

ANNUAL REPORT

2022

INVERSIONES ELÉCTRICAS DEL SUR S.A.

grupo
saesa®



OUR MOST IMPORTANT ASSET IS EACH
AND EVERY ONE OF OUR EMPLOYEES,
WHO ARE THE ENGINE AND SOUL OF
THIS COMPANY.

Valdivia, Los Ríos Region.

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Abbreviations and Symbols

\$ - Chilean Pesos
M\$ - Thousands of Chilean Pesos
UF - Unidad de Fomento (Non-physical, indexed monetary unit)
USD - U.S. Dollars
MM\$ - Millions of Chilean Pesos

OUR COMPANY

Inversiones Eléctricas del Sur S.A. (or the “Company”), a joint stock company controlled by Inversiones Grupo Saesa Limitada, is an investee through which Canadian investment funds Ontario Teachers’ Pension Plan Board (OTPPB) and Alberta Investment Management Corporation (AIMCo) control Grupo Saesa companies, which are mostly involved in distribution and transmission of electric power and, to a lesser extent, in generation.

Grupo Saesa consists of various operating companies, including power distribution companies Sociedad Austral de Electricidad S.A. (Saesa), Empresa Eléctrica de la Frontera S.A. (Frontel),

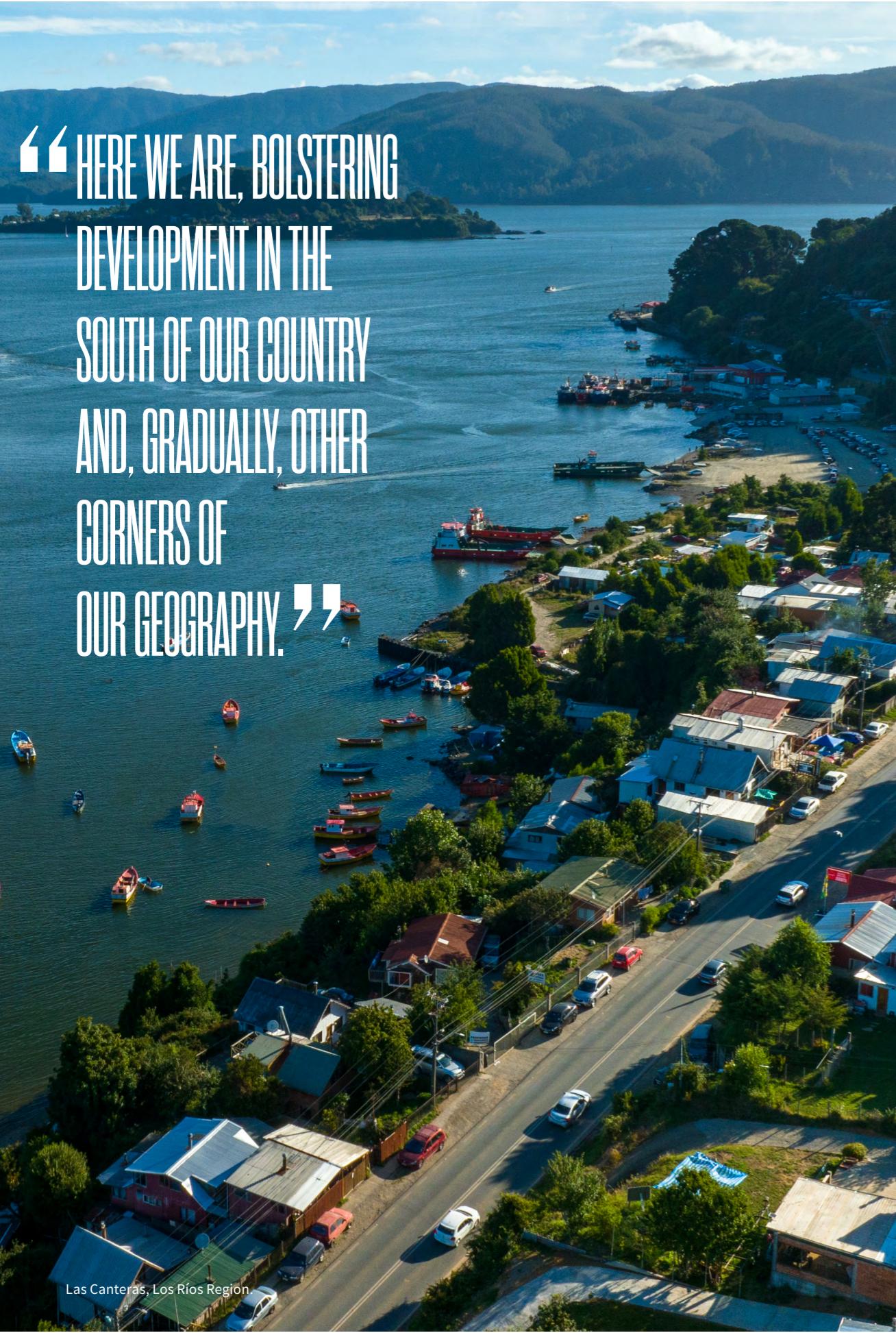
Compañía Eléctrica Osorno (Luz Osorno), and Empresa Eléctrica de Aisén S.A. (Edelaysen), companies linked to electric power transmission such as Sociedad Transmisora Metropolitana SpA (STM), the recently acquired Sociedad Transmisora Metropolitana II S.A. (STM II, formerly Enel Transmisión Chile S.A.), Sociedad de Transmisión Austral S.A. (STA), Sistema de Transmisión del Sur S.A. (STS), Sistema de Transmisión del Centro S.A. (STC), Sistema de Transmisión del Norte S.A. (STN), Sociedad Austral de Transmisión Troncal S.A. (SATT), Línea de Transmisión Cabo Leones S.A., and Tolchén Transmisión SpA.

in electricity generation and other businesses, such as Sagesa S.A., Sagesa Generación S.A., Sociedad de Generación Austral S.A., Saesa Innova Soluciones SpA, and Saesa Gestión y Logística SpA.

Grupo Saesa is organized under a decentralized operational structure and centralized management, which allows the operating companies to keep their presence and proximity to customers in the various concession areas, and to facilitate the development of new business alternatives in the electric sector.

Transmisión SpA. In addition, the Saesa Group includes some companies engaged





“HERE WE ARE, BOLSTERING DEVELOPMENT IN THE SOUTH OF OUR COUNTRY AND, GRADUALLY, OTHER CORNERS OF OUR GEOGRAPHY.”

Las Canteras, Los Ríos Region

LETTER FROM THE CHAIR

THE TIME TO PREPARE THE ANNUAL REPORT AND, IN PARTICULAR, THIS LETTER, IS AN OPPORTUNITY TO STOP AND ANALYZE WHAT HAPPENED DURING THE YEAR WE ARE CLOSING,



Jorge Lesser García-Huidobro
CHAIR

to think about our essence, and the road we have traveled to become what we are today. This evaluation fills us with pride and we are excited to look forward to what we hope to achieve in the future.

As a company, we have gradually reaped what we sowed and have been tending for a long time. Our deep concern for each of our employees, respect for their personal lives, and care for their talents have led us to advance in practices that seek their well-being, recognizing in them our greatest value.

Thanks to the gradual implementation of various improvements and to everyone's involvement, we were once again singled out as one of the best companies to work for in Chile, according to the Great Place to Work ranking.

We have also worked to strengthen gender equity, advances that were recognized by the same ranking, which positioned us as the eighth best place in Chile for women to work. We know that we still have a long way to go, but we

are on the right track and we have the maturity to meet the challenge.

We have been breaking paradigms for decades and the road has not always been easy. Working and doing business from the regions, even in today's times, is still a challenge. But here we are, bolstering development in the south of our country and, gradually, other corners of our geography.

As for our focus, it has long since shifted from inward to our customers. It is for them that we work every day, which is reflected in the strong improvement in our service quality standards (we comply with 99% of the new and strict standards required) and in the recognition of our customers and their families when they receive the service and support they deserve.

This was demonstrated in the results of our customer satisfaction surveys, where at the end of 2022 we obtained the best historical results in this measurement, with a significant and outstanding improvement, surpassing

levels of 50% satisfaction in recent months, which is one of the highest in the industry.

Integrity, good performance, transparency, and ensuring that we perform with the highest ethical standards is a legacy we have received from our shareholders. This has allowed us to be forerunners of best practices in our way of relating and doing business, which led us to be recognized once again by Fundación Generación Empresarial for our commitment to integrity.

There is no doubt that these have been tough years. Needless to say, the social uprising, the pandemic, the war in Ukraine, and the global economic situation have shaken the way the world works and no one has been left out. All our work in recent years has allowed us to be prepared to respond to obstacles, take care of our staff, design efficient remote work models, and make our tools more flexible in order to move forward as a team.

At the beginning of 2022, we were able to return to the office and, at the same time, find hybrid working models based on trust in our employees and the complex task of bringing together the different and important areas of the human being.

In addition, during the past year we were faced with complex scenarios related to the weather situation. This put us under unprecedented pressures in terms of forest fires and storms. To address this new reality, we act together in a coordinated and cohesive manner, maintaining high standards of service quality and accompanying our customers.

In keeping with the new times, we renewed our corporate image, replacing our brands with new designs where we ensured that our employees and customers felt identified.

We closed 2022 with a negative result before taxes of CLP 10,123 billion, mainly driven by increases in the financial cost and

inflation, as well as various regulatory challenges. However, our shareholders remain committed to the development of our country's energy industry, as evidenced by the more than CLP 166 billion earmarked for investment during the same period, higher than the EBITDA for the year, which amounted to CLP 163,346 billion.

Proof of this is the acquisition by our shareholders of Enel Transmisión Chile S.A., as a result of which Grupo Saesa's transmission companies became the third largest in the industry, also reaching the Metropolitan Region, a geographic area that until now was foreign to us.

These have been years of uncertainty, but of rebirth and strengthening. Our most important asset is each and every one of our employees, who are the engine and soul of this company. Their motivation, commitment and focus on excellence is what allows us to achieve all of the above and

much more. Our sincere thanks go to them and their families. This motivates us not to rest in the pursuit of excellence and to continue advancing steadily for the development of our country.



Jorge Lesser García-Huidobro
CHAIR





SECTION ONE

CORPORATE VISION AND MISSION
ABOUT OUR COMPANY
OUR SHAREHOLDERS
OWNERSHIP STRUCTURE
CORPORATE GOVERNANCE
CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT
BOARD OF DIRECTORS
ADMINISTRATION
ORGANIZATIONAL STRUCTURE
HISTORICAL OVERVIEW

CORPORATE VISION & MISSION

PRINCIPLES

CORPORATE VALUES

To achieve its objectives, the Company must aim at and uphold the highest work standards and implement the following core values in its daily activities:

- **Integrity:** We do the right things.
- **Transparency:** We act truthfully and honestly.
- **Safety:** Non-negotiable.
- **Excellence:** We do things impeccably.
- **Customer focus:** The center of our operations.
- **Efficiency:** Key in our industry.
- **Sustainability:** We are responsible regarding the future.



VISION

Improve the quality of life of people and contribute to the sustainable development of the country by supplying reliable, secure energy.

Our work builds on a deep commitment to our customers, the safety, wellbeing and development of our employees, and to modernization of Chile's electricity industry.

Our vision has a long-term perspective aimed to create value for our shareholders.

MISSION

Over the next few years, Grupo Saesa must undertake a major turnaround in its business, reaching a new standard of quality of service and significantly strengthening the relationship with its customers. The Company is to successfully implement the new Technical Standard on Distribution and Smart Metering projects and consolidate its leadership in occupational safety in the industry. Grupo Saesa must be a leading player in the development of the regulatory framework and new technologies in Chile, fostering close collaboration with regulators and communities.

By 2023, Grupo Saesa must have redefined its relationship with its customers by fostering new digital systems that successfully improve customer experience and support the development of a customer-focused culture.

To build the future, Grupo Saesa must advance the agenda of innovation in all its business areas and explore the opportunities offered by new technologies of electrical goods and services used by customers on a daily basis.

GROWTH AND VISION 2023

In 2023, Grupo Saesa will continue to develop the work in the different areas of its business, addressing the challenges of achieving another standard of operational efficiency, redefining a truly customer-oriented culture, strengthening communications, culture and our work force. In view of the company's growth in the transmission business line, through the acquisition of Enel Transmisión Chile S.A. by Sociedad Transmísora Metropolitana SpA, the challenge will be the integration of the transmission company to ensure the continuity of the business.



ABOUT OUR COMPANY

INCORPORATION DOCUMENTS

Inversiones Eléctricas del Sur S.A. is a joint-stock company incorporated by means of a public deed executed on June 10, 2008, executed at Santiago Notary Public's Office of Raúl Undurraga Laso, the authorized abstract of which was registered under number 17,956 on page 26,156 of the Santiago Register of

Commerce of 2008 and published in the Official Gazette's issue of June 14, 2008. A public deed dated July 31, 2008 executed at Santiago Notary Public's Office of Raúl Undurraga Laso converted the Company into a closely-held corporation called Inversiones Eléctricas del Sur

S.A., the authorized abstract of which was registered under number 26,394 on page 38,356 of the Santiago Register of Commerce of 2008 and published in the Official Gazette's issue of August 22, 2008.



CORPORATE OVERVIEW

COMPANY NAME
Inversiones Eléctricas del Sur S.A.

TELEPHONE #
+56 2 2414 7010 – 2 2414 7500

E-MAIL
infoinversionistas@saesa.cl

DBA
Eléctricas del Sur

FAX #
+56 2 2414 4709

WEBSITE
www.gruposaesa.cl

TAX IDENTIFICATION NUMBER
76.022.072-8

TYPE OF ENTITY
Closely-held Corporation

FOR INVESTOR RELATIONS
+56 2 2414 7500

LEGAL AND BUSINESS ADDRESS
Isidora Goyenechea 3621 Piso 20,
Las Condes, Santiago.

REGISTRATION IN THE SECURITIES REGISTRY
No. 1,016

OUR SHAREHOLDERS

AS SET OUT IN TITLE XV IN LAW 18,045, SECURITIES MARKET LAW, INVERSIONES ELÉCTRICAS DEL SUR S.A. IS CONTROLLED BY INVERSIONES GRUPO SAESA LIMITADA, WHICH OWNS A 99.9% EQUITY INTEREST IN THE COMPANY.

As of December 31, 2022, the company has two (2) shareholders, namely:

SHAREHOLDERS	SERIES A SHARES	SERIES B SHARES	TOTAL SHARES	TOTAL INTEREST
INVERSIONES GRUPO SAESA CÓNDOR HOLDING SpA	60	79,573,672	79,573,732	99.999950 %
	40	-	40	0.000050 %
TOTAL	100	79,573,672	79,573,772	100 %

There were no share transactions during 2022.

OWNERSHIP AND CONTROL

The Company's shares are divided into Series "A" shares, with all the rights accorded by law to ordinary shares, and Series "B" shares, with all the rights accorded by law to ordinary shares but also with a preferential right whereby the Board of Directors shall be required to call for a Regular or Extraordinary Shareholders' Meeting whenever 5% of the Series B shares requests so, as well as a restriction, which is that Series B shares are not entitled to participate in Board of Directors elections. Series A and B shares were issued with 100-year maturities on July 31, 2008.

JOINT AGREEMENTS

The partners of Inversiones Grupo Saesa Limitada, the Company's controller, executed an agreement on July 24, 2008, whereby a number of matters are regulated, including restrictions on the transfer of equity rights in the company.

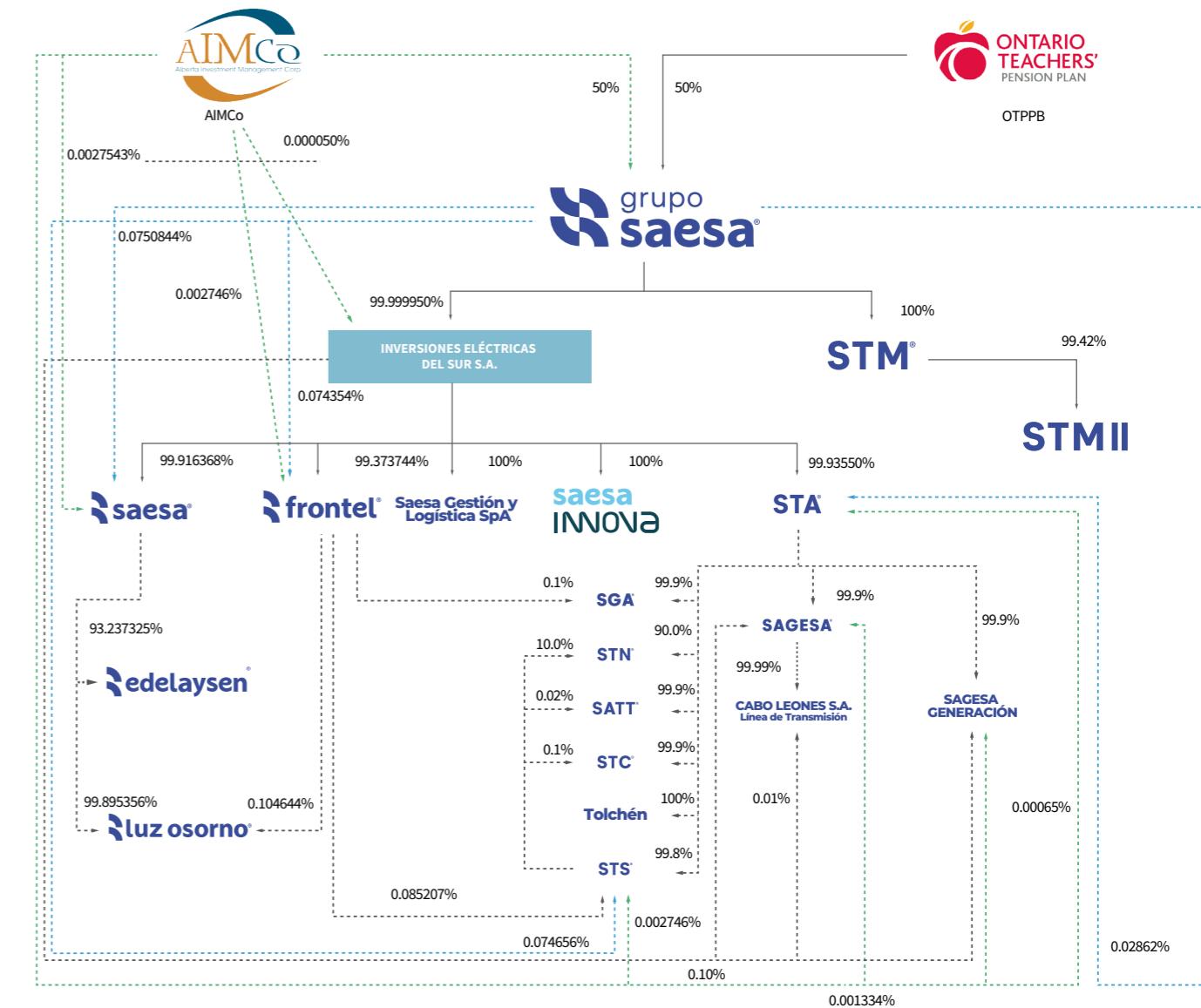
Likewise, a shareholders' agreement executed on the same date provides certain restrictions on free disposal of shares by shareholders.

Moreover, the majority shareholders of Sociedad Austral de Electricidad S.A. and Empresa Eléctrica de la Frontera S.A. also executed an agreement on the same date referred to in the preceding paragraph whereby restrictions on free disposal of shares by shareholders are laid down.

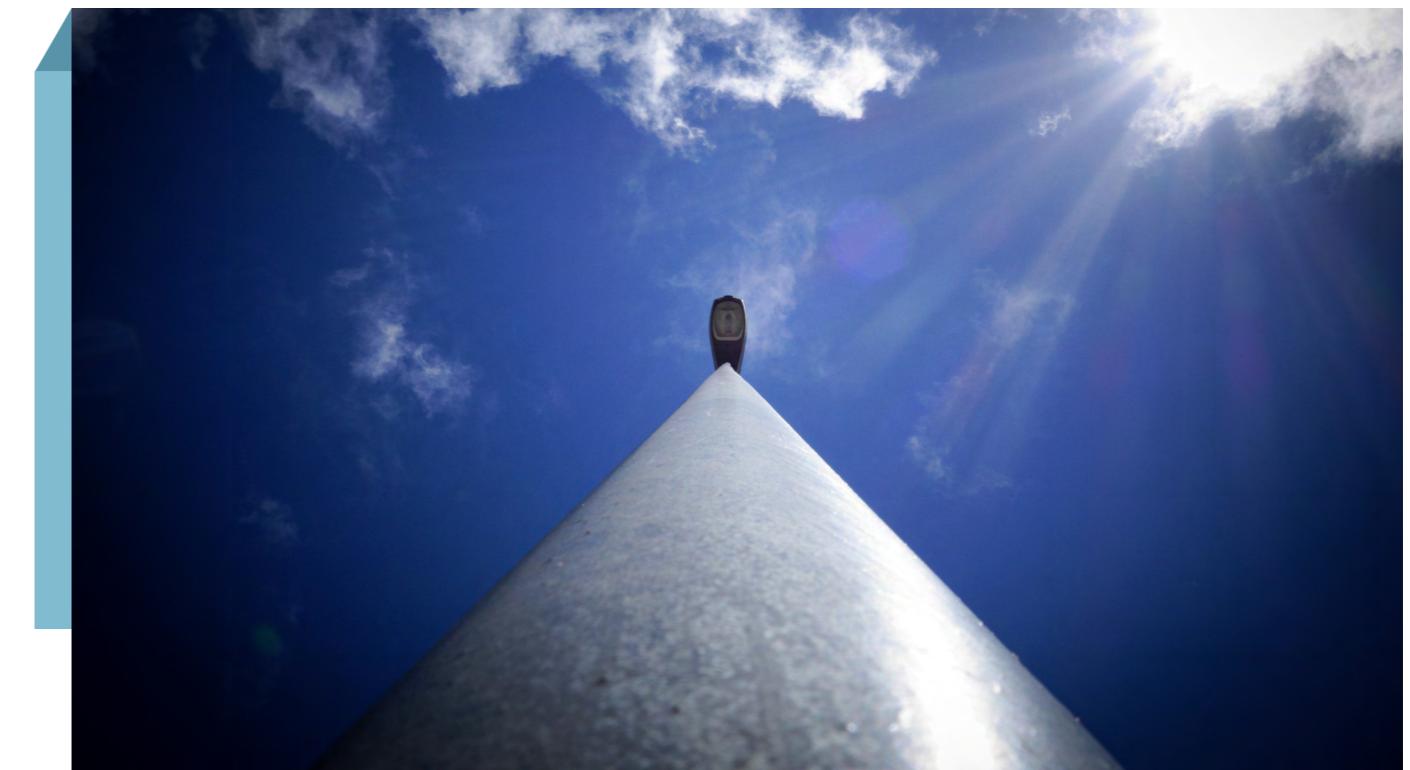
Finally, subsidiaries Sagesa S.A., Sociedad de Transmisión Austral S.A., and Sistema de Transmisión del Sur S.A., executed shareholders' agreements on June 22, 2012, whereby restrictions on free disposal of shares by shareholders are set forth.

OWNERSHIP STRUCTURE

As of December 31, 2022 the Company's ownership structure is as follows:



CORPORATE GOVERNANCE



CRIME PREVENTION MODEL AND COMPLIANCE PROGRAM

The Company is managed by the Board of Directors, which is vested with the broadest powers conferred by Law 18,046 on Corporations and its regulations to act in the name and on behalf of the company. The Company's Board of Directors meets regularly once a month to deal with the various issues within their competence, on which occasion Board members are also briefed by the Chief Executive Officer of the Company's business. Likewise, the Board of Directors meets extraordinarily in those cases where it is convenient and/or necessary. In any case, Directors have the right to be informed at any time of all matters corporate. The remuneration of the Board of Directors is set annually by the Ordinary Shareholders' Meeting.

Shareholders meet on occasion of Regular and Extraordinary Shareholders' Meetings. Regular Shareholders' Meetings are held once a year, within the first four months, to discuss and decide on matters within its field of competence. Extraordinary

Shareholders' Meetings may be held at any time, when required by company needs, to decide on any matter which according to the law or the company's bylaws are within the field of competence of the Shareholders' Meetings.

The Company has a Manual for the Acquisition or Transfer of Securities and Handling and Disclosure of Information of Interest to the Market, the latest version of which was adopted by the Company's Board of Directors on January 28, 2010 and is available on the Company's website.

