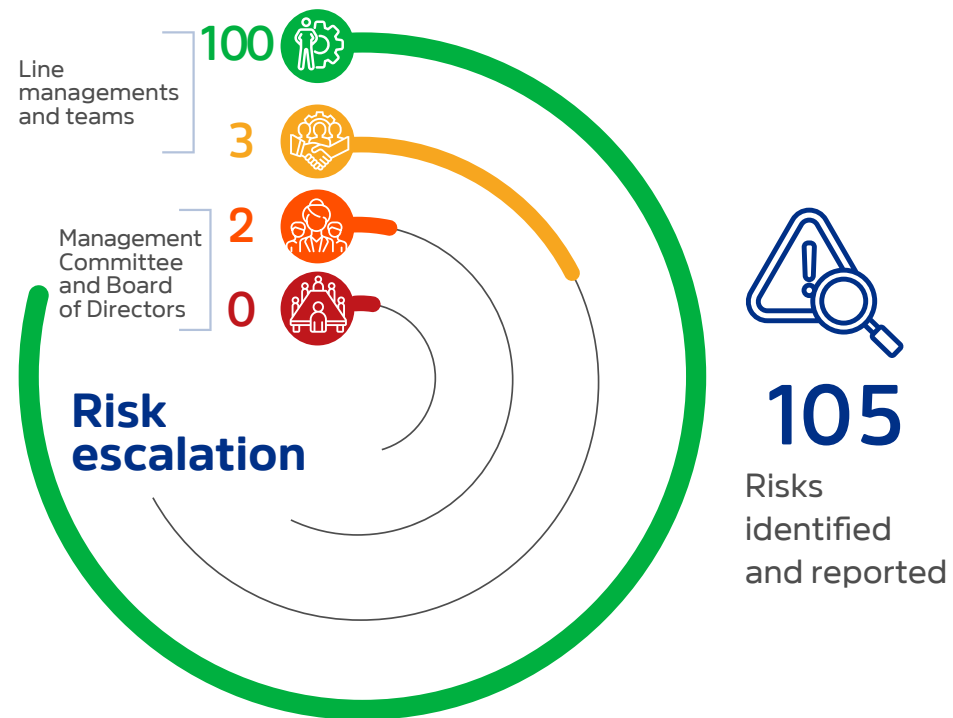
takes into account business risks.

In ISA Interchile, the Strategy Department, led by Ana María Correa, is responsible, among other things, for reporting on the company's risks and risk management to ISA Risk Management, the Management Committee, the ISA Interchile Board of Directors and the ISA Interchile General Management.

Emerging risks, which are considered complex and correlated, are identified. They are signals from the environment that can affect the business model, and we must act in advance to turn them into strategic opportunities.

The organization has a comprehensive risk management policy and manual. It also has procedures that describe this process.

The Company recognizes the importance of this active participation and has implemented **specific measures to enable employees to play a proactive role in identifying and reporting risks.**



Emerging risks

| Risk name, according to public information | Risk category | Risk description |
|--|---------------|---|
| Water scarcity | Environmental | Water scarcity affecting population, agriculture, reforestation, environmental compensation obligations. |
| Cyber risks | Technological | Potential threat of loss, damage, or unauthorized access to digital information or computer systems and operational technology. |

Emergent Risks

The annual update and bi-annual monitoring allows us to identify environmental signals that may affect the business model and which we must act in advance to turn them into opportunities from the strategy.

Emerging risks are identified on the basis of trends that are pre-dominant for ISA's business and its companies and that may generate complex risks of external origin.



| Actual | Events |
|--------|---|
| 1 | Political instability (global, regional, local) |
| 2 | Inability to promote and implement effective action on climate crisis |
| 3 | Deep social instability |
| 4 | Accelerated energy transition |
| 5 | Uncertainty and failure to adapt to disruptive technological developments |
| 6 | Cyber risks |
| 7 | High labor market volatility |
| 8 | Pandemic infectious diseases |

Cybersecurity

Last year, we set out to increase our cybersecurity maturity level. The goal was to raise it to ≥ 3.6 as measured by WTW. To achieve this, we implemented technological security solutions and conducted awareness-raising activities for our employees through the Secure Information Program. In addition to other relevant actions such as: creation of a Cybersecurity Decalogue to strengthen leadership and culture, activation of dual authentication (MFA), reassignment of permissions to each of our employees.

Cybersecurity Decalogue: **10 practical guidelines**

The Cybersecurity Decalogue includes basic corporate definitions regarding the use of credentials, strong passwords, training, separation of corporate and personal resources. It also addresses the backup of information, the use of external software and devices, and other elements that consider employees as the first line of defense under their competencies and behaviors.

Regarding the implementation of cybersecurity measures, we used a baseline to incorporate measures to strengthen information security through software control and the creation of strong passwords.

In this regard, we have contracted the SOC (Security Operations Center) service with Unisys.

It consists of a platform that allows us to supervise, using an on-line monitoring of the security of the information system through collection tools, correlation of events and remote intervention.

In addition, we worked on the Cybersecurity Homologation approved by ISA for all its companies, performed root cause analysis of minor incidents that occurred, executed the training plan, and made significant progress in closing gaps to achieve compliance with the NERC CIP standard.



2.4.2. Ethics and Compliance Model

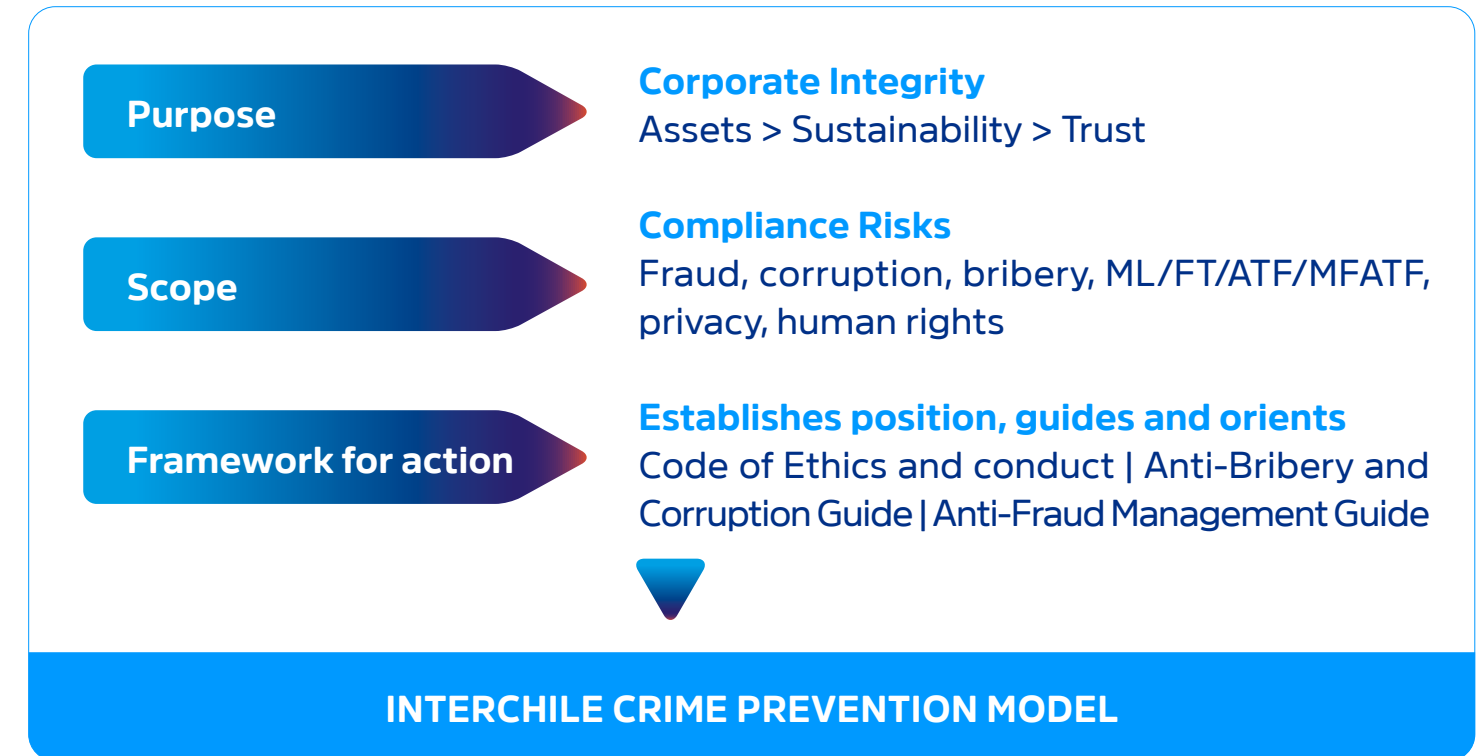
[GRI 2-27] [NCG 461 8.1]

Our model aims to ensure compliance with Law 20.393 on the Criminal Liability of Legal Persons and is also aligned with the provisions of the ISA to strengthen the ethical behavior of the Company's employees and third parties who collaborate in the business.

Also, the model defines a series of activities such as the incorporation of liability clauses under Law 20.393 (employees and third parties), the creation of policies and procedures (corporate guides/documents ISA Interchile), the identification of crime risks, the implementation of training activities on Law 20.393 for ISA Interchile employees and relevant third parties, in addition to supporting other dissemination activities. It also includes the management of Conflict of Interest Declarations for employees and suppliers, an annual process carried out with all employees of the organization.

In addition, the detection of cases of corruption or ethical conflicts is done through the Ethics line, which corresponds to a web platform on the intranet and institutional website or a dedicated e-mail box and a telephone line. Complaints may also be made directly to the Crime Prevention Officer, who leads the investigation to resolve the complaint.

With regard to the update of the crime prevention model (CPM), the model adaptation plan is 23% of the 24% programmed for December 2023.



LA/FT/FPADM: Money Laundering, Terrorist Financing and Proliferation of Weapons of Mass Destruction

Crime Prevention Officer

Since 2022, this function has been performed internally, at the same time as the Audit and Compliance function was created. Currently, the Crime Prevention Officer reports directly to the Board of Directors and performs the following functions:

- » Semi-annual report to the Board.
- » CPM monitoring and oversight plan.
- » Training for the Board and senior management.
- » Assistance with ongoing dissemination activities.
- » Management of the complaints, reporting and management channel.
- » Management of conflicts of interest.
- » ISA Interchile risk matrix.
- » Obtaining the CPM certification.
- » Studying legislative initiatives that may affect the CPM.

Through 2024, we will continue with the work plan to adapt the crime prevention model in accordance with the new law on economic crime, and complete its implementation in August 2024. In this way, we will meet the legal deadline set by the new regulations.



Complaint management

A fundamental part of the CPM is the management of complaints through a public procedure; thus, in 2023 we received 10 complaints, of which 9 were closed and 1 is under analysis. No ethical misconduct was found in the reported and closed cases.

| Ethical line management | 2023 |
|----------------------------------|------|
| Percentage of complaints handled | 100% |
| Number of cases received | 10 |
| Number of cases opened | 1 |
| Number of cases closed | 9 |

It is important to note that we did not receive any complaints regarding data breaches last year, categorized by complaints received from regulators and external bodies.

Due Diligence

In 2023, we conducted 7 due diligence reviews (anti-corruption, money laundering, etc.) based on reports submitted to the Compliance Officer by the departments responsible for the transaction or counterparty relationship. No situations were identified that warranted the implementation of additional measures to mitigate corruption risks.

The challenge for 2024 will be to digitize the monitoring of controls related to compliance.

On dissemination of our CPM

All policies and procedures that establish definitions, regulations and controls for the Company's activities must be properly documented, disseminated and available to all personnel who may be affected by them. The following are Interchile's policies and procedures that comprise ISA Interchile Crime Prevention Model:

- » Corporate Policies and Procedures (ISA Group)
- » Code of Ethics and Conduct of ISA and its companies
- » Anti-Corruption and Anti-Bribery Management Guide of ISA and its companies
- » Institutional Relations Manual
- » Corporate Guide No.37 - Governance and Supply Chain Management
- » Integrated Risk Management Policy
- » Anti-Corruption Due Diligence and Awareness Procedure for Counterparties of ISA and its companies
- » Corporate Guide N°47 - Anti-Money Laundering, Financing of Terrorism and Proliferation of Weapons of Mass Destruction
- » ISA Interchile Procedures
- » Crime Prevention Manual
- » Conflict of Interest Management Procedure
- » Procurement Procedure
- » Regulations for the acquisition of goods and services
- » Procedure for registering and capturing hiring processes
- » Protocol for Interactions with Public Officials
- » Donations, sponsorship and patronage policy
- » Donations, sponsorship and patronage procedure
- » COVID-19 Occupational Health and Safety Protocol

Corporate Governance and Anti-Corruption Policy

[GRI 205-1, 205-2, 205-3]

| Communication and training about anti-corruption policies and procedures [GRI 205-2] | 2023 |
|---|------|
| Number of governance body members | 5 |
| Number of governance body members that the organization's anti-corruption policies and procedures have been communicated to | 5 |
| Percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to | 100% |
| Total number of employees | 116 |
| Number of employees that the organization's anti-corruption policies and procedures have been communicated to | 116 |
| Percentage of employees that the organization's anti-corruption policies and procedures have been communicated to | 100% |
| Number of governance body members that have received training on anti-corruption | 5 |
| Percentage of governance body members that have received training on anti-corruption | 100% |
| Number of employees that have received training on anti-corruption | 116 |
| Percentage of employees that have received training on anti-corruption | 100% |

NOTE: In terms of specific communication to suppliers on anti-corruption, the Suppliers' Meeting in 2023 addressed ethics and compliance issues.

Fines 2023

Actual instances of non-compliance = 0 (includes workplace harassment, handling of gifts and gratuities, breach of duty, conflict of interest, anomalous behavior, misuse of company assets, fraud, bribery, inadequate working conditions).

Total monetary value of significant fines= 0

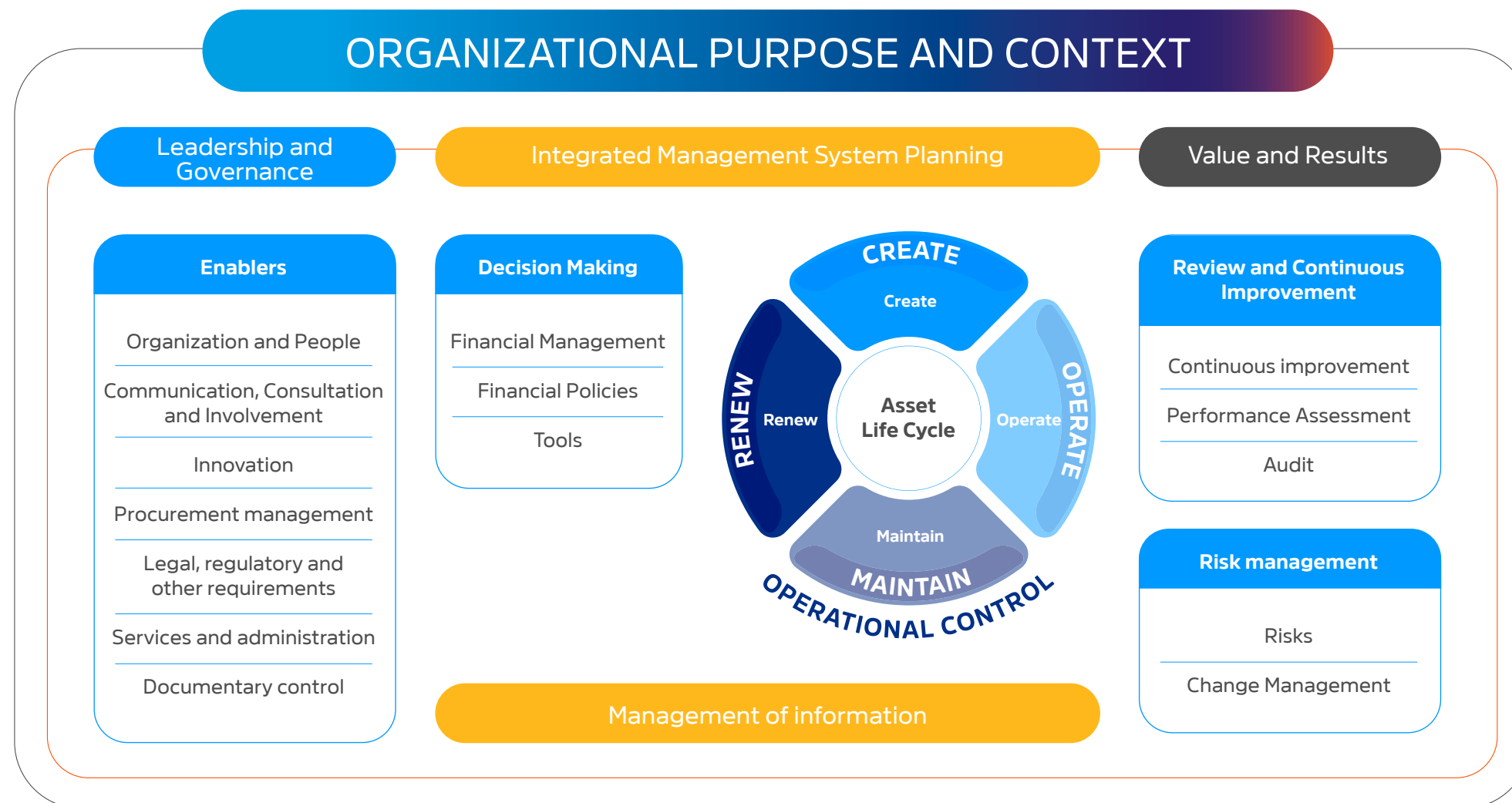
2.5. Operational Excellence

We understand that we are participating in an industry that is essential for the development of the country, and therefore at ISA Interchile we strive to provide the best standards of operation, best practices, innovation and safety, all in a sustainable manner.

In this regard, we seek to be a benchmark of operational excellence throughout the life cycle of our assets, in order to achieve high performance, low risk and cost effective operations.

Through the implementation of the Integrated Management System, we aspire to be an organization with clear, efficient and articulated processes. We operate in an integrated, risk-based, holistic, systemic, optimal and sustainable manner, with a focus on maximizing the value of our assets and being recognized for the excellence of our operations.

ISA Interchile's Integrated Management System Model



Decision-making tools that consider cost, risk and performance with an asset lifecycle view

- » Business Cases
- » SALVO
- » TOTEX
- » Criticality
- » Asset Condition
- » Improvability
- » Asset Health
- » Root cause analysis or elimination of risk causes
- » Reliability Focused Maintenance
- » Failure modes and effects analysis

Our Asset Management Model is based on our Asset Management policy:

- » We ensure the provision of services with quality and efficiency, in a safe manner for people, in balance with the environment and communities, and taking into account the analysis of stakeholder needs and expectations.
 - » We add value in a sustainable way, taking into account the optimization of costs, risks and performance of assets throughout their lifecycle: creation or acquisition, operation, maintenance and renewal or disposal.
 - » We define and apply a framework for decision-making on assets and the roles and responsibilities for ensuring their present and future reliability; decisions based on maximizing value and using reliable information.
 - » We prioritize assets based on their risks and the organization's risk model to optimize the use of resources required to manage them.
 - » We ensure that asset management activities and practices are performed in a coordinated and systematic manner with an integrated lifecycle vision.
 - » We comply with the laws and regulations of each jurisdiction and maintain processes to periodically assess compliance and retain the results of such assessments.
 - » We define and develop the strategy, objectives and plans for asset management, consistent with the organization's strategic plan and other corporate policies.
 - » We develop the necessary competencies, skills and behaviors in our people and establish mechanisms for communication, consultation and participation with stakeholders to ensure effective implementation of the strategy, objectives and asset management plans.
 - » We incorporate methods, practices, and technologies that drive continuous improvement of assets and their management throughout their lifecycle.
 - » We maintain contingency plans to respond to incidents and emergencies to ensure the continuity of critical activities.
- Policies are non-negotiable principles that guide our behavior. They reflect our leadership and commitment and are at the heart of our corporate governance. By adhering to our policies, we reaffirm our commitment to integrity, accountability and the long-term vision of ISA Interchile.
- In the context of implementing the ISA Group's Excellence Strategies, during 2023 ISA Interchile has developed and implemented a model aimed at facilitating the

achievement of our strategic objectives, as well as ensuring compliance with the regulations related to the Electrical Installations Integrity Management System (SGIIE). This effort has materialized through the Asset Management Gap Closure Project, whose main objective is to reach a level of maturity that is considered an indicator of excellence according to the Institute of Asset Management (IAM). This progress has been based on the adoption of the best practices outlined in the PAS 55:2008 specification, the ISO 55001 standard and the requirements established by the Superintendency of Electricity and Fuels (SEC) in accordance with the SGIIE.

The main characteristics of the project are detailed as follows:

- » Maintaining and strengthening those aspects of our management that have proven to be effective.
- » Identifying and improving areas for optimization by simplifying processes, eliminating redundancies and promoting continuous and systematic improvement.
- » Adopting internationally accepted and validated asset management practices.
- » Demonstrating effective asset management characterized by an integrated lifecycle view, effective risk management, decision making

based on cost, risk and performance optimization, collaborative working in an enabling environment, and the development of competencies and capabilities.

In addition, this project contributes significantly to the achievement of organizational goals, strengthens our corporate validity and ensures long-term sustainability.

One of the most significant achievements this year was the significant increase in ISA Interchile's maturity level, a key indicator that reflects the adoption of practices aligned with international standards. This progress has been possible thanks to the strengthening of our processes, the adaptation of our asset management practices, the strengthening of ISA Interchile's Integrated Management System, and the continuous

implementation of practices that promote effective control and the improvement of both business and asset performance. At ISA Interchile, we recognize that asset management is a fundamental process of cultural transformation, driven by our valuable human talent, which impacts the fulfillment of our strategic challenges and the satisfaction of our different stakeholders.





03

STRATEGY

3. STRATEGY

3.1. 2030 STRATEGY

[GRI 2-13, 2-22] [NCG 461 4.1, 4.2]

As ISA Interchile, we look to the future inspired by the creation of sustainable value, making it the center of our actions and an essential element in the implementation of our corporate vision and 2030 strategy.

This roadmap is the compass that will guide our efforts to create value for all our stakeholders. In this context, corporate governance plays a key role in achieving our purpose.

We base our strategy on three dimensions: shareholder value, positive social and environmental impact, and corporate validity. In addition, investment decision-making reflect the balance between businesses and geographies, profitability and risk criteria, proximity and vision, diversification and concentration.

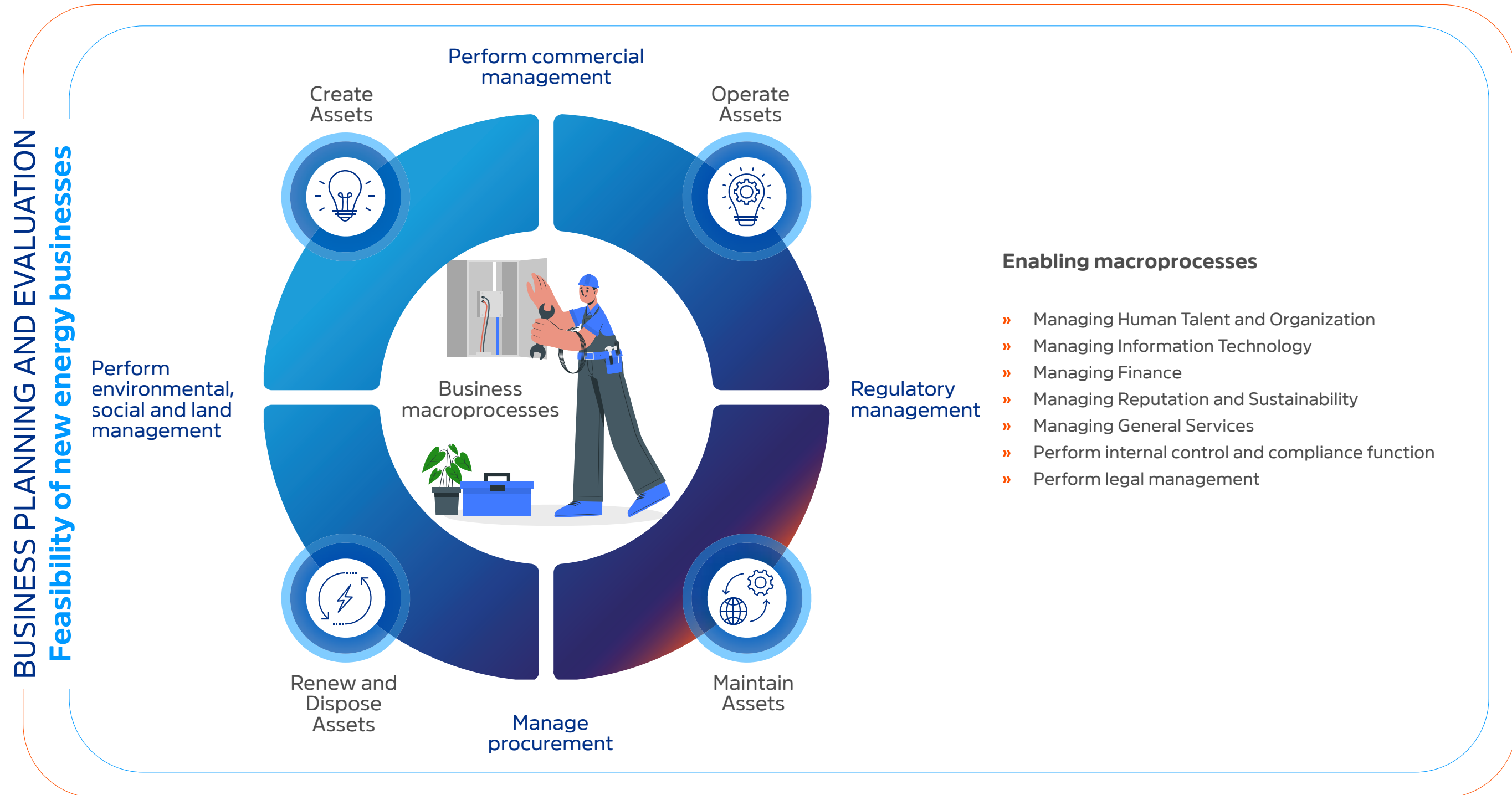
At ISA Interchile, we bring value to ISA through market knowledge, operations and project execution to contribute to the goals we have set for ourselves to be a relevant player in the ecosystem through a greener and more sustainable portfolio. All of this creates long-term value in the power transmission business.

We are committed to the future - taking into account the triple impact of our business (economic, social and environmental) - to create value over time: not only for shareholders, but also for society and the planet, ensuring the continuity or longevity of ISA.



VALUE CHAIN AND 2030 VISION

Energy Transportation Business (2030 Vision)



V**Green**

Minimize the Company's environmental impact and promote positive environmental initiatives

I**Innovation:**

Capitalize on business opportunities arising from technological developments and trends.

D**Development:**

Build capabilities and leaders to face business challenges and promote the development of the territory and the entrepreneurial ecosystem.

A**Articulation:**

Seal strategic alliances for the achievement of objectives.

3.1.1. V.I.D.A. 2030 Strategy

The ISA 2030 Strategy and our sustainable growth model are based on four pillars that guide our daily actions and decisions, as well as the way we relate internally and to the world. These form the acronym "VIDA": Green, Innovation, Development and Articulation.

As ISA Interchile, we set ourselves the challenge of being a benchmark company in energy transmission in Latin America by 2030, contributing to the development of the group's business plan in electricity grids, energy transmission and storage in the country, with an

investment of USD \$2.4 billion in energy transmission works and US\$400 million in new energy businesses, such as those related to storage as an enabling infrastructure or network solutions. All this while keeping sustainability as a central, transversal and strategic element.




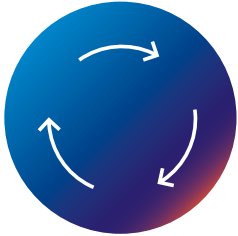


SUSTAINABLE VALUE

Our connection
with the future

ISA 2030 INTEGRATED STRATEGY FOR INTERCHILE

Alignment of strategic goals (ISA 2030 Strategy and PEGA goals)

PEGA Goals

| | Green | Innovation | Development | Articulation |
|--|--|---|--------------------------------------|--|
|  Shareholder value | Invest US\$2.4 billion in existing businesses and geographies Achieve USD 23 million TOTEX of core process and support efficiencies | 4 5 | Increase EBITDA by at least 70% 5 | Engage strategic partners for growth |
|  Positive social and environmental impact | Remove 1.2 million tons of CO2e from the planet 6 | Generate benefits through high-impact social programs. Meet 100% of project deadlines and expected reliability levels (no ENS) 1 2 3 | | |
|  Corporate validity | Invest US\$400 million in new power businesses 4 | Enable organizational capabilities to drive competitive advantage and achieve superior performance from 90% of employees Intensify digitization of core and support processes and integrate them into new value propositions | | Form alliances to enhance competitiveness and develop capabilities |

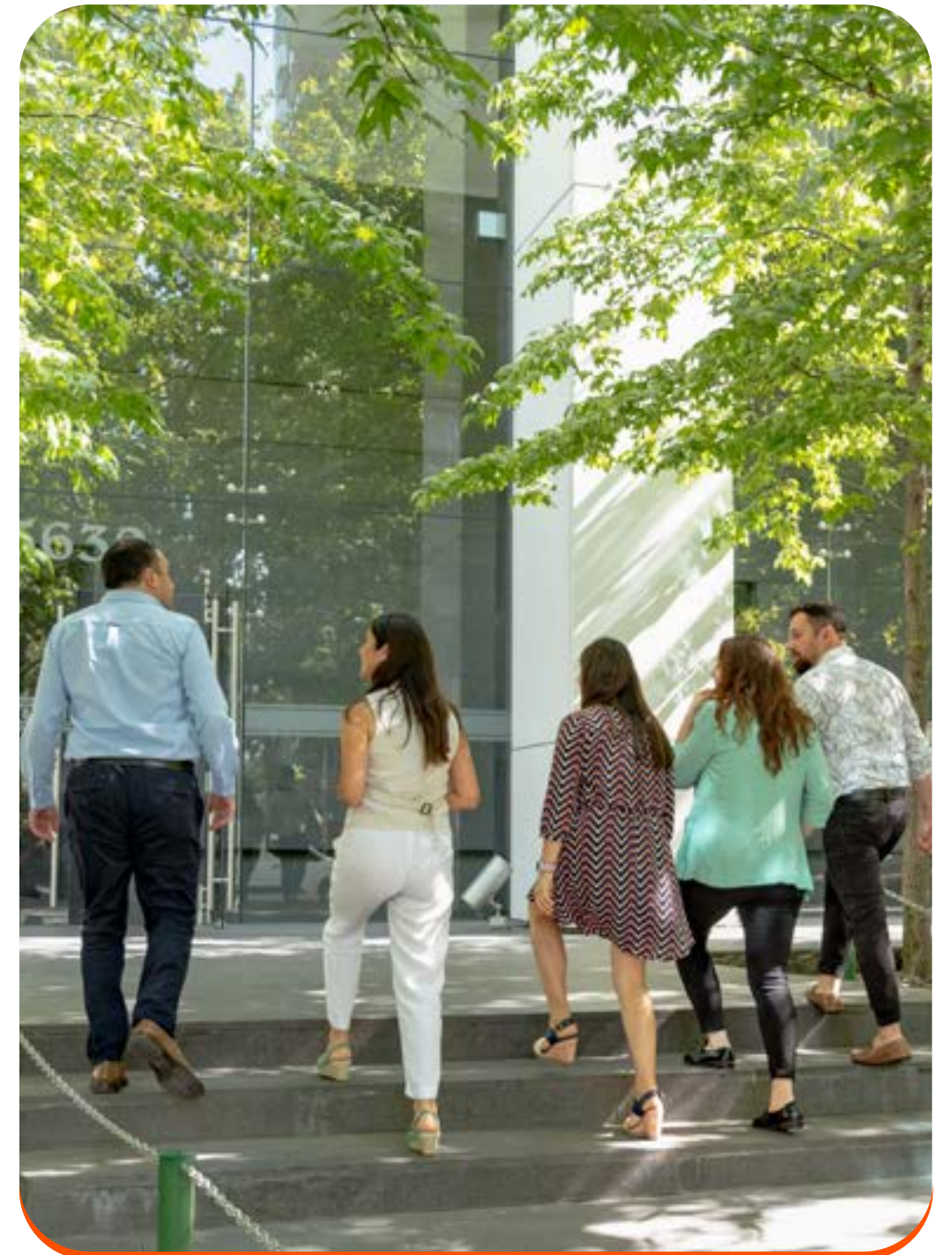
1. Achieve occupational health and safety that results in a TRIF of 1.
2. Increase asset reliability by 2027.
3. Achieve process reliability of more than 95% in project execution by 2025.
4. Make US\$1,060 million in investments by 2027.
5. Achieve planned revenues and operational efficiencies that will allow us to maintain an EBITDA margin of 80% or higher by 2027.
6. Achieve eco-efficiency and SF6 leakage targets each year through 2030.

PEGA: Strategic Asset Management Plan (for its for its acronym in Spanish)










Our strategic goals are defined by our Strategy for Growth with Sustainable Value through 2030:

| | Planning and targets |
|--|---|
| Shareholder value | <ul style="list-style-type: none"> » Invest US\$2.4 billion in existing businesses and geographies. » Achieve USD 23 million of TOTEX efficiencies in core processes and support. » Increase EBITDA by at least 70% » Engage strategic partners for growth. |
| Positive environmental and social impact | <ul style="list-style-type: none"> » Contribute to removing 1.2 million tons of CO2e from the planet. » Generate benefits through high-impact social programs. » Meet 100% of project deadlines and expected reliability levels. » Build alliances to develop social and environmental programs |
| Corporate validity | <ul style="list-style-type: none"> » Invest US\$400 million in new power businesses. » Enable organizational capabilities to drive competitive advantage and achieve superior performance from 90% of employees. » Intensify digitization of core and support processes and integrate them into new value propositions. » Form alliances to enhance competitiveness and develop capabilities. |

2023 Figures: A year 2023 without accidents or ENS (energy not supplied), achieving EBITDA and reducing our own emissions.



In ISA and its companies, we have developed the concept of **SosTECnibilidad**, defined as the contribution and generation of responsible, safe and efficient operations, harmonizing the relationship with the environment and stakeholders; within a framework of transparent and ethical governance, using technology to develop innovative solutions to current and future challenges.

| "SosTECnible" Value *To be sustainable through technology and innovation | | | Balanced Scorecard Management 2023 | Results as of December 2023 | Lower limit | Target |
|---|---|--------------------|--|---|---------------------------------------|--------------------------------------|
| Shareholder value | Social and Environmental Impact + | Corporate Validity | | | | |
| Life first | | | Total recordable injury frequency rate (TRIF) | 0  | No tolerance | 2.55 |
| SosTECnible and resilient value creation | | | EBITDA (US\$ millions) | 79.41  | 74.99 95% Budget | 78.94 100% Budget |
| Accelerating a just and people-centered energy transition | | | Annual baseline physical progress of projects (%) | 100.1%  | 62% | 100% |
| | | | Unscheduled ENS (MWh) | 0  | 600.91 (annual) 150.23 (quarterly) | 200.30 (annual) 50.08 (quarterly) |
| | | | Committed investments in storage, SED (Distributed Energy Services, for its acronym in Spanish), connectivity and other technologies (US\$ millions) | 0  | 22 | 106 |
| | | | Committed investments in storage, SED, connectivity and other technologies (US\$ millions) | 0  | 30 | 206 |
| Decarbonization and biodiversity | | | Reduction of CO2 - SF6 emissions and eco-efficiency (tCO2e) | 6.099  | 1.204 | 4.742 |
| | | | CO2 Reduction - <i>Conexión Puma</i> (tCO2e) | 0  | | 50.000 |
| Cutting-edge knowledge and transformation through new technologies | | | Achievement of milestones | All 3 milestones achieved (see diagram below)  | 2 milestones | 3 milestones |

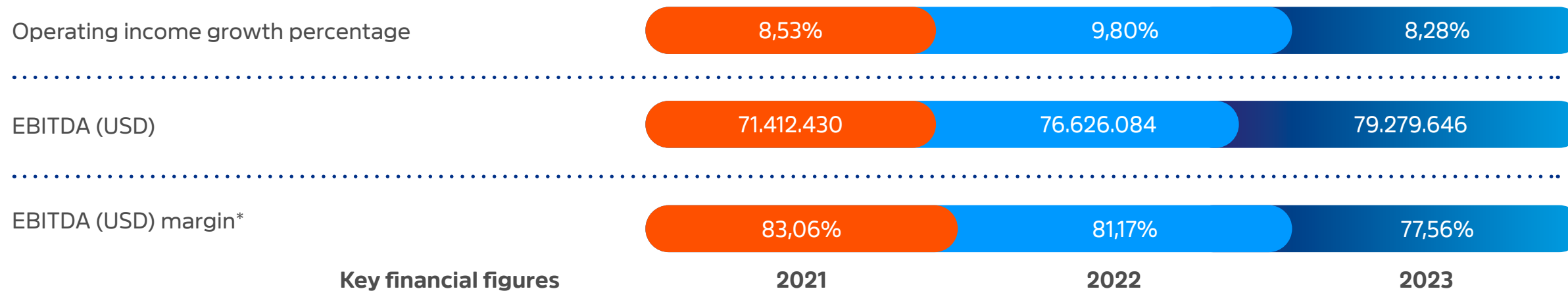
These actions reflect our continued commitment to responsible and sustainable growth and reaffirm our leadership in creating a cleaner and more prosperous energy future.

We achieved prioritized milestones related to strategic and local initiatives

| Initiative/Action | Milestone | Status |
|---|---|--|
| Implementation of Asset performance management (APM) | Achieve 90% of the master data work plan defined for 2023 | Achieve 100% of planned milestones within the year. |
| Optimizing maintenance execution practices through digital technologies | Implementation of Remote Substation Service (ARS) in one substation in ISA Interchile | 100% compliance with this project. Implementation of an operational monitoring system using cameras and a control and alarm system. |
| Local initiative | Increase asset management maturity level to 2.8 by Q4 | The external maturity assessment carried out in September resulted in a score of 2.93, exceeding the target for the year and bringing us closer to the maturity level of 3 expected in March 2024. |

It is important to note that EBITDA growth has increased over the years.