Law 21,194, which amended the General Law of Electric Services, established that public electric distribution service concession companies shall be subject to the rules on related party transactions of Title XVI of the Corporations Law and, in addition, must be engaged exclusively in the distribution of electric energy.

Pursuant to the foregoing, the electricity

distribution companies belonging to Grupo Saesa may only enter into transactions between related parties in accordance with the provisions of said Title, as from January 1, 2021.

For these purposes, on December 16, 2020, the Board of Directors of said company adopted a Standard Operations Policy, the purpose of which is to determine the usual transactions of the distribution companies that, being ordinary or recurring in consideration of their line of business, may be carried out, executed and/or entered into with related parties without complying with the formalities and procedures established in Article 147 of the Corporations Law.

Grupo Saesa abides by values and commitments that aim to promote a corporate culture in full compliance with applicable laws and regulations and strives to ensure that all its companies and employees shall conduct themselves ethically, transparently, honestly, and with integrity.

This mentality has translated into a series of initiatives, instruments, and company policies, including the adoption and implementation of a Crime Prevention Model and a Compliance Management System:

CRIME PREVENTION MODEL

In 2011, Grupo Saesa adopted and implemented a Crime Prevention Model in all its companies, in accordance with the guidelines of Law 20,393 on the Criminal Liability of Legal Entities.

The Model is led by the Crime Prevention Officer, who has been specially designated for this purpose by the Company's Board of Directors. The Head is an autonomous position from management; it has its own financial and material resources that are sufficient for carrying out its duties; and reports, at

least twice yearly, to the Board on the current state of the Crime Prevention Model.

The Model, which in its beginnings was intended to prevent the commission of the crimes of money laundering, financing of terrorism and bribery of national or foreign public officials, has undergone, since its legal establishment, a very important transformation process driven by legal reforms that find their genesis in profound social changes that the country has experienced and that account for the relevance that society gives today to the role played by companies in relation to the fight against corruption and the promotion of good corporate practices that aim at the common good, beyond the creation of value or profitability itself.

Thus, in 2016, the first reform to the statute of criminal liability of legal persons was issued through Law 20,931, known as the Short Anti-crime Agenda Law, which included receiving in the catalog of offenses of Law 20,393, an issue that resulted in the need to update the Model for the first time.

Subsequently, on November 20, 2018, Law 21,121 was published in the Official Gazette, increasing the penalties for crimes associated with corruption and significantly modifying the statute of criminal liability of legal entities contained until in Law

20,393 by incorporating four new crimes: i) disloyal administration; ii) corruption between private parties; iii) incompatible negotiation; and iv) misappropriation. Also, by way of Law 21,132 of January 31, 2019, which modernizes and strengthens the exercise of the public duties of the National Fisheries Service, four new offenses were added, the cross-cutting crime of water pollution.

These modifications resulted in an arduous task of updating the Crime Prevention Model and its associated policies, a task that was undertaken in 2019 and completed in 2020. The process included, among other aspects, which has included the drawing up of risk matrices related to the new crimes introduced to the catalogue, their current controls and the action plans necessary to mitigate the legal risks that Grupo Saesa may be exposed to. In addition, the criminal liability clauses that are usually included in the contracts of employees, contractors and suppliers, as well as the chapter on the subject that is incorporated in the Internal Regulations of the companies of Grupo Saesa were also amended.

It should be noted that, given the scope of the aforementioned legal modifications, the company requested the support and advice of expert consultants in this area in order to carry out the task of updating the Prevention Model.

Then, as a result of the new requirements established by the authorities to address the COVID-19 pandemic, which resulted, among other consequences, in the incorporation of two new offenses to the catalog of crimes that could lead to the criminal liability of individuals, it was necessary to update again the Prevention Model of the Company, introducing, in March 2021, an express mention of the crimes of: i) Non-observance of sanitary measures decreed by the authority in case of epidemic or pandemic and; ii) Fraudulently obtaining unemployment insurance benefits. It should be clarified

that the latter offense was issued on a transitory basis and is no longer in force.

In April 2021, only one month after the last update of the Model, Law 21,325 on migration and foreigners was published in the Official Gazette, which toughens the penalty applicable to the crime of human trafficking and incorporates it, in turn, into the catalog of crimes of Law 20,393.

Continuing with the trend, in January 2022, Law 20,393 was expanded to include the crimes typified in Title II of Law 17,798 on Arms Control.

A few months later, in June 2022, Law 21,459 on computer crimes was published, adding to the already long list of crimes of Law 20,393 the following: i) attack on the integrity of a computer system; ii) illicit access; iii) illicit interception; iv) attack on the integrity of computer data; v) computer forgery; vi) receiving computer data; vii) computer fraud; and viii) abuse of devices.

Finally, Law 21,448 of September 27, 2022 amended the Criminal Code and the Code of Criminal Procedure to typify the crime of timber theft and enable the use of special investigative techniques for its prosecution, incorporating it as one of the crimes that can generate criminal liability of the company.

Given the intense legislative activity that has been modifying the original statute of criminal liability of legal entities, the Company is currently in a thorough process of reviewing its risk matrices related to the possible commission of crimes and updating, once again, its Prevention Model in order to adjust to the current legal reality.

There is also the adoption of a series of preventive measures to ensure that the Company effectively adapts to the new political, social, health, and economic scenario that the country is experiencing, always maintaining its standard of

integrity.

Since the implementation of the Model, the company has trained its own staff as well as its contractors' through in-person and e-learning sessions, the latter being strongly strengthened during 2020 and 2021, given the pandemic situation. During 2022, training and face-to-face training meetings have been gradually resumed.

The annual e-learning training process on Law 20,393 applied to all employees ended in 2022 with a 99% approval rate, the highest since the course was implemented. Thanks to the development of the strategic plan called Contractor Plan, which addresses aspects of compliance and integrity in the "management" area, the Company was able to train more than 800 contractors from 21 service providers in this area.

In order to ensure that the Crime Prevention Model fully complies with the requirements imposed by law and thus guarantee its full effectiveness, the Company has subjected it to a review process since 2014, the year after which it had been obtaining its corresponding certification with an annual validity. However, for the first time, Grupo Saesa obtained in 2020 the certification of the Model for a period of 2 years for all its companies.

In this way, and according to the established planning, in August 2022 Feller Rate granted a new certification to the Crime Prevention Model of Grupo Saesa companies, with a validity of 2 years.

Furthermore, since 2017, the Compliance function has monitored adherence to the aforementioned Crime Prevention Model, in addition to issuing internal rules and procedures, as set out in the Compliance Management System, which have strengthened it.

As a result, today Grupo Saesa has a robust and effective Crime Prevention Model in full compliance with each and every legal requirement, thus ensuring the adoption of the right measures to prevent unlawful behavior within the company and to maintain integrity as one of the pillars of our activities.

risk management.

The basic pillars of the Compliance Management System are, on the one hand, internal leadership to promote values and good corporate governance, transparency and integrity, and, on the other, an approach based on risk analysis and management that helps to identify vulnerabilities and the actions needed to prevent and/or correct them.

COMPLIANCE

In 2017, Grupo Saesa initiated the implementation of a Compliance Management System, which consists of organizational management policies, procedures, actions and initiatives aimed at setting up good practices for full compliance with the current legislation while adhering to the principles of ethics and integrity fostered by the Company, thus reducing the risk of actions that may result in cases of regulatory non-compliance.

For Grupo Saesa, the term "compliance" is not limited to abiding by a set of rules and standards. It implies creating a culture of ethics and integrity that guides the behavior and decisions of all members of our organization, giving them a distinctive way of working towards the company's strategic guidelines and objectives vis-à-vis its stakeholders.

Along this line, Grupo Saesa modified its organizational chart and processes in order to place the focus of its actions on a common ethical framework defined according to certain basic principles, especially those included in its Standards of Integrity.

Thus, the creation of the Compliance Department in 2017 under the criteria and guidelines of Senior Management, now an area that reports to the Legal Department, laid the foundations of a management system that seeks to become a driver in the implementation of good practices whenever the situation calls for efficient

of the employees to the culture of integrity that inspires the Company.

The topics addressed by the annual compliance training plan include i) integrity standards or code of conduct; ii) anti-corruption; iii) free competition; iv) protection of personal data; v) handling of confidential information; vi) conflicts of interest; vii) sexual harassment in the workplace; viii) culture of integrity and compliance, among others.

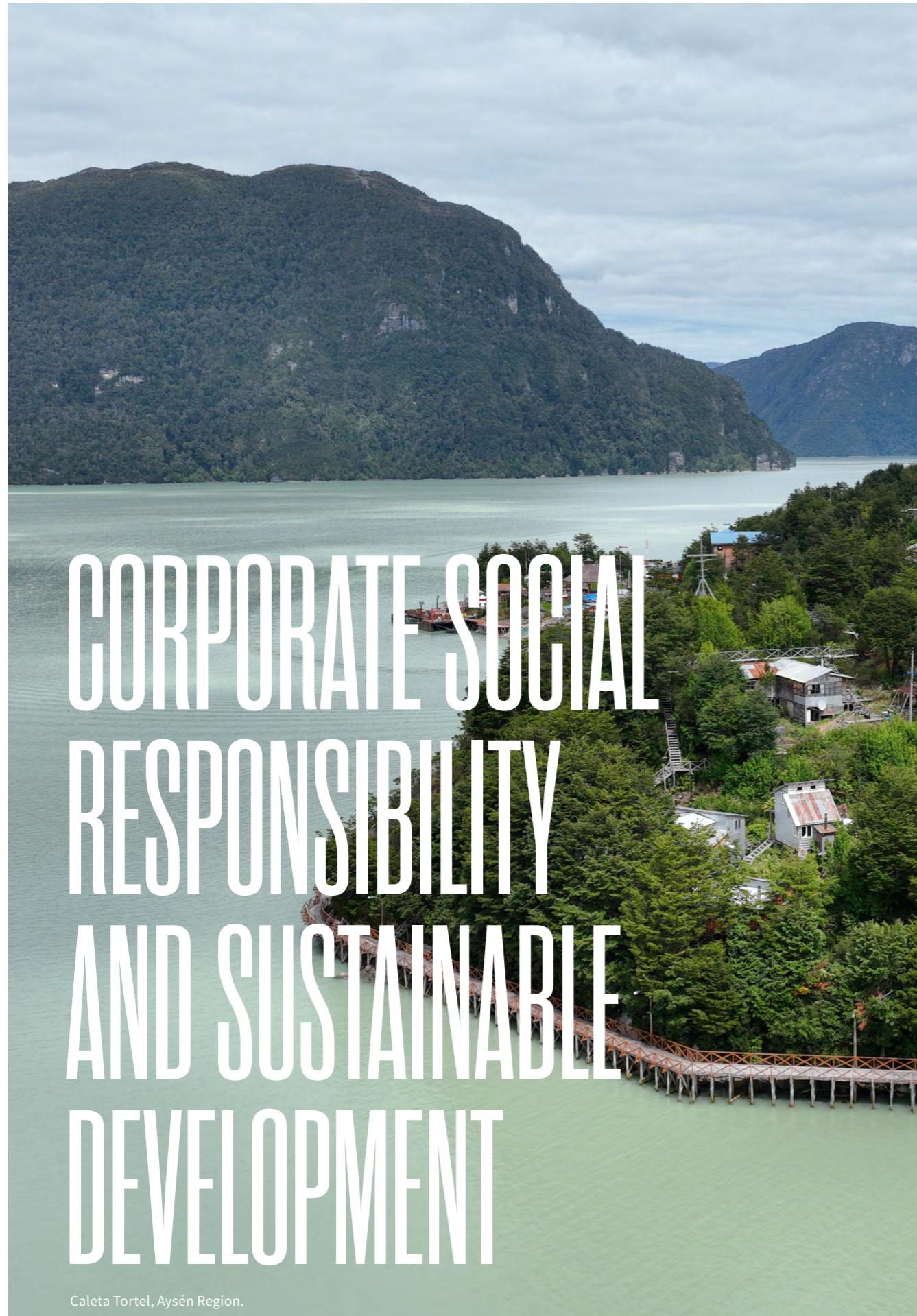
In line with the above, in 2022 Grupo Saesa accepted, one more time, the challenge of "measuring its integrity" by applying the Barometer of Business Values and Ethics (BVEE), managed by Fundación Generación Empresarial for the sixth consecutive year. The objective of the survey applied was to measure the perception that the employees of Grupo Saesa have about the state of the culture of ethics and corporate compliance, differentiating the answers according to hierarchical levels.

The excellent results obtained in the Barometer, driven by the daily and joint work in the management of corporate ethics, added to the delivery of the evidence requested in the accreditation guidelines, made the Company worthy of the highest distinction awarded for the fourth consecutive year, the "Business Generation Recognition of Commitment to Integrity 2022". This time the Company was one of the two outstanding companies in the "Trajectory" category out of the 104 companies and non-business entities that underwent the evaluation. The Company is the only company in Chile to have received this recognition for four consecutive years,

which has been described by the event's organizers as "quite an achievement." This award recognizes the systematic work that year after year Grupo Saesa has been doing to promote and disseminate integrity and good corporate practices within the organization.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

Caleta Tortel, Aysén Region.



BOARD DIVERSITY

AGE RANGE	MEN	WOMEN	TOTAL
Under 30	-	-	-
Between 30 and 40	1	2	3
Between 41 and 50	1	-	1
Between 51 and 60	1	1	2
Between 61 and 70	2	-	2
Over 70	-	-	-
SENIORITY (YEARS)	MEN	WOMEN	TOTAL
Under 3	2	3	5
Between 3 and 6	-	-	-
Between 6 and 9	-	-	-
Between 9 and 12	2	-	2
Over 12	1	-	1
CITIZENSHIP	MEN	WOMEN	TOTAL
CHILEAN	2	1	3
FOREIGN NATIONAL	3	2	5

DIVERSITY OF THE CEO'S OFFICE AND OTHER DEPARTMENTS

AGE RANGE	MEN	WOMEN	TOTAL
Under 30	-	-	-
Between 30 and 40	3	-	3
Between 41 and 50	24	10	34
Between 51 and 60	12	-	12
Between 61 and 70	3	-	3
Over 70	1	-	1
SENIORITY (YEARS)	MEN	WOMEN	TOTAL
Under 3	5	1	6
Between 3 and 6	5	1	6
Between 6 and 9	7	-	7
Between 9 and 12	2	-	2
Over 12	24	8	32
CITIZENSHIP	MEN	WOMEN	TOTAL
CHILEAN	42	10	52
FOREIGN NATIONAL	1	-	1

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT UNREGULATED BUSINESSES

DIVERSITY OF COMPANY EMPLOYEES

AGE RANGE	MEN	WOMEN	TOTAL
Under 30	120	33	153
Between 30 and 40	471	135	606
Between 41 and 50	302	90	392
Between 51 and 60	128	32	160
Between 61 and 70	27	5	32
Over 70	-	1	1
SENIORITY (YEARS)	MEN	WOMEN	TOTAL
Under 3	213	75	288
Between 3 and 6	293	79	372
Between 6 and 9	120	36	156
Between 9 and 12	122	22	144
Over 12	300	84	384
CITIZENSHIP	MEN	WOMEN	TOTAL
CHILEAN	1,028	286	1,314
FOREIGN NATIONAL	20	10	30

DIVERSITY SUMMARY

DIVERSITY	BOARD		DEPARTMENTS		COMPANY		TOTAL		SHARE	
AGE RANGE	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Under 30	-	-	-	-	120	33	120	33	8.5%	2.3%
Between 30 and 40	1	2	3	-	471	135	475	137	33.8%	9.8%
Between 41 and 50	1	-	24	10	302	90	327	100	23.3%	7.1%
Between 51 and 60	1	1	12	-	128	32	141	33	10.0%	2.3%
Between 61 and 70	2	-	3	-	27	5	32	5	2.3%	0.4%
Over 70	-	-	1	-	-	1	1	1	0.1%	0.1%
SENIORITY (YEARS)	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Under 3	2	3	5	1	213	75	220	79	15.7%	5.6%
Between 3 and 6	-	-	5	1	293	79	298	80	21.2%	5.7%
Between 6 and 9	-	-	7	-	120	36	127	36	9.0%	2.6%
Between 9 and 12	2	-	2	-	122	22	126	22	9.0%	1.6%
Over 12	1	-	24	8	300	84	325	92	23.1%	6.5%
CITIZENSHIP	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
CHILEAN	2	1	42	10	1,028	286	1,072	297	76.3%	21.1%
FOREIGN NATIONAL	3	2	1	-	20	10	24	12	1.7%	0.9%
						78.0%	22.0%			
						1,405				

*Including Board of Directors

GENDER PAY GAP

JOB LEVEL	FEMALE	MALE	DIFFERENCE
ADMINISTRATIVE	87%	100%	13%
UNIT HEAD	92%	100%	8%
DEPARTMENT HEAD	89%	100%	11%
LINEMEN	0%	100%	100%
PROFESSIONAL	80%	100%	20%
SUPERVISOR	50%	100%	50%
TECHNICIAN	91%	100%	9%

BOARD DIVERSITY

AGE RANGE	MEN	WOMEN	TOTAL
Under 30	-	-	-
Between 30 and 40	1	2	3
Between 41 and 50	1	-	1
Between 51 and 60	1	1	2
Between 61 and 70	2	-	2
Over 70	-	-	-
SENIORITY (YEARS)	MEN	WOMEN	TOTAL
Under 3	2	3	5
Between 3 and 6	-	-	-
Between 6 and 9	-	-	-
Between 9 and 12	2	-	2
Over 12	1	-	1

CITIZENSHIP	MEN	WOMEN	TOTAL
CHILEAN	2	1	3
FOREIGN NATIONAL	3	2	5

*Of the group companies that are considered as unregulated businesses (Saesa Innova SpA, STN and SGA), according to their bylaws, only STN and SGA have the same board of directors as the other group companies, presented in the table above.

DIVERSITY OF THE CEO'S OFFICE AND OTHER DEPARTMENTS

AGE RANGE	MEN	WOMEN	TOTAL
Under 30	-	-	-
Between 30 and 40	-	2	2
Between 41 and 50	3	-	3
Between 51 and 60	1	-	1
Between 61 and 70	-	-	-
Over 70	-	-	-
SENIORITY (YEARS)	MEN	WOMEN	TOTAL
Under 3	2	2	4
Between 3 and 6	-	-	-
Between 6 and 9	1	-	1
Between 9 and 12	1	-	1
Over 12	-	-	-

CITIZENSHIP	MEN	WOMEN	TOTAL
CHILEAN	4	2	6
FOREIGN NATIONAL	-	-	-

DIVERSITY OF COMPANY EMPLOYEES

AGE RANGE	MEN	WOMEN	TOTAL
Under 30	71	8	79
Between 30 and 40	116	27	143
Between 41 and 50	93	12	105
Between 51 and 60	41	2	43
Between 61 and 70	5	-	5
Over 70	-	-	-
SENIORITY (YEARS)	MEN	WOMEN	TOTAL
Under 3	318	49	367
Between 3 and 6	8	-	8
Between 6 and 9	-	-	-
Between 9 and 12	-	-	-
Over 12	-	-	-
CITIZENSHIP	MEN	WOMEN	TOTAL
CHILEAN	317	48	365
FOREIGN NATIONAL	9	1	10

DIVERSITY SUMMARY

DIVERSITY	BOARD		DEPARTMENTS		COMPANY		TOTAL		SHARE	
AGE RANGE	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Under 30	-	-	-	-	71	8	71	8	18.3%	2.1%
Between 30 and 40	1	2	-	2	116	27	117	31	30.1%	8.0%
Between 41 and 50	1	-	3	-	93	12	97	12	24.9%	3.1%
Between 51 and 60	1	1	-	-	41	2	42	3	10.8%	0.8%
Between 61 and 70	2	-	1	-	5	-	8	-	2.1%	0.0%
Over 70	-	-	-	-	-	-	-	-	0.0%	0.0%
SENIORITY (YEARS)	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Under 3	2	3	2	2	318	49	322	54	82.8%	13.9%
Between 3 and 6	-	-	-	-	8	-	8	-	2.1%	0.0%
Between 6 and 9	-	-	1	-	-	-	1	-	0.3%	0.0%
Between 9 and 12	2	-	1	-	-	-	3	-	0.8%	0.0%
Over 12	1	-	-	-	-	-	1	-	0.3%	0.0%
CITIZENSHIP	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
CHILEAN	2	1	4	2	317	48	323	51	83.0%	13.1%
FOREIGN NATIONAL	3	2	-	-	9	1	12	3	3.1%	0.8%
86.1% 13.9%										
389										

*Including Board of Directors

GENDER PAY GAP

JOB LEVEL	FEMALE	MALE	DIFFERENCE
ADMINISTRATIVE	33%	100%	67%
UNIT HEAD	14%	100%	86%
DEPARTMENT HEAD	84%	100%	16%
LINEMEN	0%	100%	100%
PROFESSIONAL	90%	100%	10%
SUPERVISOR	0%	100%	100%
TECHNICIAN	68%	100%	32%



BOARD OF DIRECTORS OF ELÉCTRICAS DEL SUR S.A. AND SUBSIDIARIES

In 2022, the Board of Directors of Inversiones Eléctricas del Sur S.A. and its subsidiaries will be composed of 8 members with the sole exception of Línea de Transmisión Cabo Leones S.A., whose Board of Directors is composed of 3 members and the companies Saesa Innova SpA and Saesa Gestión y Logística SpA, which are joint stock companies whose bylaws do not contemplate the existence of a Board of Directors, without contemplating the existence of alternate members. Directors serve for a term of two years and may be reelected.

In 2022, the members of the Board were:



CHAIR

Jorge Lesser García- Huidobro
Civil Engineer
ID # 6.443.633-3



VICE-CHAIR

Iván Díaz-Molina
Civil Engineer
ID # 14.655.033-9



REGULAR DIRECTOR

Juan Ignacio Parot
Industrial Engineer
ID # 7.011.905-6



REGULAR DIRECTOR

Luz Granier
Business Administrator
ID # 7.040.317-K



REGULAR DIRECTOR

Jonathan Reay
Investment Manager
Foreign National



REGULAR DIRECTOR

Shama Naquashbandi
Lawyer
Foreign National



REGULAR DIRECTOR

Stephen Best
Public Accountant
Foreign National



REGULAR DIRECTOR

Ashley Munroe
Civil Engineer
Foreign National

BOARD OF DIRECTORS

INVERSIONES ELÉCTRICAS DEL SUR AND SUBSIDIARIES

Over the past years, the members of the Board have been:

NAME	ID #	PROFESSION	POSITION	LAST APPOINTMENT	RESIGNED ON
JORGE LESSER G.	6.443.633-3	CIVIL ENGINEER	CHAIR	11-05-2022	-
IVÁN DÍAZ-MOLINA	14.655.033-9	CIVIL ENGINEER	VICE-CHAIR	11-05-2022	-
JUAN IGNACIO PAROT B.	7.011.905-6	CIVIL INDUSTRIAL ENGINEER	REGULAR DIRECTOR	30-04-2021	-
LUZ GRANIER	7.040.317-K	BUSINESS ADMINISTRATOR	REGULAR DIRECTOR	17-08-2022	-
SHAMA NAQUASHBANDI	FOREIGN NATIONAL	LAWYER	REGULAR DIRECTOR	17-08-2022	-
JON REAY	FOREIGN NATIONAL	INVESTMENT MANAGER	REGULAR DIRECTOR	30-04-2021	-
STEPHEN BEST	FOREIGN NATIONAL	PUBLIC ACCOUNTANT	REGULAR DIRECTOR	17-08-2022	-
ASHLEY MUNROE	FOREIGN NATIONAL	CIVIL ENGINEER	REGULAR DIRECTOR	30-04-2021	-
WALDO FORTÍN C.	4.556.889-K	LAWYER	REGULAR DIRECTOR	30-04-2021	17-08-2022
STACEY PURCELL	FOREIGN NATIONAL	BUSINESS ADMINISTRATOR	REGULAR DIRECTOR	30-04-2021	17-08-2022
CHRISTOPHER POWELL	FOREIGN NATIONAL	ENGINEER BSC	REGULAR DIRECTOR	30-04-2021	17-08-2022
BEN HAWKINS	FOREIGN NATIONAL	MBA	REGULAR DIRECTOR	30-04-2020	14-10-2020
DALE BURGESS	FOREIGN NATIONAL	ACCOUNTANT-AUDITOR	REGULAR DIRECTOR	26-04-2018	22-08-2018

REGULATED BUSINESS SENIOR MANAGEMENT

CHIEF EXECUTIVE OFFICER

Francisco Allende Arriagada / Business Administrator
ID # 6.379.874-6 / Appointed on February 1, 2012

CHIEF FINANCIAL OFFICER

Diego Molina Henríquez / Civil Industrial Engineer
ID # 9.906.254-1 / Appointed on March 1, 2022

FINANCIAL OFFICER

Mauricio Núñez Villalobos / Civil Industrial Engineer
ID # 15.364.050-5 / Appointed on March 1, 2022

MANAGEMENT OFFICER

Cristian Quintana Rubio / Civil Industrial Engineering,
major in Electricity
ID # 10.175.877-K / Appointed on March 1, 2022

LEGAL COUNSEL

Sebastián Sáez Rees / Lawyer
ID # 8.955.392-K / Appointed on October 1, 2007

TRANSMISSION TRADE OFFICER

Marcelo Bobadilla Morales / Civil Electrical Engineer
ID # 10.151.086-7 / Appointed on September 1, 2009

DISTRIBUTION PROJECTS OFFICER

Paolo Rodríguez Pinochet / Electrical Engineer
ID # 13.199.851-1 / Appointed on December 1, 2018

REGULATION OFFICER

Rodrigo Miranda Díaz / Civil Electrical Engineer
ID # 10.784.472-4 / Appointed on September 10, 2012

HR OFFICER

María Dolores Labbé Daniel / Business Administrator
ID # 13.117.638-4 / Appointed on December 10, 2013

BUSINESS DEVELOPMENT OFFICER

Charles Naylor Del Río / Civil Industrial Engineer
ID # 7.667.414-0 / Appointed on May 15, 2014

STRATEGIC PLANNING, MANAGEMENT, AND RISKS OFFICER

Marcela Ellwanger Hollstein / Business Administrator
ID # 12.752.648-6 / Appointed on December 10, 2013

TRANSMISSION OFFICER

Marcelo Matus Castro / Electrical Engineer
ID # 11.364.868-6 / Appointed on December 17, 2018

DISTRIBUTION OFFICER

Leonel Martínez Martínez / Electrical Engineer
ID # 14.556.330-5 / Appointed on September 1, 2021

RISK PREVENTION MANAGER

Patricio Velásquez Soto / Risk Prevention Engineer
ID # 12.540.271-2 / Appointed on October 30, 2013

INTERNAL AUDIT DIRECTOR

Jorge Castillo Quiroz / Accountant-Auditor
ID # 7.759.917-7 / Appointed on October 1, 2013

REGULATION MANAGER

Jorge Muñoz Sepúlveda / Civil Electrical Engineer
ID # 11.694.983-0 / Appointed on September 01, 2009

CUSTOMER RELATIONS OFFICER

Bárbara Boekemeyer Slater / Civil Industrial Engineer
ID # 12.747.160-6 / Appointed on April 1, 2018

OPERATIONS OFFICER

Diego Moenne-Loccoz / Public Accountant-Auditor
ID # 12.708.537-4 / Appointed on January 1, 2018

CORPORATE AFFAIRS AND SUSTAINABILITY MANAGER

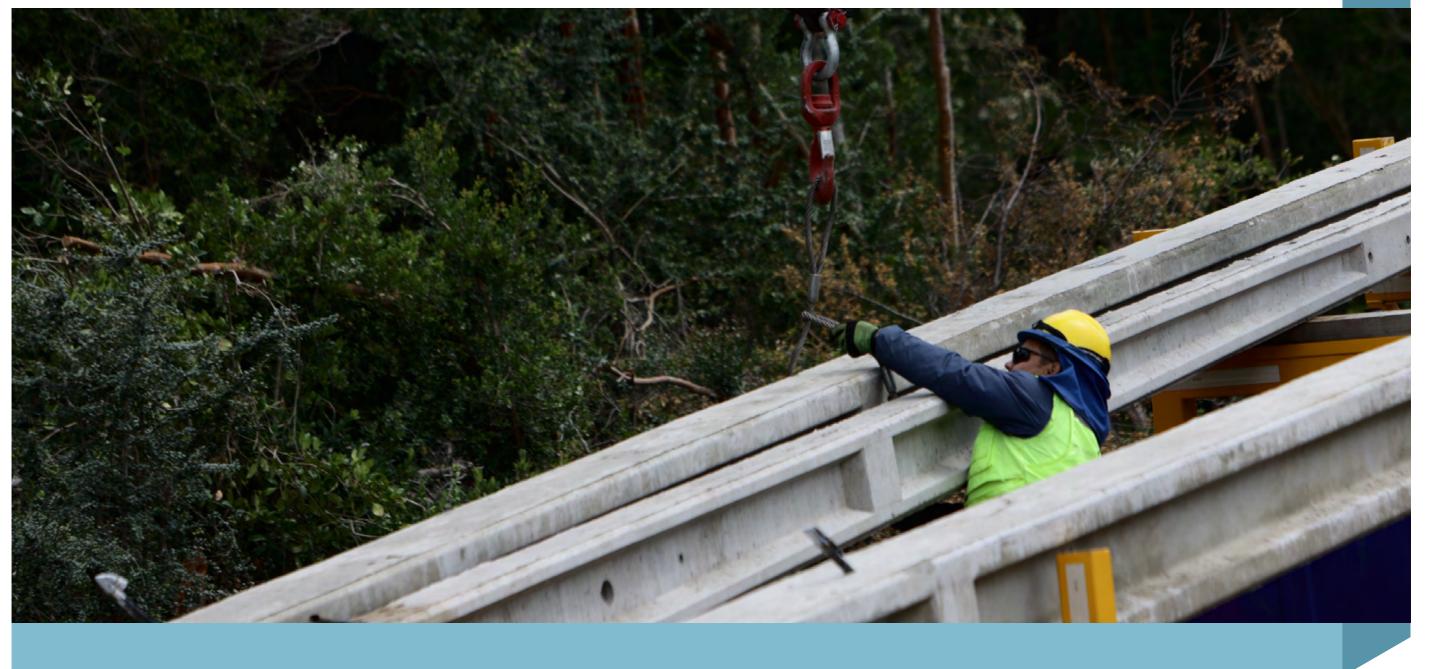
Alondra Leal Maldonado / Business Administrator
ID # 12.421.730-K / Appointed on April 1, 2016

DIGITAL TRANSFORMATION MANAGER

Cristian Ricardo Venegas Espinoza / Business Administrator
ID # 9.908.526-6 / Appointed on November 7, 2022

INFORMATION TECHNOLOGY MANAGER

Sergio Sánchez Ríos / Computer Engineer
ID # 13.257.722-6 / Appointed on March 23, 2020



UNREGULATED BUSINESS SENIOR MANAGEMENT

CHIEF EXECUTIVE OFFICER

Raúl González Rojas
Civil Electrical Engineer
ID # 7.741.108-9
Appointed on September 1, 2021

BUSINESS AND CUSTOMER RELATIONS MANAGER

Camila Trujillo
Civil Industrial Engineer
ID # 15.709.878-0
Appointed on June 1, 2021

CHIEF ADMINISTRATIVE AND FINANCIAL OFFICER

Matías Vogel Alonso
Civil Industrial Engineer
ID # 14.119.508-5
Appointed on August 1, 2021

ADMINISTRATION AND CONTROL MANAGER

Marcia Estelle Melita
Civil Industrial Engineer
ID # 15.732.355-5
Appointed on August 1, 2021

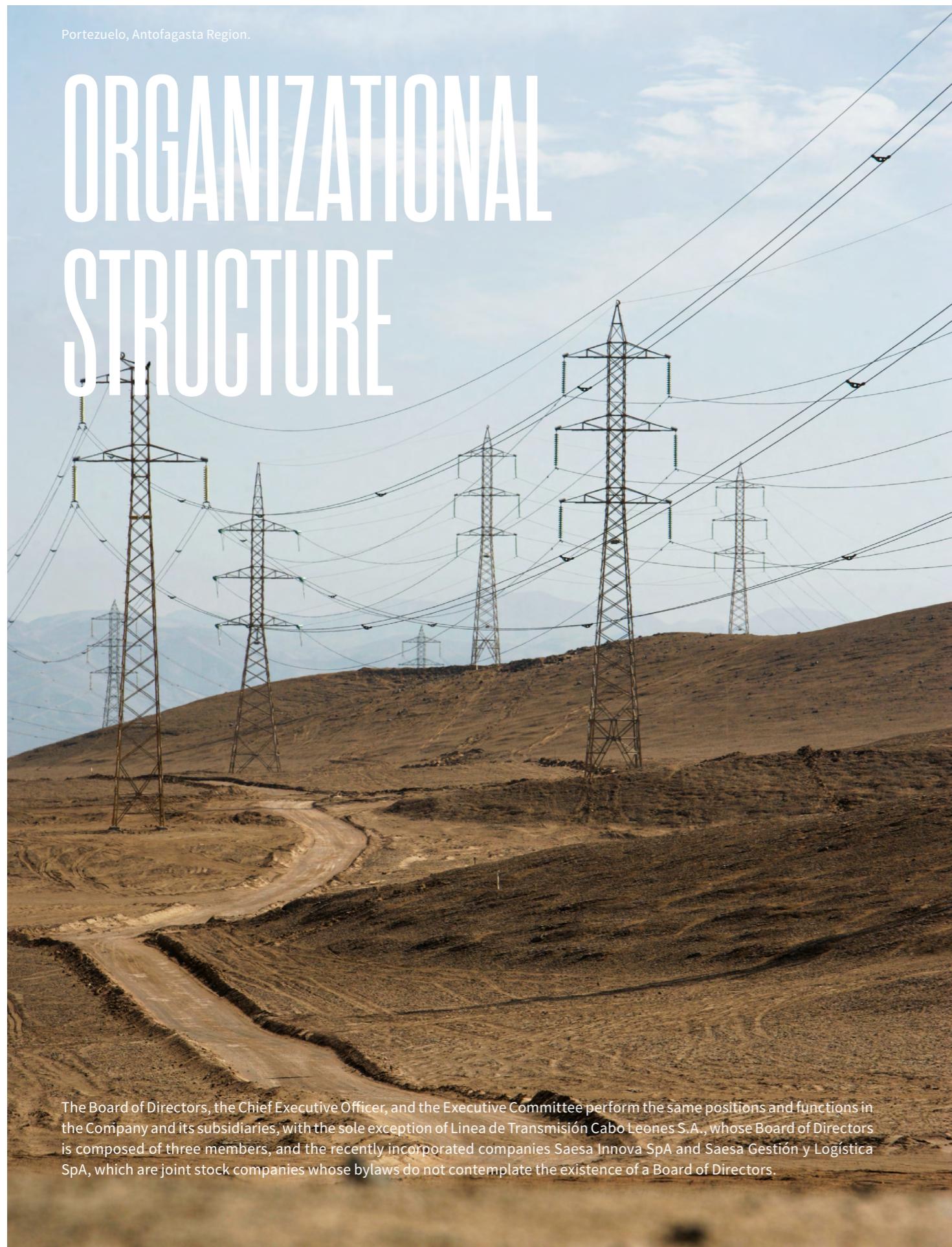
SALES AND SERVICES OFFICER

Mauricio Gormaz Barrientos
Industrial Maintenance Engineer
ID # 13.967.733-1
Appointed on August 1, 2021

NORTHERN ZONE TRANSMISSION MANAGER

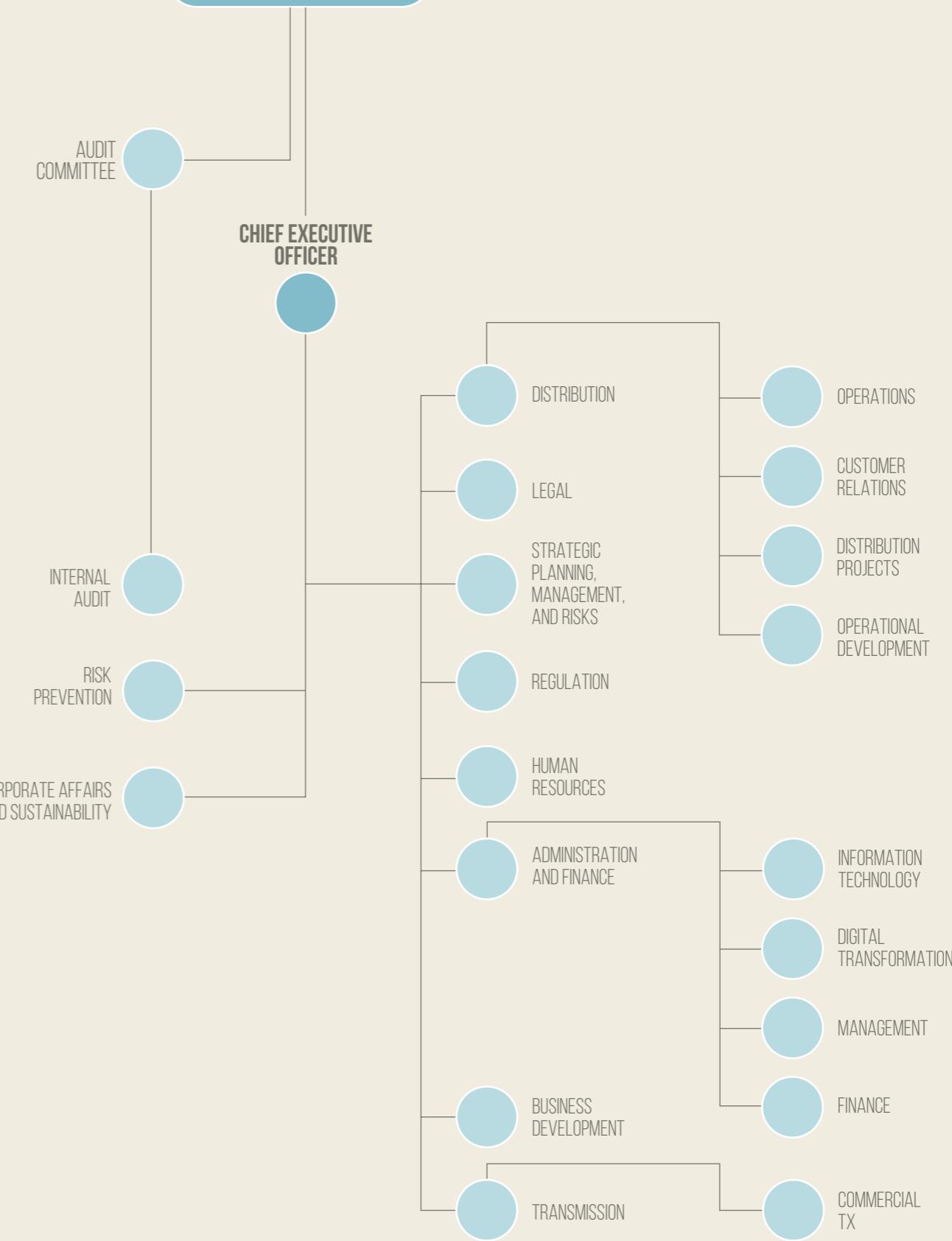
Patricio Saglie Castillo
Civil Electrical Engineer
ID # 12.946.254-K
Appointed on June 1, 2021

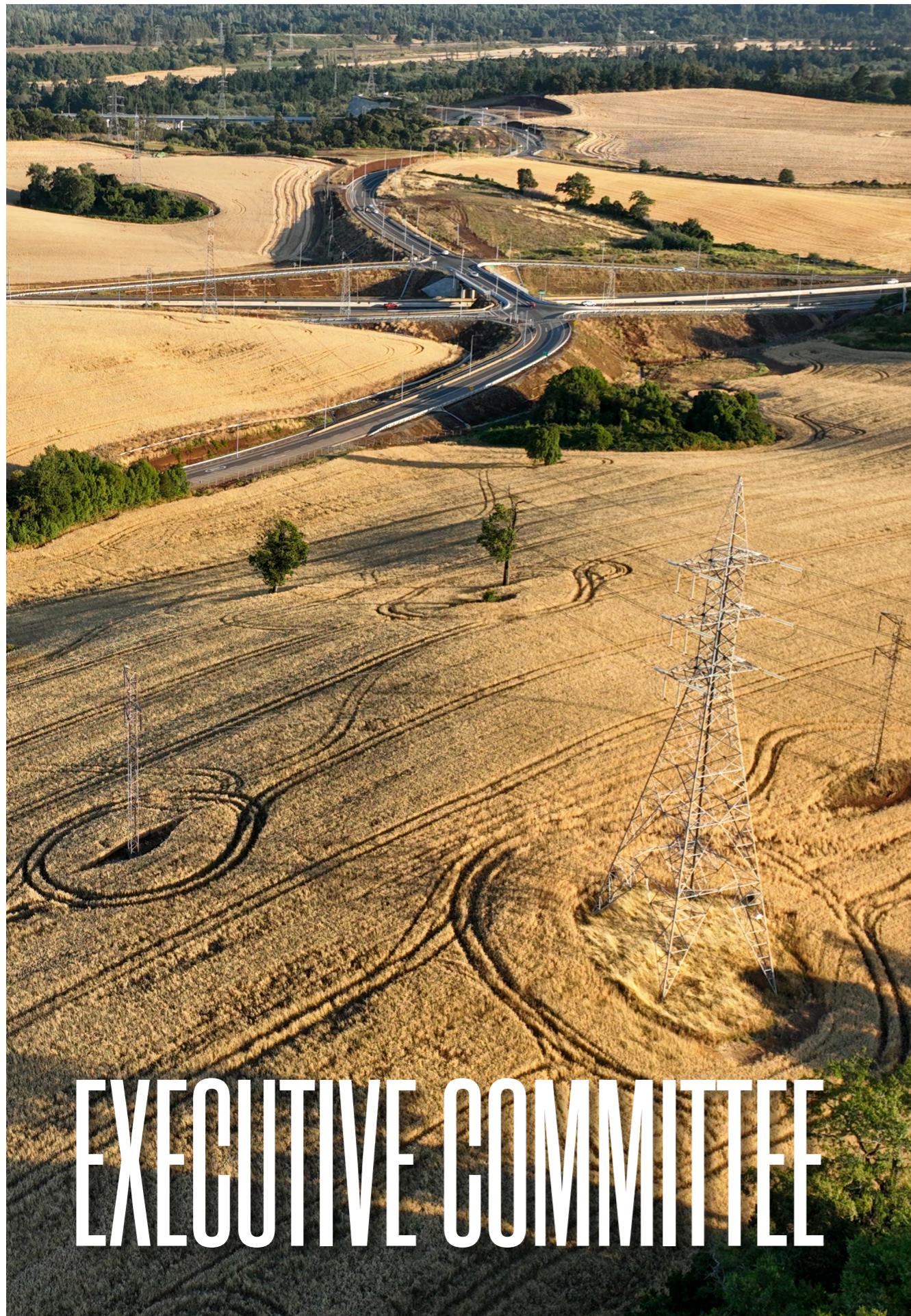
ORGANIZATIONAL STRUCTURE



The Board of Directors, the Chief Executive Officer, and the Executive Committee perform the same positions and functions in the Company and its subsidiaries, with the sole exception of Línea de Transmisión Cabo Leones S.A., whose Board of Directors is composed of three members, and the recently incorporated companies Saesa Innovia SpA and Saesa Gestión y Logística SpA, which are joint stock companies whose bylaws do not contemplate the existence of a Board of Directors.

BOARD OF DIRECTORS





EXECUTIVE COMMITTEE



**CHIEF EXECUTIVE
OFFICER**

Francisco Allende Arriagada



**CHIEF FINANCIAL
OFFICER**

Diego Molina Henríquez



**LEGAL
COUNSEL**

Sebastián Sáez Rees



**REGULATION
OFFICER**

Rodrigo Miranda Díaz



**HUMAN RESOURCES
OFFICER**

María Dolores Labbé Daniel



**BUSINESS DEVELOPMENT
OFFICER**

Charles Naylor Del Río



**STRATEGIC PLANNING,
MANAGEMENT, AND RISKS OFFICER**

Marcela Ellwanger Hollstein



**TRANSMISSION
OFFICER**

Marcelo Matus Castro



**DISTRIBUTION
OFFICER**

Leonel Martínez Martínez



**RISK PREVENTION
MANAGER**

Patricio Velásquez Soto



**CORPORATE AFFAIRS AND
SUSTAINABILITY MANAGER**

Alondra Leal Maldonado

Historical Overview

2022

In January 2022, Grupo Saesa, through its subsidiary STA, made its inaugural green bond issuance in international markets for USD 390 million, at an annual rate of 4% and a term of 10 years (maturing in 2032). The operation was conducted under Rule 144A and Regulation S of the United States.

In the area of works, in July the project "New 110/23 - 13.2 kV Guardiamarina Substation developed by the subsidiary SATT, which was awarded in 2019 and environmentally approved in April 2020 (Exempt Decree 418 of 2017 of the Ministry of Energy) was put into service. Also in July, the National Electricity Coordinator awarded the expansion projects "Sectioning of Circuit No. 1 on 2x66 kV Pullinque - Los Lagos Line in the Panguipulli Substation" and "Expansion in Los Lagos Substation (NTR ATMT)" to the subsidiary STS (Los Lagos Region). These works had been ordered by the Exemption Decrees 185 and 171 of 2020 of the Ministry of Energy.

Regarding projects classified as urgent works according to art. 102 of the exemption resolution

No. 456/2020 of December 1, 2020, during July 2022, the project called "Expansion of Lucero Substation" came into commercial operation, which makes possible the connection of the future Lucero-Montenegro transmission line (formerly called Los Canelos) (authorized by exemption resolution No. 198 of June 11, 2020).

Between September 2022 and November 2022, different projects were commissioned, including, the "New 220 kV Llanquihue Substation" project, to be commissioned on September 15, 2022; the "Santa Cruz Substation" project, classified as an urgent work by Art. 102, corresponding to the exemption resolution No. 469 with commissioning on November 22, 2022; project "Fuentecilla Substation" also qualified as urgent work by Art. 102, corresponding to the exemption resolution No. 467 with commissioning on November 23, 2022; project "Puquillay Substation" also qualified as urgent work by art. 102 exemption resolution No. 468 with commissioning on November 24, 2022; project classified as

"Expansion of Negrete Substation" (exemption decree No. 293 of November 8, 2022), commissioned on November 20, 2022.

On December 9, 2022, the acquisition of "Enel Transmision Chile S.A." by Sociedad Transmisora Metropolitana SpA, a company incorporated for this purpose, was completed. With this, transmission assets in the Metropolitan Region consisting of 683 kilometers of lines and 57 substations are incorporated to Grupo Saesa (in addition to several projects in execution, the operation was previously approved by the National Economic Prosecutor's Office on October 21, 2022).

In addition, the Environmental Assessment Commission of the Los Ríos Region, environmentally approved the project "New 2X66 kV Nueva Valdivia - Picarte Line, First Circuit Lines" (Exemption Decree 418 of 2017 of the Ministry of Energy).



El Salto, Lake General Carrera, Aysén Region.

2021

2020

2019

2018 / 2010

In January, the subsidiary SATT started construction of the project "New 110/23 -13 kV Guardiamarina Substation" in the Antofagasta Region.

During March, the Environmental Assessment Commission of the O'Higgins Region environmentally approved SATT's New 110 kV La Ruca Switching Substation project, and SATT's 220 kV Río Toltén Switching Substation, owned by SATT in the La Araucanía Region, was also put into service.

In May, SATT submitted the project 220/66 kV La Señoraza Project (Biobío Region) to the Environmental Impact Assessment System.

In July, STA acquired from Acciona Energía Global S.L. the company "Tolchén Transmisión Spa", owner of the dedicated transmission system 2x220 kV Tolpán Mulchén (Biobío and La Araucanía regions), which conveys the electricity produced by the San Gabriel Wind Farm (184 MW) currently in operation and will subsequently allow the injection of electricity from the wind farms Tolpán Sur (73 MW), El Alba (42 MW) and Los Olmos (100 MW), all of them in different stages of development.

During October, the National Electricity Coordinator awarded STA the following new projects: "New 2x220 kV Gamboa - Chonchi line energized at 110 kV, laying of the first circuit" (Los Lagos Region), "New Epuleufu Switching Substation" (La Araucanía Region), "New 1x66 kV Angol - Epuleufu line" (Biobío and La Araucanía regions) and "Extension at 66 kV Angol Substation (BS)" (La Araucanía Region).

In November, SATT's project "Expansion of Kimal Substation" in Antofagasta Region (formerly "Expansion of Nueva Crucero Encuentro Substation") started operating.