Operating Income Growth



*Both EBITDA margin and net income were impacted by the bond repurchase transaction, which generated a profit of US\$31 million.

3.2. Investment plans and growth strategy

[NCG 461 4.3]

At ISA Interchile, we maintain our solvency for the future through a balanced and sustainable portfolio of projects that allow us to take advantage of the synergies between the companies of the ISA Group and maintain the financial responsibility of the Company.

Our expansion is determined by the ISA 2030 Strategy and the definition of ambitious goals in terms of projects and sustainable development. In this context, at ISA Interchile we want to consolidate our benchmark position in the market, based on a reliable and efficient operation. Therefore, we have successfully identified and analyzed the different growth alternatives that have allowed us to strengthen this position in the industry, positively impacting people's quality of life and contributing to the decarbonization of the energy matrix.

In 2023, our team advanced in different actions to achieve investments of USD \$400 million in new electric energy businesses. In addition, we continued working to achieve the target of US\$ 2.4 billion in other businesses and current geographies.

Chile is an important part of the strategy of ISA and its companies:

We have approximately US\$1.5 billion in assets, which we plan to triple.

"Also, in an essential service, reliability must be an obsession"
(Luis Llano, CEO ISA Interchile)



What distinguishes ISA Interchile:

Permanent search for operational excellence, through a well-executed work we deliver confidence through our assets in a service that is essential.

We respect and value differences, we want people to be who they are so that they can reach their maximum potential.

We seek opportunities in uncertainty, where resilience and learning are projected in our decisions.

“At ISA Interchile we like to “embrace” difference and uncertainty”
(Luis Llano, CEO ISA Interchile)

3.3. Our contribution to the SDGs






[NCG 461 4.2, 3.5]

In 2015, ISA committed to work towards the achievement of the Sustainable Development Goals (SDGs) defined by the United Nations (UN) by 2030. Locally, we became a member company of Global Compact Chile in 2021,

committing ourselves to the SDGs and to adhere to the UN’s fundamental principles in the areas of human rights, labor standards, environment and anti-corruption.



As part of our commitment to Global Compact Chile, we have pledged to align our business strategy with the Sustainable Development Goals (SDGs) and to work concretely to achieve the following objectives:

| | | | | |
|--|---|---|---|--|
| <p>4 QUALITY EDUCATION</p>  | <p>7 ACCESS TO ENERGY</p>  | <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>  | <p>13 CLIMATE ACTION</p>  | <p>15 LIFE ON LAND</p>  |
| <p>Strengths and progress: Through the Corporate Program <i>Conexión Desarrollo</i>.</p> <p>Gaps: The program aims to strengthen the educational ecosystem in the Coquimbo region and contribute to improving the quality and educational relevance of future technicians in the energy sector, as well as closing gaps in innovation and entrepreneurship skills among students and teachers. This work is carried out in partnership with Fundación Chile.</p> | <p>Strengths and progress: We support with knowledge and operational excellence, through energy transport infrastructure for electrical interconnections mainly for renewable energy, reducing their discharge.</p> <p>Gaps: We note an insufficient legal and institutional framework for the integration of renewable energy and energy storage issues.</p> | <p>Strengths and progress: We contribute to the development of initiatives for the participatory construction of public spaces in the Coquimbo region, in alliance with Fundación Mi Parque, where we are working with communities and the municipality on the development of a square for the neighbors of the El Romero sector.</p> <p>Gaps: Provide universal access to green spaces and safe, inclusive and accessible public spaces, especially in cities and areas far from large cities and especially for women, children, third and fourth age and people with disabilities.</p> | <p>Strengths and progress: We have formulated targets for the proper management of SF6 gas and for the <i>Conexión Puma</i> corporate program. In this way, as ISA Interchile, we can contribute to reducing emissions by 1.2 million tons of CO2e to achieve the corporate goal of ISA and its companies to reduce 11 million tons of CO2 by 2030.</p> <p>Gaps: We believe it is fundamental to coordinate the private sector with the public sector to take mitigation, reduction and adaptation actions, in addition to identifying risks and opportunities related to climate change.</p> | <p>Strengths and progress: Through the <i>Conexión Puma</i> corporate program, we work on biodiversity conservation in partnership with stakeholders in the area. In this way, we formulate forest compensation and flora and fauna conservation initiatives, in addition to carbon footprint offsetting.</p> <p>Gaps: We value a space for the development of productive social projects, along with support for reforestation and forest fire prevention strategies.</p> |



04

OUR BUSINESSES

4. OUR BUSINESSES

4.1. Our Role in the Industry

[NCG 461 6.1]

Our business is to design, construct, manage, operate and maintain the electric power transmission infrastructure that is part of the national system in accordance with applicable regulations.

We are also engaged in other activities related to the electric power transmission industry that are directly related to our corporate purpose.



Market Distribution according to the National Transmission System by VATT

| Transmission Company | Annual Value of Transmission per Tranche (VATT) (US\$) [USD] | Percentage of market distribution |
|------------------------|---|-----------------------------------|
| Transelec | 310.535.009 | 40,53% |
| Interchile | 103.500.543 | 13,51% |
| TEN | 70.600.037 | 9,21% |
| Transelec Concesiones | 39.879.466 | 5,21% |
| AJTE | 32.548.169 | 4,25% |
| Alfa Transmisora | 28.067.874 | 3,66% |
| Eletrans | 26.594.249 | 3,47% |
| CHATE | 21.857.586 | 2,85% |
| KELTI | 12.584.840 | 1,64% |
| STM II | 12.441.682 | 1,62% |
| ETSA | 10.416.692 | 1,36% |
| SATT | 9.532.508 | 1,24% |
| DATE | 9.232.454 | 1,21% |
| Eletrans II | 9.159.265 | 1,20% |
| TransChile | 8.988.678 | 1,17% |
| Zaldivar Transmisión | 8.037.009 | 1,05% |
| REDENOR | 7.495.702 | 0,98% |
| Transemel | 7.177.682 | 0,94% |
| Redenor2 | 6.628.387 | 0,87% |
| STS | 6.236.040 | 0,81% |
| CTNG | 6.139.173 | 0,80% |
| STN | 5.887.417 | 0,77% |
| Chilquinta_Transmision | 2.714.734 | 0,35% |
| EPM Transmision | 1.934.821 | 0,25% |
| Codelco Norte | 1.577.371 | 0,21% |

| Transmission Company | Annual Value of Transmission per Tranche (VATT) (US\$) [USD] | Percentage of market distribution |
|----------------------|---|-----------------------------------|
| Don Goyo Transmisión | 1.536.436 | 0,20% |
| Codelco Andina | 1.019.123 | 0,13% |
| PHT | 1.009.519 | 0,13% |
| Transquillota | 953.398 | 0,12% |
| CGE_TRANSMISION | 859.581 | 0,11% |
| AES Andes | 349.355 | 0,05% |
| AUSTRIAN_SOLAR | 209.635 | 0,03% |
| Chungungo | 138.343 | 0,02% |
| GUACOLDA | 92.596 | 0,01% |
| AELA_GENERACION | 57.965 | 0,01% |
| LTCL | 52.506 | 0,01% |
| ANGAMOS | 46.143 | 0,01% |
| COCHRANE | 43.399 | 0,01% |
| LUZ_DEL_NORTE | 14.987 | 0,00% |
| CMP | 7.937 | 0,00% |
| CERRRO_COLORADO | 1.286 | 0,00% |
| MINERA_MARICUNGA | 900 | 0,00% |
| COYANCO | 457 | 0,00% |
| Generación Solar Spa | 337 | 0,00% |
| Colbún | 114 | 0,00% |
| PFV_NUEVA_QUILLAGUA | 112 | 0,00% |
| ALGORTA_NORTE | 15 | 0,00% |
| Capullo | 6 | 0,00% |
| LA HIGUERA | 0 | 0,00% |
| Overall total | 766.161.538 | 100,00% |

Market Share

We are currently positioned as the second most important player in the national electricity transmission segment, with a market power of 13.5%, equivalent to US\$103.5 million in annual value of transmission per tranche (VATT). ISA Interchile's operating assets have an availability standard that remains at around 99.66%.

Regulatory framework

The legal framework that regulates the Chilean power transmission is set by the DFL No. 4/2006, which consolidates the coordinated and systematized Revised Text of Statutory Decree No. 1 on Mining of 1982, General Law of Electric Services (DFL [M] No.1/82) and its subsequent amendments. This legal framework includes Law No. 19.940 (Short Law I), enacted on March 13, 2004; Law No. 20.018 (Short Law II), enacted on May 19, 2005; Law No. 20.257 (Generation with Non-Conventional Renewable Energy Sources), enacted on April 1, 2008; and Law No. 20.936 (which establishes a new electricity transmission system and creates an independent coordinating body for the National Electric System), enacted on July 11, 2016, among others.

These standards are supplemented by the following regulations:

- » Regulation of the General Electrical Services Law (Supreme Decree No. 327/97 of the Ministry of Mining) and its amendments.
- » Regulation on the qualification, evaluation, pricing and remuneration of transmission facilities (Supreme Decree No. 10/19 of the Ministry of Energy).
- » Regulation on the Coordination and Operation of the National Electrical System (Supreme Decree No. 125/17 of the Ministry of Energy).
- » Regulation on Complementary Services (Supreme Decree No. 125/17 of the Ministry of Energy).
- » Regulation of Transmission Systems and Transmission Planning (Supreme Decree No. 37/19 of the Ministry of Energy).
- » Regulation on the safety of electrical installations intended for the production, transmission, ancillary

services, storage systems and distribution of electrical energy (Supreme Decree N°109/17 of the Ministry of Energy).

- » Regulation on Determination and Payment of Compensation for Unavailability of Electricity Supply (Supreme Decree No. 31/17 of the Ministry of Energy). In addition, these legal and regulatory standards are complemented by the following technical standards:
- » Technical Standard for Unavailability of Supply and Compensation (Exempt Resolution N°491/20 of the National Energy Commission).
- » Technical Standard for Security and Quality of Service and its Technical Annexes (Exempt Resolution No. 347/20 of the National Energy Commission).
- » Technical Coordination and Operation Standard (Resolution No. 253/21 of the National Energy Commission).
- » Technical Standard of Coordination and Operation.

4.2. ISA Interchile Businesses

[NCG 461 6.2]

The Company's revenues are derived from the construction and operation of its electric transmission facilities, some of which are subject to regulated pricing regimes and some of which are derived from contractual agreements signed directly with the users of the Company's facilities. These total revenues are mainly composed of two elements: the A.V.I., which represents the annuity of the investment value, and the C.O.M.A., which includes the costs of operation, maintenance and management of the corresponding facilities, known as the Annual Value of Transmission per Section (V.A.T.T.). In addition, in the case of those works for which the Regulatory Authority calculates the remuneration every 4 years, there is a third income component called Adjustment for Income Tax Effects (A.E.I.R.), which reflects an adjustment of the income due to the fact that the regulated rate established by law corresponds to the rate after income tax.

The rights to construct and operate the new facilities will be awarded to the Company through public and international bidding processes carried out by the Chilean Government, through the National Power Grid Coordinator, and will be remunerated with the

A.V.I. and C.O.M.A. presented in the winning bid, during 5 tariff periods of 4 years, starting from the date of commissioning of the respective facility. Subsequently, the assets and their valuation will be reviewed in the corresponding Transmission System Evaluation Study.

Expansion works, understood as those that increase the capacity or the safety and quality of service of existing power lines and substations, are awarded through public and international tenders under the responsibility of the National Power Grid Coordinator. Contrary to the new works, the award is only for the right to carry out the works, since the winning bidder, after the construction of the ordered works, transfers the asset to the owner of the work intervened with the expansion, at the investment value (V.I.) resulting from the award, who will have the right to exploit the asset from now on.

The owner of the extension work will receive as remuneration for this work the V.A.T.T., composed of the A.V.I. plus the corresponding C.O.M.A., and taking into account the adjustments for income tax purposes. The C.O.M.A. is determined by taking into account the

C.O.M.A. awarded and the corresponding discount rate used in the valuation study in effect at the time of the award. The resulting A.V.I. will correspond to the owner for five tariff periods from the start of operation of the respective expansion work, after which the installations and their valuation must be reviewed and updated in the corresponding transmission tariff procedure. With regard to the C.O.M.A., the awarded expansion works must be taken into account in the following tariff procedures in order to determine the applicable amount.

Revenues from both regulated and contractual agreements are recognized and billed monthly, using the values established in the contracts or, in the case of regulated agreements, the payment tables established by the National Power Grid Coordinator, updated as appropriate.

The collection of the Company's regulated revenues is based on the concepts of (i) tolls, (ii) balance of transfers and (iii) transmission charges, invoiced in the month following the month in which the service was provided.

Trademarks and patents

We have duly registered the trademarks necessary for our operations with the National Institute of Industrial Property (INAPI), an entity under the Ministry of Economy, Development and Tourism. In accordance with the law, the registration of these trademarks has an initial term of 10 years and may be renewed indefinitely.

Company-owned licenses and/or concessions

1. Supreme Decree No. 109 of November 6, 2012 of the Ministry of Energy establishes the company awarded the exploitation and execution rights of the new works called "New Line Cardones -Maitencillo 2 x 500 kV". The "New Line Maitencillo - Pan de Azúcar 2 x 500 kV" and "New Line Pan de Azúcar - Polpaico 2 x 500 kV" in the Central Interconnected Transmission System.

2. Supreme Decree No.33 of January 26, 2015 of the Ministry of Energy modifies the ownership of the company awarded the exploitation and execution rights of the new works called "New Line Cardones - Maitencillo 2 x 500 kV", "New Line Maitencillo - Pan de Azúcar 2 x 500 kV" and "New Line Pan de Azúcar - Polpaico 2 x 500 kV".

3. Supreme Decree No.5T of September 9, 2013 of the Ministry of Energy, establishes the company awarded with the exploitation and execution rights of the new work called New Line 2x220 kv Encuentro - Lagunas first circuit, in the Trunk Transmission System of the Far North Interconnected System.

4. Supreme Decree N°34 of January 27, 2015 of the Ministry of Energy, modifies the ownership of the company awarded the exploitation and execution rights of the new work called "New Line 2x220 kv Encuentro - Lagunas first circuit", in the Trunk Transmission System of the Far North Interconnected System.

5. Supreme Decree No.13T of December 2 2014 of the Ministry of Energy establishes the exploitation and execution rights for the new works called: Autotransformer bank Nueva Cardones substation, 500/220 kv, 750 mva", "Autotransformer bank Nueva Maitencillo substation, 500/220 kv, 750 mva" and "Autotransformer bank Nueva Pan de Azúcar substation, 500/220 kv, 750 mva", in the trunk transmission system of the Central Interconnected System to the awarded company indicated.

6. Supreme Decree No. 381 of August 7, 2015 of the Ministry of Energy changes the ownership of the exploitation and execution rights of the new works indicated to the awarded company: Autotransformer bank Nueva Cardones substation, 500/220 kv, 750 mva", "Autotransformer bank Nueva Maitencillo substation, 500/220 kv, 750 mva" and "Autotransformer bank Nueva Pan de Azúcar substation, 500/220 kv, 750 mva", in the trunk transmission system of the Central Interconnected System.

ISA Interchile, as a relevant player in the industry and especially in the segment of electric power transmission, aims to contribute to the growth and decarbonization of the country's energy matrix.

7. In addition, and as a result of the above-mentioned Supreme Decrees, a large number of Supreme Decrees are obtained from the Ministry of Energy, by which electricity concessions are obtained in various sections of the transmission lines owned by the Company.

Economic value generated and distributed [GRI 201-1]

| Economic value generated and distributed (EVGD) | Unit of measurement | 2022 | 2023 |
|---|---------------------|---------------|---------------|
| Net operating income | USD | \$94.397.840 | \$102.214.016 |
| Revenue from financial investments (*) | USD | \$6.350.625 | \$52.058.159 |
| Revenue from the sale of property, plant and equipment and intangible assets (**) | USD | \$-59.021 | \$ - |
| Other revenue | USD | \$ - | \$-1.031.719 |
| Direct economic value generated (***) | USD | \$100.689.444 | \$153.240.456 |
| Operating costs | USD | \$-11.730.168 | \$13.626.787 |
| Employee wages, social security and healthcare payments and benefits (****) | USD | \$-6.040.831 | \$9.307.583 |
| Dividends paid to shareholders | USD | \$ - | \$ - |
| Payments to providers of capital | USD | \$-57.407.631 | \$57.276.290 |
| Taxes and payments to government (*****) | USD | \$1.785.291 | \$11.899.324 |
| Expenditure on settlement of joint venture agreement | USD | \$ - | \$ - |
| Community investments; | USD | \$-115.016 | \$235.057 |
| Economic value distributed | USD | \$-73.508.355 | \$92.345.041 |
| Economic value retained | USD | \$27.181.089 | \$6.089.542 |
| Provisions, depreciations and amortizations | USD | \$-31.376.634 | \$32.677.405 |
| Reserves | USD | \$ - | \$60.895.415 |

Notes:

(*) Higher investment income from the USD 31 million gain generated by the repurchase transaction of the bond notes

(**) No equipment sales were recorded

(***) Increased revenues and as explained in (*)

(****) Increase in the number of employees, overtime pay and management bonuses

(*****) Higher taxes paid for the better result obtained with the explained in (*)

4.3. Projects 2023, Innovation and New Businesses

Investment plan 2023

During the reported year, we focused our investments on strengthening strategic areas and projects that drove our sustainable growth, contributing to the country's energy development.

First, the investment was focused on the expansion and modernization of our power transmission infrastructure to ensure the reliability and efficiency of the national system.

We are also committed to a diversified and decarbonized energy matrix, which is why we are constantly exploring opportunities in sectors that contribute to the country's 2050 goal.

In addition, we are devoting significant resources to technological innovation and digitalization, strengthening our operational capabilities and optimizing the management of our assets. These investment priorities reflect our commitment to sustainable progress and long-term value creation for all our stakeholders.

Projects 2023

We have made significant investments in infrastructure that have allowed us to move forward on 3 expansion projects:

1. Installation of a network of synchronized controls in the transformers of the Nueva Cardones, Nueva Maitencillo and Pan de Azúcar substations, allowing the transmission of electricity.
2. Expansion of the Nueva Pan de Azúcar substation, whose importance lies in the fact that it is the point of convergence of new facilities that allow the transmission of energy from other agents the country requires.
3. Repowering project of the Maitencillo - Nueva Maitencillo 2 x 220 kV transmission line, which has been postponed pending the resolution of a technical requirement.

ISA Interchile contributed with its experience and knowledge to the Nueva Lagunas - Kimal Project (KILA Project), awarded to ISA and resulting from the Expansion Plan of the Ministry of Energy (S.D. No.229 of 2021 and S.D. No.185 of 20219) and aimed at meeting

the growing demand for energy transmission in the country, contributing to the national energy transition and strengthening the decarbonization process led by the Ministry of Energy.

This work is currently being carried out by the company Interconexiones del Norte S.A., advised and managed by the ISA Interchile team.

In 2023, we also participated in the Open Season convened by the National Energy Commission to address the lack of network coverage. We presented the proposal for the new 500 kV Longotoma substation, which is designed to increase the transmission capacity of the Cardones-Polpaico 2 x 500 kV line while maintaining strict safety standards. This project has passed the first phase of evaluation by the National Energy Commission and is currently undergoing the following phases to obtain approval as an urgent work, in accordance with the provisions of Article 102 of the General Law of Electrical Services, as it is able to support the feasibility under the business model defined by the current regulation.

Major maintenance

In 2023, ISA Interchile faced the challenge of performing the first major maintenance of the Encuentro - Lagunas 220 kV TL, after the first 6 years of operation.

Starting in February 2023, preparatory actions were carried out in order to carry out the maintenance in the months of August and September.

In particular, the project included preventive maintenance, the implementation of corrections in the equipment of the Encuentro and Lagunas substations, such as the qualification of the work competencies of the supervisors of live-line work.

Corrections were also made to the 220 kV Ana María - Lagunas TL protection cable and the Encuentro - Ana María - Lagunas telecommunications system.

It is important to highlight the qualification process of the supervisors of live-line work, which required the collaboration of the maintenance teams, the organizational talent of the Company and the support of the legal department. In addition, the maintenance department of Intercolombia, a subsidiary of ISA, provided support.

The performance of the programmed activities was carried out in accordance with the established deadlines in an efficient manner. During the preparation and execution of the works, strategies were implemented to identify and mitigate the associated risks, thus guaranteeing a safe and efficient working environment.

During the execution of the tasks, strict quality and safety controls were implemented, as well as a thorough cross-check to ensure the integrity of the operations. In addition, a list of serviced equipment was used to verify normalization at the end of the work, thus ensuring a proper closure of the activities.

Throughout the work, continuous improvements were made in terms of safety and execution. These improvements included the optimization of the work area demarcation and the installation of a blocking station to prevent unwanted equipment maneuvers, among other measures. These measures have significantly contributed to the improvement of safety and efficiency standards in the execution of the tasks.

New Corporate Offices

New ISA Interchile offices

In 2023, we launched our new corporate offices project called **"Connecting Spaces, People and Agreements" (CEPA)**.

This initiative, which is essential to address ISA Interchile's growth and challenges, was approved by the Board of Directors in July and represents an investment of more than \$2 million.

Other pro-innovation initiatives

ISA Interchile has aligned itself with ISA and its companies to follow the same innovation process established in all the other companies, supported by the Brightidea technological platform. In this line, we have updated the Multidisciplinary Innovation Committee with the intention of structuring and supervising the related processes.

Currently, we are focused on open innovation topics associated with the impacts of our businesses: the analysis of noise due to corona effect (in collaboration with the Transmission Companies Association and the Ministry of Energy), in addition to a Venture Client program, launched by ISA in 2023, which was implemented by the companies, in which startups from the electricity sector are invited, which have proven solutions in these areas.

The current challenges and opportunities require innovation to solve problems in the assets. Similarly, we incorporate lessons learned into our processes through ECR (Elimination of Causes of Risk) analysis and SALVO (Strategic Asset Lifecycle Value Optimisation).

It is important to note that our actions and projects are reported to stakeholders through reports to ISA Interchile's Board of Directors and meetings with ISA's Chief Offices.

Key achievements and progress in innovation

We have deepened the digitalization of our business processes through the use of various specialized tools:

- » MetricStream for support with risk management.
- » Mrisk addresses environmental and land issues
- » For operations and maintenance, we use SIGO and CIGA (acronyms that stand for specific systems for the Operational Management Information System and the Intelligent Center for Asset Management).
- » ATLAS, which enables the proper management of board and shareholder meetings.
- » Casetracking platform, which allows the monitoring of the company's litigation.
- » For environmental issues, we use the Territorial Information System for Construction and Operation (SITCO) platform. This whole process of innovation in management issues involves a number of challenges, which include the following:
 - » **Cybersecurity:** The digitization of transmission networks increases vulnerability to cyber-attacks, requiring appropriate investment in security measures, training and implementation of best practices.
 - » **Changing regulations:** Changes in energy regulations pose challenges in the planning and operation of transmission networks. In the face of which the adaptability of the entire organization is critical.

- » **Environmental requirements:** Growing environmental concerns present new challenges, such as reducing emissions and adopting cleaner technologies.

Industry trends

Finally, some of the trends we are monitoring include:

- » **Transition to renewable energy.** The increasing use of renewable energy sources, such as solar and wind, is driving the need to upgrade and expand transmission networks to accommodate these resources.
- » **Smart technologies:** The implementation of smart technologies, such as automation and artificial intelligence, improves the management and monitoring of transmission grids and optimizes operational efficiency.
- » **Energy storage or accumulation:** The development of energy storage technologies is essential to address the intermittency of renewable resources and ensure a constant supply, in addition to increasing renewable generation.
- » **Decarbonization:** Pressure to reduce carbon emissions is driving transmission companies to seek more sustainable solutions and align with environmental goals.



05

TALENT DEVELOPMENT
AND MANAGEMENT

5. TALENT DEVELOPMENT AND MANAGEMENT

At ISA Interchile, we put people first, focusing on their care and integral development. In this context, we work to create an organizational culture of safety that identifies us; with a quality work environment and focus on: care for life; physical and emotional integrity; and the creation of safe work spaces where self-care and well-being are promoted, fostering the development of the capabilities of those who work with us to help us achieve new short, medium and long term goals.

In 2023, we implemented occupational health and safety plans and programs aimed at reducing incidents, creating a culture of self-care, and reinforcing safe and healthy habits, leveraging our **“Connected with Life”** strategy.

During 2023, we have sought to empower our employees through various mentoring processes to achieve autonomy, such as self-leadership, as well as the attribute of adaptability, which - among other aspects - is given by the hybrid work modality, which is a key tool to support our commitment to work-life balance.

Strengthening Plan

At ISA Interchile, we are constantly facing several challenges, such as ensuring the proper operation of our infrastructure and contributing to the growth and expansion of the national electricity system, in order to achieve the goals of our ISA 2030 Strategy.

For this reason, in 2023, we completed an Organizational Strengthening Plan that, among other things, implemented a cultural change in the organization to allow ISA Interchile to grow.

This plan is based on four pillars of work:

1. Processes, through the implementation of the Integrated Management System, including the strengthening and maturity of procedures.
2. People, which requires the strengthening of the structure, the integration of new work teams and the improvement of skills.
3. Technology, which involves accelerating innovation and digital transformation processes.
4. Business, which involves strengthening the mechanisms for business growth through dedicated resources for B2B business.

We achieved the consolidation of our team, where it is important to highlight a greater presence of women, which increased from 19% to 26%.

5.1. Policies and Adherence

[GRI 2-23, 2-24]

Policies and procedures, in addition to external regulations, define the way ISA Interchile makes corporate decisions that guide the management and actions of our employees.

| Policy | Description |
|---------------------------------------|---|
| Environmental | Establishes guiding principles for environmental management to ensure that the processes and operations of ISA and its companies are aligned with sustainable development. |
| Service | Establishes the guiding corporate decisions for the provision of quality services; with timeliness, reliability and competitive prices, aimed at satisfying customers and building long-term relationships. |
| Occupational health and safety | Establishes corporate decisions aimed at protecting and maintaining the safety and health of employees, suppliers, contractors and third parties of ISA and its companies, taking into account the characteristics of its economic activities, providing a safe working environment, healthy lifestyles, encouraging self-care and the application of good practices of promotion and prevention. |
| Asset management | Establishes the company's guiding principles for asset management decisions, activities and behaviors, taking into account an integrated vision of their life cycle and the optimization of cost, risk and performance, in order to achieve strategic goals and achieve maximum sustainable value for the company. |
| Information | Establishes the corporate decisions that guide the management of information and knowledge as critical and strategic assets for the development of the company in its present and future needs, which must be preserved and protected in order to ensure sustainability, the construction of synergies and the continuity of the operation of ISA and its companies. |
| Risk management | Establishes the business decisions that guide Integral Risk Management, through which it seeks to generate and protect the value of ISA and its companies, the integrity of corporate resources, and the continuity and sustainability of the business. |
| Diversity and inclusion | Establishes the corporate decisions aimed at integrating the Diversity and Inclusion approach as a principle of business management and relations with different stakeholders, in line with our purpose "Connections that Inspire", in order to contribute to the achievement of the strategy "Our Future Inspired by Sustainable Value". |

5.2. Employees and Growth

[GRI 2-7, 2-8, 401-1] [NCG 461 5.1]

| New employee hires and employee turnover 2023 | | |
|---|-----|--------|
| | No. | Rate |
| Total number of new employee hires | 37 | 31,9% |
| Total number of new female employee hires | 12 | 10,34 |
| Total number of new male employee hires | 25 | 21,55% |
| Total number of new hires of employees under 30 years of age | 5 | 4,31% |
| Total number of new hires of employees between 30 and 50 years of age | 26 | 22,41% |
| Total number of new hires of employees over 51 years of age | 6 | 5,17% |
| Total number of employee turnover | 9 | |
| Voluntary turnover (resignation) | 5 | |
| Turnover due to internal mobility between companies | 1 | |
| Involuntary turnover (termination of employment contracts) | 3 | |

5.3. Training and benefits

[GRI 2-30, 403-1, 404-1, 404-3] [NCG 461 5.3, 5.7, 5.8]

5.3.1 Training and education

One of our key strategic challenges is to drive the continuous growth of our professionals through industry best practices to strengthen the competencies needed to drive our business and culture forward.

Key actions and training programs:

- » Graduate training.
- » Technical training.
- » Implementation of LinkedIn Learning.
- » Coaching program for managers and professionals with leadership potential.
- » English courses.
- » Co-financing of MBA PUC, Master in Asset Management, Master in Finance.
- » Implementation of inductions with a focus on cyber security, along with mandatory training for all employees by Integro.

GRI 401-1

| | | Women | Men | Total |
|---|--|-------|-------|-------|
| Total employees | | 30 | 86 | 116 |
| Total hours of training completed in 2023 | | 1.190 | 6.009 | 7.199 |
| Average hours of training per employee in 2023 | | 39,7 | 69,9 | 62,1 |
| Hours of training that the organization's employees have undertaken during the reporting period, by employee category | Number of Level 1 employees | 2 | 12 | 14 |
| | Training hours of Level 1 employees: CEOs, managers and Chief Officers | 75 | 376 | 451 |
| | Average training hours of Level 1 employees | 37,3 | 31,3 | 32,2 |
| | Number of Level 2 employees | 12 | 47 | 59 |
| | Training hours of Level 2 employees: directors and line managers | 505 | 3.737 | 4.242 |
| | Average training hours of Level 2 employees | 42,1 | 79,5 | 71,9 |
| | Number of Level 3 employees | 16 | 27 | 43 |
| | Training hours of Level 3 employees: specialists, analysts, technicians and assistants | 610 | 1.897 | 2.507 |
| | Average training hours of Level 3 employees | 38,1 | 70,2 | 58,3 |

Total investment in training (USD)

| | | ISA Interchile | |
|---|--|----------------|-----------|
| Total investment in training (US\$) | | \$317.691 | |
| Average investment in training per FTE | | \$2.739 | |
| | | Women | Men |
| Average investment in training per gender | | \$52.508 | \$265.183 |
| Average investment in training per gender p | | \$1.750 | \$3.084 |

The acquisition of organizational skills and continuous leadership development is a key element of our capability development model. In this way, we seek to respond in an agile and timely manner to the demands of new work models, as well as current and future projects, in order to retain employees with the highest work standards and thus contribute to our corporate sustainability.

At the same time, we promote the manager-employee relationship as a catalyst for the optimal development of our people, creating an environment of trust and cohesive, agile teams.

At ISA Interchile, we have established a performance management program and prioritized 6 organizational capabilities.

1) Adaptability: We respond to challenges with flexibility, agility and simplicity.

2) Operational excellence. We ensure the highest standards of quality, efficiency, safety and service in everything we do.

3) Networking: We build bonds of trust and cooperation, enabling the development of sustainable partnerships and relationships.

4) Digital transformation: We evolve through the adoption and effective and secure development of digital technologies.

5) Innovation and Entrepreneurship: We develop new solutions and business models that create and capture value through experimentation, courage and ambition.

6) Talent development and ongoing training: We attract the best talent, develop skills and ensure cutting-edge knowledge.

To evaluate our individual talents, their contribution to the organization and the ISA 2030 strategy, we consider the Strategic Goals and Organizational Capabilities. Each attribute is measured based on the 9BOX performance methodology.

The performance management cycle consists of 4 milestones: "Inspiro" (I inspire), which generates the performance review sheet between the months of

December and January; "Conecto" (I connect), which is carried out between December and March through the performance plans; "Acompaño" (I accompany), which develops conversations between the manager and employees between October and September to review progress/achievements/risks/obstacles; and, "Me hago cargo" (I take responsibility), which carries out the performance evaluation between October and June, followed by the talent review (performance calibration).

By the year 2030, ISA Interchile plans to enable organizational capabilities to enhance a competitive advantage and achieve 90% of employees being rated with superior performance.

Summary of employees with regular performance reviews

| Employees receiving regular performance and career development reviews in 2023 | Total |
|---|-------|
| Total women receiving performance reviews | 15 |
| Total men receiving performance reviews | 58 |
| Total Level 1 and Level 2 employees receiving performance reviews: CEOs, managers, chief officers and directors | 12 |
| Total Level 3 employees receiving performance reviews | 61 |

In the 2023 review, 79% of our employees achieved a superior level of performance.

5.4. Talent development

During 2023, we launched an important initiative at ISA Interchile: the implementation of the Personal Development Plan (PDP) for each of our employees. This strategic approach, part of best practices in asset management, aims to promote the professional and personal growth of our team, recognizing the fundamental importance of each individual to the collective success of the company.

PDPs are designed as personalized tools that aim to identify each individual's skills and competency gaps and propose a detailed action plan with various development proposals. This approach not only supports individual growth, but also strengthens the collective capacity of our team.

A critical aspect of this initiative is the active participation of leaders in the development of their teams. We want to foster engaged, growth-oriented leadership, where leaders not only act as guides, but are deeply involved in the professional and personal development of their people.

The tangible impact of this investment in development is assessed annually through the performance review process. This comprehensive approach allows for continuous monitoring of identified gaps and provides the opportunity to adjust and adapt development plans to meet the changing needs of each individual and the team as a whole.

Ultimately, the success of this initiative will be measured not only by the reduction of individual gaps, but also by the strengthening of a culture of continuous learning and development at ISA Interchile. We are committed to fostering an environment where every team member has the tools and support they need to reach their full potential.

During 2023, we achieved the goal that 81% of ISA Interchile employees have updated and follow up on their PDP. We also increased effective training hours by 42% over the previous year.

This year we achieved extensive training on human factors in the operations and maintenance teams. In addition, through various actions, planning and courses, we were able to qualify the supervisors of live-line work to be certified and present in this year's major maintenance, which was achieved with the support of other ISA subsidiaries.

The implementation of the Personal Development Plans (PDP) in ISA Interchile for the year 2023 has brought a number of fundamental challenges and opportunities in the area of human resources development. One of the most significant challenges is to ensure effective monitoring of PDPs. Consistency in reviewing plans and adapting to changes in individual objectives is critical to ensuring the continued progress and relevance of these plans as

each employee's professional needs and goals evolve.

Another strategic challenge is the definition and implementation of performance indicators. It is essential that these indicators are measurable, relevant, and aligned with organizational goals in order to accurately assess individual progress. The correct selection and application of these indicators becomes a cornerstone of the success of the PDP program.

In terms of opportunities, the adoption of performance tracking and management tools represents a significant opportunity. These tools can facilitate more efficient monitoring of PDPs, allow for real-time adjustments, and improve communication between leaders and employees, increasing the effectiveness of the initiative.

Another key opportunity is the customization of performance indicators. Adjusting these indicators to more closely align with individual goals not only increases employee motivation, but also gives them a clear direction for achieving their specific goals.

Encouraging appropriate learning opportunities is also a valuable opportunity. Establishing strategic partnerships with educational institutions or training experts can ensure that learning opportunities are aligned with individual needs and organizational goals, providing a significant boost to the development of necessary skills.

Ultimately, addressing these challenges and leveraging these opportunities will not only improve the implementation of the PDPs, but also strengthen the culture of continuous development at ISA Interchile. This holistic approach will help create an environment conducive to the professional and personal growth of each team member.



| GRI [102-8] Information on employees and other workers | ISA Interchile | |
|---|---|-----|
| | Women | Men |
| Total number of full-time employees | 25 | 82 |
| Total number of part-time employees | 5 | 4 |
| Indicate whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, include a description of the nature and extent of work performed by workers who are not employees. | The main activities of ISA and its companies are carried out by its own personnel on permanent contracts. | |

| Detail by age | ISA Interchile |
|--|----------------|
| Number of people between 20 and 30 years old | 6,9% |
| Number of people between 31 and 40 years old | 44,0% |
| Number of people between 41 and 50 years old | 33,6% |
| Number of people between 51 and 60 years old | 15,5% |
| Number of people with < 61 years | 0,0% |

| Detail by disability | ISA Interchile |
|------------------------------------|----------------|
| Number of people with disabilities | 1 |
| % of total plant with a disability | 0,9% |
| Women with disabilities | 0 |
| Men with disabilities | 1 |

5.5. Work-life balance

[NCG 461 5.3]

We have a value proposition based on the work-life balance of our employees, focusing on the sustainable development of people and their talents to achieve strategy.

ISA and its companies recognize that exceptional performance and job satisfaction go hand in hand with mental health and overall well-being. Therefore, we strive to create an environment that respects the personal lives of our employees and provides the tools that people need to drive progress toward greater productivity and engagement.

In the dynamic 2023 scenario, we faced key challenges and opportunities in managing mental health and consolidating the team given the large number of new employees. Accelerated technological progress brings challenges such as digital burnout and the need to

maintain connectedness in an advanced technological environment. Continuous adaptation to change in a dynamic environment is essential to maintain work-life balance. However, these challenges are intertwined with significant opportunities. Behavioral health innovation through emerging technologies offers cutting-edge solutions, and the digital transition provides an opportunity to enhance the skills and knowledge of teams.

This integral approach is presented as a distinctive value proposition that we must continue to develop and strengthen. Fostering an organizational culture that celebrates innovation and flexibility turns challenges into opportunities for growth, reinforcing ISA Interchile's vision as an employer committed to the holistic development of its people. Proactive change management ensures the successful implementation of

spaces such as co-working and benefits - for example - focused on sports and health, contributing to the continuous construction of a balanced and sustainable work environment for the company.

The different ways in which our teams work, for example, those in control centers or substations and others in offices or hybrid work, require thinking about new ideas, new ways of developing and delivering benefits to teams. We have to make sure that we meet their specific needs, so knowing our teams very well, knowing how they work, where they live, what their interests are, hobbies, etc., allows us to develop people better. With the business partner role that is part of the talent management model, we have been able to mature this knowledge and work much more personalized throughout the talent cycle.

Creating a work environment that respects the emotional well-being of employees, combined with practices such as co-working and flexibility, consolidates ISA Interchile's position as an attractive and desirable employer.

5.6. Organizational Climate Survey

The Organizational Climate Survey measures 22 factors that affect our employees' engagement and discretionary effort, as well as the support our company provides them to achieve business success. Among other things, it helps us promote diversity and inclusion, prioritize continuous learning, and foster leadership in our organization to improve our financial performance, build customer loyalty, attract and retain talent, and improve the performance of those who work with us. In 2023, the survey was conducted between September 11 and October 2, and was completed by 99% of the respondents (116 people).

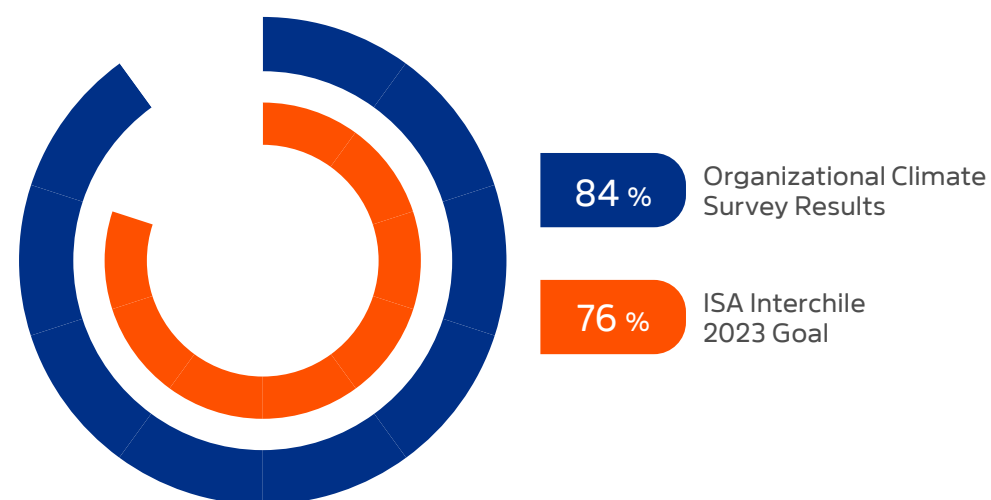
There is evidence of a significant overall improvement in the climate score compared to last year, and we are particularly pleased to see, for example, that factors such as health and safety have increased significantly by +7 points, which means that the work we have done to sensitize our teams and prioritize this issue has had positive results.

Another factor that has increased and that we highlight as a clear strength is the commitment factor, we know and it has been demonstrated that our teams have a high commitment to their work and to what it means to

work in ISA Interchile, which provides a key service to our communities and to the country, highlighting that our teams are highly committed to these purposes. Quality and customer focus, recognition and discretionary effort were also highlighted.

The increase of 6 points in the Commitment Index compared to the previous year reflects the recognition of our employees for the work they do and how it is linked to a positive impact of ISA Interchile in the national progress.

Work Climate Favorability Index



5.7. Benefits

We have a program of benefits grouped around 4 areas of interest. The benefits of each are listed below:



Healthcare

- Supplemental health insurance
- Psychological support
- Leave of absence coverage
- Weekly gym fee for employees living in the metropolitan area and a contribution for those living in the regions to practice sports



Finance

- Variable bonus
- Christmas and holiday bonuses
- Emergency bonus. Credit provided by ISA Interchile in case of unforeseen events, paid in monthly interest-free installments.



Family care

- Criteria for time blocking the schedule between 8 and 9 a.m. for care/accompaniment of children, elderly and/or pets.
- Family celebrations
- Extension of paternity leave by 5 additional days



Employment

- Gift card and birthday greeting
- Day off (agreed upon with the direct management)
- Flexible schedules and telework
- Allowance for teleworking
- Celebration of important dates
- Availability of parking spaces through prior reservation in an app
- End of the workday at 13:00 on Fridays to optimize our processes.

5.8. Occupational Health and Safety

[GRI 403-9] [NCG 461 5.6]

At ISA Interchile, we implement the best risk prevention practices in the industry, we promote and train employees in occupational health and safety to reduce accident rates. Through the Cultural Transformation in Safety model, we focus on risk prevention, detection and assessment, both for our direct and indirect employees.

Since 2022, we began the implementation of the model, diagnosing a level of maturity from 63.9% to 67.23%; while at the end of 2023, the progress raised the potential level of maturity in health and safety to 75.2%, which places us at the advanced level and prepares us to reach the avantgarde standard by the year 2024.

On this path, since 2022 we have started implementing the Connected with Life program, diagnosing a level of maturity in safety and health from 63.9% to 67.23%, while at the end of 2023 we reached 75.20%, which positions us at the advanced level and prepares us to reach the avant-garde level by 2024.

Among the most important activities are the safety walks in our facilities carried out by our managers, which have allowed us to establish contacts with our employees, recommend continuous improvements in our processes and reinforce messages of self-care and commitment to life.

In 2023, we significantly increased the reporting of conditions, unsafe acts and opportunities for improvement in the area of Occupational Health and

Safety (OHS), by implementing two tools that have contributed to the efficiency and systematization of the process. Another relevant aspect is the decentralization of safety management at all levels, with the creation of 4 working groups with multidisciplinary teams in the areas of OHS culture and leadership, safe habits, contractor management, wellness and mental health. We have included 3 OHS indicators: OHS Potential Progress Level, Leadership Level and Risk Correction Level, which guide efforts and management.

Finally, it is important to mention the achievement of aligning the OHS process with the Integrated Management System in view of the ISO 45.001:2018 certification, where we achieved 57% compliance in the first diagnosis.

5.8.1. Joint Committee

Our Joint Occupational Health and Safety Committee plays an active role in promoting and implementing activities related to the health and wellbeing of our employees. In 2023, the Committee continued its work program based on four lines of actions:

- » Investigation of occupational accidents and diseases.
- » Safety inspections and monitoring.
- » Training and dissemination.
- » Recognition and motivation.
- » The joint committee is composed of 6 representatives elected by the workers and 6 representatives appointed by the company.

The committee is elected for the period 2023-2024.

Connected with life

At ISA Interchile, we are committed to the integral care and health of our employees. For this reason, we have implemented this initiative in order to bring together all the actions aimed at the prevention of injuries and illnesses caused by working conditions, while maintaining the protection and promotion of health. In particular, we are working to improve the working conditions and the working environment by promoting the physical, mental and social well-being of the people who work for ISA and its companies.

During 2023, in addition to the program Connected with Life, we focused on four areas: family, drill factory, technologies and mental health.



As part of the Connected with Life program, within the cultural transformation of safety and health at work, we advanced in different actions aimed at strengthening governance and leadership:

- OSH management indicators
- Safety and health leadership
- Commitment to life
- Incident management
- Safety walks

5.8.2. Drill factory

Within the Connected with Life program, ISA Interchile had the initiative to include as one of its 2023 focuses the creation of a drill factory, with the purpose of performing periodic activities in different facilities operated by ISA Interchile. Below are details of the various actions performed:

| February | March | April | August | September | October | December |
|--|---|---|--|---|--|---|
| A high-altitude rescue drill was carried out at the premises of the Bbosch contractor. The activity was held at the contractor's main offices in the training yard and involved rescuing an unconscious employee suspended from a high tension tower | Due to a strong earthquake, an emergency drill was carried out at the head office, which made it necessary to put the emergency plan into practice. It consisted of moving all personnel to the inner safety zone and waiting for evacuation orders from the administration | <p>Emergency drill in the Nueva Pan de Azúcar substation. In this drill, a medium-magnitude earthquake was simulated, forcing the evacuation of all substation personnel to the external safety zone, putting into practice the substation emergency plan and the actions of the evacuation leaders</p> <p>Emergency drill at the Bbosch contractor's site, which simulated a worker being run over during maintenance work at the Polpaico Substation. The emergency plan and first aid techniques are put into practice</p> | Drill carried out by the contractor Securitas at the Nueva Pan de Azúcar Substation, where a panic button was activated during the night shift due to the unauthorized access of people to the plant. The vision system was tested to remotely activate the emergency and assist the Securitas headquarters. | Drill carried out by the contractor Securitas at the Nueva Maitencillo Substation, where a panic button was activated during the night shift due to the unauthorized access of people to the plant. This allowed testing the vision system to remotely activate the emergency and assist the Securitas headquarters | Test at the Interchile Control Center, where an evacuation drill of the Patio Isidora building was carried out | <p>Fire drill in the Las Artes building, during which the building was completely evacuated to the external security zone on the first floor. In this drill, the emergency and evacuation plan was practiced, as well as the leadership and preventive behavior of ISA Interchile personnel</p> <p>Last drill in the Nueva Cardones Substation, simulating a small fire in the plant. The coordination and request for the presence of the Copiapó Fire Department was tested</p> |

5.8.3. Connected with mental health

We launched this initiative in the test phase in 2022, while the bulk of its implementation was developed in 2023, with the goal of building an organizational culture that translates into mental health care behaviors that positively impact occupational health and safety indicators. This is done through the articulation of processes and the provision of information.



We propose:

We propose to establish policies and practices that generate a framework for action on mental health; develop skills focused on their care, foster effective and empathetic communication with a focus on active listening; promote a culture of self-care and wellness, creating resources, instances and support programs.

| Activities in 2023 | Objective/Impact/Content |
|---|--|
| Integration Workshop | <ul style="list-style-type: none"> • Aims to strengthen and integrate teams for the well-being of the workplace • Its impact is the strengthening of the bonds of trust and the sense of belonging to the organization |
| Statement on mental health | <ul style="list-style-type: none"> • It has been proposed to generate a framework for action related to mental health • This resulted in the creation of a holistic wellbeing for employees |
| Mental health storyboard | <ul style="list-style-type: none"> • The goal was to teach about mental health in a ludic way • Provided tools for identifying symptoms associated with mental health |
| Mindfulness workshop | <ul style="list-style-type: none"> • Its goal was to provide self-care tools • Developing psychological resilience in employees |
| Benefits guide | <ul style="list-style-type: none"> • The objective was to provide guidance on the various institutional benefits available • Strengthen employees' sense of belonging |
| Connected with sports | <ul style="list-style-type: none"> • Use sports as facilitator of mental health • Impact on strengthening teamwork and creating stronger bonds |
| Mental health workshops | <ul style="list-style-type: none"> • "Myths and truths about mental health" • "Tools for creating wellness in the workplace" • "Healthy habits in challenging contexts" • "Active listening and strengthening leadership" • "Psychological first aid" |
| Outdoor team building days | <ul style="list-style-type: none"> • Outdoor team building activities • Family day and celebrations |
| Digital information | <ul style="list-style-type: none"> • Asynchronous online course on mental health • Information sheets for family education about mental health |
| Communication and bonding sessions | <ul style="list-style-type: none"> • Questionnaires and reflective conversation sessions to gather suggestions |

5.8.4. Connected with sports

We believe that physical health is relevant to better performance and well-being; it reduces absenteeism, decreases work stress, and improves self-esteem, company morale, and quality of life.

For this reason, we offer weekly group spinning and stairmaster hiit classes, as well as incentives for employees to exercise independently.



5.8.5. Other activities

As part of our OSH policy, we held the first Safety Week; the area also made an exhibition focused on occupational health and safety at the meeting with suppliers organized by ISA Interchile. In addition, we performed regular emergency drills in the various facilities; staff training and updates to the emergency plans; implementation and improvement of digital OSH tools; and the launch of the "Connected with Life" and "Mental Health" websites.

In order to implement an action plan aimed at standardizing best practices, policies and OSH documents with our parent company ISA, in March our Substation Manager, Samuel Marín, participated in a referencing workshop with ISA Group companies (CTEEP, REP, Transelec and Intercolombia).



In addition, in December, part of our OSH team went to ISA's headquarters for a week to conduct OSH referencing. We held meetings with ISA and Intercolombia's OSH team and a meetings with ISA's Head of Integral Safety.

Finally, throughout the year we participated in the OSH Synergy Table of the Chilean Transmission Companies Association. There, we shared best practices and experiences in an effort to standardize risk prevention measures in the industry's activities and unify criteria that help us create a safer industry.

Occupational Health and Safety Numbers 2023

| | |
|---|---------|
| Hours worked | 836.804 |
| Total recordable injury frequency rate (TRIF) | 0 |
| Number of employees | 6.056 |
| Average number of employees per month | 505 |
| Average hours worked per year (45 hrs/week) | 2.160 |
| Exclusions from TRIF reporting | 2 |
| Recordable injuries | 0 |

5.9. Diversity and Inclusion

[GRI 403-1, 405-1, 405-2, 406-1] [NCG 461 5.4, 5.1, 5.5, 3.1.vi, 3.1.vii]

We are a diverse organization that promotes equity and equal opportunity, values differences, and creates spaces where all of our employees feel valued and respected. In an effort to integrate the concepts of Equity, Diversity and Inclusion as part of our organizational definition, we manage lines of work aimed at creating adequate spaces of participation for all those who work with us and to be a reference in this area.

For this reason, we participate in various industry roundtables that promote gender equality. One example is our participation in the Energy + Women Roundtable of Ministry of Energy at the Coquimbo region, which meets every three months and to which we contribute by applying different practices.

All of this is part of our corporate program "Otras Miradas" ("Other Perspectives"), which is based on:

Lines of work

- » Promote the formation of diverse teams that allow the company to advance towards the strategic goals of 2030, including diversity and inclusion in the processes.
- » Incorporate Diversity and Inclusion as a generator of shareholder value, with social impact and corporate validity through innovation.
- » Develop actions to raise awareness and involve the entire organization in this journey.
- » Establish strategic alliances with the ISA Group, government agencies, NGOs and relevant social actors.

5.9.1. Our Diversity

Involvement of women in the organization

| | 2022 | 2023 |
|--|------|-------|
| Percentage of women in leadership positions (Levels 1 and 2) in core and revenue-generating areas (e.g., finance, strategy, technology, audit, innovation) | 1% | 14,0% |
| Percentage of women in STEM careers (Science, Technology, Engineering and Mathematics) | 16% | 40% |

Main actions performed in 2023, by focus of work

| | |
|---------------------------|---|
| Gender equality | <p>Alliance with Energía + Mujer of the Ministry of Energy.</p> <p>PTI Technical Program for the Incorporation of Technical Competencies for Women in Electricity Companies.</p> <p>Transformation of internal processes:</p> <ul style="list-style-type: none"> ▪ Reformulation of processes in the area of organizational talent, with actions such as the redefinition of job descriptors and the elimination of gender bias. ▪ Recruitment practices with a gender focus. ▪ Incorporating diversity and inclusion concepts into the onboarding process. ▪ Encouraging and supporting the search for female talent. ▪ Definition of pay equity |
| Sexual diversity | Recognizing LGTBQ Pride Month to increase awareness and knowledge of this community. |
| Disability | Incorporated two interns in agreement with Universidad Andrés Bello. |
| Divergent Thinking | We planned a series of workshops on this topic for 2022. |



Members of the Coquimbo Regional Roundtable: Energy+Women

Our team includes Chilean, Venezuelan, Colombian, Argentinean and Spanish nationals.

5.9.2. Pay Equity

We want to ensure the right level of equity across all of our positions, which is why we have a strong gender pay equity policy. We follow a methodology provided by ISA in which each position has an income level associated with salary bands. Therefore, all positions in our structure are valued and measured equally and are divided into three levels: Executives, Specialists and Analysts. When searching for any of these positions, the income is determined according to this methodology, thus achieving pay equity for every person, male or female.

5.9.3. Parental leave and value to the family

At ISA Interchile, we extended the paternity leave by 5 additional days.

Employees that took parental leave in 2023

| Parental leave | ISA Interchile | |
|--|----------------|-----|
| Total number of employees that took parental leave | Women | 2 |
| | Men | 0 |
| Total number of employees that returned to work in the reporting period after parental leave ended | Women | 1 |
| | Men | 0 |
| Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work | Women | 1 |
| | Men | 0 |
| Return to work and retention rates of employees that took parental leave | Women | 50% |
| | Men | 0% |
| Total number of employees that were entitled to parental leave, by gender | Women | 2 |
| | Men | 0 |

We have time blocking between 8 a.m. and 9 a.m. when it is recommended not to have meetings so that people can take care of children, the elderly and/or pets with this more flexible work schedule.

We understand that family is one of the most important aspects of everyone's life. Therefore, we organize an annual party where we invite our team families to enjoy a special day.



5.9.4. Discrimination and Harassment

ISA and its companies, as part of the Ecopetrol Group, reject any form of discrimination. Our actions are based on building constructive, dynamic and trusting relationships with our partners and stakeholders. These relationships grow and flourish through mutual care, understanding and respect.

Through our Diversity and Inclusion Policy, we at ISA Interchile are committed to fostering an environment where every individual is valued and has equal opportunities. Therefore, we reject any form of discrimination and take measures to prevent and punish workplace and sexual harassment.

5.10. Volunteer work

We are aware of the needs of our environment, such as access to opportunities and better education, ISA has a corporate volunteer program through which it seeks to contribute directly to transforming the realities of the communities.

We focus on three areas of volunteer work:

- Care of the Planet, where we use our skills to create a community where together we positively impact nature and leave a better planet for future generations.
- Experience, where we use our passion, knowledge and talent to create inspiring experiences that enhance communities' ability to dream.
- Knowledge and Culture, which seeks to connect with children and youth in communities to help them successfully complete their educational cycles. We also support entrepreneurs to strengthen their business ideas.

To execute our volunteer plan, we have a strategic alliance with United Way, a nonprofit organization whose mission is to create change in the communities in which they operate. Specifically, in 2023, 22 of our employees and their families participated in two activities focused on early childhood:

- Children's Day, at the Burbujitas Kindergarten in Cerro Navia
- Christmas, where we visited the Manitos Raíz Kindergarten in the town of Polpaico. There we did handicrafts, played games and gave presents.



Mentoring students from the Cardenal José María Caro School in La Pintana

We also participated in a mentoring program for young students from the Cardenal José María Caro School in La Pintana, developed by United Way in collaboration with Fundación Belén Educa..

13 employees of our company accompanied young students for 4 months to reduce the gaps through an innovative methodological design in 6 sessions, developing a personalized support plan for the students in different areas, such as professional, work, academic and personal, among others.

As a result, we observed a 60% improvement in students' persistence in their studies (technical or university) and a 45% improvement in their insertion in the labor market, according to United Way data.



Our contribution to Teletón 2023

This year, for the Teletón, we carried out a campaign as ISA Chile (Intervial - ISA Interchile), achieving a collaborative contribution from our employees and subsidiaries that reached **Ch\$7,645,000 million** for this important rehabilitation institution.

*The total of voluntary contributions amounted to **Ch\$44,908,790***





06

SUSTAINABLE PERFORMANCE

6. SUSTAINABLE PERFORMANCE

6.1. Sustainability at ISA Interchile

[GRI 408-1, 409-1, 410-1]

Sustainability is a global challenge, and as an organization, we believe strongly in it. Our commitment to leadership in this area recognizes the importance of addressing the environmental, social and economic challenges we face.

In a world where the demand for energy continues to grow, the pressure on natural resources and the environment is increasingly evident. As part of this industry, we must manage our resources responsibly and efficiently, minimize our impact on the environment, contribute to the preservation of biodiversity and lead a socio-territorial development that leaves a footprint for future generations.

In a context where energy security and equitable access to electricity are imperative, we strive to make our operations sustainable, reliable, safe and enabling. This means not only meeting the highest standards of safety and quality in the transmission of electricity, but also working closely with local territories and their stakeholders to understand their needs and concerns. We understand that when we connect one point to another, we connect people, making each connection an inspiring act.

This year 2023 has brought important challenges to ISA Interchile, which, hand in hand with the **Corporate Strengthening Plan**, has seen its organizational capacity increased through the incorporation of collaborators specialized in the processes whose purpose is to carry out social, environmental and property management in ISA Interchile during the entire life cycle of the assets, incorporating sustainability as a key strategy of the industry from the genesis of the projects.

Sustainability Campaign

We developed a campaign to strengthen ISA Interchile's culture of sustainability with the following pillars: protect, reduce, reuse and recycle.

We created 4 capsules that addressed the following topics: Efficient use of energy in the office, with recommendations for energy efficiency; Sustainable mobility, with recommendations for reducing the use of fossil fuels for transportation; Plastics, with measures for reducing their use in different daily actions given their impact on the environment; and, Sulfur Hexafluoride (SF6 gas), describing the actions taken during the year 2023 for its management in substations.



Human Rights and the Global Compact

[NCG 461 3.5]

In line with our Declaration of Commitment on Human Rights and as a way to promote respect for, promotion of, compliance with, and integration of human rights into our corporate culture, we provided training and education on human rights to our employees during 2023.

| Employees trained | 2023 |
|---|------|
| Number of people who are part of the Company's security personnel | 4 |
| Number of people who are part of the Company's security personnel who have received formal training | 4 |
| Percentage of security personnel who have received formal training | 100 |

We have a Code of Ethics that prohibits practices that violate human rights. Similarly, the principles of respect and commitment to life require the Company to guarantee the defense and promotion of human rights, to prevent discrimination and to comply with HSE standards.

In this sense, this Code requires compliance with the law, which means that ISA and its companies are committed to complying with applicable local and international standards regarding fair labor practices and human rights, including the prohibition of forced or child labor.

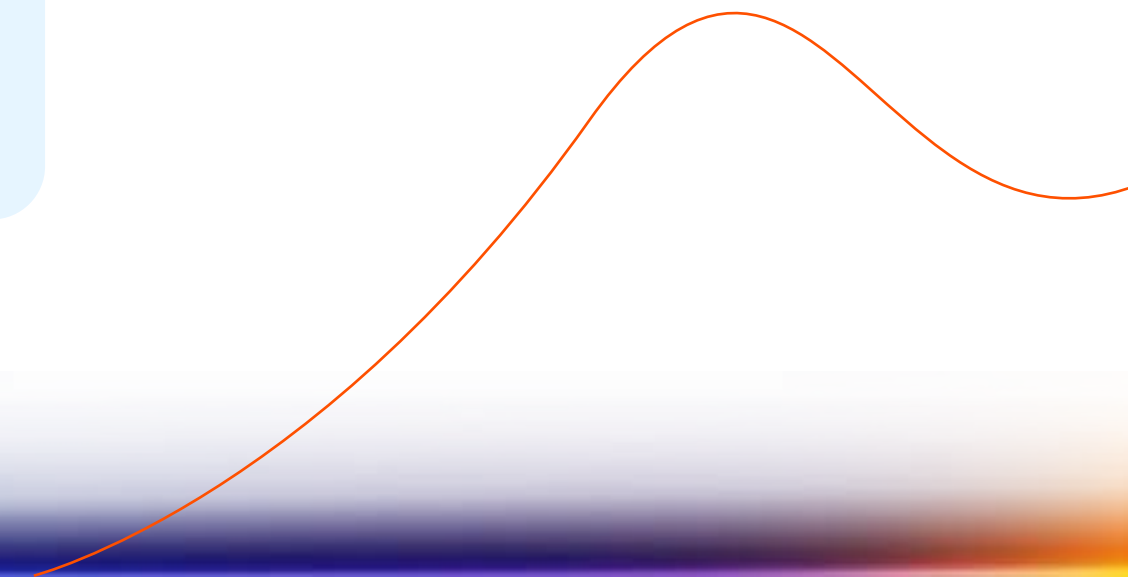
To help eliminate all forms of forced or compulsory labor, we have contractual clauses that require our contractors to comply with human rights obligations and commitments. We also train new contractors on these issues.

Finally, there were no instances of child labor within ISA Interchile or through the work of our suppliers. As a result of all of the above, there were no human rights violations in 2022 and 2023.

Global Compact

We are a member company of the United Nations Global Compact Chile (Global Compact) since 2021, and we honor our commitment by actively participating in the various initiatives implemented by the Global Compact and our adherence to the Sustainable Development Goals.

For this reason, we have participated and collaborated in different actions carried out in the different geographical areas where we are present.



6.2. Social Management [GRI 2-25, 413-1, 413-2]

6.2.1. Commitment to social and economic development:

We are committed to community development, especially in the 22 municipalities where we operate. To this end, we have a social management strategy that addresses various local challenges. Within this framework, we seek to promote positive change through public-private articulation and the co-construction of programs that create sustainable value, leave a positive legacy and encourage the promotion and respect of human rights.

"We connect with the communities where we operate by responsibly assuming our commitments and building a common purpose with them, through interactions based on trust and transparency, to achieve solutions with high social and environmental impact, in line with the ISA 2030 strategy."

In this line, we carry out collaborative initiatives with a short-, medium- and long-term perspective, promoting collective benefits based on and with a vision of the needs of the territories.

The management objectives consider three approaches:

1. Compulsory social management, which is linked to the compliance with the legal obligations of the projects we develop, and more specifically to the management of the impact on social systems and their relationships. In this sense, these measures aim to mitigate and compensate for the impacts identified during the Environmental Impact Assessment of the Cardones-Polpaico and Encuentro-Lagunas projects.

2. Complementary social management is performed to prevent and mitigate social risks that may arise during the life cycle of our assets.

3. Finally, Voluntary social management responds to contributions made by the Company on a discretionary basis to fulfill other commitments established with stakeholders.

The way in which we evaluate the progress of the social management we carry out is linked to: social investments made, number of beneficiaries, doubts or complaints received from the community and the implementation of environmental qualification resolution measures (RCA)

6.2.2. Main achievements 2023

Among the main achievements of the **Mandatory Social Management**, is the continuity in the community relations from the implementation of the RCAs actions related to the Aymara de Quillagua and Chipasse Ta Tatara Diaguita indigenous communities, in the municipalities of María Elena and Freirina, respectively. Progress has also been made in the participatory reconstruction of a public space in the El Romero sector, in the municipality of La Serena.

This project, which is nearing completion, closes an important compensatory measure of the Cardones Polpaico Project, called the "Program for the Development of Green Areas in Maitencillo, Freirina and El Romero".

This initiative was recognized by the Fundación Mi Parque in recognition of ISA Interchile's work for the benefit of the communities. In this item, mandatory social investments made reached **Ch\$228,766,308**.

In terms of **Complementary social management**, this year we engaged in dialogue with new communities, which allowed us to better understand how our assets relate to their environment and, from this listening, to seek alternatives for a more sustainable coexistence. As a result, we have established links with new social organizations to plan species restocking, road maintenance and security work.

In addition, in this management axis, we deepened our participation in the Pro Tilttil Corporation, promoting an agreement with la Fundación Huella Local that articulates a *Convergence Roundtable for the local development of Tilttil*. The community, the Civil Society Council and the companies that make up Pro Tilttil, as well as other companies operating in the community, participate in this roundtable. As a result of this year, a portfolio of infrastructure projects has been prioritized in a participatory manner, to be managed by the Foundation and the other actors involved.

Finally, in this area of management, we highlight the continuity of the vocational technical training axis using the **Conexión para el Desarrollo program**, in the Coquimbo region. This program seeks to strengthen the capacities of the educational ecosystem through a methodology aligned with the Professional Technical Qualification Framework with students and teachers from technical high schools in 8 educational institutions in the Coquimbo region (specializing in electricity and electronics). This year, we also included a gender focus in the educational proposal.

A social investment of Ch\$75,000,000 was generated in this area.

Social Management Investments and Outreach

| Social Management | 2021 | 2022 | 2023 |
|--------------------------------|-----------|-----------|-----------|
| Total Social Investment (US\$) | \$702.455 | \$533.317 | \$398,555 |
| Total people benefited | 6.850 | 7.252 | 6.514 |
| Benefited organizations | 12 | 26 | 20 |

Finally, our **Voluntary social management** was materialized through contributions to social organizations that are part of our area of influence, where the main objective was to collaborate in the development of festivities and instances of local culture.

Volunteer Program with the United Way Foundation

This volunteer program had 3 cases:

Mentoring for third grade students from the Cardenal José María Caro School in the La Pintana municipality. These mentorships involved 13 of our employees, who for 4 months shared their life experiences and guided young students in an important stage of their personal development.



Likewise, and also hand in hand with United Way, we developed two other specific actions:

The Children’s Day celebration at the Burbujitas Kindergarten in Cerro Navia and the Christmas Party at the “Manitos Raíz de Libertad” Kindergarten in Polpaico, Tilttil. Both activities were attended by 22 of our professionals and their families. See details in chapter 5, point 5.10. “Volunteering”.

Teletón Foundation

This year, for the first time, we participated in the Fundación Teletón campaign, with an internal collection and a donation from the company itself to this important rehabilitation institution.

Conexión Puma

Together with Club Deportivo y Social Colo-Colo, Fundación Reforestemos and ISA Intervial

We planted 100 species in the Macul municipality, 50 in La Pintana and 50 in Maipú municipalities. Twenty of our employees were involved in this initiative.

*The total of voluntary contributions amounted to **Ch\$45,814,544.***


This last amount, added to those of mandatory and complementary social management, gives a total of **Ch\$349,580,852** of social investment made by ISA Interchile.



Conexión Desarrollo Social Management Model

In July 2023, ISA presented in Lima, Peru, the new Social Management Model called *Conexión Desarrollo*.

Through our Social Management Model, we seek to strengthen the capacity and infrastructure of community ecosystems to generate opportunities and contribute to their development, with a vision of corporate sustainability that makes our business sustainable in the territories and allows us to achieve the objectives of our strategy.

| Social Management Framework | | | |
|--|--|--|--|
| ISA 2030 Strategy | Framework | Objectives | Relationships / Investment Programs |
| <p>Positive social and environmental impact</p> <p>Generate benefits through high-impact social programs</p> | <p>Social Management Model</p>  <p><i>Conexión desarrollo</i></p> | <ol style="list-style-type: none"> 1. Generate value for society through social programs that contribute to development 2. Generate value for the company with social programs that make operations viable 3. To have a portfolio of high impact social programs that contribute to the achievement of the ISA2030 strategy | <p>Asset Life Cycle</p> <p>Mandatory</p> <p>Strategic</p> <p>Lines</p> <ul style="list-style-type: none"> • Education and Training • Entrepreneurship and Productivity • Infrastructure and Access to Public Services |

Social Management Objectives

| Objectives | Description | Metrics |
|---|--|---|
| Generate value for society through social programs that contribute to development | Shows the contribution to the development of society in the areas of influence of ISA and its companies | Social Return on Investment (SROI) |
| Generate value for the Company through social programs that make business visible | Shows how much relationships with local stakeholders are improved, how projects and operations in the territories are made viable, and how much the Company's reputation is enhanced through social programs | Return on Sustainability Investments (ROSI) |
| Have a portfolio of high-impact social programs that contribute to the achievement of the ISA 2030 strategy | Shows how well structured the programs and initiatives are that are implemented throughout the lifecycle of the assets to be considered high impact programs | Social Programs Impact Index (SPII) |

Conexión Desarrollo

More than a concept, we believe that *Conexión Desarrollo* = C+D is a formula for creating **high-impact actions in the territories**. To do this, we design projects, programs or initiatives to strengthen capacities and create opportunities,

with the aim of reducing development gaps in the territories.

Guiding principle: We respect and celebrate the socio-cultural diversity of communities and institutions,

seeing it as an opportunity to co-construct better territories in line with our higher purpose.

Associated principles: Clear communication and constant listening; Inclusion and respect; Complementarity and linkage; Ethics and transparency; Impact-oriented program design; coordination and permanence; Do no harm and co-responsibility.

Following the guidelines of ISA and its companies, the model considers the accompaniment of the life cycle of its assets based on 4 moments:

1. Reading and knowledge of the territories.
 2. Design and implementation of programs and actions.
 3. Linkage with other key processes.
 4. Follow-up, monitoring and reporting.
- Likewise, Conexión Desarrollo has four pillars of work:
- i. Education and Training
 - ii. Entrepreneurship and Productivity
 - iii. Infrastructure and Access to Public Services
 - iv. Sustainable Projects and Operations

6.2.3. Challenges ahead

One of our main challenges is to generate social programs with high impact, in line with the ISA 2030 strategy. To this end, we must continue to fulfill our legal obligations hand in hand with the community, which always involves reaching agreements for the development of initiatives. In addition, we expect to promote new listening processes in areas where our assets are part of the daily life of communities. This is an important opportunity for ISA Interchile, because it means taking a step forward in terms of sustainable coexistence between communities and our assets.

Another challenge will be the implementation of the new Social Management Model, with which we want to stamp a seal of work with all the communities where ISA operates. A novel and challenging aspect of this model is the possibility of applying a methodology that will allow us to quantitatively evaluate how ISA Interchile's social programs generate value for society and the Company.

Finally, the experience of the last few years in the relationship between companies and communities shows that ISA Interchile's social management and its *Conexión Desarrollo* model seek to generate value with a common purpose, with interventions that seek to combine sustainable and long-term dynamics.

6.2.4. Communication with communities

In 2023, our social area directly communicated the actions, milestones, progress and results of the voluntary environmental commitments of the RCAs for the projects operated by the Company, mainly through face-to-face meetings with the community.

20 meetings with territorial and functional organizations in 2023.

Social investments and projects [GRI 413-1]

1. El Romero Green Areas Program

Project area: Sustainable operations

Between 2019 and 2023, in collaboration with Fundación Mi Parque, we implemented a program to develop green areas in the municipalities of Freirina and La Serena. Currently, we are completing the project in the municipality of La Serena, specifically in the sector of El Romero, to recover more than 1000 m² of common spaces to promote local meetings, the strengthening of local identities, the generation of links and a better quality of urban life.

Amount invested: Ch\$77,927,468
Beneficiaries: 3,974

2. Diaguita Cultural Empowerment Program

Project area: Sustainable operations

Dissemination of Diaguita culture. As a result of the Cardones-Polpaico Transmission Project and due to the indigenous consultation process required by ILO Convention 169, since 2015 we have maintained a close relationship with the Chipasse Ta Tatara Diaguita Community, composed of 35 families in the municipality of Freirina, which has led to the implementation of various initiatives. It should be noted that this relationship has been consolidated and deepened over the years.

Currently, we are working on a continuous relationship with this community, based on a program to strengthen the Diaguita culture, which translates into the execution of 5 handicraft workshops.

3. Pro Tiltil Corporation

Project area: Access to infrastructure

As a company associated with Pro Tiltil Corporation, we participate in the implementation of social programs for community development, support for entrepreneurship, culture and education; to improve the quality of life of the neighboring communities.

In this context, in 2023 we developed an alliance with Fundación Huella Local to strengthen the community's capacity to access public funding for municipal infrastructure projects in an area declared by the government to be lagging behind.

Amount invested: Ch\$10,000,000
Beneficiaries: 1,367

4. *Conexiones para el Desarrollo Program / Technical Vocational Training Coquimbo*

Project area: Education and/or Training

It aims to strengthen the capacities of the educational ecosystem through a methodology aligned with the Professional Technical Qualification Framework with students and teachers of technical high schools of 8 educational institutions in the Coquimbo region, specializing in electricity and electronics. The corporate program included a process of providing tools in innovation to teachers and management, as well as in entrepreneurship and leadership to students, who also participated in the formulation of initiatives with a focus on sustainability for the benefit of the community.

Amount invested: Ch\$56,000,000
Beneficiaries: 632

5. ISA Cup

Project area: Education and/or Training

In partnership with Fundación Ganamos Todos, we developed a training school for soccer referees and a sports school for students aged 10 to 13 from schools in the municipality of Tiltil. The objectives were: to promote a healthy lifestyle among students and to reduce bullying in educational institutions.

Amount invested: Ch\$25,000,000
Beneficiaries: 192



6. Design and construction of an Oasis Observation and Interpretation Station; Meteorite Valley Viewpoint; and signage improvements at the entrance to Quillagua

Project area: Sustainable operations

Development of mandatory mitigation measures in the community of Quillagua, municipality of María Elena, through a participatory design and construction process with the Aymara indigenous community of Quillagua. Currently, two projects are underway: the Meteorite Valley viewpoint and the installation of signage.

Amount invested: Ch\$124,418,356
Beneficiaries: 141

Territorial presence of ISA Interchile's Social Management

| | 2023 |
|---|------|
| Number of municipalities, communities, and communes in which the company is present | 22 |
| Number of municipalities, communities, and communes in which the company has performed social projects during the year under review | 8 |
| Number of municipalities, communities, and communes considered critical | 8 |
| Number of municipalities, communities, and communes considered critical in which the company has performed social projects during the year under review | 8 |

Note: The unit of measurement refers to localities that represent communities

Impacts on communities

(GRI 413-2)

Location of operations with significant actual and potential negative impacts on local communities:

- » Encuentro-Lagunas 2x200 kV transmission line: Tarapacá and Antofagasta regions, Quillagua indigenous community, María Elena municipality.
- » Cardones-Polpaico 2x500kV transmission line: Atacama, Coquimbo, Valparaíso and Metropolitan regions. 12 local communities prioritized due to the impact on the landscape, human environment or other environmental components affected during the construction of the projects, and environmental commitments for the operation phase, related to the noise impact due to the corona effect.

In both projects, communities were affected in terms of livelihood systems and customs associated with the construction of the projects.

At present, they are in the operation phase, the impacts of which are also related to the livelihood system and customs, due to maintenance work, noise levels due to the corona effect, light standards in substations, and use of roads for maintenance.

6.3. Environmental and Land Management [GRI 2-24, 2-25]

The Environmental and Land Strategy is based on the achievement of the Business Plan, with a transversal view to the management of the life cycle of the assets, thus constituting a long-term planning tool for the achievement of our higher purpose, to make connections that inspire.

The objective of Environmental Management is to manage the environment in a safe manner and to seek alternatives for adaptability and resilience to new challenges in order to achieve economic and sustainable development.

The objective of land management is to carry out a multi-scale analysis of the territory, which allows the operation of our current assets and the feasibility of future assets, incorporating technological tools for decision making.

As a strategic process in the life cycle of assets, we contribute to the development of environmentally and territorially sustainable projects, resilient to climate change and focused on the circular economy.

| Strategic guidelines | Definitions |
|--|---|
| Create sustainable assets | <ul style="list-style-type: none"> Undertake strategic planning Develop environmental and territorial studies of costs, risks and quality of performance Perform integrated management of territories Comply with current legislation and regulations on Occupational Health and Safety and the Environment |
| Develop an organizational culture based on eco-efficiency | <ul style="list-style-type: none"> Establish energy efficiency as a pillar of asset management Reduce and manage waste Reduce the carbon footprint of facilities |
| Sustainability as a pillar of asset operations and maintenance | <ul style="list-style-type: none"> Conduct environmental and land monitoring and verification Manage environmental and territorial risks Promote sustainable production capabilities in our areas of influence |
| Reduce environmental and territorial risks to our assets | <ul style="list-style-type: none"> Promote the development of climate change adaptation and resilience mechanisms that reduce risks Deepen and broaden territorial knowledge through the development of technological applications for decision making Apply technological tools for control and monitoring |

At ISA Interchile, we work to contribute to the protection of ecosystems and biodiversity in the areas where we operate, projecting ourselves with a global vision and a long-term view, as a result of which we identify, evaluate and mitigate any environmental risks that our operations may have.