The expansion of the 220 kV María Elena substation (Antofagasta Region), the second circuit of the 220 kV Cabo Leones Maitencillo transmission system (Atacama Region), and the expansion of the 220 kV San Andrés substation (Atacama Region) are commissioned.

In the area of public bids, the National Electricity Coordinator awarded Grupo Saesa projects "220/66 kV Nueva La Señoraza" in the Biobío Region, and "New 110 kV La Ruca Switching Substation" in the Coquimbo Region.

A tolling contract was entered into with Eléctrica Digua (Besalco), which was expected to become effective in mid-2020.

In the middle of the year, Sociedad Austral de Electricidad S.A. sold its shareholdings in Eletrans S.A., Eletrans II S.A. and Eletrans III S.A.

The split-off of the companies Saesa and Frontel took place, and the transmission companies Saesa Transmisión S.A. and Frontel Transmisión S.A. were incorporated, to which their assets related to transmission (including Saesa's shares in STS) were transferred, in compliance with the Single Line of Business law.

In January 2019, subsidiary Sistema de Transmisión del Sur S.A. (STS) successfully placed bonds in the domestic market for UF 4,000,000 in order to finance its investment plan and projects under execution.

During July, Inversiones Eléctricas del Sur S.A. successfully placed bonds in the domestic market for UF 5,000,000 to finance the early redemption of the Series D Bonds (BIELC-D) with maturity date in June 2029.

The new Pargua Substation owned by STS and located 60 km southwest of the city of Puerto Montt was commissioned in August.

Subsidiary STN was awarded the contract for washing services of the 220/23 kV Line and Primary Equipment of the main substation of the Mantos Blancos operation for a period of 36 months in a private bidding process launched by mining company Compañía Minera Mantos Copper S.A.

2018

In May, in the context of international public bidding processes, the National Electricity Coordinator awarded SATT the contract for the New Río Toltén Switching Substation of the national transmission grid in Freire, Araucanía Region. In August, STC completed the construction of the 2x220 kV San Fabián - Ancoa transmission line.

In October, SATT was awarded the Guardamarina Substation project located in Antofagasta through an international public bidding process. In November, SATT-owned new Kimal Substation located in the middle of the Atacama Desert started operating as part of the Sistema Eléctrico Nacional (SEN Grid).

Also in November, substations Masisa and Mapal were acquired through subsidiary Sagesa S.A. in the Biobío Region and tolling agreements were executed for 20 and 10 years, respectively.

2017

Sistema de Transmisión del Sur S.A. bought Alumini Ingeniería Ltda.'s share in Sistema de Transmisión del Norte S.A.; hence, the latter became fully owned by Grupo Saesa companies.

Subsidiary SATT acquired the 220 kV María Elena Substation for CLP 11.5 billion and executed a tolling agreement for transmission of power generated by the María Elena Photovoltaic Power Station.

The National Electricity Coordinator (CEN) awarded the contract for the "New 2x220 kV, 2x500 MVA Nueva Maitencillo - Punta Colorada - Nueva Pan de Azúcar Line" Project to the Saesa-Chilquinta Consortium for an estimated value of CLP 100 million. This award led to the incorporation of Eletrans III, the company that will develop the project.

Also in June, Grupo Saesa officially inaugurated the facilities of the project to provide electricity to the European Southern Observatory (ESO). The regulator assigned through Exemption Decree No. 418, the execution of 14 zonal transmission projects to STS and 5 to Frontel for USD 200 million and USD 28 million, respectively.

Grupo Saesa's subsidiary Eletrans successfully commissioned the Ciruelos-Pichirropulli transmission line. This line connects the towns of San José de la Mariquina and Paillaco in Los Ríos Region. This project had a total combined investment of USD 86 million.

2016

In June, the 220 kV Kapatur substation came into service, sectioning the existing Angamos Laberinto line and a new 2x220 kV line between the aforementioned Kapatur substation and the O'Higgins substation, the latter owned by Minera Escondida (a subsidiary of BHP Billiton). This new transmission system connects Minera Escondida's O'Higgins Substation and the new 517 MW Kelar Power Plant, in turn connected to the Kapatur Substation, to the existing SING power grid. This project was developed by Sistema de Transmisión del Norte S.A. (STN) and involved an investment of USD 70 million. In July, Grupo Saesa's subsidiary Sagesa acquired "Línea de Transmisión Cabo Leones S.A.", the company that owns the 110-km, 2x220 kV Cabo Leones-Maitencillo Transmission Line." Also in October, subsidiary Sociedad Austral de Transmisión Troncal (SATT) acquired the San Andrés Substation.

2015

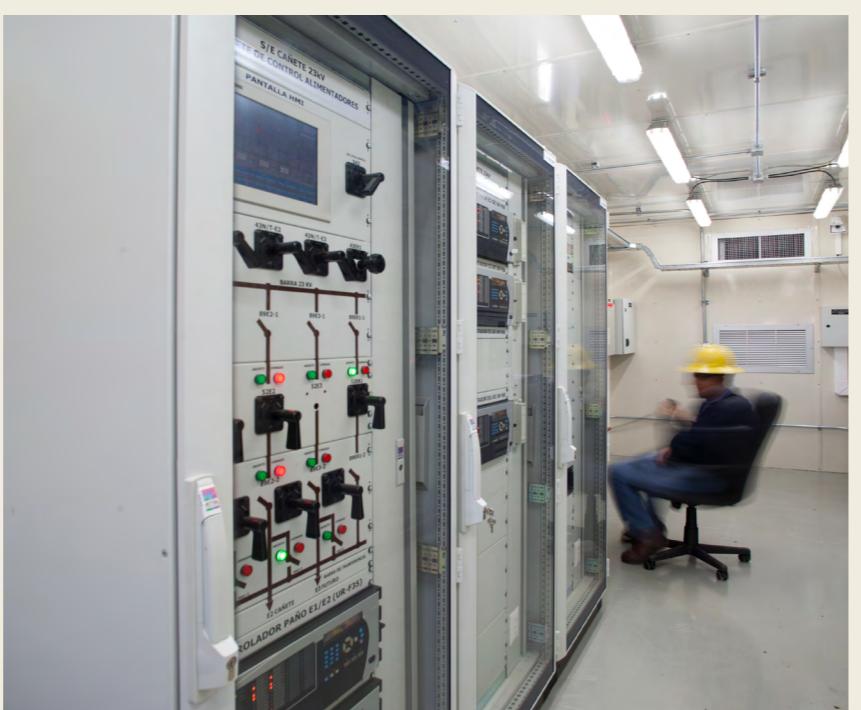
In October, Sociedad Austral de Transmisión Troncal S.A. (SATT) was incorporated. Owned 99.9% by Saesa and 0.1% by STS, SATT will develop and operate the Nueva Crucero - Encuentro Substation trunk transmission (now national transmission) project previously awarded to Saesa. In December, subsidiary Eletrans commissioned the Cardones-Diego de Almagro transmission line between Copiapó and Diego de Almagro in the Atacama Region. This project was developed by the Saesa-Chilquinta Consortium and involved an investment of USD 94 million.

2011

Canadian investment fund Alberta Investment Management Corporation purchased the 50% interest that was owned by Morgan Stanley.

2010

A massive earthquake and a tsunami hit the country, causing serious damage. Our employees and contractors had to work hard and for a long time to restore power supply for customers from Biobío to Chiloé. In November, the Company issued bonds for UF 4.0 million to raise funds to refinance its financial liabilities, which in turn allowed the company to improve finance terms, reduce its cost, and extend the debt repayment period.



2009 / 2000

2009

Construction of the first rural electrification project connected to the SIC grid through overhead powerlines between islands was completed. The Retail department now consist of 58 PoS in the concession area.

2008

Ontario Teachers' Pension Plan and Morgan Stanley Investment Funds acquired all of Grupo Saesa's share capital.

2007

Construction started on the Chiloé Project, a 220 kV transmission system between Puerto Montt and the Chiloé Island. Retail sales kicked off this year as well.

2006

Quality of service indices were improved to the level required by the regulator as a result of the investments made by the company.

2002

SGA was incorporated.

2001

Copec sells its share in Saesa and Frontel to PSEG Chile Holding S.A. Alto Baguales, Chile's first industrial-scale wind farm, came into operation.

2000

Saesas and STS upgraded the transmission facilities that supply power to the Chiloé Island to 110 kV. Saesa purchased a further 1.56% interest in Edelaysen from Corfo, thus increasing its share to 91.67%.



Quinchao, Chiloé, Los Lagos Region.

1999 / 1990

1999

Saesas and Frontel acquired Creo Ltda.

1998

Saesas acquired 90.11% of the Edelaysen shares tendered by Corfo. Consequently, its operation area now spans over 1,500 km between Biobío and Aysén regions.

1996

Saesas purchased Transelec's 39.9% interest in STS and now owns 99.9% of the share capital. The remainder 0.1% was purchased by Frontel.

1994

Saesas and Transelec jointly incorporated STS. The newly created company is 60% owned by Saesa and 40% owned by Transelec.

1989 / 1970

1989

Saesas and Frontel started transmission operations with 66 kV lines and 66/23 kV substations.

1988

Corfo transferred its facilities to Edelaysen and became a majority shareholder.

1986

Corfo, Edelaysen and Endesa kicked off construction of mini-hydropower plants and transmission lines along Carretera Austral highway.

1982

Saesas acquired 70% of Frontel's equity capital from Copec. Frontel thus became Saesa's subsidiary.

1981

Edelaysen was incorporated as a subsidiary of Endesa. The company would later become a joint stock company.

1980

Copec became the majority shareholder of Saesa and Frontel.

1969 / 1960

1960

A severe earthquake damaged over 70% of the grids and substations in Valdivia and Puerto Montt, as well as power facilities in the Osorno area. The company put all its crews and resources to work on restoring power.

1959 / 1950

1957

Endesa transformed Frontel into a joint stock company where it owns an 83.7% interest.

1956

Frontel started its power distribution activities as Endesa's subsidiary, supplying the provinces of Concepción, Ñuble, Arauco, Biobío, Malleco, and Cautín.

1949 / 1926

1946

Corfo and Endesa became majority shareholders of Saesa to spur Chile's government-led Electrification Plan.

1926

Sociedad Austral de Electricidad S.A. was incorporated to supply electric power to Lebu, Arauco, Carampangue and later Puerto Montt, Osorno and Valdivia.

SECTION TWO

FINANCIAL HIGHLIGHTS
RISK FACTORS
ORGANIZATIONAL EFFECTIVENESS
COMMERCIAL MANAGEMENT
SMALL MEANS OF GENERATION
MATERIAL FACTS
FINANCIAL MANAGEMENT

Chaitén, Los Lagos Region.





FINANCIAL HIGHLIGHTS

ELÉCTRICAS DEL SUR

FINANCIALS

CONSOLIDATED (MM\$)



OPERATING FIGURES

CONSOLIDATED



CUSTOMERS

(IN THOUSANDS)



*Compound annual growth rate.

ENERGY SALES

(IN GWh)



*Compound annual growth rate.

INVESTMENTS

(IN MM\$)



*Compound annual growth rate.

EBITDA

(IN MM\$)



*Compound annual growth rate.

RISK RATINGS

	BONDS	RISK RATING AGENCY
INV. ELÉCTRICAS DEL SUR	AA-	ICR / FELLER RATE
SAESA	AA+	ICR / FELLER RATE
FRONTEL	AA+	ICR / FELLER RATE
STS	AA+	ICR / FELLER RATE
STA	BBB/Baa2	Fitch / Moody's

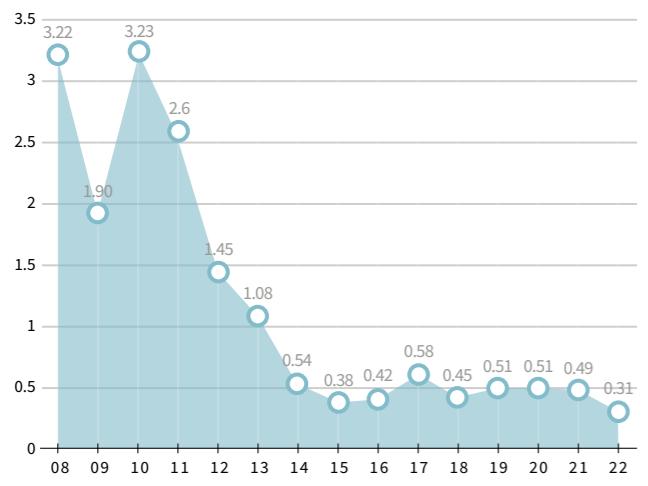
GENERATION

TYPE OF TECHNOLOGY	INSTALLED MW	# OF POWER PLANTS
EDELAYSEN		
Hydroelectric	22.59	7
Wind	2.97	1
Diesel	49.80	20
Total	75.358	28
SAGESA		
Gas / Diesel	45.70	1
Diesel	103.87	78
Wind	0.00	1
Solar / Panel	0.037	
Total	149.606	80
FRONTEL / Diesel		
SAESA / Diesel	29.600	24
LUZ OSORNO / Diesel	18.668	16
TOTAL	1.600	1
	274.83	149

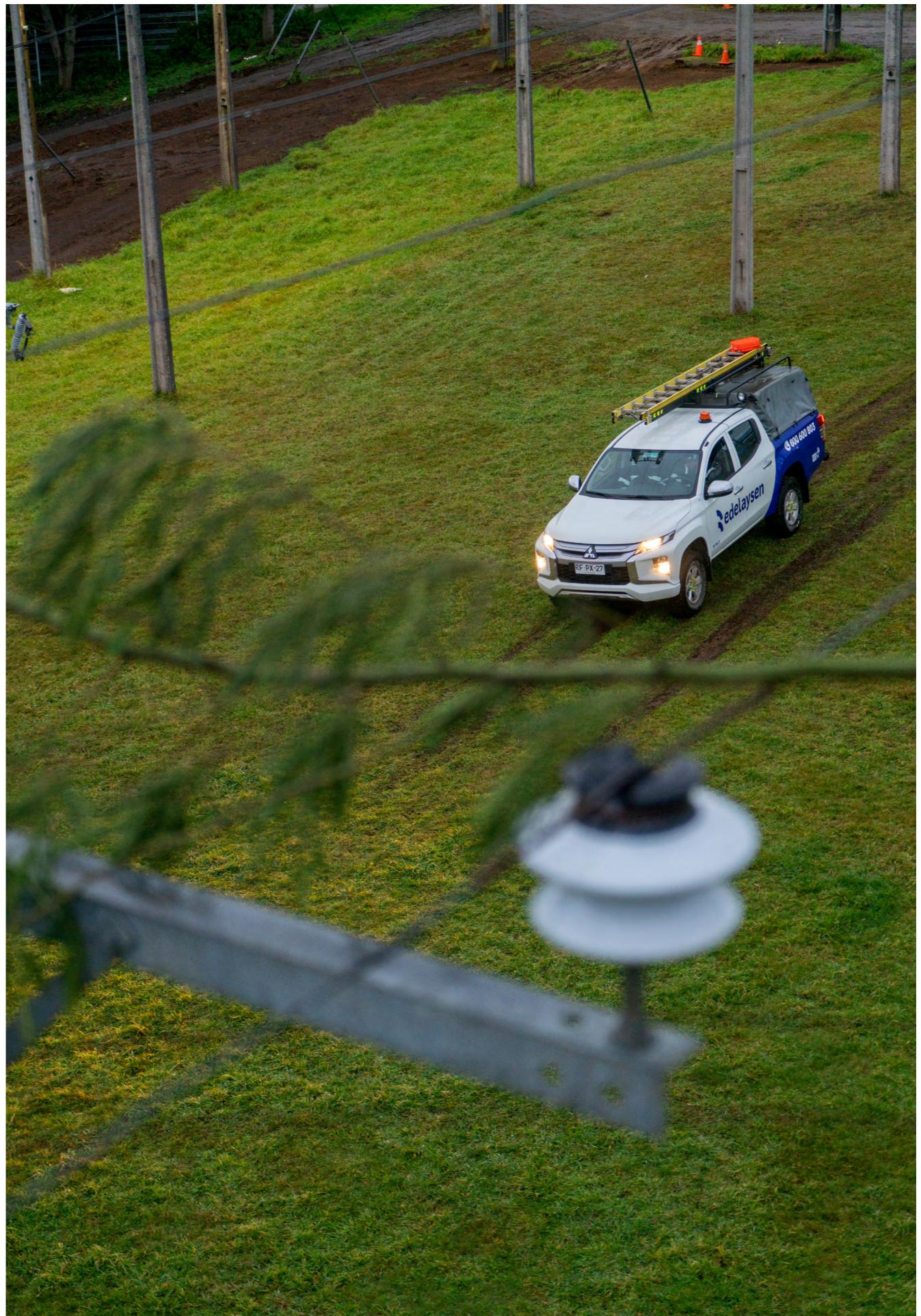
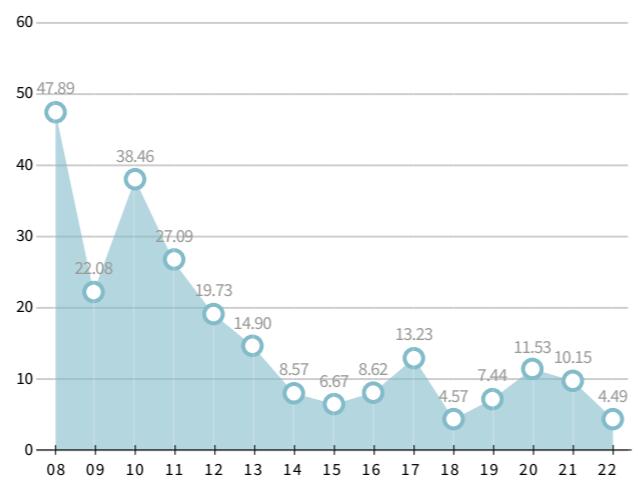
SAFETY INDICATORS

The company's safety results for 2022 are a RIRDA of 0.31 and LDR 4.49.

● RIRDA (FREQUENCY INDICATOR)



● LDR (SEVERITY INDICATOR)



RISK FACTORS

RISK MANAGEMENT IS ORCHESTRATED BY THE COMPANY'S SENIOR MANAGEMENT AND MATERIALIZES BOTH AT A GENERAL LEVEL AND AT THE INDIVIDUAL LEVEL OF EACH PARTICIPATING SECTOR, CONSIDERING THE SPECIAL CHARACTERISTICS OF EACH ONE.



The risk management strategy aims to protect the Company, its employees and its environment against situations that may impact them negatively. Risk management is orchestrated by the Company's senior management and materializes both at a general level and at the individual level of each participating sector, considering the special characteristics of each one. To achieve the objectives, the financial risk management strategy seeks to hedge all significant exposures, provided there is an availability of suitable instruments and the cost is reasonable.

The main risks the Company and its subsidiaries are exposed to are addressed below (supplemented by Note 4. To Financial Statements "Risk Management

Policy" and section V in the Company's Risk Analysis):

REGULATORY RISK

The electricity market is a regulated sector. Rate cases regulate the energy distribution, transmission, and transmission tariffs, as well as generation of medium-voltage grids like those served by subsidiaries Edelaysen and Sagesa.

Rate cases seek to determine the investment value and the cost of efficient operation, maintenance and administration that are necessary to provide the rated service, complying with

the required quality of service standards. In the distribution and generation segment in medium-voltage grids, the result is a unit tariff, so revenues are dependent on demand. In the transmission segment, the result is an annual transmission value per segment; therefore, revenues do not depend on demand.

The risk in this area is mostly associated to changes that the regulator may initiate regarding regulatory matters and on occasion of each rate case, which affect the Company's revenues.

Accordingly, the main components of this risk are as follows:



Puerto Ramírez, Los Lagos Region,

A) CHANGE IN REGULATIONS

The electricity sector is governed by regulations in effect since 1982 that are applicable to key industry aspects including tariffs, capacity of the companies to supply their customers, and quality of service, among others.

To date, various amendments have been introduced to electric power regulations (See Note No. 3, item 3.4 Regulatory Framework of Financial Statements).

In general, changes to the aforementioned regulatory framework may result in a risk for the Company and the power industry as those changes may affect operating aspects, the company's margins and profits, and other key aspects.

The Company is regularly monitoring potential regulatory changes so that it can implement the necessary mitigation actions on a timely basis.

In this sense, the main regulatory changes anticipated include:

- Review, discussion and public consultation of potential changes to the General Law of Electric Services advanced by the Ministry of Energy. The Regulator has already expressed its intention to introduce improvements in the recent Transmission Law and in medium-voltage grids. Additionally, during 2020, a bill was sent to Congress that establishes the right to portability of power supply, known as commercialization.

- Drafting and public consultation with respect to the regulations of various laws to be drafted by the Ministry of Energy.

- Drafting or review, discussion and public

consultation of various regulatory bodies (medium-voltage grids, NetBilling, Small Means of Distributed Generation (PMGD), Technical Standard on Safety and Quality of Service (NTSyCS), supplementary services (SSCC), among others) based on the annual plan to be determined by CNE on a timely basis.

B) SETTING OF GENERATION TARIFFS

At present, a generation company can play various roles, either exclusively or simultaneously, regarding sales of the electricity produced by a power plant. On the one hand, it can act solely as a generator, that is to say, the company will sell all the energy produced by the power plant in the spot market; or as a generator-trader, in which capacity the company may execute supply agreements with customers not subject to tariff regulation, or it can also participate in electricity supply tenders for regulated customers called by the National Energy Commission.

The energy sold in the spot market is priced at its hourly marginal cost in the bus bar where the energy is injected, which for these purposes is calculated by the Market Division of the Coordinator based on the variable costs of the units that were dispatched in the system to economically and safely meet its hourly demand. Power is priced according to the prices calculated by the National Energy Commission during rate cases conducted every six months.

On the other hand, if the generation company has also executed supply agreements, it must buy the energy necessary to fulfill its agreements with the trader in the marginal market. The trader, in turn, will supply the energy to its customers at the price set in the said bilateral supply agreements.

At present, subsidiary Sagesa is focused on selling the energy produced to subsidiary SGA, which in turn sells it in the spot market in the Sistema Eléctrico Nacional (SEN Grid). In addition to the power purchased from Sagesa, SGA sells energy purchased from other grid generation companies with which it holds purchase agreements.

For medium-voltage grids, generation tariffs are set every four years based on the average efficient generation costs of the relevant zone and according to a mandatory expansion work plan. The tariffs set are made part of the total tariff charged to end customers. The new tariffs applicable to medium-voltage grids between November 2018 and October 2022 were published in March 2020. In any case, as a result of Law 21,194 of the Ministry of Energy, published in the Official Gazette on December 21, 2019, the tariffs for end users of medium-voltage grids are temporarily stabilized and any differences will be settled as the average purchase price of the aggregate group of distribution companies falls below the stabilized price.

The rate case for medium-voltage systems for the period November 2022 - October 2026 is currently underway. The CNE is expected to publish its technical report in the first half of 2023, which may be challenged by the companies in the Expert Panel.

C) SETTING OF DISTRIBUTION TARIFFS

Power distribution tariffs (or Distribution Added Value - DAV / Valor Agregado de Distribución - VAD) are set every four years. On August 24, 2017, the Ministry of Energy published a new Executive Order on tariff formulas (DS N°11T-2017) that would be in effect between November 2016 (retroactively) and October 2020.

However, as a result of publication of the Technical Standard on Quality of Service (TS) for Distribution Grids in late 2017 and updated in 2019 higher standards were provided for the duration and frequency of power outages, commercial quality, and product and metering, monitoring and control system (SMMC) quality levels that will be required once their implementation cost is reflected in distribution tariffs, which will allow companies to finance the investments required to meet the new standards. Accordingly, the new tariffs (Executive Order (EO) 5T-2018) consistent with the new standards that will be in effect until November 3, 2020, were published in late September 2018.

These tariffs are fixed and adjusted every year based on an economy of scale factor (recognizing the efficiencies occurring at every company as a consequence of increased sales) and an indexation formula that considers monthly variations of the local inflation rate (IPC), the inflation rate in the U.S. (CPI) and the exchange rate. However, as a result of the citizen frustration regarding the plan to convert meters to smart meters considered in the TSDx, and included in the distribution tariff, Distribution companies were requested to deduct the amounts already collected, and eliminate this charge from the end tariffs.

Until now, the tariff was set aiming at a target internal return rate of 10% before tax for each model company based on its assets. To validate the tariffs so set, it should be ensured that the return of all the Distribution companies in operation, taken as a whole, is within 4% of the theoretical 10% (between 6% and 14%).

As a result of the aforementioned Law 21,194-19, the following changes were made to the tariff process:

- The fixed rate of 10% before taxes was changed to a market rate that is set for each rate case and has a floor of 6% and a ceiling of 8% after taxes. The rate was set at 6% after taxes for the coming rate case.

- To better reflect the reality of electric cooperatives, at least 4 typical areas should be determined to represent them in each rate case. Six areas were set for cooperatives for the next rate case.

- Observations to and discrepancies with the technical documents of the rate case may now be filed with the Panel of Experts.

- A single study supervised by a special committee, made up of representatives of the distribution companies, two from the Ministry and two from the CNE, thus discontinuing the earlier practice of two studies, one by the companies and the other by the CNE, with the results weighted by two thirds of the CNE and one third of the companies.

- Observations to and discrepancies with the preliminary technical report by the CNE may now be filed with the Panel of Experts.

- Regarding the industry's return check, the range changes from -4% + 4% to -3% + 2% of the established rate. Based on the useful life of the model company.

- Greater citizen participation in the whole process.

As of December 2020, the study for setting distribution tariffs for the period 2020-2024 is in progress. On December 23, CNE published its Technical Report, which will be challenged by Grupo Saesa companies before the Panel of Experts, who must issue its opinion in the first half of 2023. With this, CNE issues a new technical report, which is the basis for establishing the tariff structures that allow recovering the determined annual values, and with which the respective decree is prepared, retroactive to November 4, 2020.

The 2024-2028 tariff process is also underway, for which the CNE issued the Preliminary Technical Documents, which were observed by Grupo Saesa. Discrepancies may be submitted to the Expert Panel for comments not accepted or changes not observed. After the opinion is issued, CNE must tender a DAV study, which is the basis of its technical report.

In addition, a new modification of the Technical Standard on Quality of Service for Distribution Systems is underway, which should be published in the first half of 2023.

This same Law (21,149) requires distribution companies to be incorporated as companies exclusively devoted to distribution of electric power and, consequently, they

may only provide such public distribution service. This requirement applies from January 1, 2021 and companies may request an extension of the deadline until January 1, 2022.

Law 21,185 of the Ministry of Energy, which creates a transitional mechanism to stabilize electricity rates for customers subject to tariff regulation, was published in the Official Gazette on November 2, 2019. This mechanism stabilizes current end-user distribution tariffs in pesos until December 31, 2020. The resulting balances between the stabilized price and the prices that should have been applied as a result of regular indexation, whose risk is borne by the generation companies, will be settled with the start of the supply of contracts already executed, the price of which is on average lower than current ones. In any case, the resulting final tariff for each period before the differences are settled may not exceed the frozen CPI-indexed price, unless there is a balance remaining on December 31, 2026, in which case the balance will be transferred to the end user.

As to the rate case for electric power supply related services (SSAA) carried out every 4 years as part of the DAV Setting Process, new tariffs were published in July 2018 under Executive Order 13T-2017. CNE is expected to publish a new technical report on the valuation of related services during 2023.

The risks related to regulation of the distribution business are monitored on a permanent basis so that any changes the regulator may introduce during each new tariff cycle are properly identified to safeguard the assets and business profitability of the Company and its subsidiaries. To that end, the Company may turn to any of the entities identified in the current regulation, that is, it can submit its observations to the CNE or its discrepancies to the Panel of Experts or the Office of the Comptroller General of the Republic, as the case may be.

Over the past years, a number of laws that directly or indirectly affect the income of companies were published. It is worth mentioning the Law on Power-dependent Users, which grants an economic benefit to customers who depend on electric medical equipment,

THE RISK MANAGEMENT STRATEGY AIMS TO PROTECT THE COMPANY, ITS EMPLOYEES AND ITS ENVIRONMENT AGAINST SITUATIONS THAT MAY IMPACT THEM NEGATIVELY.

reflected in a discount on the electricity bill, in addition to requiring distributors to seek the best technical solutions to avoid interruption of supply. The Law on Utilities was also published, which prevents the disconnection and reconnection of critical or vulnerable customers, granting them payment facilities. It was later modified, incorporating a subsidy for debts during the pandemic period.

D) SETTING OF TRANSMISSION TARIFFS

Law 20,936 laid down new mechanisms to establish transmission expansion plans and their valuation before they are transferred to end customer tariffs. With respect to valuation, transmission facilities are divided into 3 categories:

- For new works built as a result of the bidding processes mandated as a result of the Expansion Plans defined by the Regulator, their annual value is fixed for 20 years from their commissioning based on the values offered by the bidding companies.

- For the expansion works, the investment value for the next 20 years is defined based on the result of the construction bidding process, and the operation, maintenance,

and administration costs are the result of a tariff study.

- For existing works or after 20 years of tendered works, their annual value is determined every 4 years as part of a regulated valuation process. The first process under this new law shall establish the annual transmission value per segment for 2020-2023. As of December 2020. We are awaiting the publication of the CNE's Final Technical Report, which is the basis for the tariff decrees prepared by the Ministry of Energy with retroactive application to January 2020.

Additionally, the CNE is initiating the 2024-2027 rate case. It is expected that during 2023 the facilities qualification process will be carried out and then the study will begin, which will be led by a consultant and supervised by a committee.

RISK INHERENT TO POWER SUPPLY AGREEMENTS

A) AGREEMENTS TO SUPPLY REGULATED CUSTOMERS

Electric power distribution companies are required to operate based on energy supply agreements to supply their regulated customers for at least the following five years.

At present, supply is the matter of agreements executed as a result of the latest electricity supply bidding processes carried out jointly by distribution companies based on the Contract Documents published by CNE.

It should be noted that the bankruptcy of a supplier does not jeopardize power and energy supply to regulated customers as a result of the legal changes introduced

by Law 20,805 of 2015 that allow surplus energy to be transferred among distribution companies.

After enactment of Law 20,085, every year during the first quarter CNE requests all distribution companies to submit their regulated customer demand projections. Based on such information, the Commission issues a Bidding Process Report on the overall requirements in terms of electricity supply. With this information, the CNE generated the bidding process 2022/01 (supply January 2027 - December 2046), whose award is scheduled for June 2022.

The latest results of the tenders for the supply of distribution companies have supported the development of new projects, including the development of renewable energy projects that will allow the future requirements of regulated customers to be met.

During 2020, the Ministry of Energy presented Electricity Portability Bill, which would modify the bidding scheme gradually, allowing all customers to choose their electricity supplier competitively, which did not advance in Congress in 2021.

B) ENERGY SUPPLY

The security of energy supply for the entire Sistema Eléctrico Nacional-SEN Grid during future years could be affected by prolonged outages at power plants and/or gas supply problems and/or drought or energy transmission constraints.

Nevertheless, these risks are mitigated because:

- Legislative changes fostered incentives to investments in electric power generation and transmission

- The regulator increased the available energy matrix through tenders for energy supply and transmission work.

As a result of the transitional mechanism for the stabilization of electricity prices laid down in Law 21,185-19 of the Ministry of Energy, there is a greater risk of insolvency for generation companies with supply contracts, because they will assume the balance between the stabilized price and the price that should have been charged with a normal indexation. Marginal costs are expected to be low, but delays in transmission projects could lead to marginal cost mismatch in certain areas and the amounts that generation companies

would receive given that stabilized prices may not cover mismatched marginal costs. Still, the Company makes estimations for a deficit supply scenario in order to plan possible actions (agreements between distribution companies, reports to generation companies and authorizations from CNE) to transfer energy surpluses available at distribution companies or to include new requirements in forthcoming bidding processes.

FINANCIAL RISK

Management of the financial risks of the Company and its subsidiaries is aimed to ensure that operating cash flows and financial liabilities are balanced.

The Company and its subsidiaries' cash flows, mostly generated by their interest in the electricity business, have a highly stable, long-term profile.

Note 4. To Financial Statements "Risk Management Policy" specifies the financial risks inherent to financing, financial assets, return on investment time frames, and the cost and variability of funds, i.e., credit risk, liquidity risk, and market risk.



Sector Inca de Oro, Atacama Region.

ORGANIZATIONAL EFFECTIVENESS



Chiguay Lagoon, Aysén Region.

OUR GOAL IS TO OFFER OUR CUSTOMERS AND THE COMMUNITY ENERGY SOLUTIONS THAT IMPROVE THEIR QUALITY OF LIFE.

OPERATIONAL EXCELLENCE

In recent years, Grupo Saesa's distribution companies have undergone an important process of transformation and modernization of their operations in order to continue delivering safe and reliable energy to their customers. This modernization process has focused on strengthening the distribution network, the implementation of new operating models, the professional growth of our employees and a final stage, on which the company is currently working, which is efficiency and the focus on customer information, particularly from its technical teams in the field. This transformation process seeks to consolidate a safe and

continuous service that guarantees a quality customer experience.

In 2022, the quality of service has continued to improve, despite the numerous difficulties and especially the inclement weather experienced between January and September, which brought eight strong and prolonged storms, those of April being the most severe in the last 5 years. Thanks to investments and network maintenance plans, as well as effective technological and equipment management in the field from the control centers, good results were obtained, achieving an average restoration

to 87% of customers on the first day.

The annual performance of service quality – measured by the global indicators SAIDI and SAIFI, which represent the average hours that customers remain without supply and the average number of interruptions per customer – has shown dramatic improvement compared to 2017 driven by the group's distribution companies: Frontel went from 58.9 to 21.62 hours in 2022, Saesa from 21.0 to 14.78 hours, and Edelaysen from 34.4 to 12.66 hours, given the robust investment, maintenance and operational

management plan implemented.

The investment plan for the last few years has been mainly focused on the implementation of automatic switching equipment, seeking to establish an intelligent and flexible network capable of reducing the number of customers affected by an outage and the time of the interruption, through the transfer of consumption. This strengthening of the grid has made it possible to restore supply to 80% of affected customers within 30 minutes in the event of major outages.

With respect to the development of the Lines and Equipment Maintenance Plan, effective progress has been made in the preventive strategy associated with the inspection of priority and critical facilities of the distribution grid, with a progress of more than 10,000 km of MV lines and 100% of the primary equipment inspected, thus generating in a timely and appropriate manner the different maintenance or renewal actions oriented and aligned with the next objective, which is related to predictive maintenance and asset management (based on condition and/or risk).

Regarding vegetation management, a strategy has been implemented that defines trunk polygons, forest polygons, secondary uprooting, and urban centers with criticality variables according to a survey, all supported by technology and specialized human resources (satellite layers, drones and pedestrian inspection), growth matrix, density, historical analysis of outages, impact on quality indicators, and network topology, with a quarterly evaluation of the plan. During 2022, vegetation control covered 6,307 km and involved a budget of CLP 8.8 billion, 88 crews, 6 mechanized maintenance lines, and the application of herbicide in some species, all works according to the standards established in the quality manual.

Similarly, during 2022, progress was made in the consolidation of the construction technique of laying medium voltage lines directly underground. This technique applied mainly in rural areas will allow the company to reduce outages mainly due to falling trees, bird strikes, pole collisions, among others, which implies a substantial improvement in the quality of service to customers. On the other hand, this solution, which has a significant initial investment, also results in a drop in expenses, given the reduction in line and

utility strip maintenance, which is reflected in the legal compensation to customers due to the lower number of outages.

As part of the challenge of advancing in digital transformation with a focus on improving the quality of service, systemic solutions have been implemented to strengthen the annual maintenance plan in Grupo Saesa's distribution companies, incorporating the task manager that allows inspections, recording findings and automating the assignment of maintenance tasks in a 100% digital environment, optimizing response times, providing systemic traceability of actions, and enabling the monitoring of the execution of planned activities.

Aimed at predictive maintenance, a web platform was incorporated for the analysis of photographs, videos and/or thermographic images by means of Artificial Intelligence tools (Machine Learning), oriented to the detection of irregularities, abnormal conditions or findings in the elements that make up Grupo Saesa's Medium Voltage distribution grid. Within the operational standards, and in order to deliver a safe and reliable supply, progress was made in improving the operation of processes under international standards, in particular since 2019 Grupo Saesa distribution companies have been certified in the "ISO 22301 Business Continuity Standard," which allows them to respond and be prepared safely and correctly in the event of disruptive events that could affect the electricity supply.

Since 2022, the company is working and preparing to advance in the certification of the "ISO 55001 Asset Management Standard," which will allow managing the distribution grid facilities in a strategic way to ensure a continuous, quality, and profitable power supply.





SUSTAINABILITY

SUSTAINABILITY REPORT AND STRATEGY

In mid 2022, Grupo Saesa publishes its third Sustainability Report, which provides all stakeholders with a transparent and detailed account of the 2021 management.

As in previous years, the company continued to use the GRI (Global,

Reporting Initiative) methodology to report on its plans, activities, objectives and results in social, environmental, and economic matters, thus adhering to worldwide standards and parameters.

Grupo Saesa's 2022 sustainability strategy was based on 3 fundamental pillars: Responsible Operation, delivering energy with the highest industry standards; Harmony with the Environment, by virtue

of which we seek to tune and align the different activities with the interests of the community and care for the environment, and finally the pillar of Energy Amplification, which seeks to provide sustainable alternatives and solutions such as energy replacement and access to electricity for remote areas through the use of new technologies.

GRUPO SAESA'S COMMUNITY RELATIONS INITIATIVES

SOMOS VECINOS (WE ARE NEIGHBORS) PROGRAM

This program, which the company has been developing for 10 years, is a space for dialogue and exchange with the community that mainly seeks to address concerns, work cooperatively on solutions and provide information of interest to different members of the community, through participatory meetings in person or online with social organizations, such as neighborhood councils, firefighters, rural communities, unions, chambers of commerce, municipal councils, sports clubs, schools and high schools, among others.

In 2022, after the pandemic, these face-to-face meetings (approximately 150) were resumed, bringing together more than 1,700 people throughout 45 communities. Along the same lines and focused on promoting the development of this program, 296 radio programs were broadcast during the year, in 130 different radio stations throughout 98 communities, completing more than 10,000 minutes on the air, bringing updated and useful information to geographically distant communities.



SAESA LEAGUE PROGRAM

The Saesa League is considered the most important formative basketball championship in Chile and the main seedbed for young talents that move on to national junior teams. This league has been financed and led by Grupo Saesa since 1999.

In 2022, the doors of the championship were reopened to continue supporting sports and transforming the lives of children, young people and, of course, their families, through healthy competition and teamwork. More than 400 games were played over 5 months, with the presence of approximately 1,600 proud children and young basketball players representing 20 clubs from 16 municipalities.

A LA ESCUELA CON ENERGÍA (TO SCHOOL WITH ENERGY) PROGRAM

In order to connect with the start of classes, this program includes the delivery of backpacks, school supplies and audiovisual, musical or sports equipment to rural schools and their students.

In addition, energy saving is encouraged through an energy efficiency competition among the schools, where they are oriented regarding the consumption of their electrical appliances and different saving measures are proposed.



In 2022, 96 schools from 39 different municipalities participated in the program, thus involving more than 2,500 children in the competition to save energy. The result of this initiative was; 8 winning schools that on average managed to reduce their electricity consumption by almost 40% compared to the previous year.

COMMUNITY CENTER CONNECTION PROGRAM

This program seeks to connect to the electricity grid the community centers of neighborhood councils, community organizations, sports clubs, parishes or ruca dwellings, built with the effort of the neighbors, but which have never had electricity supply. Thus, during 2022, Grupo Saesa has connected 22 properties in 15 municipalities to the grid and completed the interior electrical connection at no cost. More than 2 thousand people have benefited from this initiative.

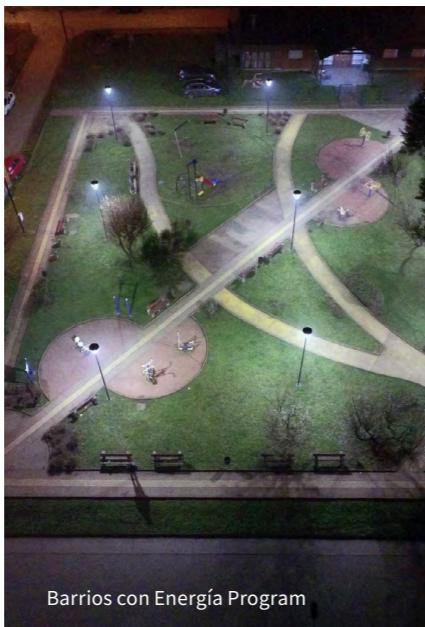
TECHNICAL HIGH SCHOOLS WITH ELECTRICITY SPECIALIZATION

Focusing on the training process of high-school students of the junior and senior years who are enrolled in the electricity specialization program at technical-professional high schools, this program has been in operation for ten years, involving a total of 22 high schools, sharing with them knowledge and experience through practical





Mujeres con Energía Program



Barrios con Energía Program



No + Pilas Program

and theoretical classes, demonstrations, guided visits, delivery of personal protection equipment, and the donation of training yards built for the schools.

In 2022, 3 new high schools and 90 students were added to this program in the municipalities of Chile Chico, Gorbea, and Arauco.

MUJERES CON ENERGÍA (WOMEN WITH ENERGY) PROGRAM

Born as a milestone in the midst of the pandemic and thanks to permanent communication with the community, this program allowed the company to make visible different stories of women who had been left without work as a result of the health crisis and who of course urgently required real support that would allow them to have adequate tools that would eventually lead them to be able to develop an enterprise in the best possible way.

BARRIOS CON ENERGÍA (NEIGHBORHOODS WITH ENERGY) PROGRAM

This program seeks to provide power supply to public spaces so that the community can once again share in places

such as squares, parks, soccer fields or neighborhood multi use courts, among others. In addition to contributing with lighting, the most important thing is also to ensure the safety of the neighbors in busy places like bus stops, waterfronts or docks.

In 2022, 18 lighting interventions were carried out in 18 different communities, bringing light to potentially unsafe spaces and benefiting more than 12,000 people in total.

CONECTA TU ENERGÍA (CONNECT YOUR ENERGY) PROGRAM

Connected at all times with the need of people to stay actively connected to the world through their phones, especially in critical moments such as in a health care center with considerable waiting times, in 2022 Grupo Saesa donated 24 electric charging totems for cell phones to family health centers, hospitals and a bus terminal. It is estimated that roughly 17 thousand people from 24 municipalities benefited from this initiative.

In 2022, around 14 tons of batteries were collected in 70 municipalities and 5 regions, as detailed in the environment section below.

ENVIRONMENT

Grupo Saesa will pursue its ongoing energy amplification during 2022, thus continuing to develop and promote projects related to renewable energies, generating wind and photovoltaic solutions.

Through its subsidiary Saesa Innova, in conjunction with Saesa (the distribution company), 17 photovoltaic projects were developed in technical standard plants according to the following detail and totaling 14,148 MWp:

PHOTOVOLTAIC PROJECTS

Group 1	POWER (MWp)	GROUP 2	POWER (MWp)	GROUP 3	POWER (MWp)
San ignacio	0.69	Carahue	0.68	Queule	1.3
Quilacoya	0.83	Perquenco	1.37	Nueva Toltén	1.2
El Carmen	1.38	Nueva Imperial	0.58	Lago ranco	0.68
Talcamavida	0.6	Teodoro Schmidt	0.52	Fresia	0.37
Yumbel	0.58	Puerto Saavedra	1.03	Quenuir	0.65
Laja	0.83	Vilcún	0.87		
Total	4.9	Total	5.05	Total	4.2

These solutions had a beneficial impact on the quality of life of households and promoted their development.

In addition, the subsidiary Saesa Innova was awarded self-consumption photovoltaic projects for large industry (unregulated customers), whose characteristics and power are as follows:

- Self-consumption project, Panguipulli municipality, 2.93 MWp installed on the ground and with 2V tracker.
- Self-consumption project, Lautaro municipality, 0.913 MWp installed on the ground.
- Construction of 136.1 kWp Netbilling projects for agricultural customers in the Purranque municipality.
- Self-consumption project, Purranque municipality, 0.217 MWp installed on the ground.

These projects continue to enable customers to generate significant savings on their utility bills through clean, renewable generation.

In the context of caring for the environment, since 2011 Grupo Saesa has promoted activities associated with the correct and safe handling of alkaline

batteries in close collaboration with the regional environmental ministries (Seremi MA), municipalities, and the organized community in the regions where it is a concession holder.

These wastes are highly toxic to the environment and its ecosystems; therefore, having managed to raise and implement the program that today we know as "No + Pilas," invites the entire community to be an active part of this initiative, pursuing a culture of household collection and disposal at designated points.

Since its implementation we have supported campaigns where more than 79 tons of batteries have been collected, in 2022 a total of 9 campaigns were carried out where a total of 13,882 kg were collected, distributed as follows among the subsidiaries: Frontel 5,266 kg (38%), Saesa 7,866 kg. (57%), and Edelaysen 750 kg. (5%).

Similarly, during 2022, 301 tons of electrical equipment associated with transformers and regulators in disuse were managed, which are distributed in the following proportions: 281,000 kg corresponding to the subsidiary Saesa (93.35%) and 20,000 kg (6.65%) corresponding to subsidiary Frontel.

This year, after resuming on-site work,

recyclable waste management was resumed in the company's corporate building. In this context, between January and December, a total of 3.14 tons of recyclable waste were returned to the value chain, a figure that shows a slight decrease with respect to the previous year. During this period, 3,140 kg of waste entered the circular economy process, which were distributed as follows: paper 553.65 kg (18%), cardboard 1,015.1 kg (32%), plastic 223.3 kg (7%), aluminum 59.65 kg (2%), organic waste 409.4 kg (13%), glass 835.1 kg (27%), and tetrapak 43.5 kg (1%).

Another type of waste that underwent a revaluation process during 2022 is the one called Non-Hazardous Industrial Wastes that are generated as a result of discards during the construction stages of projects, maintenance and/or improvement plans, or replacement of infrastructure, among others. From this process, a total of 2,478 tons could be revalued, distributed in the following types: Concrete 2,109.1 tons (85.1%), Roof tiles and ceramic materials 67 tons (2.7%), Copper 151.2 tons (6.1%), Aluminum 101.3 tons (4.1%), Iron and non-galvanized steel 4 tons (0.2%) and Iron and galvanized steel 45.4 tons (1.8%).

Other aspects of the environmental activities related to execution of civil works to strengthen the electrical



systems within the company's concession areas, and the subsequent tree-trimming activities to enable the utility strip and/or pruning of trees near the power lines, involve the yearly Felling and Reforestation Management Plans for the execution of Civil Works (PMOC) submitted to the National Forestry Corporation (CONAF), thus complying with the provisions of Law 20,283 and Decree Law 701. From this management, the right to cut and intervene in the forest is legally established; however, the legal obligation to compensate through reforestation the area that was intervened through works is also established. Within the framework of these obligations under Chilean forestry legislation, in 2022 Grupo Saesa reforested 48.04 hectares of native forest within its concession area, distributed as follows among its subsidiaries: Saesa 14.85 hectares (31%), Luz Osorno 13.21 hectares (27%), Edelaysen 6.5 hectares (14%), Sagesa 0.26 hectares (1%), STS 7.8 hectares (16%) and STC 5.42 hectares (11%).

OUR STAFF, OUR GREATEST ASSET

At Grupo Saesa, people are our greatest asset. To date, it has 6,051 employees, of which 1,865 (including Servicios Mineros - Ex ENEL and Newco) belong to the Group's companies and 4,186 are permanent employees of the companies that provide services as contractors. All of them, with their energy and commitment, allowed the company to continue advancing in the different challenges proposed during 2022.

We continue to move towards a customer-oriented culture, focusing on the well-being of our customers, the growth of our employees, and providing them with the necessary tools to be better prepared at all times. Likewise, increasingly aware of the impact that the company has on its employees, customers, and the communities with which it relates, Grupo Saesa worked in an open and participatory process to define a common purpose, which made it possible to recall the meaning and benefit of what the company does for people and society in general.

We are energy that connects and transforms lives, is today the main purpose, which was launched in 2021 and has been massively communicated and promoted among employees as a guide and inspiration in more structural aspects.

SOMOS FORMADORES (WE ARE TRAINERS) PROGRAM

- 2022 was a year of return to normality after the pandemic, where the capacity in certain courses contributed to a greater number of participants for face-to-face activities, such as the Linemen and Tree-Trimming Training Programs and the Cortez Model. In addition, we continued with the hybrid course format (virtual and face-to-face) in Management and Leadership activities, Technical Courses, achieving greater efficiency in the training processes in the various programs.

New training methodologies were also designed, and weekly capsules were implemented for the Elite Site Manager pilot, which addressed management and leadership issues for this role.