We have an Environmental Strategy that focuses on three strategic pillars: Biodiversity, Climate Change and Eco-Efficiency.



BIODIVERSITY

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



CLIMATE CHANGE

Consolidated practice of measuring, reducing and offsetting greenhouse gas (GHG) emissions from business operations



ECO-EFFICIENCY

Going beyond results to manage impacts

We adhere to an Environmental Policy whose objective is to declare the guiding principles of environmental management to ensure that the processes and operations of ISA and its companies are aligned with sustainable development.

In this context, the first management objective is to comply with current regulations and agreements signed at the national and ISA levels.

We have two projects in progress with current environmental qualification resolutions, which are: Cardones Polpaico (RCA No.1608/2015) and Encuentro Lagunas (RCA No.240/2016).

In line with this, at ISA Interchile, through the concept of eco-efficiency, we constantly seek and incorporate concrete actions to reduce emissions in its operations: measuring the carbon footprint, reducing energy consumption and promoting sustainability in each of its processes and throughout the life cycle of the assets.



6.3.1. Climate Change

In order to contribute to the mitigation of climate change, we have aligned ourselves with the joint actions of government, social sectors and companies seeking to offset their emissions, as well as monitor, control and manage our greenhouse gas (GHG) emissions. In addition to identifying and optimizing potential GHG sources, we offset our emissions through the purchase of carbon credits, which contributed to our certification process as a carbon neutral company in its operations.

Looking ahead to future challenges, we are developing a climate change adaptation study to be conducted by the Global Change Center of the Pontificia Universidad Católica de Chile, with support from the UC Energy Center.

Among the activities to achieve the objectives, the development of the conceptual framework and the review of background studies on the impacts, vulnerability and adaptation to climate change in Chile and its link to the electricity transmission systems will be considered.

The general objective of the Climate Change Adaptation Study is to analyze the risks related to natural phenomena caused by climate change that affect the business and assets of ISA Interchile and its closest communities, considering the physical and transition risks related to climate change adaptation, being a pioneering initiative in our sector.

6.3.2. Carbon neutral

The ISA 2030 Strategy aims to contribute in a proactive and transcendental way to the climate change crisis, through mitigation actions and the promotion of initiatives that generate positive impacts, with an emphasis on the protection and conservation of ecosystems and their biodiversity.

Although the operations of ISA and its companies are not carbon intensive, aware of its role and as a legacy for future generations, ISA aims to reduce and offset the emissions associated with its operations and also contribute to the reduction of 11 million tons of CO₂ equivalent for the planet by 2030, this reduction is distributed as follows:

From 2022, we are carbon neutral in our operations, certified by Icontec and measured in Scopes 1 and 2.

From 2022 ISA and its companies are carbon neutral in their operations, a major milestone in the permanent work for a cleaner planet, which implies a rigorous and permanent management focused on reducing the impact of our businesses for scopes 1 and 2.

Our gross Scope 1 emissions include: Fossil fuel consumption, (stationary source emissions) and emissions associated with SF₆ leakage.

The certification is valid for three years, subject to annual verification during this period, with 2021 as the baseline year in which GHG emissions are validated and verified by an independent accredited entity.

These were fully offset in 2022 for Scopes I and II; for the following years until 2030, it is planned to offset the residual emissions of those tons of CO₂e that were not reduced or avoided through measures to improve eco-efficiency and circular economy performance in the operation and maintenance phase.

In the component to reduce its own impact, a path has been defined to achieve emission neutrality in the operation and maintenance phase of its assets, through the measurement, management (avoidance, reduction or substitution) and compensation of its greenhouse gas (GHG) inventory, mainly with carbon credits certified according to rigorous standards with international recognition.

6.3.3. Eco-efficiency Strategy





[GRI 2-25]

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







In this context, and in compliance with Chilean legislation and the commitments made in the Paris Agreement, and based on the global pillars, we have set ourselves the goal of reducing our greenhouse gas emissions.








Long-term strategy: energy and mobility efficiency

Short-term strategy: emissions quantification

-  Standardize and systematize data quantification of environmental variables used for emissions quantification.
-  Definition of verifiable, responsible and storage records.
-  Verification of reported data.
-  Data quality improvement strategy for the most significant data.

Actions to achieve 5% reduction by 2030:

-  Establish a system to monitor activity data.
-  Submit system for reporting and verification.
-  Methodologies for updating emission factors.
-  Survey of major emission sources.
-  Technological renewal plan.
-  Operational management plan for fuel and energy consumption.

-  Use of efficient lighting.
-  Use of efficient water management technologies.
-  Minimization of waste in project construction.
-  Replacement of efficient luminaires.
-  Waste minimization in project construction.
-  Promote energy efficiency in our offices.
-  Measuring the carbon footprint related to the mobilization of our employees.

6.3.4. Energy and emissions

[GRI 302-1, 303-1, 303-5, 305-1, 305-2, 305-3, 305-5, 306-3, 306-4, 306-5]

Energy consumption within the organization

| | 2022 | 2023 |
|---|-----------------------|---------------------|
| Non-renewable fuels purchased and used (MWh) | 20,67 | 152,1 |
| ACPM consumption | 20 | 143 |
| Gasoline consumption | 1 | 9,1 |
| NGV consumption | NA | NA |
| Natural gas consumption | NA | NA |
| Coal consumption | NA | NA |
| Purchased non-renewable electricity (MWh) | 790,608 | 642,47 |
| Purchased steam/heat/cooling and other non-renewable energy (MWh) | NA | NA |
| Total consumption of non-renewable energy (MWh) | 790,6 | 642,5 |
| Purchased or generated renewable energy consumption (MWh)(*) | 896 | 1129,19 |
| Photovoltaic | 298,6 | 353,9 |
| Wind | 193,3 | 205,3 |
| Other | 404,1 | 569,9 |
| Renewable fuels purchased and used (MWh) | (previously reported) | Previously reported |
| Total renewable energy consumed (MWh) | 896,02 | 1129,19 |
| Total internal energy consumption (MWh) | 1686,65 | 1771,66 |
| TRM (US\$) | 850 | 877,12 |
| Total cost of energy consumption (US\$) | 8.290 | 22550 |
| Percentage of total operating expenses for the year related to energy consumption (%) | 0,00% | 0 |

(*)The consumption of energy from renewable sources purchased is obtained through the gross generation of the National Energy System (SEN) published by the National Energy Commission (CNE).

Scope 1 emissions covered by the Kyoto Protocol

| Required Information | Units | 2023 | GWP |
|--|-----------------------|---------------|--------|
| | | | Used |
| Carbon Dioxide (CO ₂) emissions | ton CO ₂ e | 37,1 | 1 |
| Methane (CH ₄) emissions | ton CO ₂ e | 0,042 | 28 |
| Nitrous oxide (N ₂ O) emissions | ton CO ₂ e | 0,08 | 273 |
| Hydrofluorocarbons (HFCs) emissions | ton CO ₂ e | NA | NA |
| Perfluorocarbons (PFCs) emissions | ton CO ₂ e | NA | NA |
| Sulphurhexafluoride (SF ₆) emissions | ton CO ₂ e | 716 | 25,200 |
| Nitrogen trifluoride (NF ₃) emissions | ton CO ₂ e | NA | NA |
| Global Gross Scope 1 Emissions | ton CO ₂ e | 753,2 | |
| Percentage of methane (CH₄) (See notes section under number 3) | % | 0,0056 | |

Greenhouse Gas (GHG) Inventory

SCOPE 1

2023

| Activity | Number | Time unit | tons Co2 e/year | Contribution % |
|---|-------------|-----------|-----------------|----------------|
| Use of ACPM in power generation plant | 105,680317 | Gal | 1,07 | 0,07% |
| Company-owned vehicles using gasoline | 250,1083223 | Gal | 2,13 | 0,14% |
| Company-owned vehicles using diesel fuel | 3332,5786 | Gal | 33,87 | 2,22% |
| Company-owned vehicles using gas | 0 | m3 | 0,00 | 0,00% |
| Company-owned vehicles using biodiesel | 0 | Gal | 0,00 | 0,00% |
| Company-owned vehicles using ethanol | 0 | Gal | 0,00 | 0,00% |
| R-134A refrigerant gas recharge | 0 | Lb | 0,00 | 0,00% |
| R-22 refrigerant gas recharge | 0 | Lb | 0,00 | 0,00% |
| R-410A refrigerant gas recharge | 0 | Lb | 0,00 | 0,00% |
| SF6 refrigerant gas recharge | 30,47 | Kg | 740,42 | 48,47% |
| Solkaflam 123 (HCFC-123) fire extinguisher recharge | 0 | Kg | 0,00 | 0,00% |
| CO2 extinguishers recharge | 133 | Kg | 0,13 | 0,01% |
| Gas consumption in restaurant | 0 | m3 | 0,00 | 0,00% |
| Biodigesters | 0 | Kg CH4 | 0,00 | 0,00% |
| Septic tanks | 0 | Kg CH4 | 0,00 | 0,00% |
| R-407C refrigerant gas recharge | 0 | Lb | 0,00 | 0,00% |
| R-422D refrigerant gas recharge | 0 | Lb | 0,00 | 0,00% |
| TOTAL SCOPE 1 | | | 777,63 | 50,91% |

SCOPE 2

2023

| Activity | Number | Time unit | tons Co2 e/year | Contribution |
|-------------------------|---------------|-----------|-----------------|---------------|
| Electricity consumption | 1.778.040,148 | KWh | 430 | 28,17% |
| TOTAL SCOPE 2 | | | 430 | 28,17% |

| SCOPE 3 | | | | 2023 | |
|---|-------------|-----------|-----------------|---------------|--|
| Activity | Number | Time unit | tons Co2 e/year | Contribution | |
| Non-company-owned vehicles using gasoline | 0 | Gal | 0,00 | 0,00% | |
| Non-company-owned vehicles using diesel fuel | 0 | Gal | 0,00 | 0,00% | |
| Non-company-owned vehicles using gas | 0 | m3 | 0,00 | 0,00% | |
| Non-company-owned vehicles using biodiesel | 0 | Gal | 0,00 | 0,00% | |
| Non-company-owned vehicles using ethanol | 0 | Gal | 0,00 | 0,00% | |
| Employee transportation by bus (routes) - Diesel fuel | 0 | Gal | 0,00 | 0,00% | |
| Transportation of employees by cab - Gasoline | 1350,11 | Gal | 11,49 | 0,75% | |
| Domestic flights | 495879,25 | Km | 138,20 | 9,05% | |
| International flights | 864596,16 | Km | 154,76 | 10,13% | |
| Paper consumption | 0 | Kg | 0,00 | 0,00% | |
| Water consumption at main office | 0 | m3 | 0,00 | 0,00% | |
| Water consumption at substations | 380 | m3 | 0,40 | 0,03% | |
| Ordinary waste to landfill from main office | 2305,32 | Kg | 0,46 | 0,03% | |
| Ordinary waste to landfill from substations | 381 | Kg | 0,08 | 0,00% | |
| Hazardous waste for incineration from main office | 0 | Kg | 0,00 | 0,00% | |
| Hazardous waste for incineration from substations | 0 | Kg | 0,00 | 0,00% | |
| Transportation of waste (recyclable, non-recyclable and hazardous waste) to final disposal site | 293,50 | tkm | 0,06 | 0,004% | |
| Transportation of employees to and from the offices | 107 | People | 14,06 | 0,92% | |
| TOTAL SCOPE 3 | | | 320 | 20,92% | |
| GHG Inventory - ISA Interchile 2023 | 1527 | | | 100% | |

6.3.5. Biodiversity management

[GRI 304-1, 304-2, 304-3, 304-4]

At ISA Interchile, we ensure that our processes and operations are in line with sustainable development and the environmental policy to which we adhere.

In this context, as a management objective, priority is given to compliance with the regulations in force and with the agreements signed at national level and with ISA at corporate level.

For projects in operation, our objective is to comply with the Environmental Qualification Resolution of Cardones Polpaico (RCA N°1608/2015) and Encuentro Lagunas (RCA N°240/2016).

In accordance with the above, we are:

1. Actively participating in the optimization of projects based on the incorporation of environmental restrictions to reduce the impact on ecosystems and biodiversity.
2. Defining voluntary environmental commitments and measures that ensure the protection of biodiversity.
3. Following up on all commitments and measures defined to ensure the protection of biodiversity.

We are committed to the early identification, evaluation and implementation of environmental strategies that allow us to conserve and protect the ecosystems in our areas of influence, avoid impacts on sensitive species and ecosystems, and mitigate/compensate for the impacts of our activities.

Integral biodiversity management considers three lines of work:

1. Designing construction methods to minimize impacts on the environment and biodiversity from the outset of projects. During the design and bid preparation phases, we use the impact prevention approach based on the ecosystem approach (BBOP Principles on Biodiversity Offsets) and the guidelines of the Chilean Environmental Assessment Service (SEA). These tools allow us to design Appropriate Biodiversity Offsets (ABC) for projects that have a significant impact on biodiversity, with the goal of achieving zero net loss or even a net gain in biodiversity. To this end, we have developed the Expansion Plan Constraints Analysis (EPRCA) and the Environmental Constraints Analysis (ARA), both terrestrial and social, for all our projects in the pipeline, which helps us optimize the design of transmission lines to avoid and minimize our passage through natural ecosystems.

Finally, we prepare an Environmental Management Plan (EMP), which includes the necessary measures to mitigate, compensate and avoid the identified impacts on biodiversity throughout the life cycle of the asset.

2. Creating a portfolio of offsetting areas. This portfolio contains the potential areas to be considered for the implementation of reforestation and afforestation measures associated with ongoing projects. It ensures compliance with environmental regulatory requirements and allows the cost of these activities to be planned for long-term sustainability.

3. Implementing Biodiversity actions. We have a biological plan for flora and vegetation that includes mitigation measures related to the relocation of flora and fauna species and compensation measures such as production for reforestation and revegetation. Under the commitment to replant 580 hectares of shrub species and reforest 120 hectares between the Atacama and Metropolitan regions.

Main Achievements 2023

- » Production of more than 120,000 individuals of flora species, including those in the conservation category
- » Replanting of more than 79,000 individuals of plant species, including those in the conservation category

As an opportunity for improvement, we have identified restoration or conservation projects in partnership with environmental authorities in strategic areas where ISA Interchile is present.

We challenge ourselves to create projects with a focus on 0 net loss of biodiversity (with minimization of impacts and appropriate mitigation/compensation measures).

Our impact on biodiversity is divided into two phases:

» The construction phase, which identifies: 1) the most relevant impact on biodiversity occurs when the vegetation found in the easement zone is disturbed

to achieve the safety distances established by the Superintendence of Electricity and Fuels (SEC); and 2) the habilitation of roads.

» The operational phase, taking into account the impact on avifauna caused by collisions with the transmission lines.

Operational sites in, or adjacent to, protected areas and areas of high biodiversity value [\[GRI 304-1\]](#)

| Geographic location | Atacama region | Coquimbo region | Valparaíso region | Metropolitan region |
|--|--|--|---|---------------------------------|
| Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas. | Location of the Desert Bloom: in the priority area | Punta Teatino-Caleta de Hornos: in the priority area. Cerro Santa Inés and Pichidanguí Coast: 600 meters from the priority area. Los Molles-Pichidanguí: in the priority area. | La Campana-Peñuelas Biosphere Reserve: crosses the transition zone. | El Roble: in the priority area. |
| Type of operation (office, manufacturing, production or extraction). | Electricity transmission line. Electrical substation. | | | |
| Surface of the affected areas. | Size of the Desert Bloom: 107.65 hectares. | Punta Teatino-Caleta de Hornos: 12.68 hectares. • Los Molles-Pichidanguí: No Information | La Campana-Peñuelas Biosphere Reserve: No Information | El Roble: 22.13 hectares. |
| Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation). | Priority Sites for Conservation. | Priority Sites for Conservation. | RBIO-002, La Campana-Peñuelas Biosphere Reserve, UNESCO, with a total area of 66.39 hectares. | Priority Sites for Conservation |

*N/I: No information

IUCN Red List species and national conservation list species with habitats in areas affected by operations in 2023 [GRI 304-4]

| | |
|----------------------------------|---|
| Critically endangered | 0 |
| Endangered | 2 |
| Vulnerable | 15 |
| Near threatened | 10 |
| Least concern | 9 |
| Type of action | Conservation - Protection |
| Third party collaboration | Partnership with the Instituto de Investigación Agropecuaria (INIA) for the propagation of endemic species. |

During the planning and implementation of the project, it is essential to take into account the potential environmental impact. In this regard, species loss and habitat transformation are aspects that require special attention.

The loss of vegetation in protected areas and priority conservation sites represents one of the main challenges in terms of environmental conservation. The elimination of individuals of protected flora and the loss of native forests are actions that can have irreversible consequences on local biodiversity.

Likewise, the controlled disturbance of fauna prior to the excavation of foundations and the use of anti-collision devices for birds are measures that should be implemented with caution, considering the potential impact on the surrounding ecosystems.

As for the extent of the areas affected, it corresponds to the following detail: Cardones-Maitencillo-Pan de Azúcar-Polpaico 2X500 line kV, 592.5 hectares; and, Encuentro-Lagunas 2x220 kV line: 3.69 hectares.

It is important to note that while some impacts may be temporary during the construction phase, others may be irreversible, such as the loss of xerophytic vegetation, the elimination of flora individuals in conservation category, and the loss of native and native scrub type vegetation.

Habitats protected or restored [\[GRI 304-3\]](#)

| | |
|--|--|
| Habitat | <ul style="list-style-type: none"> ▪ Desert Bloom (ephemeral grassland) ▪ Northern acorn protection forest ▪ Lucumo protection forest ▪ Guaiacum protection forest ▪ Carob tree protection forest |
| Geographic location | <ul style="list-style-type: none"> ▪ Desert Bloom: Atacama region ▪ Northern acorn habitat: Valparaíso region ▪ Carob tree habitat: Metropolitan region ▪ Guaiacum habitat: Metropolitan region ▪ Lucumo habitat: Coquimbo region |
| Size of the habitat protected or restored | No information |
| Status of each area at the close of the reporting period (compared to baseline) | No information |
| Third-party verification | <ul style="list-style-type: none"> ▪ Chilean National Forestry Corporation, CONAF ▪ Superintendency of the Environment, SMA.. |
| Type of action | <ul style="list-style-type: none"> ▪ Conservation/Protection |
| Third party collaboration | <ul style="list-style-type: none"> ▪ Partnership with the Instituto de Investigacion Agropecuaria (INIA) for the propagation of endemic species. |

We have a biological plan for flora and vegetation for the Cardones-Polpaico transmission line, which mainly includes mitigation measures related to the relocation of flora and fauna species and compensation measures such as the production of species for reforestation and revegetation.

With the commitment to replant 580 hectares of shrub species and reforest 120 hectares between the Atacama and Metropolitan regions, we are considering the reintroduction of 100,000 individuals with 32 species of endemic flora in the natural environment by 2022.

This is in addition to an urban reforestation program that aims to plant more than 15,000 endemic units in 10 municipalities in the center-north of the country, in order to reduce the territorial inequality with respect to the standards of green spaces defined by national and international organizations.

With this reproductive purpose and with the aim of promoting the conservation of biodiversity in the Atacama region, we signed an agreement with the Municipality of Freirina that allowed us to inaugurate in 2019 the first Regional Community Plant Nursery in Atacama. Its capable of producing 12,000 endemic plants that will soon be planted in public spaces in the community. From 2023, it will be managed by the Municipality of Freirina, with technical advice from ISA Interchile, and will be able to use it as a tool for environmental education.

In addition, in 2020 we entered into a strategic alliance until 2025 with the Instituto de Investigaciones Agropecuarias (INIA), at its centers INIA La Cruz, in the Valparaíso region, and INIA Intihuasi, in the Coquimbo region. We plan to work with them to develop the care and conservation of seeds, as well as the reproduction and nursery processes of 21 endemic species that are underdeveloped and have little knowledge of reproduction and development techniques.

The INIA Intihuasi Seed Base Bank is located in Vicuña, considered the most important ex situ conservation center for genetic resources in the country, where a nursery has been established with a capacity of 25,000 plants, including trees and shrubs. INIA La Cruz has a nursery with a capacity of more than 72,000 plants, including shrub and tree species, where a laboratory for cloning and research has also been installed.



6.3.6. Conexión Puma Program

Conexión Puma is the program of ISA and its companies to contribute to biodiversity conservation and climate change mitigation through the implementation of forestry projects in priority areas for the protection, restoration and connectivity of natural habitats and jaguar corridors in Latin America (conexionpuma.org).

The program supports initiatives that contribute to:

- » Reduce greenhouse gas emissions that cause climate change.
- » Conserve biodiversity and ecological connectivity in puma habitats.
- » Improve the livelihoods of rural communities affected by forestry projects.
- » Raise awareness of environmental issues through education, art and culture.

In Chile, the project is implemented through two strategic alliances, one with the Colo-Colo Social and Sports Club, Fundación Reforestemos and Fundación Basura, and the other with the Fundación Buin Zoo.

Alliance of Colo-Colo, Fundación Basura and Fundación Reforestemos

With the aim of raising awareness of environmental issues, we have created this alliance, in which the collaboration between us, Colo-Colo, Fundación Reforestemos and Fundación Basura is a milestone in the history of Chilean sports, combining the love of football with environmental responsibility, and marking a path towards a more sustainable and environmentally friendly future. For us, this is the right way to do things, with the collaboration of all social actors.

Colo Colo aims to set a new standard of sustainability in Chilean soccer, laying the foundation for a greener and more responsible future. The club's commitment to the environment reflects its desire to make an active contribution to environmental protection and to serve as an example for other sports organizations in the country.

In September, we kicked off the alliance with a symbolic planting of 10 native trees at the Monumental Stadium, together with the team's players, ISA and Colo-Colo directors, and representatives from the Fundación Reforestemos and Fundación Basura.

In October, we carried out an activity to plant 100 native trees in Avenida Marathon, in the Macul municipality, around the Colo-Colo stadium, a day led by Fundación Reforestemos, with the participation of volunteers from ISA Interchile, ISA Intervial, players of the club and neighbors of the sector.

In December, we carried out two successful recycling pilots with Fundación Basura during the men's and women's games at the Monumental Stadium, where PET bottles and other plastics, glass, tetra packs, paper and cardboard, aluminum cans and organic waste were collected by more than 30 volunteers at the Monumental Stadium.

Since 2022, ISA Interchile has been working on one of the main objectives of this alliance, which is to generate scientific information on the health aspects of endangered wildlife species to provide knowledge for their conservation and animal welfare, through the project for the conservation of Darwin's Fox, and Huemul between the regions of Maule and Magallanes.

The aforementioned projects for the conservation of the Darwin's Fox and the Huemul, as well as the Conexión Puma program, which aim to protect and recover these species and their environment, will be consolidated through the project "Puma, Huemul and Darwin's Fox: United for Conservation Action and Research for their Survival".

Alliance with the Fundación Buin Zoo

Since 2022, ISA Interchile has collaborated with the Fundación Buin Zoo, created under the eaves of the same park, with the aim of promoting and developing initiatives aimed at contributing to the protection of endangered species and generating scientific knowledge that contributes to the conservation of biodiversity and sustainable development.

Within the framework of the *Conexión Puma* program, this alliance also seeks to attract projects that join the program as proponents of areas suitable for conservation and reforestation, or as collaborators through the purchase of carbon credits from projects that adhere to the program.

Partnerships for Environmental Projects

| Name | Entities | Objective | Main achievements |
|---|--|--|---|
| Conexión Puma | Colo-colo Fundación Reforestemos Fundación Basura | Urban reforestation with 200 trees. | Urban reforestation in the municipalities of Macul (100 trees), Maipú (50 trees) and La Pintana (50 trees). |
| | Fundación Buin Zoo | Promote and develop initiatives aimed at contributing to the protection of endangered species (Puma, Huemul and Darwin's fox). | Land for prospecting, capture and sampling of Huemul, Puma and Darwin's fox. Placement of satellite collars on Pumas and Darwin's foxes for monitoring. Incorporation of university institutions to generate lines of scientific research on the species under study. |
| Production of plants with conservation problems | INIA La Cruz Vivero Comunitario de Freirina Vivero Intihuasi | Plant species to mitigate and compensate for the impact on plants affected by constructions. | Production of over 120,000 plants. Replanting of over 79,000 plants. |

Commitment to Biodiversity

| | | |
|---|---|---|
| Commitment required of our own operations and supply chain | We value, respect, and support natural and cultural heritage, especially protected areas of high biodiversity value in categories I-IV, as defined by the International Union for Conservation of Nature (IUCN). | We evaluate this management by measuring the percentage of survival of reforested/replanted individuals. In addition to reforested areas. For biodiversity monitoring, we conduct a quarterly review of reforestation and repopulation sites. |
| Application of mitigation hierarchy | Projects included in the SEIA as Environmental Impact Studies (EIS) must present the appropriate mitigation, remediation or compensation measures to address the impacts, characteristics or circumstances identified in Article 11 of Law No. 19.300 (Bases of the Environmental Law), according to the mitigation hierarchies that aim to avoid and minimize impacts and define the compensation portfolio. | |
| Provide the names of the main partners and information on the type of participation | <ul style="list-style-type: none"> ▪ Seed Base Bank of the Instituto de Investigación Agropecuaria (INIA), agreement to develop the care and conservation of seeds, as well as the reproduction and nursery processes of endemic species of low development and even those in which there is no knowledge of reproduction and development techniques, which is carried out in a scientific and specialized manner. ▪ Strategic alliance with INIA in the city of La Cruz, Valparaíso Region, and with the municipality of Freirina, Atacama Region, to ensure the construction and operation of plant nurseries in all the regions crossed by the Cardones-Polpaico power line. | <p><i>At ISA Interchile, we are committed to “zero net loss” of biodiversity through the following measures:</i></p> <ul style="list-style-type: none"> » Reforestation commitments must be implemented 5 years after deforestation. » Vegetation compensation is done at a 1:1 ratio in terms of area, where the plant composition must also be of the same forest type as the one that was disturbed. » For single species or species in the compensation category, there are additional mitigation and compensation plans that include the insertion of individuals in the area (replanting) or, if necessary, rescue and resettlement. |
| Indicators used to measure biodiversity impacts and the level of commitment to biodiversity | <p>The loss of biodiversity can be observed through indicators such as: reduction in the size of populations of biological species, changes in the composition of the communities they form, loss of quantity and quality of their habitats, and fragmentation of ecosystems at different levels, among others.</p> <p>Biodiversity offsets require the implementation of measurable actions to compensate for the residual impacts of projects on biodiversity (after implementation of mitigation and remediation measures), with the aim of creating a positive and equivalent alternative effect so that there is no net loss of biodiversity.</p> | |

6.3.7. Environmental Impact Assessment

The System of Environmental Impact Assessment (SEIA) is an environmental management tool for evaluating and predicting the environmental impacts that may be generated by projects and activities carried out in the country and that are required by law to be evaluated.

Any project or activity that may have an impact on the environment, including its modifications, may be carried out or modified only after its environmental impact has been assessed through the submission of an Environmental Impact Statement (EIS) or an Environmental Impact Study (EIS), as appropriate. It should be noted that the methodology used responds to regulatory criteria.

Mitigation measures by stage:

Avoid: All works and activities include a worker training program on environmental protection and biodiversity.

Activities are limited to the surface to avoid disturbance.

Mitigate: Erosion control measures are in place to reduce the impact of road clearing and thereby reduce the impact on biodiversity.

Regenerate: More than 70,000 individuals of native plants and in conservation category have been produced and incorporated in areas under the easement strip of the Cardones Polpaico line, which has allowed the regeneration of intervened spaces.

Restore: Actions of replanting and/or enrichment of degraded sectors with species typical of the unit and in threatened category.

Transform: Reforestations carried out through the intervention of native vegetation have allowed the transformation of open spaces, intervened and that cannot develop naturally.

Avoiding operational activities near sites with important biodiversity we are committed to quality and excellence in environmental management that accompanies the entire life cycle of the assets, through actions such as:

- » Managing environmental impacts with a preventive approach.
- » Addressing environmental contingencies that may affect natural resources, ecosystems, communities or their interrelationships.
- » Identifying and assessing the risks that the development of our activities may pose to the natural systems and social environments in which we operate, and implementing the necessary measures to manage them.

In addition, we developed effective processes of education, communication, information and participation aimed at strengthening relationships with communities and their healthy coexistence with infrastructure and the environment. We promote compliance with these statements and other environmental commitments to suppliers and contractors throughout the life cycle of assets. We sought a due diligence process for contractors and in merger or acquisition processes, extending our policy to ensure best environmental practices in our alliances.

Commitment to offset with future reforestation
(no net deforestation)

We define that all vegetation interventions for the construction and operation of our facilities will be compensated in the same proportion (area) and with the same type of vegetation affected, in order to protect biodiversity. For this, we defined that 5 years after the intervention, reforestation activities must begin.

Last year, we completed 80% of the reforestation of the Cardones Polpaico transmission line. In addition, we defined as an operational requirement that the intervened vegetation must be offset, and also that this cannot be done without obtaining the cutting permit issued by the National Forestry Corporation, which is regulated by DL 701, Law No. 20.283 and Law No. 19.300. Our actions are monitored on a quarterly basis.

Finally, it should be noted that our suppliers are trained in this matter.

At ISA Interchile, we are committed to a "zero net loss" in biodiversity, thanks to the following actions:

Reforestation commitments must be implemented 5 years after logging. The compensation of vegetation is done on a 1 to 1 ratio in terms of surface area, where the plant composition must also be of the same forest type intervened.

Single species or those in the compensation category have additional mitigation and compensation plans, which include the insertion of individuals in the territory (replanting) or - as appropriate - rescue and relocation.



6.3.8. Land Management and Territorial Intelligence

Land management is critical and cross-cutting throughout the lifecycle of our assets. From the early stages of bid preparation, providing relevant information on property restrictions that may limit the future development of a project, through early identification of properties and owners where the project will be located, creating a land valuation, determining property risks, mapping homogeneous areas by land value, and estimating the cost of acquiring easements to be included in the overall Total Expenditure (TOTEX: CapEx+OpEx+Risk) of the bid.

In addition, during the execution phase of our projects, Property Management focuses on obtaining concessions and definitive electrical easements. To this end, its action plan consists of voluntary negotiation strategies and direct relations with landowners, in addition to managing the processing of these permits before the competent authority. All of this to ensure that access to the properties is safe and in compliance with current easement acquisition regulations.

Modern land management is linked to the concept of territorial intelligence, which refers to the knowledge needed to understand territorial dynamics and structures, as well as the tools to generate and use this knowledge. All this in order to guarantee and promote sustainable territorial development.

Spatial Viewer

A spatial viewer is an interactive web platform for visualizing, querying, and analyzing geographic data. The main difference between a desktop software and a spatial viewer is the focus of use and the location of execution. While desktop software is intended for local and individual use, i.e. as a desktop tool, the spatial viewer is deployed as a cloud application through a web browser, allowing access from any device with an internet connection.

Spatial viewers have emerged as fundamental tools that facilitate the access and efficient analysis of geospatial information, playing a crucial role in the democratization of such data. In a constantly evolving technological environment, the VTI-CHI Spatial Viewer has been created specifically to meet our information needs. This viewer represents an evolution of geo-portals, responding to the demand for centralization and standardization of geospatial data, helping to fill gaps in this area compared to other entities in the country.

VTI-CHI has its origin in the consolidation and homogenization of information related to our projects and assets, supported by a solid infrastructure of spatial

databases that comply with ISO 19110 standards. These databases allow us to describe geographic objects by attributes, location and topology, which facilitates a more accurate semantic interpretation. The VTI-CHI Spatial Viewer not only takes advantage of this information, but also offers a wide range of essential functionalities that guarantee a complete experience in the management and visualization of geospatial data.

With this platform we achieved:

1. The standardization of information.
2. Facilitate the exchange of geospatial information between teams.
3. Comprehensive territorial analysis, allowing a broader understanding of the territory and a more informed decision-making process.
4. Documentation and ongoing support, allowing users to resolve any problems or concerns that may arise during the use of the platform.

In summary, the VTI-CHI Spatial Viewer for ISA Interchile is a comprehensive and advanced solution that promotes operational efficiency and decision making. In addition, it successfully addresses the complex challenges of geospatial data management for our organization.



STAKEHOLDER ENGAGEMENT

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546,00
GENERAL EXPENSE

344

7. STAKEHOLDER ENGAGEMENT

7.1. Corporate Relationships

[GRI 2-29] (NCG 461 3.1.iv, 3.7, 6.1.v, 6.3)

To enable the growth and positioning of ISA Interchile, we focus on the articulation of public and private actors in the territory around a common agenda, in line with our corporate V.I.D.A. strategy and the life cycle

of our assets. In order to cultivate strong and lasting relationships with our stakeholders, we have developed a comprehensive strategy that permeates all areas of our business management. This strategy includes

opening effective channels of communication, providing timely and transparent information, fostering spaces for dialogue and actively listening to understand the needs, issues and concerns of our stakeholders.





ISA Interchile’s Public Affairs Development Model.

| Stages of Development | Beginning • | Basic •• | Solid ••• | Advanced •••• | Benchmark ••••• |
|--|---|--|---|---|---|
| Participate in public-private shared value initiatives | Participate in consolidated industry and government initiatives 2019 | Participate in consolidated industry and government initiatives | Coordinator of relevant industry and government initiatives ▲ 2023 | Convener and sought-after actor for regional and national high-impact initiatives ▲ 2025 | Recognized leader in innovative shared value initiatives for the country and regions ▲ 2027 2033 |
| Public Policy Advocacy | Non-existent advocacy skills and/or structure 2019 | Exclusive focus on institutional presentations ▲ 2023 | An integrated advocacy plan with allocated resources is in place | Development of action plans focused on reputation building ▲ 2025 | Advocacy strategy recognized as a role model ▲ 2027 2033 |
| Influence on agenda setting | Weaknesses in stakeholder relations 2019 | Occasional contact with government stakeholders at events, presentations or meetings | Good relationship with key government stakeholders ▲ 2023 | Close relationship with government stakeholders on a regular, broad and strategic basis ▲ 2025 | Company priorities are included in the official agenda ▲ 2027 2033 |

During the year 2023, we have implemented a plan around 5 central topics:

1. Fair Energy Transition
2. Climate Change
3. Communities and Environment
4. Innovation and Cybersecurity
5. Commitment to Life

Main pillars of the plan performed in 2023






| | | | |
|---|---|--|--|
| Government Relations |  | National • Ministers • Under Secretaries • Service Chiefs | Territorial • Regional Ministerial Secretaries • Governors • Mayors Regulatory |
| Relations with academia and strategic partnerships |  | • Universities • Innovation Centers • Industry Associations • Regional Associations | |
| Industry Events |  | • Speakers, Exhibitors, Lecturers • Sponsorship | |
| Corporate Programs |  | • Conexión Puma • Conexión Desarrollo • Energy Access • Volunteer Work | |

At ISA Interchile, we evaluate the performance of our institutional relationship and public performance from the perspective of: Involvement in public-private initiatives of shared value; the promotion of public policies and our degree of influence in the construction of the agenda.

It is worth highlighting the progress achieved during 2023 and the compliance with the objectives we set ourselves in ISA Interchile, which are reflected below.