• At the end of 2022, 125,651 hours were

completed, leading to the professional development of employees, 25% more than in 2021. A total of 3,503 employees participated in the training, 1,982 of whom belonged to contractor companies, with a total of 31,764 hours of training, and 1,532 employees were trained with 93,887 hours of training.

- As has become a tradition within the company, we continued with the Crece (Grow) Program, benefiting 80 employees, whose development program included 44 thousand hours.

- This program was created with the purpose of training specialists with technical skills in electricity, safety and management, taught by specialized instructors of the company, whose students were represented by the contractor company Telecsa and Ingen. In 2022, a total of 3,840 hours of training were offered in the 3 months of this program, which led to 264 students to graduate from the various Linemen Training programs.

- The commitment to people, society and the environment translates into concrete actions that seek the benefit of all parties, therefore the Corporate Social Responsibility Program (CSR) contributed

greatly to the welfare and development through the training of 178 people through a total of 518 hours of capacity development and an investment of CLP 41 million in the areas presented below:

- ✓ Household electricity.
- ✓ Excel data management Intermediate level.
- ✓ Safety and risk prevention.
- ✓ Techniques for the elaboration of artisan cured meats and sausages.
- ✓ Techniques for the application of socio-labor skills and insertion.

The Labor Scholarship Program with a focus on the development of labor competencies in 2022 had an investment of CLP 66 million, where 6 Technical Training Organizations (OTEC) were awarded 14 courses that were executed in different communes, the number of participants reached 230 people, the benefit delivered by this program is to enable the community to access a quality dependent or independent job, to vulnerable and/or at risk, unemployed people and those seeking work for the first time.

The topics covered in the courses are as follows:

✓ Entrepreneurship management for the elderly (Lonquimay).

✓ Digital skills for work (Río Negro, Quinchao, San Pablo, Toltén, Chiguantale).

✓ Empowering my business (Santa Bárbara, Curanilahue, Panguipulli, Lebu, Saavedra).

✓ Handling of processed vegetables (Aysén).

✓ Basic computer tools (Valdivia).

✓ Basic communication tools in English (Hualaihué).

• As in the previous year, we continued to focus strongly on our customers, incorporating three new Front Office areas to the Cortez Model program (Osorno, Puerto Montt and Chiloé), whose main objective is to provide the necessary tools to provide excellent customer service, based on the internalization of customer service behaviors aligned with our value proposition:

✓ Close and empathetic.

✓ Quick to Respond.

✓ We are experts and we advise you.

Also, in the Customer-Oriented line, a special program was designed and implemented for "Meter Reading and Bill Delivery," which is aimed at providing

basic tools for customer service with the end customer, with the participation of 225 employees, distributed in all areas, who completed 2,072 hours of training.

- The “Internal Trainers” program, in addition to improving the sense of teamwork within the company, strengthens the role of trainer that exists within the culture of Grupo Saesa, working fully under the values considered as the essence of the group, highlighting collaboration, flexibility and innovation, which are the driving force to continue developing in different training matters. During 2022, 1,371 employees participated in 5,150 hours of training, and the topics covered were as follows:

- ✓ Single-phase Household Connections.
- ✓ How we are growing in Transmission.
- ✓ Power lines and vegetation; new obligations.
- ✓ Workshop “Power theft and its impact on our customers”.
- ✓ Power regulation workshop.
- ✓ Smart metering at Grupo Saesa.
- ✓ Task management with Office 365.
- ✓ Law on Utilities.
- ✓ pLuz methodology.
- ✓ Personal data protection.

- We continue with the Culture and Safety Inductions, Critical Focus; whose objective is to raise awareness with various methodologies associated with safety, focus on the customer and know the company, thus producing an acceleration in the adaptive processes and incorporation of a safe behavior aligned with the company's safety culture. Trained employees 447.

- The third 6-month term of the “Specialization” program was completed this year. The objective of this period which is to strengthen talent at the specialist level and thus ensure that the company has the technical and managerial capabilities necessary for the current and future development of the business. Thirty-four employees participated in this program,

who completed 1,492 hours of training; the scope of the program included employees from the distribution protection, control and protection, transmission engineering, SCADA and northern transmission system areas.

- Elite Crews; the pilot program launched in 2021 started to be implemented this year, continuing with Frontel, specifically with the Araucanía Zone. With this program we seek to increase the level of competence of the operations crews in technical and soft issues, which resulted in reassignment of crew member through mentoring. This year we worked in Cautín with 7 mentors and with 53 linemen in the Araucanía Zone, during the second half of the year.

- Awareness-raising activities were carried out for the operational conflict zones in the towns of Cañete, Angol and Temuco during July and August, with 19 one-and-a-half hour training sessions attended by 900 workers. In these activities, the training methodologies that were applied included:

- ✓ Simulated videos for events or robberies in sectors of the ZRO, with the participation of company, contractor crews, and team members.

- ✓ Reflection and awareness-raising sessions on the reality in the area, with the experience of colleagues who have lived through the process.

- ✓ Reinforce the 5 Golden Rules.
- ✓ Videos and material delivered to the Risk Prevention department to reinforce safety days.

- The Performance Evaluation and Reward System (SEDR) was implemented in 2022 with its 2 characteristic statuses (status A and status B) with the return to in-office work. The feedback was received in person and online, at the choice of each evaluated and evaluator. For Status B, the evaluation form was reconfigured from a linear form to a 360° form, which reduced errors for users and improved reporting capabilities for managers. In addition, the proposed

improvements to the SEDR model for the next three years were presented.

- Grupo Saesa has a diversity, equity and inclusion policy that promotes workplaces free of discrimination among employees and encourages equal opportunities in recruitment, career development, benefits, and promotion processes.

In order to involve new views, voices and opinions to the D.E.I. strategy, the diversity, equity and inclusion committee was formed, a collaborative space composed of 7 leaders in key roles within the company that promote good D.E.I. practices.

Under the commitment to create a culture that respects, values, and promotes the diversity of internal talents through various training and awareness-raising talks, communication skills were added for front office staff in sign language and Mapudungun. In this same line, training management was extended to customers and the community, benefiting men and women, people with disabilities, migrants and senior citizens (510) throughout our area of operation in trades such as:

- ✓ Security guards.
- ✓ Technique of primary care to people in situation of dependence.
- ✓ Technical adaptation to the labor market.
- ✓ Basic warehouse management tools.
- ✓ Food handling, hygiene, and preparation techniques.

which seek to promote job placement or entrepreneurship of the beneficiaries, reaching a total of 2,637 hours of online and in-person training.

In terms of regulations on labor inclusion of people with disabilities (Law 21,015), the companies Saesa, Frontel, Edelaysen and STS with a staff of more than 100 people were able to ensure their 1% through direct hiring.

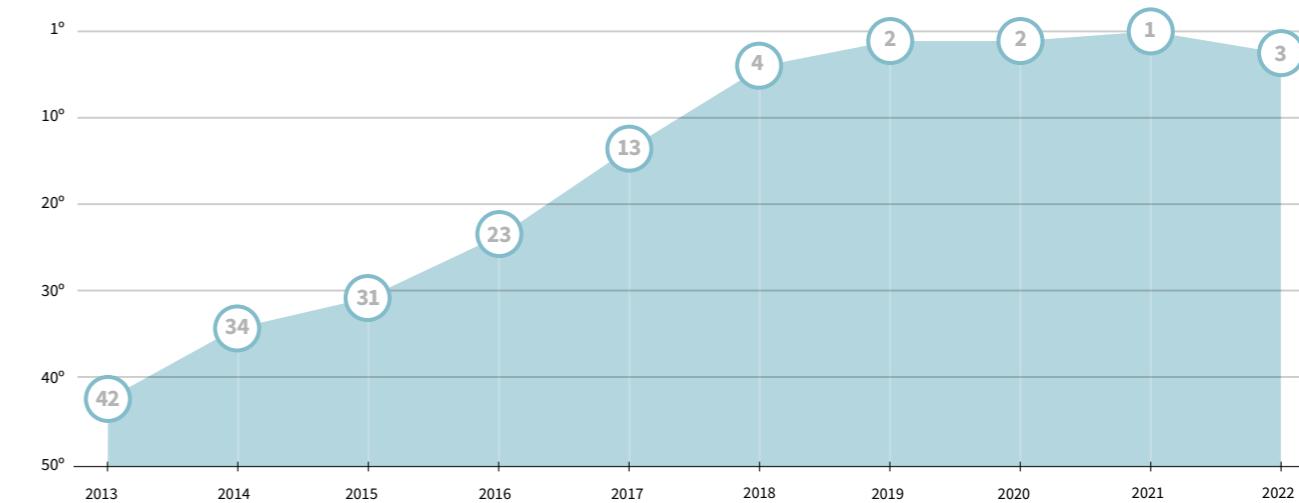
A GREAT PLACE TO WORK

Grupo Saesa continues to stand out as one of the best companies to work for in Chile, according to the Great Place to Work ranking.

The company has worked hard to build a unique and differentiating culture, steadily advancing its place in the ranking from 2013 to date.

EVOLUTION OF 50-COMPANY GREAT PLACE TO WORK RANKING IN CHILE

THE 50 BEST COMPANIES TO WORK FOR IN CHILE



WE CONTINUE TO CARE FOR OUR EMPLOYEES

We know that the pandemic will be with us for a while longer and that is why it was necessary to resume our activities and daily routines in the most normal way possible. One of them was the full return on March 1 to our offices because without a doubt our culture and great climate is built by working as a team, exchanging ideas, seeing each other and connecting in person.

To this day we maintain the Crisis Committee. The mission is to ensure the continuity of the operation, the protection of the workers on their return, so that they have optimal sanitary conditions.

More than two years into the pandemic, we continue to reinforce the delivery of tools and provide physical and mental safety conditions for our employees. We created a Burnout Program in 2021 in the context of the pandemic, and is now maintained as a permanent health risk management plan. Its objective is to provide tools and coaching the areas that present alerts in labor burnout indicators in order to address them in a comprehensive manner.

When the pandemic broke out in the world, we defined a crisis committee with the mission of evaluating the contingency and seeking proposals for solutions to the difficulties that arose. That is where our occupational health and safety protocol emerged, along with the definitions and actions before Covid-19. As a utility company, we needed to protect our employees, but also our more than 950,000 customers from Antofagasta to Villa O'Higgins.

Our hallmark of caring for our employees and their families is expressed through statements regarding the empathy and attentive listening

that we as leaders need to maintain with our teams. We are permanently encouraging conversation and the search for spaces for dialogue, which will allow us to get to know each other better, investigate the different realities, and be flexible when needed.

A factor to which we assign a very important and determining value in the development and permanence of our culture throughout the years is the close leadership and direction given to us by our chief executive officer. Not only through his actions, but also through the permanent motivation he promotes throughout the company. This is reflected in the internal work environment satisfaction data, where we have climbed from 71% in 2013 to 89% in 2022. We have worked continuously to protect our great place to work, which not only provides a great work environment, but also achieves the necessary operational standards to be a source of pride among our employees.

This deeper understanding of our employees led us to implement a flexible workday after the return to the office in March 2022. To this end, we invited all those whose positions allowed it to opt for this modality. Today 70% of employees work from home for 2 days or 4 half-days. We are certain that with this measure we

are promoting well-being and quality of life.

One of the decisions most appreciated by all has been to permanently maintain the summer schedule, which ends the working day on Fridays at 14.30 hours, thus promoting the personal and family life of our employees. In this same line, specifically in the eagerness to take care of everyone's health, we assigned an additional day off for a preventive health examination.

In matters related to corporate safety, we have continued to promote it as a non-negotiable value, strengthening the company's purpose and guiding people's safe behavior, with the sole purpose of protecting our employees in their daily work.

The set of plans and actions implemented in the area of safety have made it possible to integrate this value at all levels of the company, which is why they continue to focus on the commitment to strengthen its non-negotiable character through collaborative work, identifying new practices that guarantee a safe working environment, free of serious and fatal accidents in the operation of Grupo Saesa.

In addition, it is important to mention that the use of new technologies allows the implementation of modern solutions that drive operational excellence and offer sustainable value to new challenges in the company, therefore, a process of modernization and strengthening of technical education, training and risk prevention has been developed, representing major milestones in the company and reaffirming its commitment to this objective.

A highlight in 2022 was the incorporation of an innovative initiative in Chile and the electricity industry, namely, the MV/LV Electricity Risk Laboratory, which contributes to the prevention of incidents and demonstrates through practical training, high potential risk phenomena in the electricity process activities by simulating real and risky conditions and controlling failures in power grids.

Among the initiatives, protocols, and actions carried out in 2022 in terms of occupational safety and health that have been carried out, the following stand out:

•Accountability: Review instances on safety issues with managers and owners of contractor companies.

- Awareness-raising day: Broadcasting via streaming of preventive activities with interaction of work teams throughout the country, in order to raise awareness of critical focus.

- Walk for Safety: Visits of company executives to the HQs and work sites of contractor companies, with the objective of strengthening relationships and visible leadership in safety.

- Extended Meeting of H&S Committees: This is a transversal working day for these committees, where the focus is on sharing good occupational health and safety practices among the H&S committees throughout the company.

- MACRO: Occupational health and safety management system, through the assurance method for the control of operational risks.

- Preventive scheme for projects: Management system for risk control in transmission projects and other relevant projects.

- Program for supervisors: Specific course for supervisors, which provided preventive

tools for field supervision.

- Diploma in electrical safety and risk management: Diploma course for Grupo Saesa's risk prevention advisors, which aims to strengthen and reinforce aspects of professional competencies to ensure employees safety and well-being.

- Linemen Training Program: Project to recruit and train people with no knowledge of electricity, so that they can work as assistants and linemen in construction and maintenance tasks, and in so doing, acquire the necessary technical and safety knowledge, together with the skills required for the position. The 15th cohort of Linemen graduated in 2022.

- Mira para Arriba Program: Community outreach program that seeks to raise awareness among the community and Grupo Saesa's customers about the risks and precautions to be taken when working or carrying out activities near power lines.

- Training on off-Grid Systems: Training for workers in the area of electricity generation and distribution in off-grid areas (Chiloé archipelago) to strengthen technical and safety skills that contribute to better

performance in the continuity of electricity supply and customer relations.

- Access control system in substations, using advanced technology (mechatronic key) to improve access and control the entry of people.

- Multifunction access control in offices and buildings (facial recognition, fingerprint reading, ID card QR code reading, among others), optimizing the control and registration process of people accessing the facilities.

Finally, in the course of 2022, the self-management of contractor companies in safety matters is highlighted, in addition to progress in a series of initiatives included in the framework of the Contractors 2.0 Plan, management areas associated with Safety, Internal Processes, Contracts, Technology, People, Management and Clients. By 2023, initiatives will continue to be implemented in different areas to promote the development and growth of the company's employees.



LARGE PROJECTS IN 2022

NEW 110/23-13.2 KV GUARDIAMARINA SUBSTATION

The project whose commissioning period began on June 24, 2022, ended with the entry into service and operation on **July 7, 2022**. This project corresponds to Decree 5T of August 31, 2019 and consisted of in a double busbar-transfer bar arrangement on its 110 kV switchyard, with 4 sections to sectionalize the 1x110 kV Mejillones - Antofagasta and 1x110 kV Esmeralda - La Portada lines, one busbar coupling section, two transformer sections, and at least three available sections. The project considered the installation of two power transformers. One of them, the 30 MVA, will be designed to feed a 23 kV busbar, in a single sectioned busbar configuration with six 23 kV outlets, ancillary services, and capacitor bank.

The second transformer (50 MVA) will be designed to feed a 13.8 kV busbar, in a single sectioned busbar configuration with six 13.8 kV outlets, ancillary services, and capacitor bank.

The project also included all the civil works and activities required for execution and commissioning of the substation.

EXPANSION OF LUCERO SUBSTATION

The project qualified as urgent work by Article 102 and that corresponds to Exemption Resolution No. 456/2020 of December 01, 2020 completed its commissioning and entry into commercial operation on **July 10, 2022**. The project consisted of the expansion of the main busbar and common facilities of the 66 kV switchyard of Lucero Substation, whose configuration corresponds to a single busbar of the grid type, in a new position, in order to enable the connection of the future 1 x 66 kV Lucero - Montenegro (ex Los Canelos) transmission line, authorized by Exemption Resolution No. 198 of June 11, 2020.

The project described above included all the works, modifications, and tasks necessary for the execution and commissioning of the new facilities, such as adjustments to the respective yards, adaptation of the protections, communications, SCADA, civil works, assembly, grounding mesh and testing of the new equipment, among others.

NEW 220 KV LLANQUIHUE SUBSTATION

The Project which belongs to the Exemption Decree No. 418/2017 of August 19, 2017, entered into service on **September 15, 2022** and in commercial operation on **September 26, 2022**. The project consisted in the construction of a new Substation called Llanquihue in 220 kV located north of Puerto Varas whose connection was in derivation (Tap off) to circuit No. 2 of the line 1 x 220 kV Tineo - Puerto Montt. The project included the installation of new 220/66 kV, 90 MVA transformer equipment at the Llanquihue substation and a 66 kV busbar in switch and a half configuration, together with the sectioning of the 2x66 kV Puerto Varas - Frutillar lines. The project also included all the civil works and activities required for execution and commissioning of the substation.

SANTA CRUZ SUBSTATION

The project qualified as urgent work by Article 102 and which belongs to the Exemption Resolution No. 469, entered into service on **November 23, 2022** and into commercial operation on **November 29, 2022**. The project consisted of the construction of a new substation with a new 66/15 kV, 30 MVA transformer with a Load Tap Changer (CDBC). The substation considered a main bus and transfer bus configuration, the construction and enabling of the sections of the for the new transformer at both voltage levels and the 66 kV bus bar coupling section. Additionally, for the 66 kV switchyard, the project considered the construction of busbar and platform for two positions, corresponding to the sectioning of the 1x66 kV Malloa Nueva - San Vicente de Tagua Tagua line, one position for the High Voltage panel corresponding to the 66/15 kV transformer connection and the position for the 66 kV busbar coupling section. Additionally, the project considered space for the addition of a second transformer unit with its respective medium voltage switchyard and level ground for the extension of the high voltage busbar for at least three positions.

It also considered the construction of a cell room for the 15 kV switchyard, in single bus configuration, to house the panel corresponding to the connection of the 66/15 kV transformer, three sections for feeders for regulated customers, one section for ancillary services and a section for metering, as well as a panel for a future feeder.

The project described above included all the works, modifications, and tasks necessary for the execution and commissioning of the new facilities, such as adjustments to the respective yards, adaptation of the protections, communications, SCADA, civil works, assembly, grounding mesh and testing of the new equipment, among others.

The project described above included all the works, modifications, and tasks necessary for the execution and commissioning of the new facilities, such as adjustments to the respective yards, adaptation of the protections, communications, SCADA, civil works, assembly, grounding mesh and testing of the new equipment, among others.

FUENTECILLA SUBSTATION

The project qualified as urgent work by Article 102 and which belongs to the Exemption Resolution No. 467, entered into service on **November 23, 2022** and into commercial operation on **November 29, 2022**. The project consisted of the construction of a new substation with a new 66/15 kV, 30 MVA transformer with a Load Tap Changer (CDBC). The substation considered a main bus and transfer bus configuration, the construction and enabling of the sections of the for the new transformer at both voltage levels and the 66 kV bus bar coupling section. Additionally, for the 66 kV switchyard, the project considered the construction of busbar and platform for two positions, corresponding to the sectioning of the 1x66 kV Malloa Nueva - San Vicente de Tagua Tagua line, one position for the High Voltage panel corresponding to the 66/15 kV transformer connection and the position for the 66 kV busbar coupling section. Additionally, the project considered space for the addition of a second transformer unit with its respective medium voltage switchyard and level ground for the extension of the high voltage busbar for at least three positions.

It also considered the construction of a cell room for the 15 kV switchyard, in single bus configuration, to house the panel corresponding to the connection of the 66/15 kV transformer, three sections for feeders for regulated customers, one section for ancillary services and a section for metering, as well as a panel for a future feeder.

The project described above included all the works, modifications, and tasks necessary for the execution and commissioning of the new facilities, such as adjustments to the respective yards, adaptation of the protections, communications, SCADA, civil works, assembly, grounding mesh and testing of the new equipment, among others.



PUQUILLAY SUBSTATION

The project qualified as urgent work by Article 102 and which belongs to the Exemption Resolution No. 468, entered into service on **November 24, 2022** and into commercial operation on **November 29, 2022**. The project consisted of the construction of a new substation with a new 66/13.2 kV, 16 MVA transformer with a Load Tap Changer (CDBC). The substation considered a main bus and transfer bus configuration, the construction and enabling of the sections for the new transformer at both voltage levels and the 66 kV bus bar coupling section. Additionally, for the 66 kV switchyard, the project considered the construction of busbar and platform for two positions, corresponding to the sectioning of the 1x66 kV Nancagua - Panihue line owned by Compañía General de Electricidad S.A., one position for the High Voltage section corresponding to the 66/13.2 kV transformer connection and the section for the 66 kV busbar coupling section. Additionally, the project considered space in the substation for the growth of a second transformer unit with its respective medium voltage yard and level ground for the extension of the high voltage busbar for at least three positions.

feeder. Finally, the project described above included all the works, modifications, and tasks necessary for the execution and commissioning of the new facilities, such as adjustments to the respective yards, adaptation of the protections, communications, SCADA, civil works, assembly, grounding mesh and testing of the new equipment, among others.

EXPANSION OF NEGRETE SUBSTATION

The project qualified as Expansion Work and belonging to the Exemption Decree 293 of November 8, 2018, entered into service on **November 20, 2022** and into commercial operation on **November 24, 2022**. The project consisted of the expansion of the Negrete Substation and

the sectioning of the 1x66 kV Los Angeles - Angol line owned by Compañía General de Electricidad S.A., building a new 66 kV busbar with platform and adequacy of common facilities that allows the connection of the sectioning described above, the connection of the existing transformer and three positions for future projects in the area. In addition, the project considers the sections of the 1x66 kV Los Angeles - Angol line that connect to the future 66 kV busbar. The project includes all the civil works and tasks required for execution and commissioning, such as adjustments to the respective yards, protection adjustments, SCADA, civil works, assembly, grounding mesh and testing of the new equipment, among others.

RURAL ELECTRIFICATION

Grupo Saesa prides itself for its permanent commitment to the development and well-being of the communities, as reflected in the participation in the Rural Electrification programs, where a tri-sectorial work of the Chilean Government, the Company and the beneficiaries, makes it possible to bring electricity to the most remote places, located in various localities and districts from the north to the south of Chile.

During 2022, 38 Rural Electrification projects were put into service, which entails the completion of the distribution and in-house installation work of these projects located in rural sectors belonging to 18 municipalities within the regions of Biobío, Araucanía,

Los Ríos, Los Lagos and Aysén, and 32 new projects were signed for 17 municipalities located in the regions of Biobío, Araucanía, Los Ríos, Los Lagos and Aysén, currently in the engineering and permit procurement stages.

Completion and commissioning of these projects have allowed the company to meet the objective of supplying power to 1,372 households from rural areas. It should be noted that these projects involve 184 km of MV lines, 133 km of LV lines on individual poles, 26 km of LV lines on common poles, and 483 5-kVA to 15-kVA distribution transformers.



BUSINESS MANAGEMENT

Undoubtedly, all the challenges addressed in 2022, together with the operational improvements, led Grupo Saesa to sustained improvement result, despite the large number of storms and weather incidents.

CUSTOMER MANAGEMENT 2022

The customer as the core of the company's strategy continued to grow in 2022, thanks to the joint work of the different areas of the company, which in a highly collaborative effort and through agile methodologies, advanced the objectives of the Inspira program.

INSPIRA PROGRAM

Launched in the midst of the pandemic crisis, Inspira seeks to continue sustaining the company's purpose; to be energy that connects and transforms lives, with concrete changes to the customer experience through a physical and digital transformation.

Aligned to a constant change in customer requirements, the company worked hard to create a value proposition based on the

concepts of "relationship and resolution," incorporating technology without losing those contact spaces that an important part of the customers require. The proposal is based on five strategic pillars:

- Simple and self-manageable.
- Transparent information and promises.
- We are experts and we advise you.
- Quick to respond.
- Close and empathetic.

In addition, a dream was born: to reach 50 satisfaction points in the last quarter of 2022, for which, thanks to Inspira's methodology, and initiatives were prioritized and governance was established to design and implement them.

Thanks to Inspira, we were able to change the way we do things, living the digital experience from the customers' point of view, with practical improvements and

a value proposition through projects that make the service experience tangible in the different consumption, outage, and after-sales journeys.

New customer service platforms, a new private site and a new version of the application were created, always incorporating the customer at the center of the design through experience labs, tests, and pilots. As part of the journeys, business cycle notifications were incorporated, the meter reading and bill delivery service model was consolidated, the claims service model was redefined, and a center of specialists continued to be developed, among other functionalities that undoubtedly supported the achievement of the dream goal that Grupo Saesa had set for itself. More than 100 people were directly involved in this successful program and more than 1,000 others saw the impact on changing the way they work.

INCORPORATION OF THE CUSTOMER MACRO: EXPERIENCE IS BASED ON PEOPLE

In the midst of an intense process of developing solutions, it was also possible to connect all the teams with the change that was being experienced from a program that was more focused on culture. Always with an uncompromising value, safety, the recognized Macro Security management system was replicated in the Customer Macro.

This program includes a set of customer-oriented activities such as:

- 1 Talks in all zones and centralized areas, with participation also of contractor teams.
- 2 On-site shadowing, when officers, managers, department or division heads and leaders approach collaborators who have direct contact with customers and witness the moments of truth.
- 3 Incidents, findings and acknowledgments. Replicating the security model provides opportunities for improvement in customer relations and recognition. Case analysis and continuous improvement are performed.
- 4 Zonal and centralized committees. With a lot of enthusiasm, clear metrics and the events of the month, teams come together to make decisions regarding improvements for customers, resolving or escalating issues to manage them efficiently and in a timely manner.



LAUNCH OF THE NEW BRAND

In June 2022, Grupo Saesa, in search of permanent improvement in terms of interaction with its customers, launches a new corporate image, with a view to renewing its commitment to the community. The chosen strategy consisted of modifying the digital environment and some high-impact elements such as electricity bills, fleet of pickup trucks, and renovation of the main offices.

It should also be noted that brand aspects increased from 14.6 points to 28.5 during 2022, reaching an all-time high since this measurement has been recorded.

LAW ON UTILITIES

The impact of amendments to the Law on Utilities was felt during 2022.

In July 2022, a call was made to customers to regularize their debts in order to maintain the benefit of Law 21,423 of subsidy for debts originated during the pandemic.

This regulation contemplates a state subsidy, and a contribution from the distribution companies, to support families affected by the Covid-19 pandemic.

This law subsidizes consumption between March 18, 2020 and December 31, 2021 and establishes that, in order for users to maintain the debt forgiveness benefit, they must have their unsubsidized account up to date.

This benefit favored more than 140 thousand customers, with whom we have had direct communication.

LAUNCH OF THE NEW BRAND



The call also consisted of avoiding supply interruptions, inviting customers to look for payment alternatives according to each situation.

The implementation of this law was a cross-cutting challenge for the company, requiring an effective communication plan, adaptation of the billing systems, reactivation of the service disconnection due to no payment, redefinition of collection, training and updating of the customer service platforms, among others. Undoubtedly, all the challenges addressed in 2022, together with the operational improvements, led Grupo Saesa to sustained improvement result, despite the large number of storms and weather incidents.

SMALL MEANS OF GENERATION

Small Means of Distributed Generation (PMGD)

CONNECTION OF DISTRIBUTED

GENERATION

During 2022, several connections were made in the Small Means of Distributed Generation (PMGD) segment and also an exponential growth in Netbilling tariff connections with Generation Equipment (EG). The high share and contribution of photovoltaic technology in the company's concession area, despite the rather southern location within Chile, is worth mentioning.

At the same time, due to the market signals that have encouraged the development and addition of these projects, the company has been forced to prioritize the implementation of management and control tools for project administration.

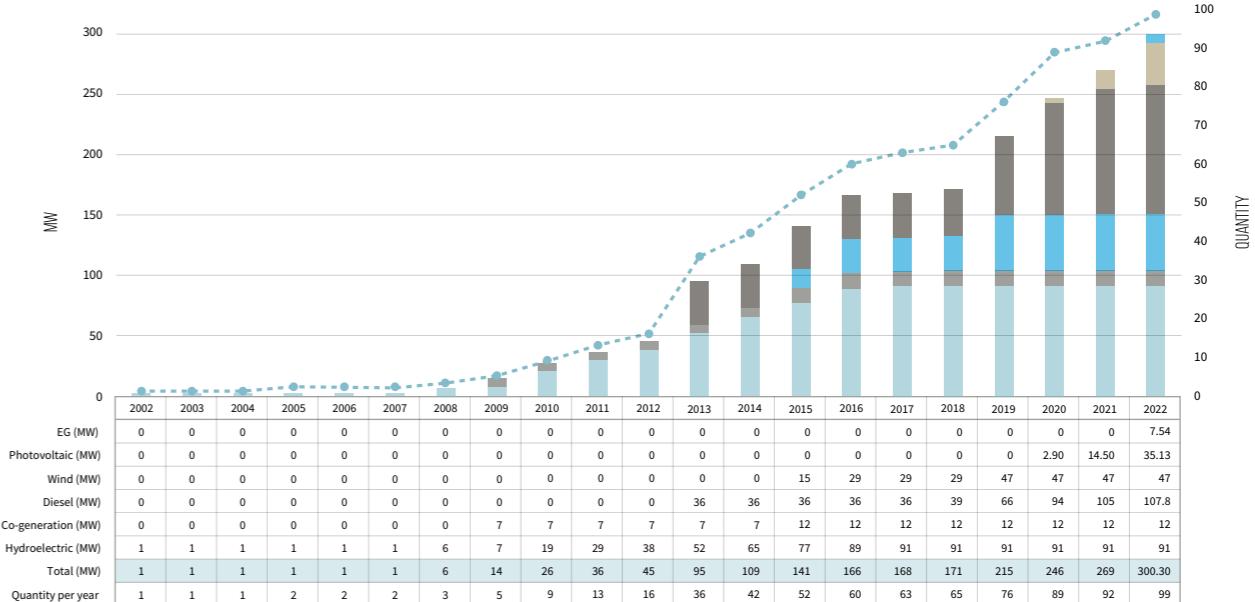
Thus, at the end of 2022, the PMGD Platform was put into production, which seeks to digitalize and facilitate the submission of the forms for each project, improving traceability and delivery of technical background information. Grupo Saesa seeks to provide timely and quality service, to continue to be a national reference in these matters and to promote the growth of renewable energies in the country, reducing the barriers to entry, but always maintaining a focus on operational safety.

To date, Grupo Saesa has a total of 98 plants connected (including expansion processes) as PMGD, totaling 293.96

[MW] of installed capacity, of which 63.32% correspond to non-conventional renewable energy projects. In addition to the above, there are 1,124 Netbilling Generation Equipment with a capacity of more than 7.54 [MW], which is growing rapidly.

The chart below shows the evolution of installed capacity within Grupo Saesa and the trend of the different technologies.

PMGD CONNECTED AS OF 2022



Another relevant milestone during 2022 was the participation of Grupo Saesa in the Special Consultative Committee of the National Energy Commission (CNE), where the different needs for modification of the Technical Standard for Connection and Operation were presented and discussed. This process ended with a seminar organized jointly by CNE and the International Council of Large Power Grids (CIGRE) Chile, where the new initiatives for improvement and incentives for this segment of Electricity Generation and Distribution were presented, with the participation of various speakers from Grupo Saesa.

By way of summary, the plants connected in 2022 were:

- PMGD PS Fulgor, a 2.64 [MW] photovoltaic power plant in the municipality of Negrete.
- PMGD Lagunitas, a 2.5 [MW] diesel power plant in the municipality of Puerto Montt.
- PMGD Paranal, a 4.0 [MW] photovoltaic power plant in the municipality of Antofagasta
- PMGD Armazones, a 5.0 [MW] photovoltaic power plant in the municipality of Antofagasta.

PHOTOVOLTAIC RESOURCE

During 2022, 19.6 MW of photovoltaic energy were connected to the grid in the distribution networks of Grupo Saesa, including the 9 [MW] built for the ESO Observatory at the Armazones and Paranal substation, intended to supply the observatory with renewable energy in an alliance with Grupo Saesa, and the first PMGD photovoltaic plant connected to the group's grids owned by the company Flux Solar, a subsidiary of Copec.

HYDROELECTRIC RESOURCE

Grupo Saesa's PMGD history began in 2002 with a mini-hydro plant in the

municipality of Río Bueno, Los Ríos Region, which today dispatches its energy to the New Chirre Substation. Over the years, this technology has become increasingly complex to develop and wind and photovoltaic projects have gained momentum.

During 2022, the Hidroriñahue power plant, which was connected in 2017, had an expansion of its installed generation capacity by 200 [kW], reaching a total of 2.1 [MW] by taking advantage of the capacity of the distribution networks and the availability of hydroelectric resources.

DIESEL RESOURCE

The last seven years have seen an increase in diesel technology projects, and 2022 was no exception. It was during May that the PMGD Lagunitas, a 2.5 MW diesel power plant developed by the company CRELL, was commissioned in part of the industrial district of Puerto Montt.

Committed to distributed generation, we expect to continue contributing to the development of these projects, providing technical assistance and advice that will lead to a sustainable electricity transition.

NAME	POWER (MW)	ZONE	COMPANY	FEEDER	TECHNOLOGY	COMMISSIONED IN
Pehui	1.00	Osorno	SAESA	Pilmaiquen-Mantilhue	Hydroelectric	2005
Manzano	4.70	Temuco	FRONTEL	Licanco-Padre Las Casas	Hydroelectric	2008
Orafti	7.00	Concepción	FRONTEL	Cabrero-Bulnes	Co-generation	2009
Truful Truful	0.83	Temuco	FRONTEL	Licanco-Padre Las Casas	Hydroelectric	2009
Trueno	5.60	Temuco	FRONTEL	Lautaro	Hydroelectric	2010
Los Corrales	0.84	Osorno	SAESA	Pilmaiquen-Mantilhue	Hydroelectric	2010
Doña Hilda	0.40	Valdivia	SAESA	Pichirropulli-Futrono	Hydroelectric	2010
Dongo	6.00	Puerto Montt	SAESA	Chonchi Centro	Hydroelectric	2010
Donguil	0.24	Temuco	FRONTEL	Pitrufquén-Gorbea	Hydroelectric	2011
Reca	1.65	Valdivia	SAESA	Pangupulli-Pullinque	Hydroelectric	2011
Muchi	0.80	Valdivia	SAESA	Pichirropulli-Futrono	Hydroelectric	2011
La Arena	6.70	Puerto Montt	SAESA	Antihual	Hydroelectric	2011
Allipén	2.60	Temuco	FRONTEL	Pitrufquén-Freire	Hydroelectric	2012
Canelo	6.00	Temuco	FRONTEL	Licanco-Padre Las Casas	Hydroelectric	2012
Expansion Truful Truful	0.43	Temuco	FRONTEL	Licanco-Padre Las Casas	Hydroelectric	2012
Los Corrales II	1.03	Osorno	SAESA	Pilmaiquén-Mantilhue	Hydroelectric	2013
El Arrayán	0.15	Osorno	SAESA	Pilmaiquén-Mantilhue	Hydroelectric	2013
MC1	9.00	Osorno	SAESA	S/E Bonito	Hydroelectric	2013
MC2	3.20	Osorno	SAESA	S/E Bonito	Hydroelectric	2013
Maisan	0.56	Temuco	Frontel	Pitrufquén-Comuy	Hydroelectric	2013
Quillaleo	0.83	Temuco	Frontel	Picoltué-Santa Bárbara	Hydroelectric	2014
Los Colonos	0.70	Osorno	LUZ OSORNO	Aihuapi - Los Puentes	Hydroelectric	2014
Pichilonco	1.20	Osorno	SAESA	Pilmaiquén-Mantilhue	Hydroelectric	2014
Expansion La Arena	3.70	Puerto Montt	SAESA	Antihual	Hydroelectric	2014
Collil	7.00	Puerto Montt	SAESA	Conchi Centro	Hydroelectric	2014
María Elena	0.30	Osorno	LUZ OSORNO	Aihuapi-Lago Ranco	Hydroelectric	2014
Las Flores	2.10	Osorno	SAESA	Pichirropulli-Futrono	Hydroelectric	2015
Orafti Ampliación	5.00	Concepción	FRONTEL	Cabrero-Bulnes	Co-generation	2015
Bureo	2.30	Temuco	FRONTEL	Negrete-Mulchén	Hydroelectric	2015
Raki	9.00	Concepción	FRONTEL	Tres Pinos-Cañete	Wind	2015
Munilque 1	0.60	Temuco	FRONTEL	Negrete-Mulchén	Hydroelectric	2015
Munilque 2	0.60	Temuco	FRONTEL	Negrete-Mulchén	Hydroelectric	2015
El Mirador	3.00	Temuco	FRONTEL	Ralco	Hydroelectric	2015
Huajache	6.00	Concepción	FRONTEL	Tres Pinos-Cañete	Wind	2015
Mulchén	3.00	Temuco	FRONTEL	Picoltué Mulchén	Hydroelectric	2015
Panguipulli	0.35	Valdivia	SAESA	Panguipulli-Pullinque	Hydroelectric	2015
Chanleufu	3.40	Osorno	SAESA	Lago Ranco	Hydroelectric	2016
Las Peñas	8.40	Concepción	FRONTEL	Carampangue - Arauco	Wind	2016
El Agrio	2.50	Temuco	FRONTEL	Curacautín-Lonquimay	Hydroelectric	2016
Colorado	2.10	Puerto Montt	SAESA	Pelluco	Hydroelectric	2016
Tranquil	3.00	Valdivia	SAESA	Coñaripe Liquiñe	Hydroelectric	2016
Lebu II	5.25	Concepción	FRONTEL	Santa Rosa Lebu	Wind	2016
Piutel	0.56	Valdivia	SAESA	Panguipulli	Hydroelectric	2016
Hidroriñahue	1.00	Osorno	SAESA	Pilmaiquén-Mantilhue	Hydroelectric	2017
La Viña	0.55	Temuco	FRONTEL	Picoltué Mulchén	Hydroelectric	2027
La Bifurcada	0.24	Temuco	FRONTEL	Picoltué Mulchén	Hydroelectric	2017
El Brinco	0.20		FRONTEL	Picoltué Mulchén	Hydroelectric	2018
Almendrado	3.00		SAESA	Chonchi Notuco	Diesel	2018
El Arrebol	9.00		FRONTEL	La Fortuna	Wind	2019

NAME	POWER (MW)	ZONE	COMPANY	FEEDER	TECHNOLOGY	COMMISSIONED IN
Diésel Los Sauces	2.90		FRONTEL	Los Sauces Lumaco	Diesel	2019
Diésel Pictoltue	2.90		FRONTEL	Pictoltue Mulchén	Diesel	2019
Yumbel	2.90		FRONTEL	Cabrero Yumbel	Diesel	2019
Parque Eólico El Nogal	9.00		FRONTEL	Negrete Mulchén	Wind	2019
Gami	2.88		SAESA	Germán Hube	Diesel	2019
Río Azul	3.00		SAESA	Panitao	Diesel	2019
Calfuco	3.00		SAESA	Panitao	Diesel	2019
Santa Juana	1.60		FRONTEL	Laja San Rosendo	Diesel	2013
Chufquén	2.40		FRONTEL	Traiguén Ciudad	Diesel	2013
Curacautín	3.20		FRONTEL	Curacautín Lonquimay	Diesel	2013
Lonquimay	1.60		FRONTEL	Curacautín Lonquimay	Diesel	2013
Cañete	4.80		FRONTEL	Cañete	Diesel	2013
Curanilahue	4.30		FRONTEL	Curanilahue	Diesel	2013
Lebu	3.20		FRONTEL	La Fortuna	Diesel	2013
Los Álamos	0.80		FRONTEL	Tres Pinos Los Álamos	Diesel	2013
Tirúa	2.20		FRONTEL	Cañete Tirúa	Diesel	2013
los Sauces	3.00		FRONTEL	Angol Los Sauces	Diesel	2013
Corral (El Rey)	0.80		SAESA	Corral	Diesel	2013
Mex II	1.60		SAESA	Cayenel	Diesel	2013
Mex I	0.80		SAESA	Cayenel	Diesel	2013
LP Panguipulli	3.00		SAESA	Malalhue	Diesel	2013
LP Lautaro	3.00		FRONTEL	Lautaro	Diesel	2013
Ciruelillo	3.00		SAESA	Chacao	Diesel	2019
Calafate	3.00		SAESA	Pelluco	Diesel	2019
El Alerce	3.00		SAESA	Pelluco	Diesel	2019
Los Aromos (Los Sauces 3)	3.00		FRONTEL	Los Sauces - Lumaco	Diesel	2020
Los Boldos (Pinos)	3.00		FRONTEL	Picolte - Santa Bárbara	Diesel	2020
El Resplandor (Cabrero II)	2.90		FRONTEL	Cabrero - Bulnes	Photovoltaic	2020
Hidroriñahue 3	1.00		SAESA	Futahuente	Hydroelectric	2020
Deuco II	2.88		FRONTEL	Campo de Marte	Diesel	2020
Bluegate	3.00		SAESA	Panitao	Diesel	2020
PRP Chifín	2.99		SAESA	Chifín	Diesel	2020
PRP Los Tambores II	2.99		SAESA	Río Bueno	Diesel	2020
PRP Los Negros	2.99		LUZ OSORNO	Los Negros	Diesel	2020
PRP Campesina	2.99		SAESA	Aldea Campesina	Diesel	2020
El Atajo	1.20		FRONTEL	Picolte - Mulchén	Diesel	2020
Chilco	0.20		SAESA	Pichirropulli - Futrono	Hydroelectric	2020
PRP Rapaco	2.99		SAESA	Rapaco	Diesel	2020
Diésel Quitralmán (El Rincón)	2.40		FRONTEL	Picolte - Mulchén	Diesel	2021
Sanbar F II	2.60		FRONTEL	Las Delicias	Photovoltaic	2021
Las Quemas	9.00		SAESA	Con Con	Diesel	2021
El Cortijo III	9.00		FRONTEL	Cabrero - Salto del Laja	Photovoltaic	2021
Parque Solar Fulgor	2.64		FRONTEL	Negrete - Renaico	Photovoltaic	2022
Generadora Lagunitas	2.50		SAESA	Tepual	Diesel	2022
PFV Paranal	4.00		SAESA	Observatorio Paranal	Photovoltaic	2022
PFV Amazonas	5.00		SAESA	Observatorio Amazonas	Photovoltaic	2022
Don Martín (Albor I)	2.99		FRONTEL	Picolte - Santa Bárbara	Photovoltaic	2022
Don Martín 2 (Albor II)	6.00		FRONTEL	Picolte - Santa Bárbara	Photovoltaic	2022
Expansion Hidroriñahue	0.20		SAESA	Futahuente	Hydroelectric	2022

MATERIAL FACTS

Inversiones Eléctricas del Sur S.A. and Subsidiaries

1 On January 21, 2022, the Company's subsidiary, Sociedad de Transmisión Austral S.A. ("STA") placed a bond in the international market for a total amount of USD 390,000,000, with maturity in ten years and an annual rate of 4%. The issuance was made by STA subject to Rule 144A and Regulation S, both issued by the Securities and Exchange Commission of the United States of America, pursuant to the Securities Act of 1933.

The proceeds of this placement will be used by STA to finance, (i) for an approximate amount of USD 55 million, capital expenditures related to its transmission projects qualified as "Green Projects" based on a Green Financing Framework Agreement to which STA voluntarily submitted under the Green Bond Principles of the International Capital Markets Association (ICMA), including the refinancing of certain intercompany loans that were earmarked prior to the placement of such bonds for the financing of such projects, some of which were due to the Company at the time of the placement, and whose total principal amount due as of September 30, 2021 amounted to approximately

USD 346 million; and (ii) the balance, if any, to finance general corporate purposes of STA.

2 On February 11, 2022, Law 21,423 was published in the Official Gazette, which regulates the apportionment and payment of debts for potable water and electricity services generated during the Covid-19 pandemic, and establishes subsidies for vulnerable customers. The purpose of this rule is to regulate the mechanism for the postponement and proration of debts incurred by users as established in the first paragraph of Article 1 of Law 21,249 during the period from March 18, 2020 to December 31, 2021.

3 On occasion of the Extraordinary Shareholders' Meeting held on April 27, 2022, the Board of Directors adopted payment of a final dividend of CLP 638,878,409.74 per share, charged to the income of the period ending on December 31, 2021.

Payment of the dividend approved by the Shareholders' Agreement was made on May 27, 2022 to the to all company shareholders duly registered in the Shareholder Register of the Company as of the fifth business day preceding payment day.

The aforementioned dividend was paid in cash and the number of shares entitled to such payment amounts to 79,573,772. Consequently, the actual payment shall amount to CLP 50,838 billion.

4 At a meeting held on May 11, 2022, the Board of Directors appointed Mr. Jorge Lesser García-Huidobro as Chair to the Board of Directors of the Company and Mr. Iván Díaz-Molina as Vice Chair.

5 On August 2, 2022, Law 21,472 was published, which creates a tariff stabilization fund and establishes a new mechanism for the transitory stabilization of electricity prices for regulated customers. This law allows only gradual increases in

electricity bills over the next decade.

Grupo Saesa's customers in the lower consumption ranges will benefit from not seeing the full increase in the average electricity purchase price passed on to their accounts. The difference will be covered by a fund administered by the General Treasury of the Republic and financed by the Ministry of Finance and the Final Customers; the regulations and resolutions governing the operation of the Law are awaited.

6 On August 17, 2022, the Board of Directors of the Company acknowledged the resignation from the Board of Directors of the Company of Christopher Powell, Stacey Purcell, and Waldo Fortín. The Board then proceeded to appoint Shama Naquashbandi, Stephen Best and Luz Granier as replacements.

7 On November 3, 2022, the Board of Directors of the subsidiary Sistema de Transmisión del Sur S.A. agreed to proceed with the partial

early redemption of 25% of the outstanding Series A bonds issued under the subsidiary's bond issue, registered in the Securities Registry under No. 923. The partial early redemption corresponds to a total amount of UF 1,000,000, which will be determined by means of a lottery to be held on November 25, 2022 at the Santiago Notary Office of Mr. Andrés Zavala. The redemption and payment were completed on December 21, 2022.

8 On December 6, 2022, the Extraordinary Shareholders' Meetings of the subsidiaries Saesa and Frontel approved, in accordance with the terms of Title XVI of Law 18,046 on Corporations, the transaction with related parties consisting of the purchase of certain generation assets of medium-voltage grids and off-grid systems owned by the related company Sagesa S.A.

The foregoing, taking into consideration the Report of the Independent Evaluator PwC Chile, appointed by the Board of Directors, pursuant to Article 147 of Law 18,046 on Corporations, in order to report on the conditions of the Transaction,

its effects and potential impact on the subsidiaries; the aforementioned report, the individual opinions of the directors and other information were made available to the general public and the shareholders on the website and at the offices of the subsidiaries Saesa and Frontel.

9 On December 30, 2022, at an Extraordinary Shareholders' Meeting of the Sagesa S.A., it was agreed to divide this company into two companies: (a) the continuing company, which kept the corporate name and the share in the subsidiary Cabo Leones and the transmission assets; and (b) a new company, called "Sagesa Generación S.A.", to which the assets corresponding to SIC and PMGD power plants were transferred.

FINANCIAL MANAGEMENT

DIVIDENDS

The dividends paid by the Company over the past years are as follows:

BREAKDOWN OF DIVIDENDS PAID

DIVIDEND	PAID ON	\$ PER SHARE CONSTANT CURRENCY	CHARGED TO
Interim dividend No. 3	09-06-2014	26.16367705	2014
Final dividend No. 10	23-06-2015	125.7315129	2014
Final dividend No. 11	23-06-2016	63.27341829	2015
Final dividend No. 12	23-06-2017	186.5306151	2016
Final dividend No. 13	20-06-2018	178.9552712	2017
Final dividend No. 14	24-05-2019	331.4445385	2018
Final dividend No. 15	30-05-2020	413.8615318	2019
Final dividend No. 16	28-05-2021	534.6208377655	2020
Final dividend No. 17	27-05-2022	638.8784097400	2021

DISTRIBUTABLE NET INCOME

The company does not apply any adjustments to the item "Profit (loss), attributable to the parent company's owners" in the Statement of Comprehensive Income. Consequently, the values of such item are taken as a base, minus accumulated loss, if any, and distributed dividends charged to the accounting period are deducted from such result. First IFRS adoption adjustments are not part of this calculation insofar as they remain unrealized.

This policy for calculation of the distributable net income is applicable since 2010, following adoption by the Board on October 7, 2010, and compliant with the instructions issued by the former Securities and Insurance Supervisor (currently, the Financial Market Commission) in Circular Letter No. 1,945 of September 29, 2009.