ISA Interchile´s Public Affairs Development Model.

| | |
|---|---|
| Participation in public-private initiatives | <ol style="list-style-type: none"> 1. Lead energy clusters (PTI*) in Atacama and Coquimbo 2. Consolidate Conexión Desarrollo in the Coquimbo region in alliance with the Public Vocational and Technical Education Network. 3. To be a relevant and recognized actor. |
| Public Policy Advocacy | <ol style="list-style-type: none"> 1. Storage 2. Transmission: Studies of strips for transmission lines 3. Climate Change and Decarbonization 4. Regional Interconnections (Chilean Committee of CIER**) 5. Cyber secure energy transmission |
| Influence on agenda setting | <ol style="list-style-type: none"> 1. Regulatory Update : DS38/noise standard, NCPA noise 2. Green hydrogen and development poles: Mejillones and Punta Arenas. 3. Planning of Transmission Works of the National Expansion Plan 4. Second Half Agenda of the Ministry of Energy (April 2023) |

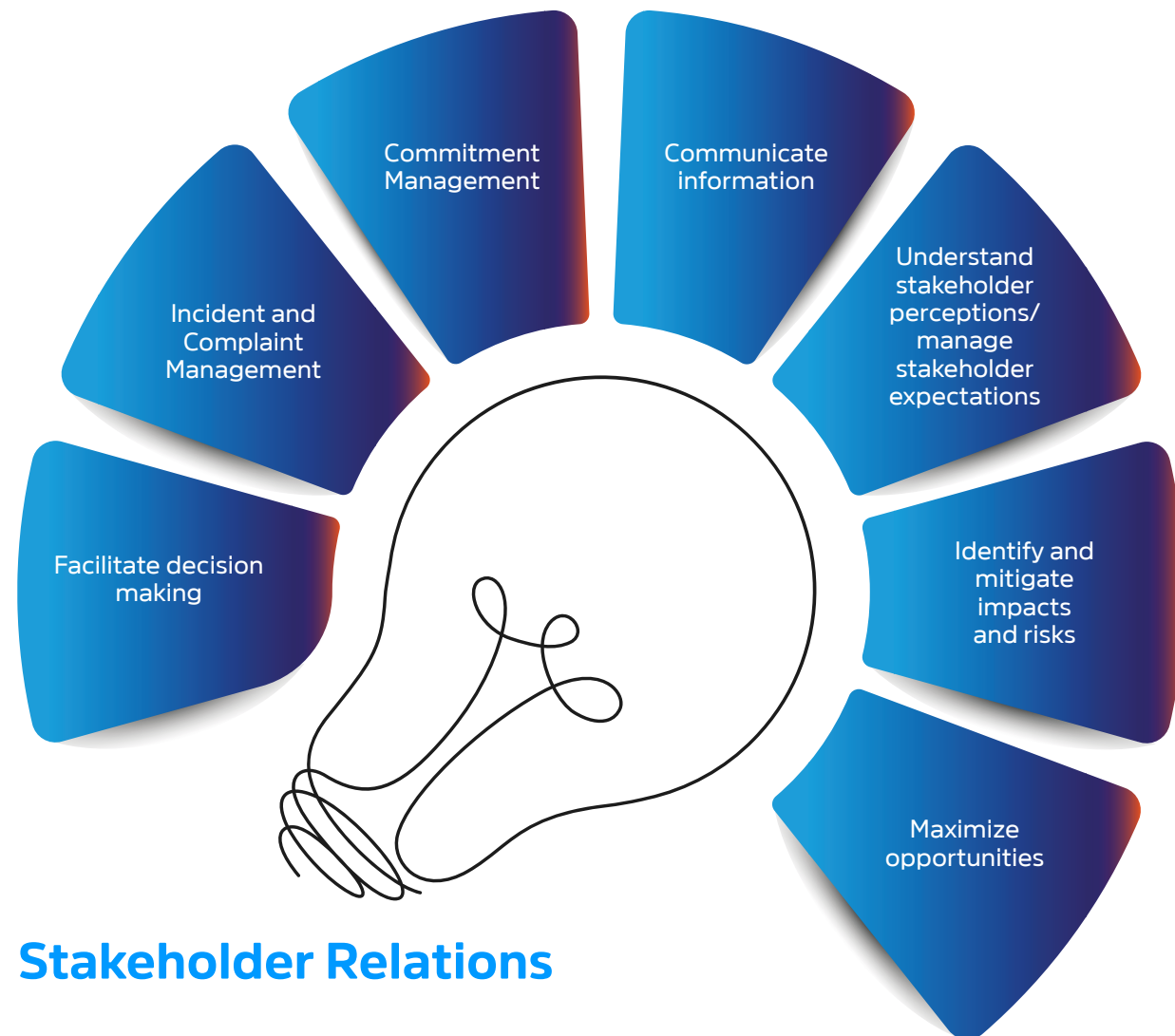
| |  Fair energy transition |  Communities and Environment |  Commitment to Life (OHS) |  Climate Change |  Innovation and Cybersecurity |
|---|--|--|--|---|--|
| Participation in public-private initiatives | ✓ | ✓ | | | |
| Participation in public-private initiatives | | ✓ | | | |
| Participation in public-private initiatives | | | ✓ | ✓ | |
| Public Policy Advocacy | ✓ | | | | |
| Public Policy Advocacy | | ✓ | | ✓ | |
| Public Policy Advocacy | ✓ | | | | |
| Public Policy Advocacy | | | | | ✓ |
| Influence on agenda setting | ✓ | ✓ | | ✓ | |
| Influence on agenda setting | ✓ | | ✓ | | |
| Influence on agenda setting | ✓ | | | | |

* PTI: Integrated Territorial Program
 ** CIER: Regional Energy Integration Commission

7.2. Relationship with stakeholders

Our approach to institutional stakeholder relations aims to maintain or improve ISA Interchile's reputation levels, which we assess every two years through the Reputation and Materiality Survey (mentioned in Chapter 2).

Our goal is to increase the reputation index from 4.0 in 2022 to 4.2 in 2024. This index is measured on a scale of 1 to 5 and reflects the weighted assessment of the various stakeholders.



From 2019 to 2022, Interchile experienced an increase in the reputation index and in the perception of our stakeholders, being the ISA company with the highest increase.



| Stakeholder | Interests and Expectations | Value Proposition | Level of Commitment | Communication | Actions and Responses |
|------------------------------------|---|---|---------------------|--|---|
| Local community | Access to clean and safe water, Local employment, Reduced environmental impact | Contributing to water and environmental protection, Local employment, Improving quality of life | Medium-high | Community meetings, Informational signage, Addressing concerns | Community development initiatives |
| Employees | Safe working conditions, Opportunities for professional development, Contributing to sustainability | Opportunities for professional growth and development, Inclusive and participative work culture, Contributing to global sustainability | High | Regular team meetings, job satisfaction surveys, company intranet | Environmental training and volunteer programs |
| Suppliers | Timely payments, Fair trade relationships, Sustainability expectations | Long-term collaboration opportunities, Incentives for sustainable practices, Shared growth | High | Sustainable purchasing policies, Direct communication about expectations | Sustainability supplier evaluations, Training programs in sustainable practices |
| Environmental organizations | Environmental protection, Compliance with environmental regulations | Collaborating on conservation projects, Transparency in environmental management, Compliance with regulations | Medium-high | Participation in environmental forums, Sustainability reporting, Public consultation | Participation in conservation projects, dissemination of environmental data |
| Local government | Regulatory compliance, Contribution to local development | Supporting local development, creating jobs, contributing to community well-being | High | Meetings with local authorities, Regulatory reporting, Participation in public consultations | Regulatory monitoring, Investment in local infrastructure |
| Government | Compliance with environmental and regulatory standards | Good relationships in pursuit of industry development and growth. | High | Participation in public-private bodies; regulatory review; public consultations. Meetings with government agencies | Following up on commitments and providing information |
| Academia | Positioning the company in the territory, promoting economic development and sustainability | Developing capacity building initiatives in the technical and vocational education ecosystem. Strategic alliance for climate change, innovation and other studies | Medium | Programs for the development of professional and technical training in energy-related professions (<i>Conexión Desarrollo Coquimbo</i>), internships and apprenticeships | Participation in educational and study projects. Practices and internships, visits to institutions. Partnership with universities, foundations and training centers |
| NGOs | Strategic partner for the implementation of projects with territorial impact | Generating actions aimed at improving the Company's social and environmental reputation in the territories | Medium | <i>Conexión Puma</i> , Sports Championships Program, urban reforestation programs, etc | Monitoring of multi-year work agreements |
| Guilds | Influence in the creation of the government agenda | Continuing to build a better reputation. Enabling ISA INTERCHILE's business plan | Medium | Participation in boards, task forces, committees and subcommittees in accordance with the annual Strategic Alliances plan | Collaborative work with the objective of business growth and territorial development |

2023 milestones relevant to closing stakeholder engagement gaps

In an increasingly interconnected and dynamic business world, relationships with our stakeholders are critical to the sustainable success of our Company. We recognize that these groups, which include local communities, suppliers, employees, media, opinion leaders, government, academia and NGOs, and other key stakeholders, are fundamental partners in our mission of growth and corporate responsibility.

ISA Interchile's Corporate Affairs and Sustainability Management has carried out a listening methodology, including focus groups, to meet with the different areas of the company in order to directly understand their perceptions, concerns and possible areas for improvement in the relationship with its stakeholders. Based on the results obtained, a strategic plan was developed to address the gaps identified, reflecting our continuous commitment to improvement and excellence in stakeholder engagement.

Actions to close gaps by group

1. Communities

- a. We advanced our social strategy by implementing a new social management model during 2023.
- b. We supported community projects, from the coordination with the central government or local governments, communities and other entities.
- c. We participated as a partner company of the Pro Til Til Corporation to support the local development of the territory.
- d. We actively and proactively listened to take the pulse of our environment on a continuous basis, either for the country's reality or our projection towards new offers.

2. Suppliers

- a. Actions to connect with critical suppliers. We held the first "ISA Interchile Suppliers Meeting".
- b. Governance of the first Integrated Territorial Energy Program of Atacama (PTI). A public-private initiative promoted by CORFO in the Atacama Region, with the technical support of the Regional Ministerial Secretariat of Energy of the Region, in which ISA Interchile led the presidency of this instance in 2023, one of the main pillars of which was the development of local suppliers for the entire energy industry chain in Atacama.
- c. Participation in the Linking Instances with local suppliers and SMEs in the regions of Atacama, Coquimbo and Valparaíso, through relationship meetings, with the aim of strengthening the local

economy and productive chains related to the energy industry.

- d. We streamlined our internal processes and implemented measures to improve the acquisition of services in certain segments of critical suppliers. For example: media, suppliers related to community issues and emergencies.

3. Employees

- a. In the area of occupational health and safety, we have developed the programs Conectados con la vida (Connected to Life), Conectados con la salud mental (Connected to Mental Health), and the strengthening of internal structures.
- b. We improved by strengthening the current benefits offered to our employees.

4. Media and communication

In each region where we operate, we made progress in our relationship with local media, identifying them as strategic partners and through the "Conversations that inspire" initiative: We were present in Diario de Atacama, Diario El Día and Mi Radio, El Observador and Red Mi Voz in their local areas of Atacama, Coquimbo and Valparaíso.

5. Opinion Leaders

We promoted key and impactful issues through a new season of "Communications that inspire" to connect with the "Key opinion leaders" (Kol), especially those associated with sustainable issues and issues of interest to the country.

6. State

A **Top to Top y Soft Advocacy relationship plan** was established. A plan aimed at ministerial and regional authorities with the purpose of following up on the commitments made in previous meetings. This process is carried out in strict compliance with Law No. 20.730

7. Academia and NGOs

- a We have made progress in our **“Connections for Development”** program. This corporate program supports the strengthening of technical-professional training related to the transmission sector and promotes the development of local skills through collaboration with technical-professional training institutions and other relevant stakeholders. This is achieved through continuous engagement with academia, facilitating the exchange of knowledge and experience to enrich learning and training.
- b. We have made progress in our relationship with NGOs, which we consider to be strategic partners for Interchile. Among the advances in the relationship with new institutions, the following stand out:

Alliance with Colo-Colo, Fundación Basura and Fundación Reforestemos, where we developed a sustainability program in sports facilities with high attendance, promoting the correct disposal of waste and making sports activities compatible with environmental protection and education.

Linkage with Teleton. Support for centers in the regions where we operate.

Buin Zoo Zoological Foundation. We have carried out activities under the project “Puma, Huemul and Darwin’s Fox”: United by conservation and research actions for their survival”, whose main objective is to protect the Darwin’s Fox, Huemul and Puma through conservation and research, as well as the protection of key habitats for the long-term sustainability of these species.

Spaces for discussion with communities and existing communication channels.

In 2023, we received 33 requests, 26 through the Petitions, Complaints, Claims, Suggestions and Compliments (PQRSF) mechanism and 7 in the field. These consultations were divided into 1 complaint, 12 questions and 20 requests, all of which were managed.

During 2023, we received 7 complaints or denunciations from local communities. On the other hand, there is an environmental sanction process called D-096/2018, which originated from community complaints related to noise generated by the corona effect in the Altovalsol area, in the Coquimbo region. In response to this process, the company has requested a review of the environmental variable noise from the environmental authority (SEA). This process is currently in the citizen

participation phase.

In addition, the Company is facing a lawsuit before the Environmental Court of Santiago, filed by the Agricultural Community of La Dormida and the Chamber of Tourism of Olmué, in relation to the environmental assessment of the Cardones Polpaico line. In this case, the Company has submitted a work plan to the Environmental Court, which is being reviewed by the stakeholders.

Space for participation

One of the cornerstones of our relationship approach is close collaboration with the authorities in their various spheres of activity. Working with the Ministry of Energy, the National Energy Commission, and the National Power Grid Coordinator, we have established fluid communication through various formal channels, such as requests for hearings under the Lobbying Act, process observation phases, public-private working groups, public hearings, and expert panels. This collaboration has allowed us to make progress on issues related to regulatory best practices, methodological changes to existing processes, and the periodic evaluation and expansion of the network.

We have engaged with the Superintendency of Electricity and Fuels regarding sanction proceedings, both initiated and potential, in order to understand the issues we face in determining potential fines by the authority. This dialogue is mainly bilateral between the Company and the authority, without the intervention of the unions.

We also work closely with regional authorities in the areas where we operate.

- » In the Atacama region, we participated in the Integrated Territorial Energy Program (PTI Energía Atacama - Vínculo), organized four technical seminars for the development of local suppliers with the participation of more than 200 local companies, and held our first annual meeting of Atacama local suppliers, attended by more than 500 people.
- » In the Coquimbo region, we are part of the Mesa Energía Más Mujer, an initiative of the Ministry of Energy to strengthen gender actions in the energy sector. We have participated in meetings and developed various initiatives with female students, including visits to our Company's infrastructure.
- » In 2023, we held 23 hearings under the Lobbying Law.

Regional Energy Integration Commission (CIER)

The Regional Energy Integration Commission, CIER, is an international regional organization that brings together companies and organizations from the energy sector in Latin America and the Caribbean, with the aim of building a more integrated, sustainable and resilient energy sector to enable economic growth and social benefits throughout the region.

During 2023, CIER's actions have been supported to achieve the reactivation of the Chilean chapter, with the aim of promoting the development of electrical interconnections between Chile, Peru, Bolivia and Argentina. These efforts are supported by ongoing studies developed and co-financed by multilateral organizations such as the IDB and CAF, among others.



7.3. Affiliations and Associations

[GRI 2-28] [NCG 461 6.1.vi]

Since 2023, we have implemented an annual strategic association plan that strengthens our organization with tools and capabilities to understand, collaborate and influence the political, legislative, regulatory and social agenda at local, national and international levels. This allows us to address challenges that require the collaboration of civil society, the state and the private sector.

ISA Interchile is a member of two important associations in the energy sector: the Chilean Transmission Companies Association and the Chilean Association for Renewable Energy and Storage (ACERA).

In these spaces we discuss both current issues related to the application of regulation as well as more structural aspects of the industry. Both associations are managed through their respective technical committees, where issues such as tariff processes, regulatory initiatives, and joint risk and opportunity assessments are addressed.

We also participate with the associations in seminars and media to set agendas and discuss issues related to transmission development in the country.

Development Model - Interchile Memberships.

| Stages of Development | Beginning • | Basic •• | Solid ••• | Advanced •••• | Benchmark ••••• |
|--|-----------------------------------|--|--|---|--|
| Influence on agenda setting | Weakness in stakeholder relations | Occasional contact with government stakeholders at events, presentations or meetings | Good relationship with key government stakeholders | Close relationship with government stakeholders on a regular, broad and strategic basis | Company priorities are included in a social agenda |
| 1. Transisoras A.G. | ● 2020 | | ● 2022 | | ● 2025 |
| 2. ACERA A.G. | | | ● 2019 | ● 2022 | ● 2025 |
| 3. WEC Chile | | | ● 2019-2022 | ● 2025 | |
| 4. Pacto Global Chile | | | ● 2021 | ● 2025 | |
| 5. United Way Chile | | ● 2021-2025 | | | |
| 6. Cámara Chileno Colombiana de Comercio | | ● 2021-2025 | | | |
| 7. CIGRE | | | ● 2019-2025 | | |
| 8. SOFOFA | | ● 2019-2023 (*) | | | |
| 9. CIDERE Coquimbo | | ● 2022 | | ● 2025 | |
| 10. Pro Til-Til | | ● 2022 | | ● 2025 | |

(*) For SOFOFA, the last year of affiliation corresponds to 2023.
● Past memberships
● Memberships in execution

▶ National
▶ Territorial



In relation to international organizations, we participated in the World Energy Council (WEC Chile), in the Chilean Chapter of the International Council of Large Electric Grids (CIGRE):

For the second consecutive year we are part of the sustainability node of WEC Chile, in addition to participating in the Women in Energy program. The latter aims to develop leadership skills in women involved in the energy industry.










In March 2023, we participated in the high-level workshop held at the ECLAC headquarters to prepare a special report on Latin America for the World Energy Outlook (WEO) 2023 report of the International



Energy Agency (IEA). The meeting was attended by senior IEA officials, ministerial-level authorities from several countries in the region, and experts from international, regional and multilateral organizations, such as the Economic Commission for Latin America and the Caribbean (ECLAC), the Latin American Energy Organization (OLADE) and the Inter-American Development Bank (IDB). It was officially opened by the Executive Secretary of ECLAC, José Manuel Salazar-Xirinachs.

We were invited by the Latin American Energy Organization (OLADE) to participate in the VIII Energy Week, a top-level event held in conjunction with the I Investment Forum of the International Renewable

Energy Agency (IRENA), from November 6 to 10 in Uruguay, which brought together the 27 energy ministers of OLADE member countries and representatives of trade associations, universities, companies and public agencies involved in the planning, coordination and regulation of the energy sector. This event brought together 2,173 attendees and representatives of 56 companies in the sector. Our presence in the first business dialogue forum allowed us to make visible the relevance of the transmission sector in the fair energy transition, in international interconnections and to support the public-private dialogue regarding improvements in the permitting systems incorporating best practices. This activity was opened by OLADE's Executive Secretary, Andrés Rebolledo.

| Institution | | Description |
|--|---|---|
| TRANSMISORAS DE CHILE A.G. |  | Transmisoras de Chile A.G. Guild that groups 12 transmission companies in the country, founded in 2020. |
| World Energy Council |  | Platform for free dialogue between high-level leaders from the public, private and academic sectors, where the most important energy issues in the country are discussed. |
| International Council of Large Electric Grids - CIGRE CHILE |  | Regional international organization that brings together companies and organizations of the energy sector to promote and encourage the integration of the energy sector. |
| Latin American Energy Organization |  | Public intergovernmental cooperation, coordination and technical advisory body, with the fundamental objective of promoting the integration, conservation, rational use, commercialization and defense of the Region's energy resources. |
| Regional Energy Integration Commission |  | Regional international organization that brings together companies and organizations of the energy sector to promote and encourage the integration of the energy sector. |
| Sociedad de Fomento Fabril (SOFOFA) |  | Trade association of companies and guilds in the Chilean industrial sector. |
| Chilean Association of Renewable Energy and Storage (ACERA A.G.) |  | Groups more than 150 members among developers, producers and suppliers of products and services, domestic and foreign, throughout the value chain of the industry of non-conventional renewable energy (NCRE) and since 2018 also extends its work to energy storage. |
| GLOBAL PACT CHILE of the United Nations |  | A special initiative of the United Nations Secretary-General that calls on companies around the world to align their operations and strategies with ten principles in the areas of human rights, labor, the environment and anti-corruption. |
| Chilean-Colombian Chamber of Commerce |  | Guild that seeks to strengthen commercial and social relations between Chile and Colombia, in addition to generating links and contacts between companies. |

| | | |
|---|---|--|
| Energía Atacama |  | Integrated Territorial Energy Program of the Atacama Region that promotes the development of human capital, the strengthening of local suppliers and the creation of links in the territory. |
| Industrial Corporation for the Development of the Coquimbo Region, CIDERE |  | Industrial Corporation for the Development of the Coquimbo Region, which gathers more than 35 companies and educational institutions. |
| Business Corporation for the Development of Tilti (PRO TIL- TIL) |  | Corporation for the local development of Tilti, formed by 8 companies. Interchile participates since 2019, promoting local entrepreneurship and development. |
| UNITED WAY |  | Non-profit corporation created in 2004 from the concern of several companies whose objective is to generate a change in the communities where they are inserted. |
| Club Social y Deportivo Colo-Colo |  | It is a social and sports institution whose main activity is professional football. |
| Fundación Basura |  | A non-governmental organization dedicated to solving the climate crisis through proper waste management and the promotion of public policies. |
| Fundación Reforestemos |  | Non-profit foundation whose mission is to recover territories through restoration, protection and native reforestation. We do this because healthy ecosystems are the foundation of a sustainable world, and because it is our way of leaving the world better than we found it. |
| Buín Zoo |  | Private corporation that seeks to promote and develop initiatives that contribute to the protection of endangered species and generate scientific knowledge that contributes to the conservation of biodiversity and sustainable development. |
| Fundación Chile |  | It is a public-private organization of the Chilean government, created in 1976, whose main objective is to introduce innovations and develop human capital in key clusters of the Chilean economy through the management and transfer of technologies, in alliance with local and global knowledge networks. |



Commitment to high impact institutions

Interchile is committed to the **United Nations Global Compact Chile**, both nationally and internationally, as part of its strategy to contribute to sustainable development goals.

Our participation is reflected in our involvement in various activities and the alignment of our strategy with the principles of the Global Compact. As a result of this collaboration, we are part of the committees of leading business groups related to Sustainable Development Goals (SDGs) 4, 7 and 17. This participation allows us not only to strengthen our commitment to sustainability, but also to contribute concretely to the achievement of the SDGs, promoting actions and practices that positively impact our environment and society as a whole.

At Interchile, we are also actively participating in the regional energy integration efforts led by the Latin American Energy Organization (OLADE). This organization, which brings together the energy

ministries of 27 countries, is dedicated to strengthening and promoting energy development in the Latin American region.

OLADE has established a comprehensive policy of regional energy integration, covering various areas of cooperation, such as regulatory harmonization in the electricity market, green hydrogen certification, environmental and social validation processes, permits and licenses, technical studies, energy security and emission reduction.

As a result of this collaboration, Interchile actively participated in the VIII Energy Week in Montevideo, contributing to the panels on "Regional Energy Integration" and "Permitting for Energy Transition". In addition, through ISA, we have joined the OLADE Business Advisory Committee, demonstrating our commitment to promoting and advancing energy integration in Latin America.



"Our dream is to see an interconnected Latin America, integration has always been ISA's vocation, and now I dare say it is also a responsibility... for what we will leave to our future generations".

Luis Llano
CEO ISA Interchile.

Locally, we are a member of the Chilean-Colombian Chamber of Commerce (CCCC).

In addition, we are actively involved in several public-private initiatives at the national level that promote the development and growth of the communities in which we operate. These include our participation in the Tilttil Industrial Development Corporation (Pro Tilttil) and the Coquimbo Industrial Development Corporation.

Investment in memberships as of 2023.

| Level | Company | Website | USD |
|--------------------------|------------------|---------------------|-----------|
| Guild/Energy | TRANSMISORAS | www.transmisoras.cl | |
| International/National | ACERA | www.acera.cl | |
| Guild/Trade | WEC CHILE | www.wec-chile.cl | |
| Guild/Industry | PACTO GLOBAL | www.pactoglobal.cl | |
| Guild/Regional | UNITED WAY CHILE | www.unitedway.cl | |
| Guild/Local | CCCC | www.cccc.cl | \$228.214 |
| International / National | CIGRE CHILE | www.cigre.cl | |
| Guild/Industry | SOFOFA | www.sofofa.cl | |
| Guild/ Regional | CIDERE COQUIMBO | www.cidere.cl | |
| Guild / Local | PRO TIL-TIL | www.protiltil.cl | |

Note. The total investment in these memberships was ThUS\$228, taking into account that SOFOFA's membership is shared with Interval. As of 2024, the membership of SOFOFA will not be renewed.

7.4. 7.4.Supplier management

[GRI 2-6, 308-1, 308-2, 414-1, 414-2, 204-1] [NCG 461 7.1, 7.2]

We recognize suppliers as strategic allies of our operations and work to establish long-term relationships with them based on transparency, honesty, mutual commitment and sustainability. In this sense, we encourage assertive communication and joint decision-making, where difficulties become opportunities for improvement through teamwork.

| Supply chain | 2022 | 2023 |
|---|----------------------------|------------------------|
| Total number of suppliers in the supply chain | 136 | 77 |
| Estimated value of payments to suppliers (CLP) | \$6.661.4167.988 () | \$8.010.990.076 |

Supply chain

We have a corporate procurement model focused on ensuring the quality and timeliness of supply to contribute to the achievement of the business strategy. Among its attributes, it includes a consolidated purchasing plan, identifies the optimal needs for the processes and recognizes and develops suppliers, identifying their capabilities, opportunities for improvement and gaps.

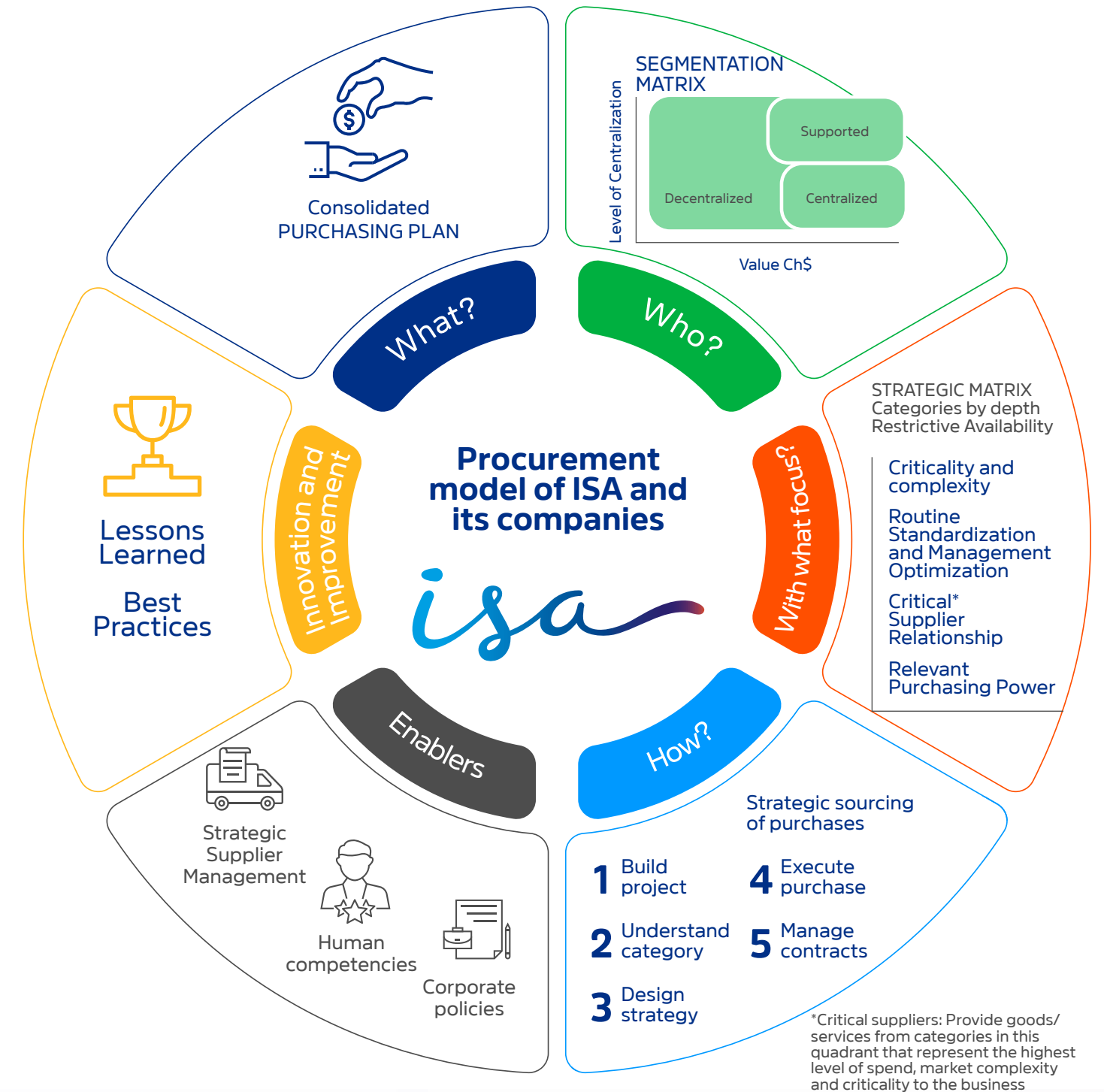
73.3% of our purchases are from local suppliers, representing a total value of local purchases of Ch\$5,903,543,599.

Our top suppliers are:

| | Total acquisitions in 2023 (US\$) | % |
|------------------------------|-----------------------------------|-------|
| ISA INTERCOLOMBIA S.A E.S.P. | 1,543,129 | 16.9% |
| Bbosch S.A. | 955,143 | 10.4% |

Top 5 priorities of the Company's overall supply chain management strategy

- 1. Category standard:** We use the category standard defined by the parent company in all areas where it is required and manage any changes with the person responsible for managing the ISA category catalog and its companies.
- 2. Category segmentation:** We adhere to the category segmentation defined by ISA and manage it in accordance with the provisions of the Corporate Guideline "Governance and Management of the Supply Chain".
- 3. Purchasing plan:** We have established and managed the Purchasing Plan in accordance with the provisions of the Corporate Guideline "Governance and Management of the Supply Chain".
- 4. Supplier management:** We manage suppliers in accordance with the strategic supplier management model defined for ISA and its companies.
- 5. Contract management:** We manage contracts in accordance with the parameters established in the Corporate Guideline "Governance and Management of the Supply Chain".



Supplier Code of Conduct

In addition, we manage our supply chain according to ethical, human rights, labor, environmental and anti-corruption criteria in all its operations. In this way, we strengthen our suppliers based on ethics, cooperation and trust, so that ISA, as a company that adheres to the United Nations Global Compact, accompanies them in the implementation of sustainable practices.

This is reflected in the ISA Group Supplier Code of Conduct. This document applies to ISA and its companies and defines the minimum non-negotiable criteria that must be met by all suppliers who have contractual relationships with ISA and its companies.

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

Knowledge of our Code of Conduct is a prerequisite for contracting with suppliers. By accepting the terms of the contract, they agree to comply with its provisions through fair operating practices, to respect and promote human rights in all their activities, to contribute to the preservation of the natural environment and the management of their environmental impacts, and to conduct their activities in an ethical and transparent manner.

ESG objectives identified to address with our suppliers

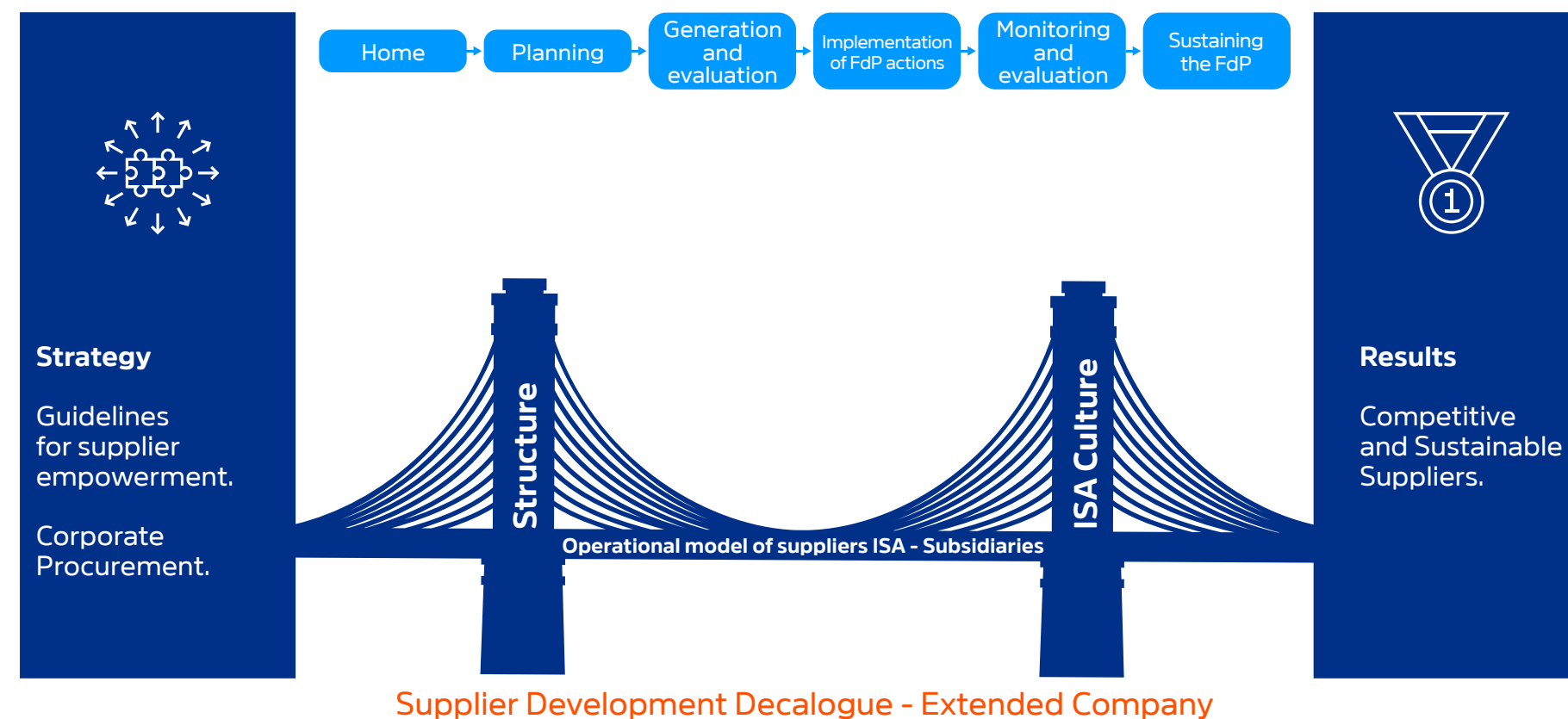
- » To reduce our carbon footprint by promoting mechanisms to reduce and offset greenhouse gas emissions.
- » To conduct climate change adaptation studies that will allow us to develop a plan that takes into account both the company's assets and its territories.



During 2023, we expanded this program, which aims to implement a model for companies that supply critical or restrictive goods and services to ISA. It works by combining the interests, needs and expectations of ISA and its subsidiaries, the internal regulations, the local legislation of each country where contracts are executed and the reality of each market.

Our Supplier Strengthening Model is defined by five elements: Strategy, methodology, results, structure and culture.

Model Outline



All these elements are based on the Decalogue for Supplier Development of ISA as an extended company.

Supplier Evaluation

In order to perform a responsible management of our suppliers, we are concerned with getting to know them better and managing their possible gaps, with the aim of minimizing risks and enhancing their attributes.

In 2023 we evaluated 100% of our suppliers, and 32% of them included environmental criteria in their evaluation.

Minimum criteria considered in supplier evaluation:

- 1) Pre-qualification:** Aspects such as financial, commercial, labor, legal, debt and non-compliance record, technical, certifications, experience of projects executed and references are evaluated.
- 2) Bid awarding evaluation:** Commercial (price, payment terms, penalties), financial (ratios, advances, guarantees), HSE (compliance with work obligations, reciprocity, claims, TRIF) and technical (methodology, equipment, resources, schedule, etc.).
- 3) Supplier Performance Evaluation:** The supply of goods or services is evaluated according to the following criteria: Management, Quality, Timeliness and HSE (Health, Safety and Environment).

Supplier Conference

In the month of August, we joined the practices of ISA and its companies, holding our first Supplier Conference, the purpose of which was to strengthen existing relationships and establish new strategic alliances, leading to greater trust and mutual commitment, leading to closer collaboration and benefits for both parties, managing material gaps.

The meeting was attended by companies that belong to the core of the organization and critical functions for our operations in the country, who shared with our executives and at the same time interacted with their peers.

The meeting included a presentation entitled "ISA Interchile's Strategy", given by our CEO ISA Interchile, Luis Llano. Then the participants were introduced to the management and procurement model "How do we maximize value together?", the safety and health of people at work "How do we achieve it together?", ethics and compliance, and finally cybersecurity.

Compliance with supplier evaluation indicator

| | 2022 | 2023 |
|---|------|------|
| Percentage of suppliers evaluated for quality, timeliness, HSE, ethics and anti-fraud practices (%) | 100% | 100% |
| Target % | 85 | 85 |
| Number of new suppliers | 8 | 28 |
| Number of new suppliers evaluated and selected based on environmental criteria (N) | 6 | 9 |
| Percentage of new suppliers evaluated and selected based on environmental criteria | 75% | 32% |
| Number of new suppliers evaluated and selected based on social criteria | 0 | 2 |
| Percentage of new suppliers evaluated and selected based on social criteria | 0% | 7% |

No significant negative environmental or social impacts - potential or actual - have been identified in the supply chain. Similarly, no suppliers with significant potential or actual negative environmental or social impacts have been identified.



08

ADDITIONAL
CORPORATE INFORMATION

8. ADDITIONAL CORPORATE INFORMATION

[NCG 461 2.3.(4), 2.3.(5)]

8.1. Main Properties

ISA Interchile owns the property called "Lote Pan de Azúcar", where the electrical substation "Nueva Pan de Azúcar" is located, located in the municipality and region of Coquimbo, acquired by public deed of sale dated June 19, 2014, signed in the notary's office of Mr. Oscar Fernández Mora, in the city of La Serena. Said land is registered in the Property Registry, on page 11,505 number 6,170 of the year 2014 of the City of Coquimbo's Real Estate Registry.

ISA Interchile owns the property known as "Lote Ocho A", where the "Nueva Maitencillo" electrical substation is located, in the municipality of Freirina, Atacama Region, acquired through a public deed of sale dated March 24, 2015, executed before the Notary of the Third Notary Office of Rancagua, Mr. Ernesto Montoya Peredo. Said land is registered on page 283 number 236 of the 2015 Property Registry of the Freirina Real Estate Registry.

8.2. Insurance Policies

- » MAPFRE > insures everything from electronic equipment to earthquakes and fires.
- » Chilena Consolidada > insures fidelity and director's civil liability.
- » Zurich > insures civil liability for directors and executives.

| Company | Policy |
|---------------------|--|
| Allianz | Civil Liability for D&O |
| BCI Seguros | Motor Vehicles |
| Chilena Consolidada | Civil Liability for D&O |
| FID | Civil Liability (Office) |
| MAPFRE | Electronic Equipment Insurance |
| MAPFRE | Material Damage Operation |
| MAPFRE | Fire / Terrorism Operation |
| Southbridge | Civil Liability Operation |
| Zurich | Fidelity Insurance and Financial Risks |
| Zurich | Data Protection |

8.3. Dividend Policy

[NCG 461 2.3.4, 2.3.5]

The Company's dividend policy is set forth in its Articles of Incorporation. These state the following:

» **Article Forty-Sixth: Minimum Dividends.** According to the Company bylaws, except otherwise unanimously agreed by the shareholders with voting rights at the related meeting, the Company should distribute annually as a cash dividend at least 30% of the net profits of each year.

» **Article Forty-Seventh: Interim Dividends.** The Board of Directors may, under the personal responsibility of the directors who vote in favor of the respective resolution, pay interim dividends during the year out of the profits of that period, provided that there are no accumulated losses.

» **Article Forty-Eight: Enforceability of the payment of dividends.** The payment of the minimum mandatory dividends shall be due 30 days after the date of the meeting that approved the distribution of profits for the fiscal year. The payment of additional dividends resolved at the Meeting shall be made within the year in which the resolution is adopted and on the date determined or fixed by the Board of Directors, if the Meeting has authorized it to do so. Interim dividends shall be paid on the date determined by the Board of Directors. Dividends shall be paid to shareholders of record on the fifth business day prior to the dates fixed for their payment.

8.4. Financing Structure

On July 26, 2021, Interchile S.A. performed a placement of Green Bonds (ESG) in the international markets of collateralized debt securities for a total amount of US\$ 1,200 million, subject to Rule 144A issued by the Securities and Exchange Commission of the United States of America. This is the only financing that Interchile S.A. has in place.

The instrument has a term of 35 years, with amortization starting on June 30, 2028. The purpose of the bond funds, as defined and communicated to investors, was "to provide funds to the shareholders, either through a capital reduction or a subordinated loan", a situation that is expected to materialize in 2023 with the mobilization to the shareholders of approximately 80% of the balance of cash and cash equivalents the Company had at year-end 2022.

Subsidiaries and Affiliates

As of December 31, 2023, does not have any subsidiaries, affiliates, or investments in other companies.

Distributable Profit

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

Cash Surpluses

Investments of short-term cash surpluses are made in accordance with ISA's investment policy. These policies take into account the observation, monitoring and permanent qualification of the financial market and its players, in the search for minimum financial risk and maximum profitability. All these investments must also comply with the requirements of the Interchile Bond credit agreement.

The following are the main guidelines considered in the short-term surplus investment policy:

» The management of the Company's cash surpluses must start from the definition, quantification and qualification of the minimum risk and/or the maximum acceptable risk with respect to entities, securities and operations. In our case, the maximum acceptable risk is the one indicated in the Bond credit agreement (deposits with a term of less than 90 days, issued by banks).

» Within this framework of acceptable risk, the most profitable treasury operations should be sought, quoting at least three banks.

» The Company should plan and perform operations to manage excess liquidity on the basis of the commitments established in the cash budget, in order to reduce liquidity risk and avoid unexpected resource requirements. This is done in order to avoid premature liquidation of investments.

- » The cash surplus management policy must not be speculative.
- » The financial institution selected must represent the maximum level of risk acceptable to the Company. In our case, they must be banks regulated by the CMF (Financial Market Commission) for investments made in Chile.
- » The securities that may be used for the investment of cash surplus must meet the following requirements:
 - » They must be fixed income securities with a maximum maturity of 90 days.
 - » The entities issuing these securities must comply with minimum risk levels.

8.5. About this Report

[GRI 2-3, 2-4]

We are pleased to present our third Integrated Management Report, which covers our economic, social and environmental performance from January 1, 2023 to December 31, 2023. This report has been prepared in accordance with the Comprehensive Option of the GRI 2021 Guidelines, taking into account the methodology established by the International Integrated Reporting Council (IIRC), with the aim of demonstrating to our various stakeholders our ability as a company to create sustainable value.

This report has been prepared on a voluntary basis in accordance with NCG 461 issued by the Financial Market Commission.

09

APPENDICES

9. APPENDICES

9.1. NCG 461 Index

| SECTION | CODE | PAGE | N/A Comments |
|--------------------------|--|-----------------|---|
| 2. Profile of the Entity | 2.1. Mission, vision, purpose and values | | |
| 2. Profile of the Entity | 2.2. Historical information | 14 | |
| 2. Profile of the Entity | 2.3.1. Oversight situation | 10, 11 | |
| 2. Profile of the Entity | 2.3.2. Significant changes in ownership or control | 10, 11 | |
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| SECTION | CODE | PAGE | N/A Comments |
|------------------------------------|---|---------|----------------|
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9.2. GRI Index

| GRI Standard | Indicator | | PAGE |
|--|-----------|---|---------------|
| | Code | Disclosure | |
| General Disclosures 2021: Organisation and its reporting practices | 2-1 | Organizational details | 11 |
| | 2-2 | Entities included in the organization's sustainability reporting | 11 |
| | 2-3 | Reporting period, frequency and contact point | 132 |
| | 2-4 | Restatements of information | 132 |
| | 2-5 | External assurance | Not performed |
| General Disclosures 2021: Activities and workers | 2-6 | Activities, value chain and other business relationships | 124-125 |
| | 2-7 | Employees | 14, 62 |
| | 2-8 | Workers who are not employees | 62 |
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| | 2-15 | Conflicts of Interest | 27-30 |
| | 2-16 | Communication of critical concerns | 23, 26, 116 |
| | 2-19 | Remuneration policies | 20 |
| | 2-20 | Process to determine remuneration | 20 |

| GRI Standard | Indicator | | PAGE |
|--|-----------|--|------------------------------|
| | Code | Disclosure | |
| General Disclosures 2021: Strategy, Policies and Practices | 2-22 | Statement on sustainable development strategy | 39-42 |
| | 2-23 | Policy commitments | 12, 61 |
| | 2-24 | Embedding policy commitments | 61 |
| | 2-25 | Processes to remediate negative impacts | 27, 83, 94 |
| | 2-26 | Mechanisms for seeking advice and raising concerns | 23 |
| | 2-27 | Compliance with laws and regulations | 31 |
| | 2-28 | Membership associations | 118 |
| General Disclosures 2021: Stakeholder engagement | 2-29 | Approach to stakeholder engagement | 26, 111 |
| | 2-30 | Collective bargaining agreements | ISA Interchile has no unions |
| Economic Performance 2016 | 201-1 | Direct economic value generated and distributed | |
| | 204-1 | Proportion of spending on local suppliers | 55 |
| Anti-corruption 2016 | 205-1 | Operations assessed for risks related to corruption | 124 |
| | 205-2 | Communication and training about anti-corruption policies and procedures | 34 |
| | 205-3 | Confirmed incidents of corruption and actions taken | 34 |
| Energy 2016 | 302-1 | Energy consumption within the organization | 34 |
| Water and Effluents 2018 | 303-1 | Interactions with water as a shared resource | 96-97 |
| | 303-5 | Water consumption | 99 |

| GRI Standard | Indicator | | PAGE |
|--|-----------|---|---------|
| | Code | Disclosure | |
| Biodiversity 2016 | 304-1 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | 100-101 |
| | 304-2 | Significant impacts of activities, products and services on biodiversity | 101 |
| | 304-3 | Habitats protected or restored | 103 |
| | 304-4 | UICN Red List species and national conservation list species with habitats in areas affected by operations | 102 |
| Emissions 2016 | 305-1 | Direct (Scope 1) GHG emissions | 98-99 |
| | 305-5 | Reduction of GHG emissions | 98-99 |
| Effluents and Waste 2020 | 306-3 | Waste generated | 99 |
| | 306-4 | Waste diverted from disposal | 99 |
| | 306-5 | Waste directed to disposal | 99 |
| Supplier Environmental Assessment 2016 | 308-1 | New suppliers that were screened using environmental criteria | 127-128 |
| | 308-2 | Negative environmental impacts in the supply chain and actions taken | 128 |
| Employment 2016 | 401-1 | New employee hires and employee turnover | 62 |
| | 401-3 | Parental leave | 77 |
| Occupational Health and Safety 2018 | 403-9 | Work-related injuries | 75 |
| Occupational Health and Safety 2016 | 404-1 | Average hours of training per year per employee | 63 |
| | 404-3 | Percentage of employees receiving regular performance and career development reviews | 64 |
| Training and Education 2016 | 405-1 | Diversity of governance bodies and employees | 75-76 |
| | 405-2 | Ratio of the basic salary and remuneration of women to men | 77 |

| GRI Standard | Indicator | | PAGE |
|-----------------------------------|-----------|--|-----------|
| | Code | Disclosure | |
| Non-discrimination 2016 | 406-1 | Incidents of discrimination and corrective actions taken | 78 |
| Security Practices 2016 | 410-1 | Security personnel trained in human rights policies or procedures | 81 |
| Rights of Indigenous Peoples 2016 | 411-1 | Incidents of violations involving rights of indigenous peoples | None |
| Human Rights Assessment 2016 | 412-1 | Operations that have been subject to human rights reviews or impact assessments | None |
| Local Communities 2016 | 413-1 | Operations with local community engagement, impact assessments, and development programs | 83, 89-91 |
| | 413-2 | Operations with significant actual and potential negative impacts on local communities | 83, 91 |
| Supplier Social Assessment 2016 | 414-1 | New suppliers that were screened using social criteria | 128 |
| | | Negative social impacts in the supply chain and actions taken | 128 |

10

ESSENTIAL EVENTS
AND FINANCIAL STATEMENTS

ESSENTIAL FACTS

02/02/2023

- On February 2, 2023, the appointment of Gabriel Jaime Melguizo Posada and Daniel Isaza Bonnet as replacement directors on the board of Interchile S.A. was announced.

28/12/2023

- On December 28, 2023, Mr. Juan Emilio Posada Echeverri resigned from the Board of Directors of Interchile S.A. effective February 2, 2024.

Estados Financieros

INTERCHILE S.A.

Santiago, Chile
31 de diciembre de 2023 y 2022



EY Chile
Avda. Presidente
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Las Condes, Santiago

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Independent Auditors' Report

The Shareholders and Directors
of Interchile S.A.

Opinion

We have audited the accompanying financial statements of Interchile S.A., which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of comprehensive income, changes in equity, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Auditing Standards Generally Accepted in Chile. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Interchile S.A. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, Management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Interchile S.A.'s ability to continue as a going concern



for at least the next twelve months from the end of the reporting period, but not limited to that period.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with Auditing Standards Generally Accepted in Chile, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Interchile S.A.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by Management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Interchile S.A.'s ability to continue as a going concern during a reasonable period.

INTERCHILE S.A.

Notes to the Financial

As of December 31, 2023 and

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during our audit.



Cristián Sepúlveda A.
EY Audit Ltda.

Santiago, February 14, 2024

FINANCIAL STATEMENTS
INTERCHILE S.A.
As of December 31, 2023 and 2022

Contents

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Ch\$:
 Chilean
 peso

ThCh\$:
 Thousands
 of Chilean pesos

US\$:
 United States
 dollar

ThUS\$:
 Thousands of
 United States dollars

EUR:
 Euro

UF:
 Unidad de Fomento
 (Chilean inflation-adjusted units)

CLASSIFIED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31,

(In thousands of U.S. dollars)

| ASSETS | Note | 2023 ThUS\$ | 2022 ThUS\$ |
|--|------|------------------|------------------|
| Current Assets | | | |
| Cash and cash equivalents | (6) | 170,197 | 301,953 |
| Other current financial assets | (7) | 59,754 | 60,285 |
| Trade and other receivables, current | (8) | 18,239 | 17,912 |
| Receivables due from related parties | (10) | 66,473 | 49 |
| Other current non-financial assets | (9) | 462 | 107 |
| Total current assets | | 315,125 | 380,306 |
| Non-current assets | | | |
| Other non-current non-financial assets | (9) | 192 | 151 |
| Property, plant and equipment, net | (12) | 997,067 | 1,004,562 |
| Intangible assets other than goodwill | (13) | 113,794 | 111,732 |
| Deferred tax assets | (11) | 23,699 | 35,589 |
| Total non-current assets | | 1,134,752 | 1,152,034 |
| Total assets | | 1,449,877 | 1,532,340 |

The accompanying notes 1 through 22 are an integral part of these financial statements

CLASSIFIED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31

(In thousands of U.S. dollars)

| LIABILITIES AND EQUITY | Note | 2023 ThUS\$ | 2022 ThUS\$ |
|--|------|------------------|------------------|
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables, current | (14) | 43,725 | 37,061 |
| Payables due to related parties, current | (10) | 333 | 324 |
| Current tax liabilities | (11) | 9 | 10 |
| Total current liabilities | | 44,067 | 37,395 |
| Non-current liabilities | | | |
| Trade and other payables, non-current | (14) | 9,171 | 313 |
| Non-current financial liabilities | (15) | 1,058,170 | 1,184,208 |
| Total non-current liabilities | | 1,067,341 | 1,184,521 |
| Total liabilities | | 1,111,408 | 1,221,916 |
| Equity | | | |
| Issued capital | (16) | 370,136 | 370,136 |
| Retained earnings (accumulated deficit) | (16) | (31,667) | (59,712) |
| Other reserves | | - | - |
| Total equity | | 338,469 | 310,424 |
| Total liabilities and equity | | 1,449,877 | 1,532,340 |

The accompanying notes 1 through 22 are an integral part of these financial statements

STATEMENTS OF COMPREHENSIVE INCOME BY FUNCTION

FOR THE YEARS ENDED DECEMBER 31

(In thousands of U.S. dollars)

| Statement of profit or loss | Note | 2023 ThUS\$ | 2022 ThUS\$ |
|--|------|---------------|----------------|
| Revenue | (17) | 102,214 | 94,398 |
| Cost of sales | (18) | (42,426) | (39,203) |
| Gross profit | | 59,788 | 55,195 |
| Administrative expenses | (18) | (13,187) | (9,944) |
| Other income and expenses | | (1,024) | (771) |
| Finance income and finance costs | (18) | (5,289) | (51,057) |
| Income (expense) from inflation adjusted units | | 101 | - |
| Foreign currency translation differences | | (445) | 91 |
| Profit (loss) before tax | | 39,944 | (6,486) |
| Income tax | (11) | (11,899) | 1,785 |
| Profit (loss) for the year | | 28,045 | (4,701) |

Profit (loss)

| | | | |
|--|--|---------------|----------------|
| Total other comprehensive income (loss) | | - | - |
| Total comprehensive income (loss) | | 28,045 | (4,701) |

The accompanying notes 1 through 22 are an integral part of these financial statements

STATEMENTS OF CASH FLOWS (DIRECT METHOD)

FOR THE YEARS ENDED DECEMBER 31

(In thousands of U.S. dollars)

| Statements of Cash Flows - Direct method | 2023 ThUS\$ | 2022 ThUS\$ |
|--|------------------|-----------------|
| Cash flows from (used in) operating activities | | |
| Receipts from the provision of goods and services | 173,560 | 141,542 |
| Payments to suppliers for the provision of goods and services | (102,780) | (58,525) |
| Other cash inflow (outflow) | - | (15) |
| Net cash flows from operating activities | 70,780 | 83,002 |
| Cash flows from (used in) investing activities | | |
| Purchase of property, plant and equipment | (3,918) | (5,477) |
| Purchase of intangible assets | (3,138) | (1,692) |
| Interest received, recorded as investment activities | 19,944 | 6,351 |
| Other cash inflow (outflow) | - | (36,987) |
| Net cash flows from (used in) investing activities | 12,888 | (37,805) |
| Cash flows from (used in) financing activities | | |
| Repurchase of Green Bond (Amortization to equity) | (94,973) | - |
| Amounts for debt recognition | (64,600) | - |
| Interest and finance costs paid | (55,406) | (57,400) |
| Cash flows used in financing activities | (214,979) | (57,400) |
| Net increase (decrease) in cash and cash equivalents, before the effect of movements in exchange rate | (131,311) | (12,203) |
| Effects of foreign exchange rate changes on cash and cash equivalents | (445) | 91 |
| Increase (decrease) in cash and cash equivalents | (131,756) | (12,112) |
| Cash and cash equivalents at January 1 | 301,953 | 314,065 |
| Cash and cash equivalents at December 31 | 170,197 | 301,953 |

The accompanying notes 1 through 22 are an integral part of these financial statements

STATEMENTS OF CHANGES IN EQUITY

AS OF DECEMBER 31, 2023 AND 2022

(In thousands of U.S. dollars)

| Statements of Changes in Equity | Issued capital ThUS\$ | Other reserves ThUS\$ | Retained earnings (accumulated deficit) ThUS\$ | Total equity ThUS\$ |
|--|--------------------------|--------------------------|--|------------------------|
| Opening balance as of January 1, 2023 | 370,136 | - | (59,712) | 310,424 |
| Profit for the year | - | - | 28,045 | 28,045 |
| Closing balance as of December 31, 2023 | 370,136 | - | (31,667) | 338,469 |
| Opening balance as of January 1, 2022 | 370,136 | - | (55,011) | 315,125 |
| Loss for the year | - | - | (4,701) | (4,701) |
| Closing balance as of December 31, 2022 | 370,136 | - | (59,712) | 310,424 |

The accompanying notes 1 through 22 are an integral part of these financial statements

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

NOTE 1 - CORPORATE INFORMATION AND DESCRIPTION OF BUSINESS

INTERCHILE S.A. (hereinafter "the Entity", "the Company" or "INTERCHILE") was incorporated as a Closely-held Shareholders' Corporation via public deed on December 13, 2012, at the Notary of Santiago Raúl Undurraga Laso. The Company's registered office is located at Avenida Cerro El Plomo N° 5630 Piso 18 - oficina 1802, Las Condes, Metropolitan Region, Santiago, Chile and its Taxpayer ID No. is 76.257.379-2.

The Company is registered under No. 266 in the Register of Reporting Entities of the Financial Market Commission ("CMF"), as the registration is required by the National Energy Commission as a prerequisite for the process of granting rights to which the Company is subject.

The direct parent of the Company is ISA Inversiones Chile SPA, which registered office is located at Avenida Cerro El Plomo N° 5630 Piso 18, oficina 1802 - Las Condes, Metropolitan Region, Santiago, Chile, which in turn is a subsidiary of Interconexión Eléctrica S.A. E.S.P. which is the Parent of Grupo Ecopetrol based in Bogota, Colombia.

The Company is only engaged in the transmission of electricity through national, zonal and/or dedicated transmission systems, or any other classification of transmission facilities that the regulations may provide in the future, either on its own or on behalf of third parties; the commercialization of the capacity to transmit and transform electricity in the Central Interconnected System or in the Big North Interconnected System; the construction, management and/or operation of electric transmission facilities, either on its own or on behalf of third parties; the provision of services in activities related to the corporate purpose, either in the country or abroad; the performance of any other activities related to the electric power transmission and transportation industry; and, in general, the execution of all types of contracts and agreements directly or indirectly related to the corporate purpose, which may be performed 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 in the 2x220 KV Line, Maitencillo - Nueva Maitencillo.
- c)** Expansion in the Nueva Pan de Azúcar substation.

The Company is currently generating revenue from operating projects related to the development of its core business.

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

NOTE 2 - BASIS OF 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, 2023 and 2022, and have been prepared in accordance with International Financial Reporting Standards (IFRS) as 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, 2023, 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 on a historical 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. The Company prepares its financial statements on an accrual basis, except for the statement of cash flows, which is prepared on a cash basis. INTERCHILE has prepared the financial statements on the basis that it will continue to operate as a going concern.

The financial statements were authorized for issue by the Company's Board on February 14, 2024.

2.2) Functional currency

The functional currency is the currency of the main economic environment in which the Company operates, 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 United States dollars (ThUS\$), except when indicated otherwise.

2.3) Basis of translation

Transactions in foreign currency and inflation-adjusted units (as the UF or UTM) are recorded at the exchange rate of the related currency or inflation-adjusted unit at the date in which the transaction meets the requirements for its 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 Inflation-adjusted Units are translated

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

into U.S. dollars at the exchange rates in effect at the date of the financial statements, in accordance with the following detail (US\$1 equivalents):

| | 2023 US\$ | 2022 US\$ |
|--|-----------|-----------|
| Unidad de Fomento (Chilean inflation-adjusted units) | 0.0238 | 0,0244 |
| Chilean peso | 0,0011 | 0,0012 |
| Euro | 0,90 | 0,92 |

2.4) Responsibility for the information and estimates made

The information contained in the accompanying financial statements is the responsibility of the Company's Board of Directors which expressly indicates that IFRS has been fully implemented.

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

These estimates have been made based on the best information available at the reporting date, however, it is possible that future events may require adjustments (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.

The information about significant areas of estimation of uncertainty and critical judgments in applying accounting policies that have most significant effect on amounts recognized in the financial statements, are 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 rewards of ownership of the asset, including the possibility of losses due to idle capacity or technological obsolescence and variations in performance due to changes in economic conditions. This classification is made at the inception 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 of the 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 receivables; the amount of such losses is updated at each reporting date to reflect changes in credit risk since initial recognition.

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

- Recovery of deferred taxes; the use of professional judgment is required to determine whether deferred tax assets should be recognized in the statement of financial position. To use deferred tax assets, the probability that the Company will generate taxable profits in future periods is evaluated. In addition, future changes in tax laws could limit the Company's ability to obtain tax deductions in future periods. Any difference between the estimates and subsequent actual disbursements is recorded in the year in which it occurs.
- Provision for legal and administrative processes: To estimate the value of the contingency of loss in the processes that are pending against INTERCHILE, the legal advisors evaluate, among other aspects, the merits of the claims, the jurisprudence of the courts in this regard and the current status of the proceedings. This provision is associated with the probability of occurrence, as well as professional judgment and the opinion of legal advisors.

2.5) Offsetting of balances and transactions

Generally, assets and liabilities or income and expenses are not offset in the financial statements, except in cases where the offsetting is required or allowed by any standard and this presentation reflects the economic substance of the transaction.

Income or expenses generated by transactions which contractually or mandatorily under the law, include the possibility of offsetting and the Company has the intent to settle its net amount or to realize the asset and settle the liability simultaneously are recorded as net amounts in the statement of comprehensive income.

2.6) Classification of balances as current and non-current

In the accompanying statement of financial position, balances are classified according to their maturities; i.e., balances maturing in twelve months or less as current and balances maturing in periods exceeding twelve months as non-current. For obligations maturing in less than twelve months but whose refinancing at long-term is secured at the Company's discretion, through unconditionally available credit agreements maturing at long-term, such obligations could be classified as non-current liabilities.

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

NOTE 3 - SUMMARY OF ACCOUNTING POLICIES

The following are the Company's significant accounting policies adopted in preparing these financial statements. As required by IFRSs, these policies have been designed based on IFRS in effect as of December 31, 2023, and have been applied consistently to all periods presented in these financial statements.

3.1) Financial assets

Acquisitions and disposals of financial assets are recognized at the trading date, i.e., the date in which the Company commits to acquire or dispose the asset.

Financial assets are classified as follows:

- Financial assets at fair value through profit or loss
- Financial assets at amortized cost
- Financial assets at fair value through other 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 their initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are held principally for the purpose of selling in the short term. Assets classified as at fair value through profit or loss are classified as current assets.

Investments in marketable securities are initially recorded at cost and subsequently their value is restated based on their market value (fair value); changes in their value are recorded in profit or loss when they occur.

Financial assets at amortized cost

This category includes financial assets that meet the following conditions:

- a) The underlying business model aims to hold financial assets to obtain contractual cash flows and, in turn,
- b) The contractual terms of financial assets give rise to cash flows at specified dates consisting only of principal and interest payments. The financial assets that comply with 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 recognized at amortized cost, which corresponds to the initial fair value less principal repayments made, plus uncollected accrued interests calculated using the effective interest method.

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

Financial assets at fair value through other comprehensive income

Correspond to investments in equity securities that are not held for trading and do not represent contingent consideration from an acquirer in a business combination. For these investments, INTERCHILE may make an irrevocable election at initial recognition to recognize gains or losses from subsequent measurement at fair value in other comprehensive income.

These instruments are measured at fair value. Gains and losses arising from the remeasurement at fair value are recognized in other comprehensive income until the asset is derecognized.

Derecognition of financial assets

A financial asset or part of a financial asset is derecognized when the contractual rights or cash flows of the instrument are sold, transferred or expire or when control over the contractual rights or cash flows of the instrument is lost. 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.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss accumulated in other comprehensive income is reclassified to profit or loss. In contrast, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss accumulated in other comprehensive income is not reclassified to profit or loss, but transferred to retained earnings.

Impairment of financial assets

Financial assets, other than those valued at fair value through profit or loss, are assessed at each reporting date to establish the presence of impairment indicators. Financial assets are impaired when there is objective evidence that, as a result of one or more events incurred after initial recognition, these impacted the estimated cash flows of the investment.

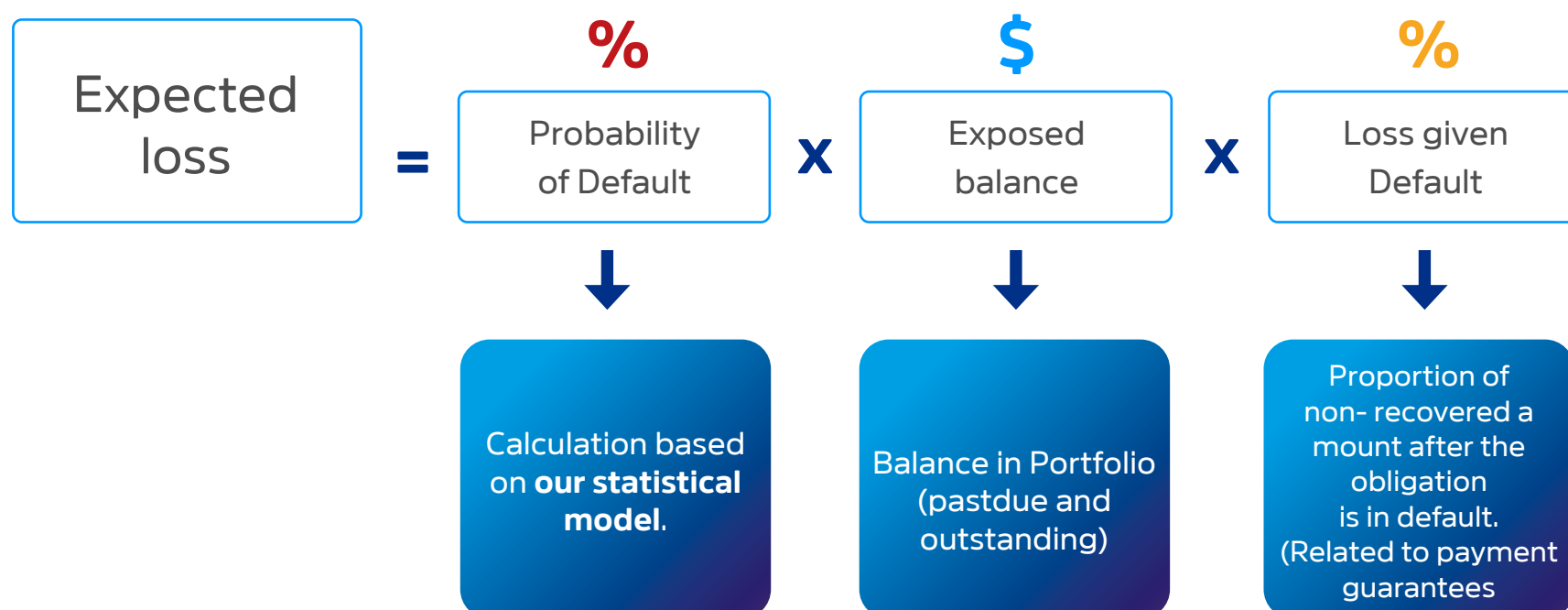
IFRS 9 requires the Company to recognize expected credit losses from all its debt instruments, loans and trade receivables, whether on a 12-month or lifetime basis. INTERCHILE applied the simplified approach and recorded the expected losses in the lifetime of all trade receivables.

In determining impairment based on expected credit loss, appropriate and reliable information about past events, current conditions and reasonable projections of future economic conditions is used, to the extent that such information is not disproportionately costly or difficult to obtain. In addition, the use of certain practical expedients to estimate expected credit loss is contemplated, provided they are consistent with the principles in the Standard.

Notes to the Financial Statements

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As of December 31, 2023, the Company uses the following methodology for calculation:



- **Exposed balance**

The exposed balance is the current balance of principal, interest and other receivables of the analyzed obligation or portfolio.

- **Probability of Default**

Corresponds to the probability that the debtors of a given obligation or portfolio will default during the life of the instrument or portfolio.

- **Loss Given Default - LGD**

It is defined as the economic loss that the Company would incur if one of the default situations were to materialize. The LGD for debtors classified in the default category increases gradually in accordance with the number of days elapsed since they were placed in this category.

Impairment of non-financial assets

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

The carrying amounts of the Company's non-financial assets, other than deferred taxes, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated with debit to profit or loss. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss is recognized in profit or loss.

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

3.2) **Property, plant and equipment**

Items of property, plant and equipment are recognized at cost less accumulated depreciation and impairment losses.

The cost of items of property, plant and equipment comprises their acquisition cost plus any other costs directly attributable to bringing the assets to a working condition for their intended use as foreseen by Management and the initial estimate of the costs of dismantling and removing the items and restoring the site on which they are located.

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

- a)** Finance costs related to external financing that are directly attributable to constructions of a specific or generic nature. In relation to the generic financing, capitalized financial expenses are obtained by applying the weighted average cost of financing to the accumulated average investment susceptible to capitalization.
- b)** Employee expenses directly related and others of an operating nature attributable to the 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 item for a certain period.

Repair, preservation and maintenance expenses are expensed in comprehensive income in the period in which they are incurred.

Notes to the Financial Statements

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Additions and costs of expansion, modernization or improvement are capitalized as an increase in the value of the related assets if they extend their useful lives, increase their production capacity and operating 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 carrying amount. Any impairment loss recognized or reversed as a result of this comparison is recognized with a debit or credit to comprehensive income as appropriate.

The gain or loss from the disposal or retirement of an asset is calculated as the difference between the price obtained from the sale and the carrying amount in the accounting records with a debit or credit to comprehensive income for the year.

Prepayments made to contractors to finance the manufacture of equipment and the progress of construction work are considered as non-monetary assets and are recognized at the value of the disbursement actually made. In the case of prepayments in foreign currency, they are translated into U.S. dollars at the exchange rate at the date of disbursement. Prepayments are presented as non-current assets and are reclassified to work in progress (property, plant and equipment under construction) based on the actual progress of the work.

- Depreciation

The Company depreciates the items of property, plant and equipment from the date they are available for use using the straight-line basis over their estimated useful lives. INTERCHILE reviews annually the residual value, depreciation method and remaining useful life of the assets and accounts for any changes prospectively. The estimated useful lives are as follows:

| Assets | Range of years |
|--------------------------------|----------------|
| Transmission lines | 40 |
| Electrical substations | 15 - 40 |
| Communications equipment | 10 |
| Industrial tools and machinery | 10 |
| Furniture and fixtures | 3 |
| Vehicles | 5 |
| Computer equipment | 2 - 3 |

- Assets under construction and installation

Property under construction for administrative, production, supply or other unspecified purposes is recognized at cost less any accumulated impairment losses. When such assets under construction or installation are ready for their intended use, they are allocated to the appropriate categories of property, plant and equipment and depreciation begins at that time, i.e. when they are in the location and condition necessary for them to be capable of operating as intended.

Notes to the Financial Statements

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

INTERCHILE derecognizes an item of property, plant and equipment upon disposal or when it is no longer expected to generate future economic benefits. The gain or loss arising from the disposal of property, plant and equipment is determined as the difference between the selling price, net of any costs directly attributable to the sale, and the carrying amount of the asset, and is recognized in profit or loss.

- **Asset components**

A component of PPE is an element that can be considered as part of another asset, but which, due to its own characteristics, the function it performs and the type of strategies or activities followed during its technical or service life, can be treated as an independent 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. Major spare parts and permanent maintenance equipment that INTERCHILE and its companies expect to use for more than one year are normally classified as property, plant and equipment. Similarly, if spare parts and auxiliary equipment of a fixed asset can only be used in relation to that asset, they are 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 the net cost of the corresponding accumulated amortization and impairment losses which they may have experienced.

An intangible asset is derecognized upon disposal or when no future economic benefits are expected to arise from its use or disposal. The gain or loss arising on derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss when the asset is derecognized.

Intangible assets are amortized on a straight-line basis over their useful lives.

- **Easements**

Easements are rights acquired to use a strip of land for the installation of a transmission line.

Notes to the Financial Statements

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This type of intangible asset is a perpetual right with an indefinite useful life, although the transmission lines to which the easements relate have a finite useful life. INTERCHILE has the possibility to replace the transmission lines at the end of their useful life or to use the acquired easement right for any other service related to the transmission of energy and telecommunications, according to what is described in the purposes of the creation of the easements. Easements have an indefinite useful life and are not amortized; therefore, they are tested for impairment on an annual basis. Once the easement has been evaluated, if there is an indication of impairment, the recoverable amount is analyzed and calculated. The recoverable amount is the higher of the fair value less its costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market conditions of the time value of money and the risks specific to the asset.

- Software and licenses

Software is amortized using the straight-line method over a maximum period of three years. Licenses are amortized on a straight-line basis over 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 when 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 payables, other payables and bonds.

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

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

INTERCHILE derecognizes a financial liability when the obligation specified in the contract is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an

Notes to the Financial Statements

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exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.6) Provisions

A liability is recognized if:

- a) The Company has a present obligation (legal or constructive) as a result of a past event;
- b) It is probable that an outflow of economic benefits will be required to settle the obligation; and
- c) The amount of the obligation can be estimated reliably.

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

3.6.1) Provision for legal and administrative processes

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

Certain contingent conditions that may result in a loss for INTERCHILE and will only be resolved in the future, when one or more events occur or may occur, may exist at the date of issuance of the financial statements. INTERCHILE, together with its legal advisors, estimate the value of these contingencies. This estimate is a key judgment of management and is a matter of opinion.

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

3.6.2) Provisions for environmental management of projects

The construction or expansion of a transmission line gives rise to an obligation to incur costs to manage and mitigate the resulting environmental impacts. The costs are estimated on the basis of

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

a plan approved by the competent authority and are reassessed at the end of each reporting period or when such obligations become known. The initial estimate of the cost of the management plan is presented as part of the related property, plant and equipment caption in accordance with IAS 16 and a liability is recognized in accordance with IAS 37.

For the above purposes, the sectors, activities and works to be carried out in order to meet environmental obligations are defined, taking into account a market price structure for goods and services that reflects the best knowledge to date for carrying out such activities, as well as the most efficient techniques and processes known and capable of being replicated.

The valuation process for these activities should explicitly state the exchange rate assumptions for marketable goods and services and the discount rate used to update the relevant flows over time, which reflects the time value of money and includes the risks associated with the liability being measured based on the currency in which the disbursements will be made.

The provision at the end of each reporting period represents management's best estimate of the present value of the future costs to implement the required environmental management plan. Changes in the estimate of the liability as a result of changes in the estimated future costs or the discount rate are added to or deducted from the related asset cost.

If the change in estimate results in an addition to the cost of the asset, the Company assesses whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If such an indication exists, the Company performs an impairment test to estimate the recoverable amount and any impairment loss is recognized in accordance with IAS 36.

These environmental management plan costs are recognized in profit or loss through depreciation of the asset. Depreciation is included in cost of sales, while the discount on the provision is recognized in profit or loss as finance cost.

3.7) Employee benefits

Costs associated to employee benefits, related to services rendered to employee during the year, are charged to comprehensive income in the related period.

3.8) Income tax and deferred taxes

Income tax expense corresponds to the sum of current tax payable and deferred taxes.

The Company determines the current income tax charge based on tax laws enacted or substantively enacted at the end of the period. Management periodically evaluates the position taken in tax returns with respect to situations where tax laws are subject to interpretation. In addition, where appropriate, it makes provisions for amounts expected to be paid to the taxation authorities.

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Deferred income tax is calculated on temporary differences 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 tax laws) enacted or substantially enacted at the reporting date, which is expected to be applied when the related deferred tax asset is realized or the deferred tax liability is settled.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available to offset such differences. Tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation 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 recognition of a business combination

INTERCHILE reviews the carrying amount of deferred tax assets at each reporting date and reduces their carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

3.9) Statement 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. Bank overdrafts are classified as bank borrowings under current liabilities in the statement of financial position.

The Company prepares the Statements of Cash Flows using the direct method.

a) Operating activities

Correspond to the principal revenue-producing activities usually conducted by the Company and other activities that are not investing or financing activities.

b) Investing activities

Correspond to acquisition, disposal or sale activities by other means of long term assets and other investments not included in cash and cash equivalents.

c) Financing activities

Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

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

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

3.10) Revenue, costs and expense recognition

3.10.1) Revenue

The Company recognizes revenue to describe the transfer of promised goods or services to customers in exchange for a value that reflects the consideration to which it expects to be entitled in exchange for those goods or services.

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

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to performance obligations in the contract.

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

INTERCHILE applies the following criteria for revenue recognition:

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

The Company's revenue is derived from the remuneration it obtains for the use of its electric transmission assets. A portion of the revenue is subject to regulated amounts, while another portion is derived from contractual agreements with the users of the Company's facilities. Total revenue generated from the use of the Company's facilities, includes two components: i) the investment value annuity (AVI), plus ii) COMA, Operation, Maintenance and Management Costs, which is the required cost to operate, maintain and manage the corresponding facilities. The New Works awarded to the Company in the bidding processes of the Chilean Government will be paid

Notes to the Financial Statements

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with the AVI and the COMA, presented for a period of 240 months. Once the aforementioned period has elapsed, the facilities and their valuation shall be reviewed in the study of valuation of Transmission Systems. The Expansion Works of which the Company is responsible will be paid with the AVI calculated in such a way that the present value of these annuities (using a real annual discount rate and the economic life of each of the facilities) equals the cost of replacing the existing transmission facilities with new facilities with similar characteristics at current market prices, plus the COMA assigned in the Decree.

Revenue from both types of agreements, regulated and contractual, is recognized and billed monthly using the values stipulated in the contracts or, in the case of regulated agreements, the payment tables prepared by the National Electric Coordinator. In both cases these values are updated with the corresponding indicators. The Company's regulated revenue is collected through (i) tolls and (ii) tariff revenues, which are billed in the month following the month in which the service was rendered.

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

3.10.2) Operating cost and expenses

The Company's cost and expenses are recognized on an accrual basis. Interest expenses are recorded at the effective interest rate applicable to the principal pending repayment during the related accrual period.

Outflows that are not capitalizable as part of work in progress are recognized in the statement of profit or loss as they are accrued, regardless of when they are paid, and are recorded in the periods to which they relate.

3.11) Leases

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

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 establishes principles for lease recognition, measurement, presentation and disclosure, and it requires that lessees account for all leases under a single model, similar to the finance lease accounting under IAS 17. Effective for annual periods beginning on or after January 1, 2019.

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INTERCHILE as lessee

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

Right-of-use assets are measured at cost, which includes:

- The amount for the initial measurement of the lease liability.
- Lease payments made before or from the commencement 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 removing the asset, restoring the site on which it is located or restoring the asset to the condition required by the terms and conditions of the lease.

In addition, the lease liability is measured at the present value of lease payments not yet made to date. Lease payments are discounted using the interest rate implicit in the lease, if such rate is readily determinable, otherwise INTERCHILE uses the lessee's incremental borrowing rate.

After the commencement date, INTERCHILE measures its assets by right of use applying the cost model and amortizes them according to the contract term and usage expectations. The lease liabilities are measured:

- Increasing the carrying amount to reflect interest on the lease liability.
- Reducing the carrying amount to reflect the 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.

INTERCHILE as lessor

INTERCHILE classifies each of its agreements as an operating lease or a finance lease, depending on the substance of the transaction and not on the form of the contract. A lease will be classified as a finance lease when it transfers substantially all the risks and rewards incidental to ownership of the asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of the asset.

INTERCHILE initially recognizes payments from operating leases as revenue on a straight-line basis. In addition, initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term. In subsequent periods, lease assets are depreciated and/or impaired based on the Group's policies.

However, INTERCHILE recognizes in its financial statements lease payments as a receivable, in 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 unguaranteed residual value corresponding

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

to the lessor, discounted at the implicit interest rate of the lease. Initial direct costs are included in the initial measurement of the net investment in the lease and reduce the amount of revenue recognized over the term of the lease.

In subsequent measurements, INTERCHILE recognizes finance income over the lease term, based on a pattern that reflects a constant rate of return on the net financial investment made in the lease. They also apply lease payments related to the period to the gross investment in the lease, to reduce both principal and unearned finance income; and implement the derecognition and impairment requirements of IFRS 9 to the net investment in the lease.

3.12) Fair value measurement

The fair value of an asset or liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement takes into account that the transaction to sell an asset or transfer a liability takes place in the principal market, that is, the market with the highest volume and level of activity for the asset or liability. In the absence of a principal market, the transaction is assumed to take place in the most advantageous market to which the Company has access, that is, the market 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 order to determine the fair value, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Considering the hierarchy of inputs used in the valuation techniques, assets and liabilities measured at fair value are classified into the following levels:

- **Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- **Level 2:** Valuation techniques for which the data and variables that have a significant effect on the determination of the fair value recorded are observable, either directly or indirectly.
- **Level 3:** Internal valuation techniques, using variables estimated by the Company that are unobservable for the asset or liability (there is no observable market information).
- When measuring fair value, the Company takes into account the characteristics of the asset or liability, in particular.
- Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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- For liabilities and own equity instruments, fair value assumes that the liability will not be settled and the equity instrument will not be cancelled or otherwise extinguished at the measurement date. The fair value of the liability reflects the effect of nonperformance risk, i.e., 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 offsetting positions in market risk or counterparty credit risk, fair value is measured on a net basis, consistent with how market participants would price the net risk exposure at the measurement date.

3.13) Environment

The Company adheres to the principles of Sustainable Development, which combines economic development protecting the environment and the health and safety of its personnel.

The Company does not currently engage in any activities that are contrary to or have a negative impact on the environment, therefore, the Company has not made any investments whose main purpose is to minimize adverse environmental impacts and to protect and improve the environment.

3.14) Share 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.

Currently the Company 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 disclosures

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 management personnel of INTERCHILE or its controlling shareholder (or a close relative of the member) or is an Entity controlled or jointly controlled by a member of the key management personnel. This means investments in subsidiaries, associates and joint ventures of INTERCHILE, the key management personnel of INTERCHILE and the controlling Shareholder of INTERCHILE.

Key management personnel are considered to be those persons who have the authority and responsibility for planning, directing and controlling the activities of INTERCHILE, directly or indirectly, including any director or manager (whether executive or non-executive). It includes members of INTERCHILE's Board of Directors, members of INTERCHILE's senior management and first level management employees who report directly to them, and directors with authority to make decisions of high financial impact.

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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, 2023.

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

The Company applied for the first-time certain standards, interpretations and amendments, which are effective for periods beginning on or after January 1, 2023.

| | Amendments | Mandatory for |
|---------|--|----------------------|
| IFRS 17 | Insurance Contracts | January 1, 2023 |
| 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 12 | International Tax Reform – Pillar Two Model Rules | January 1, 2023 |

IFRS 17 INSURANCE CONTRACTS

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes NIIF 4 Insurance Contracts.

IFRS 17 outlines a General Model, which is amended for insurance contracts with direct participation features, described as the “Variable Fee Approach”. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the “Premium Allocation Approach”.

The general model will use current assumptions to estimate the amount, timing and uncertainty of future cash flows and it will explicitly measure the cost of that uncertainty; it takes into account market interest rates and the impact of policyholders’ 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 date of initial application 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 from Applying IFRS 9 (Amendments to IFRS 4) extending the fixed expiry date of the temporary exception from applying 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 the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start 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 application.

The new standard had no impact on INTERCHILE’s financial statements.

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IAS 1 Presentation of Financial Statements - Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgments, in which it provides guidance and examples to assist entities in making material judgments regarding accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies.
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

In assessing the materiality of accounting policy disclosures, entities should consider both the size of transactions and other events or conditions and the nature of those events or conditions.

The amendment is effective for annual periods beginning on January 1, 2023. INTERCHILE has applied the amendments and their adoption had no impact on the financial statements.

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, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting 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 correction of errors.

The amendment is effective for annual periods beginning on January 1, 2023. INTERCHILE has applied the amendments and their adoption had no impact on the financial statements.

IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

The Amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (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 judgement

Notes to the Financial Statements

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is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Likewise, according to the amendments issued, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. Only if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal, would the IRE be applied. 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 is effective for annual periods beginning on January 1, 2023. INTERCHILE has applied the amendments and their adoption had no impact on the financial statements.

IAS 12 International Tax Reform - Pillar Two Model Rules

In May 2023, the Board issued amendments to IAS 12, which introduce a mandatory exception from the recognition and disclosure of deferred tax assets and liabilities related to income taxes from the Pillar Two Model Rules. The Amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Co-operation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

The Amendments require an entity to disclose that it has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. In such sense, an entity is required to separately disclose its current tax expense (income) related to Pillar Two income taxes, in the periods when the legislation is effective.

IAS 12 International Tax Reform - Pillar Two Model Rules

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

The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon issue of the Amendments.

Notes to the Financial Statements

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The disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after January 1, 2023, but are not required for any interim period ending on or before December 31, 2023.

The amendment is applicable for the first time in 2023, however, it does not have an impact on the Entity's financial statements.

New accounting pronouncements (standards, interpretations and amendments) with effective application for annual periods beginning on or after January 1, 2024

Standards and interpretations, as well as improvements and amendments to IFRS, that have been issued but are not yet effective at the date of the financial statements are the following.

The Company has early applied certain standards.

| | Amendments | Mandatory for |
|--------------------|---|----------------------|
| IAS 1 | Classification of Liabilities as Current or Non-current | January 1, 2024 |
| IFRS 16 | Lease Liability in a Sale and Leaseback | January 1, 2024 |
| IAS 7 and IFRS 7 | Disclosures of Supplier Finance Arrangements | January 1, 2024 |
| IAS 21 | Lack of Exchangeability | January 1, 2025 |
| IFRS 10 and IAS 28 | Consolidated Financial Statements - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | TBD |

IAS 1 Classification of Liabilities as Current or Non-current with Covenants

In January and July 2020, the IASB issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- 1) What is meant by a right to defer settlement.
- 2) That a right to defer must exist at the end of the reporting period.
- 3) That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- 4) That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for periods beginning on or after January 1, 2024. The amendments shall be applied prospectively. Early application is permitted, which must be disclosed. However, an entity that early applies the 2020 amendments is also required to apply the 2022 amendments, and vice versa.

INTERCHILE has adopted these amendments to IAS 1, there has been no impact on the financial statements, as it only implies non-substantial changes in the information to be disclosed.

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IFRS 16 Lease Liability in a Sale and Leaseback

The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction.

The amendments specifies that after the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognizing, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.

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

A seller-lessee applies the amendment to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted and that fact must be disclosed. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application (i.e., the amendment does not apply to sale and leaseback transactions entered into prior to the date of initial application). The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16.

The amendment is effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. To date, this amendment has no financial impact on INTERCHILE.

IAS 7 and IFRS 7 - Disclosures of Supplier Finance Arrangements

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

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

Notes to the Financial Statements

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The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including the terms and conditions of those arrangements, quantitative information about the liabilities related to those arrangements at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. Information on these arrangements is required to be presented in aggregate form unless the individual arrangements have terms that are dissimilar or unique. In the context of quantitative liquidity risk disclosures in IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed. The amendments provide some transition reliefs with respect to comparative and quantitative information at the beginning of the annual reporting period and disclosures in interim financial information.

The Entity will evaluate the impact of the amendment once it becomes effective.

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

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

The effective application date for these amendments is to be determined as the IASB is still waiting for the results of its research project on accounting under the equity method. These amendments should be applied retrospectively and early application is permitted, which should be disclosed.

The Entity will evaluate the impact of the amendment once it becomes effective.

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

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

A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

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

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

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

The amendments are effective for annual reporting periods beginning on January 1, 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity may not restate comparative information, however, these amendments do not have an impact on the Entity's financial statements.

IFRS issued by the ISSB but not included

In June 2023, the International Sustainability Standards Board (ISSB) issued its first international standards on sustainability and climate: IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. The purpose of these standards is for entities to disclose information about their sustainability and climate-related risks and opportunities that are useful to primary users of financial information for decision making. An entity shall apply this standard for annual reporting periods beginning on or after January 1, 2024. INTERCHILE is validating the corresponding standards and the methodology for their implementation. Likewise, INTERCHILE is constantly monitoring changes in accounting standards in order to evaluate the possible impacts that the new standards issued by the international organization may generate when they are adopted.

NOTE 4 - FINANCIAL RISK MANAGEMENT

The Company's activities expose it to different financial risks. Management reviews the main risks and uncertainties faced by the business and for this evaluation uses as a basis the Comprehensive Risk Management Policy of ISA (parent and holding company), which states its criteria and defines the framework of action for the management of risks that generate vulnerability in economic resources, and which are required in all processes that are critical for the continuity and competitiveness of the companies that constitute the group. They clearly and explicitly define the conceptual and operational framework for the objective, systematic and standardized application of risk management, including financial risk.

Notes to the Financial Statements

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The financial risks to which the Company is exposed, which include interest rate risk, inflation risk, credit risk and liquidity risk, are managed within the framework of the policies of the ISA Group and its companies, the functional support of the relevant management of the parent company and specific instructions approved by the Board of Directors. These policies include definitions that govern acceptable risk limits, risk measurement metrics and frequency of risk analysis.

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 indexes (macroeconomic variables), raw materials (commodities), etc.

Within INTERCHILE, market risk is generally low since Chile has a stable regulatory body, which encourages free competition and investment in generation, distribution and transmission capacity expansion.

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 denominated. The Company maintains consistency in the proportion of assets and liabilities in foreign currencies; therefore, the exchange rate risk is limited.

Payments related to the Company's current investments are mainly denominated in US\$. Its source of return is income based on US\$. The way in which the risk of exchange rate fluctuations is mitigated is that the debt for construction financing is generally contracted in US\$, the constant evaluation of forward derivative contracts, the evaluation of contracted currency hedges or equivalent, in addition to the natural hedges of construction contracts, the periodic monitoring of the exchange rate to detect early warnings to minimize the impact of the exchange rate, with the contract of a financial information service (Bloomberg).

The investment is in the same currency as the US\$ financing, the income is indexed to the US\$ and there is a residual risk corresponding to the fact that the income is based on the US\$; locally contracted costs are paid in Ch\$ (Chilean peso).

The way in which the risk of exchange rate fluctuations is mitigated is by contracting a large part of the debt for the construction financing in US\$, in addition to the constant monitoring of exchange rates and the execution of natural hedges in the 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.

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

- Financial obligations

As of December 31, 2023, INTERCHILE's debt corresponds 100% to a fixed-rate bond, so this risk is nil compared to the existing debt. In the second half of 2023, a repurchase of US\$126,631 was made of the bonds issued, so that the new debt amounts to US\$1,073,369.

- Temporary investments

As of December 31, 2023, INTERCHILE S.A. has temporary fixed income investments with the objective of preserving the integrity of the Company's resources, maintaining a greater amount of cash surpluses in US\$, continuity and sustainability of the business through the permanent management of the risks to which it is exposed.

4.1.3) Risk of macroeconomic variables

As of December 31, 2023, the Company's revenue is linked to the evolution of the Consumer Price Index (CPI), the U.S. Consumer Price Index (CPI) and the Chilean Consumer Price Index (CPI), in accordance with the remuneration scheme established in the bidding conditions of the projects, which guarantees that the rates follow the fluctuations of the dollar, allowing the matching of payments derived from long-term debt (US\$). Revenue to cover operating costs (COMA) is indexed to the CPI, which allows for consistency with variations in operating and maintenance contracts

Throughout 2023, the projections of Chile's macroeconomic variables have been constantly changing, with a high volatility of the exchange rate and an increase in inflation, which has been more limited than in 2022, so that central banks worldwide, through their different tools, have had to increase their monetary policy rates to control inflation, give stability to the market and long-term projections. Given these situations, INTERCHILE is constantly monitoring changes that could be structural in order to take the appropriate corrective and mitigating actions.

The Annual Transmission Value per Tranche (VATT), offered by the Company in its economic offer in US dollars will be adjusted annually (for new projects) and monthly (for expansion works and works of the valorization process 2020-2023) according to the variation of its components AVI (Annuity of the Investment Value) and COMA (Operation, Maintenance and Administration Costs), AEIR (Adjustment for Income Tax Effect) according to the following formulas:

New projects:

$$VATT = AVI_0 \cdot \frac{CPI_k}{CPI_0} + COMA_0 \cdot \frac{IPC_k}{IPC_0} \cdot \frac{DOL_0}{DOL_k}$$

VATT k: VATT value of new work for month k.

CPI k: Value of the Consumer Price Index (All Urban Consumers) in the second month before month k, published by the U.S. government's Bureau of Labor Statistics (BLS). (BLS Code: CUUR0000SA0).

Notes to the Financial Statements

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IPC k: Value of the Consumer Price Index of the second month before month k, published by the National Statistics Institute (INE).

DOL k: Average price of the observed US dollar in the second month before month k, published by the Central Bank of Chile.

AVIO: Value of the AVI that makes up the VATT granted to the new work, as indicated in point 3 of this Decree.

COMAO: Value of the COMA that makes up the VATT granted to the new work, as indicated in point 3 of this Decree.

Expansion works

$$VI_{n,k} = VI_{n,0} \cdot \left[\square_n \cdot \frac{IPC_k}{IPC_0} \cdot \frac{DOL_0}{DOL_k} \cdot \square_n \cdot \frac{CPI_k}{CPI_0} \right] \quad COMA_{n,k} = COMA_{n,0} \cdot \frac{IPC_k}{IPC_0} \cdot \frac{DOL_0}{DOL_k}$$

VI_{n,k}: Value of the V.I. of the expansion work n, according to the tables of the first article, for month k, where n = 1 to 10.

COMAn, k: Value of the COMA of the extension work n, according to the tables in the first article, for month k, where n = 1 to 10.

IPC k: Value of the Consumer Price Index of the second month before month k, published by the National Statistics Institute (INE).

DOL k: Average price of the observed US dollar in the second month before month k, published by the Central Bank of Chile.

CPI k: Value of the Consumer Price Index (All Urban Consumers) in the second month before month k, published by the U.S. government's Bureau of Labor Statistics (BLS). (BLS Code: CUUR0000SA0).

Valuation of works for 2020-2023

$$VATT_{n,k} = AVI_{n,0} \cdot \left(a_j \cdot \frac{IPC_k}{IPC_0} \cdot \frac{D_0}{D_k} + \square_j \cdot \frac{CPI_k}{CPI_0} \cdot \frac{(1 + Ta_k)}{(1 + Ta_0)} \right) + COMA_{n,0} \cdot \frac{IPC_k}{IPC_0} \cdot \frac{D_0}{D_k} + AEIR_{n,0} \\ \cdot \left(Y_j \cdot \frac{IPC_k}{IPC_0} \cdot \frac{D_0}{D_k} + \square_j \cdot \frac{CPI_k}{CPI_0} \cdot \frac{(1 + Ta_k)}{(1 + Ta_0)} \right) \cdot \frac{t_k}{t_0} \cdot \frac{1 - t_0}{1 - t_k}$$

VATTn, k: Value of A.V.I. + C.O.M.A. + A.E.I.R. of tranche n in month k, in US dollars.

AVIn, 0: Value of A.V.I. of tranche n on the base date, in US dollars.

COMAn, 0: Value of C.O.M.A. of tranche n on the base date, in US dollars.

Notes to the Financial Statements

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AEIR_{n, 0}: Value of A.E.I.R. of tranche n on the base date, in US dollars.

IPC k : Value of the Consumer Price Index of the second month before month k , published by the National Statistics Institute (INE).

CPI k : Value of the Consumer Price Index (All Urban Consumers), in the second month before month k , published by the Bureau of Labor Statistics (BLS) of the Government of the United States of America (BLS Code: CUUR0000SA0).

D k : Average value of the U.S. dollar, published by the Central Bank of Chile for the second month before month k .

Ta k : Value of Tariff rate in effect for the import of electromechanical equipment in effect on the last working day of the second month before month k . The tariff rate is established in the Decree of the Ministry of Finance No. 514, dated December 1, 2016, published in the Official Gazette of December 28, 2016, as amended.

t k : Corporate income tax rate applicable to efficient companies in the second month before month k . The tax rate is established in Decree Law No. 824 of the Ministry of Finance, Income Tax Law, and corresponds to that applicable to taxpayers subject to the Tax Regime established in letter B) of Article 14.

$\square_j, \square_j, \square_j, \square_j$: Indexation ratios for the type of tranche j of the Transmission System and type of tranche that corresponds

4.1.4) Riesgo de liquidez

Liquidity risk is defined as the inability to obtain sufficient funds to meet obligations on their due date without incurring unacceptably high costs.

In order to properly manage liquidity risk, there is an annual financial planning and budgeting model that allows for the continuous monitoring of short and long-term cash flows and the identification of specific temporary resource needs.

4.2) Credit risk

Credit risk is defined as the contractual noncompliance, default or doubtful collection of obligations contracted by the Company's customers, as well as by the counterparties of the financial instruments acquired or used, leading to a financial loss.

In Chile, the electricity transmission business is regulated by the National Energy Commission; therefore, customers comply with the rules established by this entity, which does not represent a significant risk for INTERCHILE in terms of receivables.

Notes to the Financial Statements

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Despite the international financial situation, Interchile is not affected by credit risks worldwide, the company has a high concentration of top customers, more than 45% of total sales are made with companies with investment grade rating, also these commitments are supervised by the National Electric Coordinator, there is an active collection of receivables every month, keeping a rigorous control of them.

For the year ended December 31, 2023, revenue from sales to eight customers exceeded 80% of total revenue, as summarized below:

| Customer | 2023 ThUS\$ |
|---------------------------------------|----------------|
| ENEL Generación Chile S.A. | 34,408 |
| Colbún S.A. | 16,126 |
| Engie Energía Chile S.A. | 14,496 |
| AES Andes SA | 10,918 |
| Compañía General de Electricidad S.A. | 5,106 |
| Enel Distribución Chile S.A. | 4,694 |
| Transchile Charrúa Transmisión | 4,174 |
| Transmisora Eléctrica del Norte S.A. | 4,102 |
| Otros clientes | 8,190 |
| Total | 102,214 |
| | 92% |

The maximum exposure to credit risk is equal to the carrying value of the balances of financial assets in the statement of financial position. As indicated above, the Company regularly analyzes and measures its exposure to several risk variables.

NOTE 5 - BUSINESS SEGMENTS

The Company has defined a single business segment, which includes operations related to the power transmission business and includes all of the Company's activities.

Notes to the Financial Statements

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NOTE 6 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and in bank current accounts and term deposits with maturities of three months or less from the acquisition date.

Term deposits correspond to fixed-income funds in Chilean pesos and U.S. dollars and are recorded at their amortized cost.

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

| Detail | Type of Currency | 2023 ThUS\$ | 2022 ThUS\$ |
|---|------------------|----------------|----------------|
| Cash in banks | Ch\$ | 133 | 119 |
| Cash in banks | US\$ | 7,457 | 1,604 |
| Fixed income term deposit in Ch\$ < 90 days | Ch\$ | 22 | 248 |
| Fixed income term deposit in US\$ < 90 days | US\$ | 162,585 | 299,982 |
| Total | | 170,197 | 301,953 |

Cash and cash equivalents are not subject to availability restrictions.

Note 7 - Other Current Financial Assets

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

| Detail | Type of Currency | 2023 ThUS\$ | 2022 ThUS\$ |
|---|------------------|---------------|---------------|
| Bancos prendados | Ch\$ | 1,282 | 1,351 |
| Bancos prendados | US\$ | 97 | 1,287 |
| Deposito plazo renta fija CLP < 90 días | Ch\$ | 5,598 | 6,543 |
| Deposito plazo renta fija USD < 90 días | Ch\$ | 52,773 | 51,100 |
| Otros Instrumentos de garantía | UF | 4 | 4 |
| Total | | 59,754 | 60,285 |

The balance of Other Current Financial Assets is composed of balances of bank current accounts and temporary investments in term deposits with maturities of 90 days or less from the date of acquisition; these are not in cash since these funds have restrictions on their use and can only be used for contractual payments according to such contracts.

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AS OF DECEMBER 31, 2023 AND 2022

NOTE 8 - TRADE AND OTHER RECEIVABLES, CURRENT

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

| Detail | Type of Currency | 2023 | | 2022 | |
|---|------------------|----------------|--------------------|----------------|--------------------|
| | | Current ThUS\$ | Non Current ThUS\$ | Current ThUS\$ | Non Current ThUS\$ |
| Trade receivables | | | | | |
| Customers (1) | Ch\$ | 17,901 | - | 17,707 | - |
| Other receivables | Ch\$ | 219 | - | 102 | - |
| Impairment | | (19) | - | (18) | - |
| Other receivables | | 18,101 | - | 17,791 | - |
| Other receivables | | | | | |
| Expense reports | Ch\$ | 36 | - | 40 | - |
| Advances to domestic suppliers | Ch\$ | 91 | - | 61 | - |
| Advances to foreign suppliers | Ch\$ | - | - | 2 | - |
| Advances to personnel | Ch\$ | 11 | - | 18 | - |
| Total other receivables | | 138 | - | 121 | - |
| Total trade and other receivables, current | | 18,239 | - | 17,912 | - |

The detail of the customer portfolio is as follows

| Customers by Seniority | Past due | Balances as of December 2023 ThUS\$ | Balances as of December 2022 ThUS\$ |
|---------------------------------|----------|-------------------------------------|-------------------------------------|
| Current | | 17,198 | 16,531 |
| Past due | | 703 | 1,176 |
| Between 1 to 90 days past due | 679 | - | - |
| Between 91 to 180 days past due | 7 | - | - |
| Over 180 days | 17 | - | - |
| Total | | 17,901 | 17,707 |

- (1) The main receivables at year-end correspond to Enel Generación Chile S.A., Colbún S.A., Engie Energía Chile S.A. and Aes Andes S.A.

Detail of impairment on trade and other receivables:

| Detail | 2023 ThUS\$ | 2022 ThUS\$ |
|------------------------------------|-------------|-------------|
| Opening balance | 18 | 19 |
| Derecognition of trade receivables | - | - |
| Increase/decrease for the year | 1 | (1) |
| Total | 19 | 18 |

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NOTE 9 – OTHER NON-FINANCIAL ASSETS

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

| Detail | Type of currency | 2023 | | 2022 | |
|--|------------------|---------------|---------------------|---------------|---------------------|
| | | Current MUS\$ | Non - Current MUS\$ | Current MUS\$ | Non - Current MUS\$ |
| Prepayments for construction works (1) | US\$ | - | - | 45 | - |
| Insurance (2) | Ch\$ | 462 | - | 62 | - |
| Guarantees granted | Ch\$ | - | 192 | - | 151 |
| Total | | 462 | 192 | 107 | 151 |

- (1) Prepayments for construction work for 2022 correspond to advance payments made to Consorcio PTI, supplier of engineering services and supplies for the projects being developed by the Company.
- (2) Insurance mainly corresponds to policies covering: all risks of operation and construction, general liability, fire and terrorism for the operation.

NOTE 10 - RELATED-PARTY DISCLOSURES

Operations between the Company and its related parties, are part of the Company's customary transactions associated with its line of business and conditions.

a) Balances receivable

| Company | Taxpayer ID Number | Country | Relationship | Currency | 2023 | | 2022 | |
|-------------------------------------|--------------------|---------|---------------|----------|----------------|--------------------|----------------|--------------------|
| | | | | | Current ThUS\$ | Non-current ThUS\$ | Current ThUS\$ | Non-current ThUS\$ |
| Isa Inversiones Chile SPA | 76.104.097-9 | Chile | Shareholder | Ch\$ | 65,650 | - | 47 | - |
| Interconexiones del Norte S.A. | 77.794.815-6 | Chile | Common parent | Ch\$ | 760 | - | - | - |
| Internexa Chile S.A. | 76.073.154-4 | Chile | Common parent | Ch\$ | 63 | - | 2 | - |
| Total related-party payables | | | | | 66,473 | - | 49 | - |

b) Balances payable

| Company | Taxpayer ID Number | Country | Relationship | Currency | 2023 | | 2022 | |
|-------------------------------------|--------------------|----------|---------------|----------|----------------|--------------------|----------------|--------------------|
| | | | | | Current ThUS\$ | Non-current ThUS\$ | Current ThUS\$ | Non-current ThUS\$ |
| Intercolombia S.A E.S.P. | 900.667.857-1 | Colombia | Common parent | USD | 292 | - | 208 | - |
| Internexa Chile S.A. | 76.073.154-4 | Chile | Common parent | USD | 41 | - | 116 | - |
| Total related-party payables | | | | | 333 | - | 324 | - |

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

c) Transactions

Transactions with related entities are as follows:

2023

| Related party | Taxpayer ID Number | Relationship | Nature of Transactions | Type of currency | Transaction amount ThUS\$ | Effect on profit or loss ThUS\$ |
|---|--------------------|---------------|---|------------------|---------------------------|---------------------------------|
| Interconexión Eléctrica S.A. E.S.P. | 860.016.610-3 | Shareholder | Policy Refunds | US\$ | 1.680 | 99 |
| Isa Inversiones Chile SPA | 76.104.097-9 | Shareholder | Administrative services | Ch\$ | 55 | 47 |
| Isa Inversiones Chile SPA | 76.104.097-9 | Shareholder | Recovery of project expenses | Ch\$ | 959 | 854 |
| Isa Inversiones Chile SPA | 76.104.097-9 | Shareholder | Acknowledgement of debt | US\$ | 64,600 | 2.245 |
| XM Sociedad de Expertos de Mercado S.A. | 900.042.857-1 | Common parent | Specialized technical advisory services | US\$ | 2 | 2 |
| Intercolombia S.A. E.S.P. | 900.667.590-2 | Common parent | SAP Maintenance, Consulting | US\$ | 520 | 520 |
| Intercolombia S.A. E.S.P. | 900.667.590-2 | Common parent | Technical Service support OyM -SCADA | US\$ | 779 | 779 |
| Intercolombia S.A. E.S.P. | 900.667.590-2 | Common parent | Service Center Advisory | US\$ | 389 | 389 |
| Internexa Chile S.A. | 76.073.154-4 | Common parent | Fiber Optic electromechanical maintenance service | Ch\$ | 64 | 64 |
| Internexa Chile S.A. | 76.073.154-4 | Common parent | IT Service and Control Center | Ch\$ | 191 | 161 |

All operations have been performed at market values. The Company's exposure criterion is to disclose all transactions with related parties.

d) Management and Senior Management

Members of senior management and other individuals that assume the management of the Company, as well as the shareholders or natural persons or legal entities they represent have entered into no unusual and/or relevant transactions as of December 31, 2023 and 2022.

The Company is managed by the Board of Directors, which is composed of five members, who remain in their position for a 3-year period and may be re-elected.

As of December 31, 2023, the directors are Juan Emilio Posada Echeverri, Cesar Augusto Ramirez Rojas, Gabriel Jaime Melguizo Posada, Daniel Isaza Bonnet and Sonia Margarita Abuchar Alemán, in accordance with the Ordinary Shareholders' Meeting held on March 27, 2023.

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

e) Compensation and other benefits

Directors may or may not be compensated as determined by the corresponding Ordinary Shareholders' Meeting.

- Compensation of the Board of Directors

For the year ended December 31, 2023, the directors were compensated as follows:

| ID | Name | Position | Country | ThUS\$ |
|--------------|--------------------------|----------|----------|------------|
| 71642740 | Gabriel Jaime Melguizo P | Director | Colombia | 46 |
| 4344455 | Cesar Ramírez Rojas | Director | Colombia | 46 |
| 50897172 | Sonia Abuchar Alemán | Director | Colombia | 46 |
| 70118287 | Juan Emilio Posada E | Chairman | Colombia | 46 |
| 79946910 | Daniel Isaza Bonet | Director | Colombia | 46 |
| Total | | | | 230 |

- Other transactions

There are no other transactions conducted between the Company's Directors and Managers.

- Guarantees pledged by the Company in favor of its Partners

As of December 31, 2023 and 2022, the Company records no such operations.

- Incentive plans for senior executives and managers

The Company has agreed with its non-management personnel an annual performance bonus equivalent to a monthly base salary, the form of payment is an advance payment of 30% in the middle of the year and a maximum of 70% for the balance according to the percentage of annual compliance. For personnel who joined in the middle of the year, the calculation is proportional. The bonus applies to all employees hired by the Company.

Key management personnel

| Name | Position |
|-----------------------------|--|
| Luis Everley Llano (*) | General Manager |
| Gustavo Cardona Gómez | Finance Manager |
| José Cascante Chaves | Project Manager |
| Eduardo Sáez Manríquez | Operation and Maintenance Manager |
| Alvaro González De La Barra | Corporate Affairs and Sustainability Manager |

(*) Mr. Gabriel Jaime Melguizo Posada served as General Manager until January 20, 2023.

As of December 31, 2023 the variable and fixed salaries of the Company's senior executives amounted to a total of ThUS\$1,097.

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

NOTE 11 - INCOME TAX AND DEFERRED TAXES

11.1) Income tax

The Company determined no corporate income tax as of December 31, 2023 and 2022, due to accumulated tax losses amounting to ThUS\$ 903,521 and ThUS\$ 850,527, respectively.

The current tax liabilities of ThUS\$ 9 and ThUS\$ 10 as of December 31, 2023 and December 31, 2022, respectively, correspond to a provision for a one-off tax according to Article 21 of the Income Tax Law.

In the normal course of its operations, the Company is subject to regulation and inspection by the Chilean 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 information available to date, that there are no significant additional liabilities to those already recorded for this concept in the financial statements.

11.2) Tax expense recognized in profit or loss

| Benefit (expense) concept | 2023 ThUS\$ | 2022 ThUS\$ |
|---|-----------------|----------------|
| Current tax expense (one-off tax) | (9) | (10) |
| Deferred taxes | (11,890) | 1,795 |
| Total income tax benefit (expense) | (11,899) | 1,785 |

11.3) Deferred taxes

As of December 31, 2023 and 2022, deferred tax assets and liabilities are as follows:

| Detail | 2023 | | 2022 | |
|---------------------------------------|-----------------|---------------------|-----------------|---------------------|
| | Asset ThUS\$ | Liability ThUS\$ | Asset ThUS\$ | Liability ThUS\$ |
| Tax - Financial Depreciation | - | 227,800 | - | 192,696 |
| Tax loss | 243,951 | - | 229,642 | - |
| Capitalized expenses | - | 4,599 | - | 4,522 |
| Leases | 236 | - | 91 | - |
| Provisions | 11,911 | - | 3,074 | - |
| Subtotal | 256,098 | 232,399 | 232,807 | 197,218 |
| Balance of deferred taxes, net | 23,699 | - | 35,589 | - |

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

11.4) Reconciliation of income tax expense using the statutory rate to the income tax expense using the effective rate

| Reconciliation of tax expense | 2023 ThUS\$ | 2022 ThUS\$ |
|---|-----------------|----------------|
| Tax expense using the statutory rate | (10,785) | (1,750) |
| Tax reversal using the statutory rate | 10,785 | - |
| Non-deductible expenses | (9) | 10 |
| Other increases (decreases) for deferred taxes | (11,890) | 3,525 |
| Tax benefit (expense) using the effective rate | (11,899) | 1,785 |

| Concepts | 2023 % | 2022 % |
|---|-------------|---------------|
| Statutory tax rate | 27.0 | 27.0 |
| Other tax increases (decreases) | 2.8 | (54.5) |
| Tax benefit using the effective rate | 29.8 | (27.5) |

NOTE 12 - PROPERTY, PLANT AND EQUIPMENT

a) This caption comprises the following:

| As of December 31, 2023 | Gross Asset ThUS\$ | Accumulated Depreciation ThUS\$ | Net Asset ThUS\$ |
|--------------------------------------|--------------------------|---------------------------------------|------------------------|
| Constructions (work in progress) (1) | 10,129 | - | 10,129 |
| Properties | 1,898 | (1,665) | 233 |
| Transmission lines (2) | 752,922 | (92,372) | 660,550 |
| Electrical substations | 382,762 | (57,869) | 324,893 |
| Furniture and fixtures | 67 | (43) | 24 |
| Computer equipment | 561 | (162) | 399 |
| Communication equipment | 26 | (5) | 21 |
| Vehicles | 570 | (211) | 359 |
| Machinery and tools | 589 | (130) | 459 |
| Total | 1,149,524 | (152,457) | 997,067 |

- (1) Corresponds to the project Synchronized control for 500/220 kV Autotransformers in Nueva Cardones Substation, Nueva Maitencillo Substation and Nueva Pan de Azúcar Substation, Capacity Increase of 2x220 KV Maitencillo - Nueva Maitencillo Line, Expansion in Nueva Pan de Azúcar Substation
- (2) During 2023, the Company recognized ThUS\$18,660 related to the costs of the Environmental Sanitation Plan (PDSA) contemplated in the Environmental Qualification Resolution (RCA). The Environmental Sanitation Plan and its costs are directly related to the construction of the transmission line of the Cardones Polpaico Project, included in the account Transmission Lines. The aforementioned plan must be executed until 2032 and its respective costs are provisioned (see Note 14).

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

| As of December 31, 2022 | Gross Asset ThUS\$ | Accumulated Depreciation ThUS\$ | Net Asset ThUS\$ |
|----------------------------------|--------------------|---------------------------------|------------------|
| Constructions (work in progress) | 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 fixtures | 62 | (38) | 24 |
| Computer equipment | 86 | (48) | 38 |
| Communication equipment | 11 | (4) | 7 |
| Vehicles | 205 | (147) | 58 |
| Machinery and tools | 496 | (87) | 409 |
| Total | 1,124,808 | (120,246) | 1,004,562 |

b) Detail of movements

| Detail | Buildings ThUS\$ | Properties ThUS\$ | Transmission lines ThUS\$ | Electrical substations ThUS\$ | Furniture and fixtures ThUS\$ | IT equipment ThUS\$ | Communication equipment ThUS\$ | Vehicles ThUS\$ | Machinery and tools ThUS\$ | Total ThUS\$ |
|-------------------------|------------------|-------------------|---------------------------|-------------------------------|-------------------------------|---------------------|--------------------------------|-----------------|----------------------------|----------------|
| As of 01.01.2023 | 6,778 | 569 | 659,411 | 337,268 | 24 | 38 | 7 | 58 | 409 | 1,004,562 |
| Additions (*) | 3,537 | 233 | 20,024 | 417 | 5 | 475 | 15 | 365 | 93 | 25,164 |
| Transfers | - | - | - | - | - | - | - | - | - | - |
| Reduction in disposals | (186) | (63) | - | (199) | - | - | - | - | - | (448) |
| Reduction in Acc. Dep. | - | - | - | 201 | - | - | - | - | - | 201 |
| Depreciation expense | - | (506) | (18,885) | (12,794) | (5) | (114) | (1) | (64) | (43) | (32,412) |
| As of 12.31.2023 | 10,129 | 233 | 660,550 | 324,893 | 24 | 399 | 21 | 359 | 459 | 997,067 |

(*) ThUS\$18,660 are part of the additions for the year 2023 for the account Transmission Lines corresponding to the costs of the Environmental Sanitation Plan (PDSA) approved by the corresponding authority (See Note 12.a).

| Detail | Buildings ThUS\$ | Properties ThUS\$ | Transmission lines ThUS\$ | Electrical substations ThUS\$ | Furniture and fixtures ThUS\$ | IT equipment ThUS\$ | Communication equipment ThUS\$ | Vehicles ThUS\$ | Machinery and tools ThUS\$ | Total 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 | - | - | - | - | - | - |
| Reduction in disposals | - | - | (64) | - | - | - | - | - | - | (64) |
| Reduction in Acc. Dep. | - | - | 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 |

The Company presents in Property, Computer Equipment and Vehicles assets under the lease regime (IFRS 16).

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

Capitalized finance costs

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

Disclosure of capitalized interest costs:

| Capitalized Interest Cost, Property, Plant and Equipment | 2023 M\$ | 2022 M\$ |
|--|-------------|-------------|
| Capitalization rate for capitalized interest cost, property, plant and equipment | 0.0044% | 0.0044% |
| Amount of capitalized interest cost, property, plant and equipment | 52 | 52 |

NOTE 13 - INTANGIBLE ASSETS OTHER THAN GOODWILL

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

| As of December 31, 2023 | Gross Asset ThUS\$ | Accumulated Amortization ThUS\$ | Net Asset ThUS\$ |
|-------------------------|--------------------------|---------------------------------------|------------------------|
| Easements | 111,493 | - | 111,493 |
| Licenses and software | 924 | (854) | 70 |
| Rights of use assets | 153 | (9) | 144 |
| Other intangible assets | 2,087 | - | 2,087 |
| Total | 114,657 | (863) | 113,794 |

| As of December 31, 2022 | Gross Asset ThUS\$ | Accumulated Amortization ThUS\$ | Net Asset ThUS\$ |
|-------------------------|--------------------------|---------------------------------------|------------------------|
| Easements | 109,297 | - | 109,297 |
| Licenses and software | 628 | (596) | 32 |
| Rights of use assets | 153 | (1) | 152 |
| Other intangible assets | 2,251 | - | 2,251 |
| Total | 112,329 | (597) | 111,732 |

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

b) Detail of movements

| Detail | Easements ThUS\$ | Licenses and software ThUS\$ | Right-of-use assets ThUS\$ | Other Intangible assets ThUS\$ | Total ThUS\$ |
|-------------------------|---------------------|------------------------------------|----------------------------------|---|-----------------|
| As of 01.01.2023 | 109,297 | 32 | 152 | 2,251 | 111,732 |
| Additions | 2,369 | 296 | - | 896 | 3,561 |
| Transfers | - | - | - | - | - |
| Disposals | (173) | - | - | (1,060) | (1,233) |
| Amortization expense | - | (258) | (8) | - | (266) |
| As of 12.31.2023 | 111,493 | 70 | 144 | 2,087 | 113,794 |

| Detail | Easements ThUS\$ | Licenses and software ThUS\$ | Right-of-use assets ThUS\$ | Other Intangible assets ThUS\$ | Total ThUS\$ |
|-------------------------|---------------------|------------------------------------|----------------------------------|---|-----------------|
| 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 |

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

NOTE 14 - TRADE AND OTHER PAYABLES

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

| Detail | Type of currency | 2023 | | 2022 | |
|--|------------------|----------------|--------------------|----------------|--------------------|
| | | Current ThUS\$ | Non-current ThUS\$ | Current ThUS\$ | Non-current ThUS\$ |
| Suppliers | Ch\$ | 5,431 | - | 3,916 | - |
| CEN advances (*) | Ch\$ | 17,998 | - | 12,354 | - |
| Environmental and legal liabilities (**) | Ch\$ | 13,597 | 8,532 | 7,477 | - |
| CEN Reliquidation Liabilities | Ch\$ | 79 | - | 5,824 | - |
| Severance indemnity payments | Ch\$ | 1,172 | - | 798 | - |
| Other payables | Ch\$ | 78 | - | 69 | - |
| Tax withholdings | Ch\$ | 1,469 | - | 1,507 | - |
| Lease liabilities | UF | 477 | - | 313 | 313 |
| Other payables | Ch\$ | 3,424 | 639 | 4,803 | - |
| Total | | 43,725 | 9,171 | 37,061 | 313 |

The average period for payment to suppliers is 30 days in 2023, (30 days in 2022) so the fair value does not differ significantly from its carrying amount.

- (*) This balance corresponds to instructions received from CEN that exceed the VATT originated mainly by the freezing of the CUT and the delay in the publication of decree number 7T of 2022 of the Ministry of Energy for the valuation of the Transmission System Facilities for the four-year period 2020-2023.
- (**) Environmental liabilities include the obligations generated from the Environmental Sanitation Plan (PDSA) contemplated in the environmental qualification resolution (RCA) (See Note 12). This liability reflects management's best estimate of the present value of future costs for the application of the required environmental sanitation plan, the disbursements of which must be executed until the year 2032. The Company has used a discount rate of 4.55% to discount the relevant flows over time. The disbursements to be made between 2025 and 2032 are presented in the non-current portion.

Leases

14.1) Leases as lessee

INTERCHILE has leases mainly related to property, vehicles and computer equipment for its operations, both with third parties and related companies. These assets are reflected in the caption property, plant and equipment.

Property leases generally have lease terms ranging from 4 to 10 years, vehicles 2 years and computer and telecommunications equipment from 1 to 3 years.

In general, INTERCHILE contracts have periodic adjustment clauses in accordance with inflation rates; in addition, the company has restrictions on subleasing the assets and the leased assets are guaranteed by the lessor's securities.

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

The carrying amounts of the right-of-use assets presented in Note 12 of property, plant and equipment and their movements during the period are detailed below:

| | Rights of use assets ThUS\$ | Total ThUS\$ |
|--|--------------------------------|-----------------|
| Balance as of January 1, 2023 | 569 | 569 |
| Additions and/or transfers | 942 | 942 |
| Accumulated depreciation | (651) | (651) |
| Balance as of December 31, 2023 | 860 | 860 |

| | Rights of use assets ThUS\$ | Total ThUS\$ |
|--|--------------------------------|-----------------|
| Balance as of January 1, 2022 | 596 | 596 |
| Additions and/or transfers | 264 | 264 |
| Accumulated depreciation | (291) | (291) |
| Balance as of December 31, 2022 | 569 | 569 |

The carrying amounts of lease liabilities and changes during the period are also presented:

| | 2023 ThUS\$ | 2022 ThUS\$ |
|---|----------------|----------------|
| Opening balance | 626 | 638 |
| Additions | 936 | 264 |
| Foreign currency translation difference | (13) | 21 |
| Lease payments | (433) | (297) |
| Closing balance | 1,116 | 626 |

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

| | 2023 ThUS\$ | 2022 ThUS\$ |
|-----------------------|----------------|----------------|
| Less than 1 year | 477 | 313 |
| Between 1 and 5 years | 639 | 313 |
| Total | 1,116 | 626 |

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

These are the amounts recognized in profit or loss for the period in respect of leases:

| | 2023 ThUS\$ | 2022 ThUS\$ |
|---|----------------|----------------|
| Depreciation expense on leased assets | 652 | 291 |
| Interest expense on lease liabilities | 70 | 38 |
| Short-term lease expenses | 166 | 2 |
| Expenses from lease of low value assets | - | 629 |
| Total amount recognized in the statement of profit or loss | 888 | 960 |

The Company's total lease cash outflows during 2023 amounted to \$524 (\$315 in 2022).

NOTE 15 – FINANCIAL INSTRUMENTS

15.1) Financial liabilities (interest-bearing loans)

On July 26, 2021, INTERCHILE carried out a placement of Green Bond (ESG) in the international markets of guaranteed debt securities, for a total amount of ThUS\$1,200,000, subject to Rule 144A issued by the Securities and Exchange Commission of the United States of America.

The local guarantee agent is SCOTIABANK CHILE and the foreign bond representative is CITIBANK N.A. The agreed rate is 4.5% fixed, and interest and principal are payable biannually. This interest has been paid since December 30, 2021, the term of the instrument is 35 years, with principal amortization starting on June 30, 2028.

On September 14, 2023, INTERCHILE obtained a Credit Line for ThUS\$35,000 in order to guarantee compliance with the interest payment obligations in favor of the bondholders.

This information is summarized in the following tables:

| Syndicated loan | Nominal ThUS\$ | Amortization period | | Frequency of capital amortization | Frequency of payment of interest |
|-----------------|-------------------|---------------------|---------------|---|--|
| | | Start date | Maturity date | | |
| 144A Bond | 1.073.369.000 | 30.06.2028 | 30.06.2056 | Biannual | Biannual |

As of December 31, 2023, there were no defaults in the payment of principal, interest or amortization funds, nor are there any amounts in the loan payable ledger that are unpaid beyond the term established in the contract.

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

Current and non-current financial liabilities are as follows:

| | Maturity of Financial Obligations | | | |
|-----------------------|-----------------------------------|----------------|------------------|------------------|
| | Current | | Non-current | |
| | 2023 ThUS\$ | 2022 ThUS\$ | 2023 ThUS\$ | 2022 ThUS\$ |
| Interest-bearing bond | - | - | 1,058,170 | 1,184,208 |
| Total | - | - | 1,058,170 | 1,184,208 |

a) Interest-bearing loans, non-current 12.31.2023

| Source of financing | Origin Currency | Date of Disbursement | Date of Maturity | Type of Rate | Nominal | Effective Rate | Maturity dates | | | |
|---------------------|-----------------|----------------------|------------------|--------------|---------|----------------|------------------------|------------------------|------------------------|------------------|
| | | | | | | | 1 to 3 years ThUS\$ | 3 to 5 years ThUS\$ | Over 5 years ThUS\$ | Total ThUS\$ |
| Banco Citibank N.A. | US\$ | 26,07,2021 | 30,06,2056 | Fixed rate | 4.50% | 4.64% | - | - | 1,058,170 | 1,058,170 |
| Total | | | | | | | - | - | 1,058,170 | 1,058,170 |

Principal amortization of the Green Bond will begin on June 30, 2028 on a biannual basis. During the second half of 2023, Interchile used part of its cash surpluses to repurchase a percentage of the notes of the bond issued in 2021. This decision was based on a thorough analysis of the use of available funds and the market opportunities available at that time.

The medium and long-term growth expectations remain solid and are aligned with the Company's strategic plan, which at this stage are funded. The repurchase was a strategic decision that considered the best option for Interchile's shareholders in terms of profitability and reduction of financial risk. The amount of the repurchase was ThUS\$126,631 of notes of the bond issued, so the current debt amounts to ThUS\$1,073,369.

Non-current 12.31.2022

| Source of financing | Origin Currency | Date of Disbursement | Date of Maturity | Type of Rate | Nominal | Effective Rate | Maturity dates | | | |
|---------------------|-----------------|----------------------|------------------|--------------|---------|----------------|------------------------|------------------------|------------------------|------------------|
| | | | | | | | 1 to 3 years ThUS\$ | 3 to 5 years ThUS\$ | Over 5 years ThUS\$ | Total ThUS\$ |
| Banco Citibank N.A. | US\$ | 26,07,2021 | 30.06.2056 | Fixed rate | 4.50% | 4.64% | - | - | 1,184,208 | 1,184,208 |
| Total | | | | | | | - | - | 1,184,208 | 1,184,208 |

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

The following detail only represents further disclosure of the financing liabilities shown below.

| Financial obligations | Closing Balance 2022 ThUS\$ | Cash flows | | | Movements other than cash flows | | | Closing Balance 2023 ThUS\$ |
|-----------------------|-----------------------------|-------------------------|----------------------------|--------------------------------------|---------------------------------|------------------------------|--------------|-----------------------------|
| | | Capital Received ThUS\$ | Payments of Capital ThUS\$ | Interest and Commissions Paid ThUS\$ | Accrued interest 2023 ThUS\$ | Changes in Fair Value ThUS\$ | Other ThUS\$ | |
| Long-term Green Bond | 1,184,828 | - | (126,631) | (55,406) | 55,406 | - | 593 | 1,058,170 |
| Total | 1,184,828 | - | (126,631) | (55,406) | 55,406 | - | 593 | 1,058,170 |

| Financial obligations | Closing Balance 2022 ThUS\$ | Cash flows | | | Movements other than cash flows | | | Closing Balance 2023 ThUS\$ |
|-----------------------|-----------------------------|-------------------------|----------------------------|--------------------------------------|---------------------------------|------------------------------|----------------|-----------------------------|
| | | Capital Received ThUS\$ | Payments of Capital ThUS\$ | Interest and Commissions Paid ThUS\$ | Accrued interest 2023 ThUS\$ | Changes in Fair Value ThUS\$ | Other ThUS\$ | |
| Long-term Green Bond | 1,184,828 | - | - | (57,400) | 56,250 | - | (1,770) | 1,184,828 |
| Total | 1,184,828 | - | - | (57,400) | 56,250 | - | (1,770) | 1,184,828 |

NOTE 16 - EQUITY DISCLOSURES

a) Subscribed, fully-paid capital and number of shares

The subscribed and paid-in share capital as of December 31, 2023 amounts to ThUS\$370,136, represented by 94,109,640 ordinary, nominative shares, of a single series, of equal nominal value. Of the total of 94,109,640 shares, they are fully paid and the distribution of shares is as follows:

| No. of Shares | 2023 | | 2022 | |
|---|---------------------|---------------|---------------------|---------------|
| | Subscribed and Paid | % | Subscribed and Paid | % |
| Shareholder | | | | |
| Interconexión Eléctrica S.A. E.S.P. | 94,109 | 0.10 | 94,109 | 0.10 |
| ISA Inversiones Chile SPA. | 94,015,531 | 99.90 | 94,015,531 | 99.90 |
| Total subscribed and paid shares | 94,109,640 | 100.00 | 94,109,640 | 100.00 |

b) Capital management

The main objective when managing shareholders' equity (equivalent to the Company's total equity) is to maintain an adequate credit risk profile and healthy capital ratios that allow the Company to access the 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 year reported.

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

c) Distributable net profits and dividends

In accordance with the provisions of the Corporations Law, the distribution of dividends must correspond to at least 30% of profits (minimum dividend), unless unanimously agreed by the Shareholders' Meeting.

No dividends were agreed or paid in the years 2023 and 2022.

d) Retained earnings (accumulated losses)

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

| Retained earnings (accumulated deficit) | 2023 ThUS\$ | 2022 ThUS\$ |
|---|-----------------|-----------------|
| Retained earnings (accumulated deficit) | (59,712) | (55,011) |
| Profit (loss) for the year | 28,045 | (4,701) |
| Total | (31,667) | (59,712) |

NOTE 17 - REVENUE

The detail of operating revenue is as follows:

| Detail of revenue | 2023 ThUS\$ | 2022 ThUS\$ |
|--|----------------|----------------|
| Power transmission services, use of lines and networks | 100,423 | 92,972 |
| Connections | 466 | 562 |
| Other Services of the line of business | 1,325 | 864 |
| Total revenue | 102,214 | 94,398 |

Note 18 - Expenses for the Year

18.1) Cost of sales

The costs generated to produce revenue are detailed below

| Detail | 2023 ThUS\$ | 2022 ThUS\$ |
|---------------------------------|----------------|----------------|
| Remunerations | 3,692 | 2,413 |
| Other operating personnel costs | 766 | 428 |
| Operating costs | 1,043 | 1,199 |
| Maintenance expenses | 2,413 | 1,877 |
| Environmental costs | 73 | 34 |
| Property costs | 72 | 299 |
| Insurance | 839 | 747 |
| Other costs of sales | 1,715 | 1,199 |
| Depreciation and amortization | 31,813 | 31,007 |
| Total costs of sales | 42,426 | 39,203 |

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

18.2) Administrative expenses

The detail of administrative expenses is as follows:

| Detail | 2023 ThUS\$ | 2022 ThUS\$ |
|--|----------------|----------------|
| Remunerations | 4,729 | 3,798 |
| Other personnel expenses | 884 | 532 |
| Third-party services | 4,711 | 3,491 |
| Office expenses | 1,013 | 707 |
| Communication expenses | 386 | 417 |
| Relationship expenses | 389 | 244 |
| Support, connection and regulation costs | - | 162 |
| Other administrative expenses | 209 | 221 |
| Depreciation and amortization | 865 | 365 |
| Other expenses | 1 | 7 |
| Total administrative expenses | 13,187 | 9,944 |

The fees incurred for external audit services for the financial statements as of December 31, 2023 from EY Audit Ltda. amounted to UF1,086. There were no other services other than the external audit during 2023.

18.3) Finance income and finance costs

Finance income and costs are detailed as follows:

| Detail | 2023 ThUS\$ | 2022 ThUS\$ |
|---|----------------|----------------|
| Revenue | | |
| Finance income (*) | 51,831 | 6,351 |
| Total finance income | 51,831 | 6,351 |
| Costs | | |
| Interest on Green Bond loans | 55,354 | 56,250 |
| Other finance costs | 1,766 | 1,158 |
| Total finance costs | 57,120 | 57,408 |
| Total finance income and finance costs | 5,289 | 51,057 |

(*) This caption includes ThUS\$31,657 of income generated in the repurchase of the green bond issued in 2021 (see Note 15).

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

NOTE 19 - COMMITMENTS AND CONTINGENCIES

a) Guarantees with third parties

At the date of issuance of the financial statements, the following guarantees are recorded in favor of Interchile S.A.:

| Policyholder | Purpose | Origin currency | Nominal value | Value US\$ ThUS\$ | Maturity |
|-----------------------------------|--------------------------------------|-----------------|---------------|----------------------|------------|
| Unisys Sudamericana Corporation | Faithful fulfillment of the contract | Ch\$ | 1,974.95 | 2.25 | 30.10.2025 |
| Gestión Ambiental S.A. | Labor obligations of the contract | Ch\$ | 37,532.53 | 42.79 | 30.06.2024 |
| Gestión Ambiental S.A. | Faithful fulfillment of the contract | Ch\$ | 75,065.06 | 85.58 | 30.06.2024 |
| Securitas S.A. | Labor obligations of the contract | UF | 1.96 | 82.02 | 17.06.2024 |
| Securitas S.A. | Faithful fulfillment of the contract | UF | 3.91 | 164.04 | 17.06.2024 |
| Siemens Energy SpA | Quality | UF | 44.32 | 1,859.19 | 31.05.2024 |
| Siemens Energy SpA | Quality | US\$ | 417.81 | 417.81 | 31.05.2024 |
| Siemens Energy SpA | Quality | EUR | 1,123.90 | 1,242.98 | 31.05.2024 |
| Tripan S.A. | Labor obligations of the contract | Ch\$ | 11,534.12 | 13.15 | 01.04.2024 |
| Tripan S.A. | Faithful fulfillment of the contract | Ch\$ | 23,068.23 | 26.30 | 01.04.2024 |
| SOCIEDAD ASEMAFOR SPA | Faithful fulfillment of the contract | Ch\$ | 8,504.78 | 9.70 | 31.12.2026 |
| Consultora EDAFOS S.A. | Labor obligations of the contract | Ch\$ | 5,851.25 | 6.67 | 24.05.2024 |
| Consultora EDAFOS S.A. | Faithful fulfillment of the contract | Ch\$ | 11,702.49 | 13.34 | 24.05.2024 |
| SOCIEDAD ASEMAFOR SPA | Labor obligations of the contract | Ch\$ | 4,252.39 | 4.85 | 31.12.2026 |
| WSP AMBIENTAL SA | Faithful fulfillment of the contract | UF | 0.93 | 38.93 | 26.05.2025 |
| OHMIO ENERGIA SPA | Faithful fulfillment of the contract | UF | 240.00 | 10,068.67 | 31.12.2025 |
| Kalpataru | Faithful fulfillment of the contract | US\$ | 2,466.99 | 2,466.99 | 31.12.2025 |
| Kalpataru | Advance payment guarantee | US\$ | 4,933.98 | 4,933.98 | 31.08.2025 |
| HMV Chile | Labor obligations of the contract | UF | 0.41 | 17.06 | 27.01.2024 |
| HMV Chile | Labor obligations of the contract | UF | 1.73 | 72.78 | 27.01.2024 |
| WSP Chile S.A. | Labor obligations of the contract | US\$ | 20.52 | 20.52 | 25.11.2025 |
| WSP Chile S.A. | Labor obligations of the contract | US\$ | 4.57 | 4.57 | 28.11.2025 |
| Gestión Ambiental S.A. | Labor obligations of the contract | UF | 0.68 | 28.33 | 09.01.2026 |
| Gestión Ambiental S.A. | Faithful fulfillment of the contract | UF | 2.70 | 113.24 | 09.01.2026 |
| Gestión Ambiental S.A. | Advance payment guarantee | UF | 2.70 | 113.24 | 31.01.2024 |
| WSP Chile S.A. | Labor obligations of the contract | US\$ | 0.08 | 0.08 | 02.05.2025 |
| SIEMENS ENERGY SPA | Faithful fulfillment of the contract | US\$ | 180.00 | 180.00 | 19.02.2024 |
| Siemens Energy SpA | Labor obligations of the contract | US\$ | 90.00 | 90.00 | 19.02.2024 |
| Hitachi Energy Chile S.A. | Faithful fulfillment of the contract | US\$ | 63.48 | 63.48 | 04.05.2024 |
| Hitachi Energy Chile S.A. | Advance payment guarantee | US\$ | 63.48 | 63.48 | 04.05.2024 |
| Agea Consultoria e Ingenieria Spa | Faithful fulfillment of the contract | UF | 0.48 | 20.03 | 15.04.2024 |
| Telefonica Empresas Chile S.A. | Faithful fulfillment of the contract | UF | 0.18 | 7.55 | 01.06.2026 |
| Jorpa Ingenieria S.A. | Faithful fulfillment of the contract | UF | 0.05 | 2.10 | 18.07.2025 |
| Business Continuity SpA | Faithful fulfillment of the contract | US\$ | 9.60 | 9.60 | 31.07.2024 |

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

| Policyholder | Purpose | Origin currency | Nominal value | Value US\$ ThUS\$ | Maturity |
|--|--------------------------------------|-----------------|---------------|-------------------|------------|
| Colvin Y Compañía Ltda | Labor obligations of the contract | US\$ | 8.32 | 8.32 | 30.06.2024 |
| Pertiga Asesorias SpA | Faithful fulfillment of the contract | UF | 0.32 | 13.33 | 26.06.2024 |
| AT-EME Consultores SpA | Faithful fulfillment of the contract | UF | 0.28 | 11.74 | 17.07.2025 |
| AT-EME Consultores SpA | Labor obligations of the contract | UF | 0.14 | 5.87 | 17.07.2025 |
| Tripan S.A. | Labor obligations of the contract | Ch\$ | 59,056.30 | 67.33 | 07.06.2024 |
| Tripan S.A. | Faithful fulfillment of the contract | Ch\$ | 118,113.21 | 134.66 | 07.06.2024 |
| Tripan S.A. | Labor obligations of the contract | Ch\$ | 4,943.40 | 5.64 | 07.06.2024 |
| Tripan S.A. | Faithful fulfillment of the contract | Ch\$ | 9,886.79 | 11.27 | 07.06.2024 |
| Hitachi Energy Chile S.A. | Labor obligations of the contract | US\$ | 28.86 | 28.86 | 31.05.2024 |
| Asesoría y servicios Biomapu | Faithful fulfillment of the contract | Ch\$ | 11,207.80 | 12.78 | 05.03.2024 |
| Asesoría y servicios Biomapu | Faithful fulfillment of the contract | Ch\$ | 2,801.95 | 3.19 | 08.01.2024 |
| Cgesta SpA | Faithful fulfillment of the contract | UF | 0.36 | 14.94 | 22.10.2024 |
| Cgesta SpA | Guarantees labor obligations | UF | 0.18 | 7.47 | 22.10.2024 |
| Ingenieria IEB Chile SpA | Labor obligations of the contract | CLP | 2,423.52 | 2.76 | 30.04.2026 |
| Gestión Ambiental S.A. | Faithful fulfillment of the contract | CLP | 75,065.06 | 85.58 | 30.06.2024 |
| Gestión Ambiental S.A. | Labor obligations of the contract | CLP | 37,532.53 | 42.79 | 30.06.2024 |
| Tripan S.A. | Faithful fulfillment of the contract | CLP | 23,068.23 | 26.30 | 01.04.2024 |
| Tripan S.A. | Labor obligations of the contract | CLP | 11,534.12 | 13.15 | 01.04.2024 |
| Business Continuity SpA | Faithful fulfillment of the contract | USD | 9.60 | 9.60 | 01.09.2024 |
| Transmisora Eléctrica del Norte | Contract fulfillment guarantee | USD | 3,050.00 | 3,050.00 | 13.11.2024 |
| Parque Eolico Punta de Talca SpA | Faithful fulfillment of the contract | USD | 200.00 | 200.00 | 01.05.2024 |
| Ponteficia Universidad Católica de Chile | Faithful fulfillment of the contract | USD | 0.41 | 0.41 | 25.09.2024 |
| Clever Global Chile SpA | Labor obligations of the contract | CLP | 3,720.00 | 4.24 | 30.11.2024 |
| Clever Global Chile SpA | Faithful fulfillment of the contract | CLP | 3,720.00 | 4.24 | 30.11.2024 |
| Agea Consultoria e Ingenieria SpA | Faithful fulfillment of the contract | UF | 0.29 | 12.32 | 30.04.2024 |
| Hitachi Energy Chile S.A. | Labor obligations of the contract | USD | 21.14 | 21.14 | 31.12.2024 |
| Hitachi Energy Chile S.A. | Faithful fulfillment of the contract | USD | 37.43 | 37.43 | 31.12.2024 |
| Siemens Energy SpA | Faithful fulfillment of the contract | USD | 2,684.58 | 2,684.58 | 20.06.2024 |
| Nicolas A. Palma Q. Producc Eventos Eir | Guarantee for contract 8600000610 | CLP | 3,500.00 | 3.99 | 31.12.2024 |
| Sociedad Pasten y Martinez Ltda | Faithful fulfillment of the contract | CLP | 5,000.00 | 5.70 | 04.11.2024 |
| Sociedad Pasten y Martinez Ltda | Labor obligations of the contract | CLP | 5,000.00 | 5.70 | 04.11.2024 |
| Rockblast Desing SpA | Seriousness of the offer | UF | 0.10 | 4.20 | 04.03.2024 |
| Tecnored S.A. | Seriousness of the offer | UF | 0.10 | 4.20 | 10.04.2024 |

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

b) Guarantees with third parties

b.1) Guarantees associated with crossovers

As of December 31, 2023, guarantee deposits issued are detailed as follows:

| Guarantees associated with crossovers | | | | | |
|---|---|-----------------|-----------------|------------|----------------------------------|
| Beneficiary | Purpose | Origin Currency | Balance in US\$ | Issue Date | Termination Date |
| Regional Director of Metropolitan Roads | Guarantee the payment of damages to third parties in crossing works | UF | 1,405 | 31.01.2019 | Past due - Collection in transit |
| Regional Director of Metropolitan Roads | Guarantee the payment of damages to third parties in crossing works | UF | 826 | 31.01.2019 | Past due - Collection in transit |
| Regional Director of Metropolitan Roads | Guarantee the payment of damages to third parties in crossing works | UF | 826 | 31.01.2019 | Past due - Collection in transit |
| Regional Director of Metropolitan Roads | Guarantee the payment of damages to third parties in crossing works | UF | 826 | 31.01.2019 | Past due - Collection in transit |

Notes to the Financial Statements

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b.2) Guarantees associated with financing

| Type of guarantee | Beneficiary | Purpose | Origin Currency | Balance in US\$ | Termination date |
|--|--|---|-----------------|-----------------|------------------|
| First Mortgage on Real Estate | Scotiabank Chile - Local agent Citibank - Offshore agent Bondholders | To guarantee compliance with the bond payment obligations to bondholders, through mortgages of the following real estate: | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Non-possessory First Pledge on Assets | Scotiabank Chile - Local agent Citibank - Offshore agent | To guarantee compliance with the bond payment obligations to bondholders, through mortgages of: | | | |
| Non-possessory First Pledge on Rights | Scotiabank Chile - Local agent Citibank - Offshore agent Bondholders Scotiabank Chile - Local agent Citibank - Offshore agent Bondholders Scotiabank Chile - Local agent | To guarantee compliance with the payment obligations of the bond, by means of a non-possessory pledge on the right of: | US\$ | 1,073,369,000 | 30,06,2056 |
| Non-possessory First Pledge on Electrical Concession Rights | Scotiabank Chile - Local agent Citibank - Offshore agent Bondholders | To guarantee compliance with the payment obligations of the bond, by means of a pledge on: | | | |
| Non-possessory First Pledge on Permitted Money and Investments | Scotiabank Chile - Local agent Citibank - Offshore agent Bondholders | To guarantee compliance with the payment obligations of the bond, by means of a first pledge on: la prenda de primer grado de: | | | |
| Credit facility Scotiabank Chile | Scotiabank Chile - Local agent Citibank - Offshore agent Bondholders | Guarantee compliance with interest payment obligations in favor of Interchile bondholders, through the Credit Facility granted by Scotiabank Chile. | US\$ | 24,150,000 | 22,09,2024 |

INTERCHILE has commitments or covenants related to the delivery of information and to comply with obligations arising from the execution of contracts with bondholders. These commitments have no effect on the Company's right to defer its obligation beyond the reporting period. A minimum debt service coverage ratio is required to be determined in order to:

- Incurring additional debt
- Pay dividends

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

| Covenants | Data | 2023 | 2022 |
|-----------------------------|--|------|------|
| A. Base contract 4.2 a) iv) | Debt Service Coverage Ratio | 1.30 | 1.46 |
| | Minimum ratio (only for dividend payments) | 1.15 | 1.15 |

Additionally, there are commitments related to information reporting, compliance with insurance and guarantees, among other financial, environmental and legal commitments. As of December 31, 2023, INTERCHILE has complied with its financing commitments.

c) Insurance policies

| Company | Policy | Amount Insured | | Term Until |
|-----------------|--|----------------|------|------------|
| MAPFRE | Electronic Equipment Insurance | 27,986 | UF | 20.04.2024 |
| MAPFRE | Electronic Equipment Insurance (Endorsement) | 1,557 | UF | 20.04.2024 |
| Zurich Colombia | Civil Liability for D&O | 60,000,000 | US\$ | 27.07.2024 |
| Zurich Chile | Civil Liability for D&O | 10,000,000 | US\$ | 27.07.2024 |
| Zurich Colombia | Data Protection and Information Security | 60,000,000 | US\$ | 31.07.2024 |
| Zurich Colombia | Infidelity Insurance and Financial Risks IRF | 20,000,000 | US\$ | 31.05.2024 |
| Southbridge | General Civil Liability | 10,000,000 | US\$ | 01.07.2024 |
| MAPFRE | Property | 417,391,200 | US\$ | 01.06.2024 |
| MAPFRE | Fire / Terrorism Operation CRIME// Infidelity Insurance and Financial Risks | 417,391,200 | US\$ | 01.06.2024 |
| Zurich Chile | IRF | 5,000,000 | US\$ | 31.05.2024 |
| FID | Civil Liability (Lease) | 3,000 | UF | 28.02.2024 |
| BCI Seguros | Motor Vehicles | 9,800 | UF | 31.08.2024 |

d) Details of litigation and legal proceedings

Relevant legal procedures

Place of trial or appeal: 2nd Environmental Court.

Matter: 3 Claims against the SEA for rejecting an appeal for invalidation of the Environmental Qualification Resolution (RCA) No.1608/2015.

Filed by: Comunidad Agrícola La Dormida, Cámara de Turismo de Olmué

A.G. y Organización Comunitaria Funcional Vecinos Los Nogales Ex Fundo Loreto.

Claimants' demands: That RCA No.1608/2015 be invalidated.

Status: An appeal has been filed with the Supreme Court, in agreement to draft a final judgment.

Place of trial or appeal: 2nd Environmental Court Case No. D-056-2020.

Matter: Claim for environmental damage.

Claimants' demands: Remediation of environmental damage.

Status: The parties are in a conciliation and trial process.

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

Place of trial or appeal: Superintendence of the Environment (SMA), Exempt Resolution No. 9/ROL D-096-2018 of November 24, 2020 reformulates charges.

Matter: Sanctioning process for violation of RCA N°1608/2015 and Supreme Decree N°38/2011 of the Ministry of the Environment.

Status: Rejected appeals filed by the parties, so the SMA will have to reclassify the seriousness of the violations as minor.

Place of trial or appeal: Superintendence of the Environment (SMA), Exempt Resolution No. 1/ROL D-129-2020 of September 25, 2020 formulates charges.

Matter: Sanctioning process for violation of RCA N°1608/2015.

Status: Pending ruling on the appeal filed for the rejection of the compliance program.

Place of trial or appeal: Local Police Court,

Matter: Complaint for non-compliance with the Native Forest Protection Law No. 20,283. Filed by: Chilean National Forestry Corporation.

Claimants' demands: Sentenced with a fine of 13,500 UTM and ThUS\$ 640 respectively, in addition to the presentation of a Corrective Plan for both cases.

Status: This corporation made a series of complaints for violations of this law, which are in different procedural stages, the most relevant being Roles No. 2445-2019 in JPL Illapel and Rol No. 4971-2019 in JLP Til Til.

Place of trial or appeal: Civil Courts.

Matter: Claim for appraisal.

Status: from the discussion stage to the filing of appeals.

Claimants' demands: Claimants' demands in each case are always disproportionate to the amount set by the Commission, sometimes exceeding 10 times the original amount. However, court rulings have consistently recognized increases of less than 50% of the amount originally set by the Commission. It should be considered that the appraisal claim is an action that is part of the project budget process, since it is considered to be part of the business of establishing assets that affect the properties.

Place of trial or appeal: Civil Courts.

Matter: Claim for compensation of damages

Filed by: Strunk and others.

Status: declared abandonment of the proceeding. Claimants' demands: Compensation for damages in the amount of ThUS\$1,843.

Place of trial or appeal: Civil Courts Case No. C-18956-2020.

Matter: Compensation for damages for tort liability.

Filed by: Luz del Norte SpA.

Claimants' demands: Compensation for damages in the amount of ThUS\$3,047.

Status: Rejected the claim filed by the court of first instance. Appeal and cassation appeal filed by plaintiff, which is pending before the Court of Appeals of Santiago.

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

Place of trial or appeal: Civil Courts.

Matter: Complaint of new construction.

Filed by: different owners.

Claimants' demands: to stop the construction of the works.

Status: from the first instance judgment stage to the filing of appeals.

Place of trial or appeal: Civil Court.

Matter: Compulsory performance of contract plus compensation for damages.

Filed by: Felval S.A.

Claimants' demands: to receive an estimated compensation of ThUS\$139.

Status: Judged, on November 10, 2023, partially accepting the claim and sentencing Interchile to compensate for damages to the claimant for ThUS\$11.

Place of trial or appeal: Civil Courts , Case No. C-9695-2018.

Matter: Compensation for damage.

Filed by: Powerteck SPA.

Claimants' demands: to receive an estimated compensation of ThUS\$1,831.

Status: Appeal of the first instance decision.

Place of trial or appeal: Civil Court.

Matter: revocation action.

Filed by: Creditors of ISOLUX Ingeniería, Agencia en Chile.

Claimants' demands: restitution to ISOLUX's patrimony for the purposes of its bankruptcy proceeding for an estimated amount of ThUS\$116.

Status: first instance judgment, rejecting the claim, on appeal in the Supreme Court.

Proceedings in favor

Place of trial or appeal: Civil Court.

Matter: Exercise of easement.

Plaintiff: INTERCHILE S.A. against: Consultora Predial SPA.

Claimants' demands: to receive an estimated compensation of ThUS\$292..

Status: Appeal ruling confirming the sentence. Appeal filed by the defendant, in relation to the case.

Place of trial or appeal: International Center for Settlement of Investment Disputes. **Matter:** international investment dispute.

Plaintiff: Interconexión Eléctrica S.A. E.S.P. (ISA), ISA Inversiones Chile SPA and Interchile S.A.

Against: Chilean Government.

Claims: to receive an estimated compensation of ThUS\$235,727.

Status: discussion stage.

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

NOTE 20 - ENVIRONMENT

The Company participates in the electricity transmission market and its transmission assets are essential for the implementation of the decarbonization strategy of the Chilean energy matrix, as they allow the entry of renewable energy (wind and solar) produced in the Big North into the national electricity system.

In terms of environmental compliance, the Company performs a proactive and diligent management to improve its performance and socio-environmental management, within the framework of current legislation and are managed through the Environmental Impact Assessment System SEIA, 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 is facing two sanction proceedings (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 has submitted to the Environmental Authority (SMA) a Compliance Program (PDC), which is currently under review.

As part of its sustainability strategy, the Company is committed to measuring, reducing and offsetting its greenhouse gas (GHG) emissions, and since 2021 it has been a carbon neutral company in its operations, the Company obtained from ICONTEC the Carbon Neutrality Certification in Scope I and II (operation and maintenance of assets).

In 2023, the Company made investments of approximately ThUS\$6,157 to meet its environmental commitments, both the mandatory measures established in the RCA and its voluntary commitments with communities.

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

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 origin currency | 2023 ThUS\$ | 2022 ThUS\$ |
| Current Assets | Ch\$ | 26,430 | 28,089 |
| Total assets | | 26,430 | 28,089 |
| Current liabilities | Ch\$ | 3,373 | 6,676 |
| Non-current liabilities | Ch\$ | - | - |
| Total liabilities | | 3,373 | 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 origin currency | 2023 ThUS\$ | 2022 ThUS\$ |
| Cash and cash equivalents | Ch\$ | 141 | 439 |
| Other current financial assets. | Ch\$ | 8,104 | 7,894 |
| Trade and other receivable, current | Ch\$ | 17,993 | 19,454 |
| Other current non-financial assets. | Ch\$ | 192 | 301 |
| Current tax assets, current | Ch\$ | - | 1 |
| Total current assets | | 26,430 | 28,089 |

21.3) Currency balances, current and non-current liabilities

| Type or Class of Foreign Currency Liabilities | Type of origin currency | 2023 ThUS\$ | 2022 ThUS\$ |
|--|-------------------------|--------------|---------------|
| Trade and other payables | Ch\$ | 3,013 | 2,985 |
| Current tax liabilities, current | Ch\$ | 360 | 1,022 |
| Non-current financial liabilities | Ch\$ | - | 12,426 |
| Total current and non-current liabilities | CLP | 3,373 | 16,433 |

Notes to the Financial Statements

AS OF DECEMBER 31, 2023 AND 2022

NOTE 22 - SUBSEQUENT EVENTS

On December 31, 2023, Mr. Juan Emilio Posada Echeverry resigned as President and Director of the Company, effective January 2, 2024.

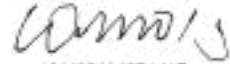
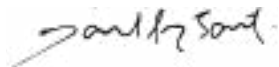


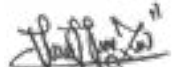
On February 1, 2024, the Company granted financing to the related company Interconexiones del Norte S.A. in the amount of ThUS\$15,000.

As of the date of these financial statements, the Company is not aware of any other subsequent events that would require disclosure.

SWORN STATEMENT OF RESPONSIBILITY

INTERCHILE S.A.

The Directors and the General Manager of Interchile S.A. who have signed this statement, are responsible for the accuracy of the information contained in this 2023 Integrated Annual Report, in accordance with General Rule No. 461 issued by the Financial Market Commission.

| <u>Name</u> | <u>Colombian Passport/ Chilean ID No.</u> | <u>Position</u> | <u>Signature</u> |
|--------------------------------|---|---------------------------|---|
| César Augusto Ramírez Rojas | Passport No. PE135491 | Chief Officer Director |  |
| Daniel Isaza Bonnet | Passport No. PE187627 | Director |  |
| Sonia Margarita Abuchar Alemán | Passport No. AR021336 | Director |  |
| Gabriel Jaime Melguizo Posada | Passport No. AV579373 | Director |  |
| Luis Everley Llano Zuleta | Chilean ID No. 28.145.158-8 | General Manager |  |

March 15, 2024.



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