Accordingly, the distributable net income of 2022 is as follows:

DISTRIBUTABLE NET INCOME

DISTRIBUTABLE NET INCOME	M\$
Profit (loss) attributable to owners of the parent	1,988,959
Retained profit	142,652,252
Minimum dividend provision	(596,688)
Dividends paid and provision reversal	(32,895,153)
DISTRIBUTABLE NET INCOME of 2022	111,149,370

DISTRIBUTION OF PROFITS

The Board proposes that profits be distributed as follows:

PROPOSED DIVIDEND

	M\$
Final dividend No. 18 payable from Distributable Net Income of 2022	1,988,959
Final dividend No. 19 payable from retained earnings from previous accounting periods	40,000,000
DISTRIBUTABLE INCOME	41,988,959

The Board of Directors has agreed upon proposing to the Regular Shareholders' Meeting to adopt payment of final dividend No. 18 amounting to CLP 24.99516085 per share charged to the income of the period ending on December 31, 2022. This dividend accounts for 100% of the net income of the period. An additional dividend of \$502.67819401 per share, charged to the retained earnings from previous accounting periods.

CAPITAL SOCIAL

As of December 31, 2022, the equity capital of the Company amounted to M\$385,906,755, divided into 79,573,772 subscribed and paid up shares.

Should the Ordinary Shareholders' Meeting adopt the profit sharing proposal, the Company's equity as of December 31, 2022 will be as follows:

EQUITY CAPITAL

	M\$
Issued capital	385,906,755
Retained earnings	70,130,135
Other reserves	60,547,744
Equity attributable to owners of the parent	516,584,634

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

BOARD OF DIRECTORS

In compliance with provisions under Law 18,046 on Corporations, remuneration of Directors is set annually at the Regular Shareholders' Meeting of the Company. Directors Juan Ignacio Parot Becker, Luz Granier, Jonathan Reay, Shama Naquashbandi, Stephen Best, and Ashley Munroe have waived their right to

compensation as Directors of Eléctricas and its subsidiaries. Consequently, only the directors specified below received the aforementioned remuneration:

REMUNERATION OF DIRECTORS (M\$)

	2022						TOTAL 2021	
	ELÉCTRICAS	SAESA & SUBS.	FRONTEL	SGA	SAGESA	STS	TOTAL 2022	TOTAL 2021
Jorge Lesser García-Huidobro	1,625	33,585	29,978	1,469	1,980	1,821	70,458	69,792
Iván Díaz-Molina	1,633	39,404	35,497	1,767	1,984	2,157	82,442	72,348
TOTAL	3,258	72,989	65,475	3,236	3,964	3,978	152,900	142,140

In 2022, the Company made no payments to related parties on account of remunerations to directors.

In addition, in 2022, the Board incurred no expenses in advisory or other services, incentives like bonuses, stock compensation, stock options, etc.

Directors have no ownership interest in the parent company or its subsidiaries.

SENIOR OFFICERS

The company has no senior officers directly remunerated by it. Subsidiaries, however, have a performance incentive plan whereby senior officers are offered a share of the Company's profits upon fulfillment of individual objectives. Incentives are structured according to minimum and maximum gross compensations and senior officers receive an advance payment equivalent to 25% of one gross compensation in the third quarter of every year and the balance on the first quarter of the following year.

Senior Officers have no ownership interest in the parent company or its subsidiaries.

The Executive Committee of the parent company and its subsidiaries received the following total compensation and incentives in 2022:

EXECUTIVE COMMITTEE COMPENSATION

MM\$	2022	2021
FIXED COMPENSATION	5,495	4,959
VARIABLE INCENTIVES	2,670	2,421
TOTAL	8,165	7,380

Seniority severance payments to senior officers of the parent company and its subsidiaries amounted to MM\$426 and MM\$450 in 2022 and 2021, respectively.

PERSONNEL

As of December 31, 2022, the Company and its subsidiaries has the following employees:

	REGULATED COMPANIES				UNREGULATED COMPANIES				TOTAL REGULATED COMPANIES	TOTAL UNREGULATED COMPANIES	GRAND TOTAL COMPANY
	SAESA & SUBS.	FRONTEL	STA & SUBS.	SGA	SAESA GESTIÓN LOGÍSTICA	SAESA INNOVA	STN	SGA			
SENIOR OFFICERS AND OFFICERS	38	9	6	-	-	4	1	1	53	6	59
PROFESSIONALS AND TECHNICIANS	540	271	132	-	49	52	106	10	992	168	1,160
ADMINISTRATIVE STAFF AND ELECTRICIANS	172	124	35	-	21	3	204	0	352	207	559
TOTAL	750	404	173	-	70	59	311	11	1,397	381	1,778

*Board of Directors not included

FINANCIAL INFORMATION

INVESTMENT AND FINANCING POLICIES

The Company and its subsidiaries will pursue their development strategy by strengthening the current businesses, consolidating their position as distribution, generation and transmission company, within or outside its concession area, and continuously seeking new opportunities in the utility industry, sale of products and services associated to electric power distribution and transmission, and development of complementary businesses tapping into the companies' extensive customer base in the south of Chile.

Investments are carried out based on strict financial, technical and strategic decision-making criteria. The basic guideline every new investment is to meet clarity in the legal framework of the intended activity.

Financing sources are managed according to the long-term financial plan of the Parent, Subsidiaries, and Related Parties. Financial resources are obtained from own sources, traditional debt finance, private and public offering of securities and capital contributions, always based on stable structures and ongoing efforts to streamline use of the most advantageous products in the market.

DIVIDEND POLICY

The dividend distribution policy for the coming years will be at least 30%, plus an additional percentage to be determined according to Company's restrictions based on financial obligations and operational policies.

PROPERTIES AND INSURANCE

In order to safeguard the activities of the industry in which it participates, the Company and its subsidiaries hold insurance policies according to the conventional practice of the electricity industry. The main insurance policies taken are civil liability for operations and third-party damage, all risk including business interruption of company business like facilities, power plants, substations, contents and inventory. Customarily, insurance policies have a 12-month term.

SECTION THREE

INDUSTRIAL ECONOMIC SECTOR
ACTIVITIES AND BUSINESSES
COMPANY TRADEMARKS
AREA OF OPERATIONS
CUSTOMER SERVICE CENTERS
SUBSIDIARIES
STATEMENT OF LIABILITY

Puerto Bertrand, Aysén Region.





INDUSTRIAL ECONOMIC SECTOR

THE LARGEST ELECTRIC
POWER DISTRIBUTION
COMPANY IN THE SOUTH OF
CHILE

Grupo Saesa, through its subsidiaries, participates mainly in the electricity distribution and transmission businesses and, to a lesser extent, in the generation and commercialization business. Consequently, the company's main asset are its distribution and transmission grids. Through subsidiaries Saesa, Frontel, Edelaysen, and Luz Osorno, Grupo Saesa is the largest electric power distribution company between the provinces of Concepción (Biobío Region) and Capitán Prat (Aysén del General Carlos Ibáñez del Campo Region).

With annual sales of 4,289 GWh and over 982,000 customers in 2022, Grupo Saesa is one of the country's largest electric power distribution companies, both in terms of sales and number of customers. The table below shows a breakdown of customers and sales by distribution company:

POWER DISTRIBUTION

	DISTRIBUTION ZONE	CUSTOMERS (thousands)	Sales (GWh)
SAESA	La Araucanía, Los Lagos and Los Ríos Regions	501	2,703
FRONTEL	Biobío, La Araucanía and Ñuble Regions	399	1,203
EDELAYSEN	Los Lagos and Aysén Regions	54	184
LUZ OSORNO	Los Lagos and Los Ríos Regions	28	199

REGULATION AND OPERATION OF THE CHILEAN ELECTRICITY SYSTEM

Chile's electricity sector consists of generation, transmission and distribution of electric power. These activities are carried out by private companies and the Government plays a regulatory, oversight, and subsidiary role. This structure implies that companies have decision-making capacity regarding investments, marketing of their services and operation of their facilities, which makes them responsible for the quality of service provided in each segment, as required by the sector regulatory framework. Through grids with an installed capacity equal to or higher than 200 MW, the various players of the electricity sector operate in concert and under the coordination of the National Electricity Coordinator (the Coordinator or CEN), which is responsible for:

- Preserving the security of supply of the power grid.
- Ensuring the most cost-efficient operation of all the electricity system installations.
- Guaranteeing open access to all transmission systems, in compliance with the Law.

Chile's two main power grids, which jointly account for nearly 99% of the country's power generation, were interconnected in November 2017: Sistema Interconectado del Norte Grande ("SING grid") that supplies energy to the area between Arica and Antofagasta in the north of the country, and Sistema Interconectado Central ("SIC grid"), which covers from Tal-Tal to Chiloé. Together, they became the new Sistema Eléctrico Nacional (SEN grid).

The system also consists of various medium-voltage grids (SSMM grids), the installed generating capacity of which ranges between 1500 kW and 200 MW, that supply regions like Los Lagos, Aysén del General Carlos Ibáñez del Campo, and Magallanes y Antártica Chilena. These grids (like subsidiaries Edelaysen and Saesa) are usually operated by vertically-integrated companies, that is to say, they are responsible for generation, transmission, and distribution of electric power.



POWER GENERATION

No concession or special authorization is required to engage in power generation in the SEN grid, but only for construction and operation of hydropower plants.

The SEN grid consists of three main markets with different types of customers and tariffs.

a) Wholesale Market: Segment in which generation companies engage in transactions among them, either through contracts or sales at marginal cost.

b) Unregulated Power Market: Market segment corresponding to customers with an installed capacity in excess of 5 MW that freely negotiate tariffs with the generation company. Customers with installed power between 0.5 MW and 5 MW may opt to be treated as unregulated customers. This option must be exercised for periods of at least four years.

c) Regulated Power Market: This segment corresponds to all energy transfers between generation and distribution companies aimed

to supply power to customers subject to regulated power tariffs (hereinafter, "regulated customers"). Thus, distribution companies become generation companies' customers.

The price at which energy is sold is set through open, transparent, and non-discriminatory tendering. Tariffs are usually set for a period of 20 years. Electricity sales prices are set at national bar (national transmission) level.

Regardless of the end market established by a generation company, transfers between generation companies with surplus energy to those with energy deficit in the SEN grid are completed at the marginal hourly cost set by the grid. The entity responsible for such calculations is the Coordinator.

Medium-Voltage Grids differ are not large enough to constitute a competitive market, which differentiates them from the SEN grid, which is why in these electricity systems the generation and transmission costs are determined based on a tariff study conducted

every four years.

In the case of the Aysén, Palena, and General Carrera Medium-Voltage Grids, they are operated by the same company that manages both the generation, transmission and distribution facilities (vertically integrated as is the case of the subsidiary Edelaysen) and has the function of coordinating the operation of the system in the most efficient and safe way possible. The case of the Cochamó system is different, in which since December 2022 the generation, transmission and distribution assets are operated by Saesa and there are also two third-party companies that operate hydroelectric plants: TerraAustral and CH Cochamó. In the Hornopirén system, as of December 2022, the generation, transmission and distribution assets are operated by Saesa and there is also a third party that operates a hydroelectric plant: Cuchildeo.

TRANSMISSION

TRANSMISSION

TRANSMISSION GRID	TOLLS
NATIONAL	Charged to end users based on anticipated withdrawal. There is a transitional period in which the charge is made in part to the generation companies. Tolls are determined by the National Energy Commission (CNE) every 4 years based on efficient investment, operation, maintenance and administration costs of the existing facilities or the costs of bidding processes for new work or expansion of facilities.
ZONAL	Tolls are determined by the National Energy Commission (CNE) every 4 years based on efficient investment, operation, maintenance and administration costs of the existing facilities or the costs of bidding processes for new facilities or expansion work. Cobrado 100% a usuarios finales en base a retiros esperados.
DEDICATED	Tolls freely negotiated by the owner of the transmission facilities and its users. Tariff regulated according to use of the facilities to supply regulated customers.

The main changes made by this Law are:

a) Functional definition of transmission: The "electricity transmission or transportation system" is the set of electric lines and substations that are part of a power system and are not intended to provide public distribution service.

b) Compensation: will be through one-time charges that will ensure the recovery of the investment and the efficient administration, operation and maintenance costs recognized in the tariff decrees. The current volatility in the face of variations in electricity consumption is eliminated. In accordance with current legislation, the CNE is responsible for determining every four years the annual value of the Zonal Transmission, National Transmission and dedicated transmission systems used by regulated customers.

DISTRIBUTION

Since enactment of Law 20,936 in 2016, transmission grids are classified into National, Zonal and Dedicated Transmission, all of them open access grids and the first two subject to tariff regulation.

In dedicated transmission, charges for transport are regulated by private contracts executed by the relevant parties, while use of the grids to supply regulated

customers is subject to regulated tariffs calculated by the regulator.

The information used to set toll rates is publicly disclosed in all cases. Transmission companies charge tolls to generation companies and end users, which according to the Law will be gradually transferred to users in their entirety. Transmission tolls allow the owners of transmission facilities

to recover and finance their investments in transmission assets and collect the costs associated to operation of such assets.

On July 20, 2016, the new Transmission Law (Law 20,936) was published in the Official Gazette, which establishes a New Electricity Transmission System and N° 20,936) creates an Independent Coordinating Body of the National Electricity System.

Pursuant to the law, distribution is any electricity supply up to 23 kV.

Distribution companies operate according to concessions under which territories are defined for each company, which in turn has the obligation to supply regulated customers under a maximum tariff structure combined with an efficient business model set by the regulator. Given the strong economies of density, distribution companies operate with natural monopoly characteristics. Although the regulator may grant overlapping concessions, in practice, existence of several distribution companies in the same area is discouraged because the tariffs set by the regulator aim at an optimal technical-economic scenario, that is to say, they do not finance distribution facilities which the company deems redundant or unnecessary to meet the existing requirements.

Regulated and unregulated customers (either a customer of the distribution company or not) are to pay a distribution added value- DAV (VAD as per the Spanish acronym) for use of the grid.

a) Regulated Customers

The tariffs charged by distribution companies to regulated customers consist of:

- Average Node Price: This component reflects the average power and energy purchase price that is passed on to end customers through distribution companies. This price is set twice a year through an Average Node Price Decree issued in January and July and published in the Official Gazette.
- Transmission Payment: Charged by national, zonal, and dedicated transmission companies to customers subject to regulated tariffs. It is fixed semiannually through an exempt resolution of the CNE in January and July.

• Utility Charge: Component that finances the budgets of the Coordinator, Panel of Experts, and utility strip study. It is fixed annually in December through an exemption resolution of the CNE.

• Distribution Added Value (DAV): Price component consisting of the cost of capital of distribution assets and the administrative, maintenance and operating costs of the grids, billing and customer service costs, and average losses incurred during distribution. The aforementioned amounts correspond to those of an efficient business model. Additionally, during the distribution rate case, tariffs may consider some of the services associated to power supply that have been previously set as part of the distribution added value.

The tariff charged by each distribution company is set by CNE according to a classification process of each company

in typical distribution areas that takes into consideration economic criteria, such as population density, energy consumption per capita, and unit costs of distributed power. Various model companies are simulated, one in each typical distribution area, considering primarily construction and operational standards ensuring supply of an actual company's supply based on characteristics of spatial distribution, category of customers, and other restrictions imposed by the concession area to the actual company called "company of reference." The changes specified below were made to the tariff process as a result of Law No. 21,149 of the Ministry of Energy, published in the Official Gazette on December 21, 2019:

• The fixed rate of 10% before taxes was changed to a market rate that is set for each rate case and has a floor of 6% and a ceiling of 8% after taxes. The rate was set at 6% after taxes for the coming rate case.

• To better reflect the reality of electric co-operatives, at least 4 typical areas should be determined to represent them in each rate case. Six areas were set for co-operatives for the next rate case.

• Observations to and discrepancies with the technical documents of the rate case may be filed with the Panel of Experts.

• A single study supervised by a special committee, made up of four (4) representatives of the distribution companies, two (2) from the Ministry and two (2) from the CNE, thus discontinuing the earlier practice of two studies, one by the companies and the other by the CNE, with the results weighted by two thirds of the CNE and one third of the companies.

• Observations to and discrepancies with the preliminary technical report by the CNE may be filed with the Panel of Experts.

• Regarding the industry's return check, the range changes from -4% +4% to -3% + 2% of the established rate after taxes. Based on the useful life of the model company.

• Greater citizen participation in the whole process.

VAD comprises power (kW) and energy (kWh) charges, fixed charges and efficient loss level and is set every 4 years, same as its indexation formulas.

b) Unregulated Customers

These customers (whether served by a distribution company or not) are required to pay a distribution toll for use of the distribution grids they are connected to, which corresponds to the DAV of each distribution company plus energy and power tariff losses. These tariffs are set every 4 years during every DAV rate case.

c) Other Services Associated to Distribution
In addition, distribution companies are paid for services associated (SSAA in Spanish) to electricity supply or provided in the capacity of utility concession holder, including meter rental, disconnection and reconnection, support to telecom companies, and late payment charges, among the core ones.

Tariffs for these services are set every 4 years during every VAD rate case.

c) Other Services Associated to Distribution

In addition, distribution companies are paid for services associated (SSAA in Spanish) to electricity supply or provided in the capacity of utility concession holder, including meter rental, disconnection and reconnection, support to telecom companies, and late payment charges, among the core ones.

Tariffs for these services are set every 4 years

during every VAD rate case.

d) Others

• Law 21,185 of the Ministry of Energy.
As a result of the publication of Law 21,185 on November 2, 2019 that creates a transitory mechanism of stabilization of electricity prices for customers subject to tariff regulation, the prices that distributors can pass on to their regulated customers correspond to those contained in the decree 20T/2018 of January 2019 issued by the Ministry of Energy, called Stabilized Price to Regulated Customer (PEC). This value is adjusted by CPI as of the second half of 2021 and remains as a ceiling until 2025, provided that the balance payable to the generation companies does not exceed USD 1.35 billion. However, in June 2022 the amount of the balance was exceeded and the total contracted prices had to be transferred to the end customer.



In order to avoid abrupt increases for end customers, Law 21,472 was published on August 2, 2022, which creates a tariff stabilization fund and establishes a new transitory mechanism for electricity prices for customers subject to price regulation. This law adds an additional charge to the tariff to pay for the fund, differentiated by consumption level. The fund is also supported by direct contributions from the Ministry of Finance. At the same time, maximum increases (3 levels) are defined for customers according to their consumption range: less than 350 kWh per month, between 350 and 500 kWh per month and over 500 kWh per month. The Law contemplates that all balances will be paid in full by 203.

- Law 21,194 of the Ministry of Energy Published in the Official Gazette on December 20, 2019, stabilizes the prices associated with the aggregate distribution value as of the date of its publication. The resulting balances will be corrected only by CPI and will be included in the VAD tariff for the 2020-2024 period and, eventually, in the 2024-2028 period. This Law also requires distribution companies to have a single distribution line of business.

- CNE Exemption Resolution No. 176/2020 - Single Line of Business. The Resolution and its subsequent amendments determine the meaning and scope of the obligation of public distribution service concession holders to have a single line of business for electricity distribution, which was imposed by Law 21,194, that reduces the profitability of distribution companies and perfects the electricity distribution tariff process, hereinafter the "Law."

According to the Law and the Resolution, the distribution concession holders that are operating in the Sistema Eléctrico Nacional (SEN Grid) will be required to incorporate as companies exclusively devoted to distribution of electric power, in conformity with the exigencies established in the said regulations. These requirements will apply from January 1, 2021. Irrespective of the foregoing, those operations that, due to their nature, cannot be carried out before that date, must be justifiably reported to the CNE, including a planning schedule, indicating the deadlines for compliance with the respective requirements, which in no case may exceed January 1, 2022. The Company has already complied with these requirements.

The requirements of the Single Line of Business allow for other regulated services,

such as generation in medium-voltage grids and transmission, to be carried out, provided that an independent accounting system is maintained. Consequently, generation and distribution in the medium-voltage grids of Palena, Aysén and General Carrera remained under the Tax ID Number of the subsidiary Edelaysen.

- Law 21,249 of the Ministry of Energy, as subsequently amended.

Law 21,249 laying down, on an exceptional basis, the measures indicated in favor of end users of sanitary services, electricity and city gas was enacted on August 5, 2020. This law stipulates that during the 90 days following its publication, the companies providing such services may not cut off the supply for late payment to the users indicated in the regulation itself, who were considered as vulnerable for these purposes.

In addition, it is established that the debts incurred by such users with the companies between March 18, 2020 and 90 days after the publication of the Law, will be prorated in a number of equal and successive monthly installments to be determined by the customer, up to a maximum of 12, and the beginning of their collection will be postponed until the first billing that occurs once the 90 days have elapsed, without penalties, interest, or associated expenses.

It was amended by Law 21,340, published on May 22, 2021, which extends the benefits until December 31, 2021 and the number of installments up to 48.

On February 11, 2022, Law 21,423 was published in the Official Gazette, which regulates the apportionment and payment of debts for potable water and electricity services generated during the Covid-19 pandemic, and establishes subsidies for vulnerable customers. This law prorates in 48 installments without interest and with a limit of 15% of the average billing the debt incurred during the pandemic period (March 2020 to December 2021). The installment will be covered by a government subsidy and the debt not covered by the installments will be extinguished. Resolution No. 130/2022 of the Ministry of Energy was published on June 23, which approves the procedure for the payment of subsidies. The mechanism began operating in August 2022.

- Issued by the President of the Republic on December 31, 2020 and published on January 12, 2021 in the Official Gazette, this law lays

down the regulations on supply to power-dependent users by establishing the need to ensure continuous supply and the discount of the consumption of the equipment to which the user is connected on a continuous or transitory basis and which they require to compensate for the loss of a fundamental body function and without which they would be at risk of life-threatening or severe functional sequelae. However, the provisions of this Law will enter into force once the regulations issued by the Ministry of Energy are issued.

- Technical Standard on Distribution.

On December 18, 2017, the Technical Standard on Quality of Service in Distribution (NTCS-Dx) was published, which establishes more demanding standards for the duration and frequency of supply interruptions, commercial quality levels, product quality and metering, monitoring and control systems (SMMC). However, these standards are enforceable gradually as their costs are reflected in distribution tariffs. Thus, as of the end of September 2018, as a result of the publication of the tariff decree MEN 5T/2018, the period of gradual implementation of the requirements established in the new Technical Standard begins.

Among the new standards, the new TSDx provides that smart meters are to be installed at end customer's dwellings. The recent public opinion opposition to meter replacement and the related cost for such replacement prompted the Ministry of Energy to announce on April 29, 2019 that transition to smart metering would be voluntary and that the charges applied to date in the electricity bill on account for smart metering would be reimbursed by distribution companies. As of August 26, 2019, the repayment of the amounts involved began.

A new version of the NTCS-Dx was published on December 10, 2019 by RE CNE No. 763-19, refining some points of the standard published in 2017. A new modification is in progress, which should be published in the first half of 2023.



Varas, Atacama Region.

ACTIVITIES AND BUSINESSES

CONCESSIONS

To conduct business, Grupo Saesa distribution companies rely on electric power distribution concessions awarded through an Executive Order (EO) issued by the Ministry of Energy by order of the President of the Republic.

Distribution concessions entitle the concession holder to develop, build, and operate overhead and underground electric power facilities within the concession area set by the relevant executive order and to supply electricity to the end customers situated in that area or to any customer outside the concession area that is connected to the concession holder's facilities through its own or third-party lines. To lay their distribution grid within the concession area, distribution companies are entitled to use and go through national property for public use, as well as to occupy and use private property by means of voluntary or legal easements. In the latter case, the owner of the servient estate is under the obligation not to carry out any planting, construction or other works that disturb the free exercise of the easement established on their land, in addition to allowing the entry of the concession holder's personnel to carry out maintenance, repair and other work on the distribution facilities located on his property.

On the other hand, the concession imposes on its holder the obligation to provide electric supply to whoever requests it within its concession area, under the conditions established in the General Law of Electric Services and its Regulations. The concession holder is to provide a quality of service compliant with the regular standards laid down by the law, its regulations and the applicable technical standards, consistent with the tariffs the company is entitled to charge for the said supply, which are set every 4 years through a decree issued by the Ministry of Energy and set by means of formulas that represent the cost

of the resources used by users at generation – transmission, and distribution level.

The concessions held by Grupo Saesa companies have been granted by the competent authority and are of indefinite duration.

As of December 31, 2022, the concession areas awarded to Grupo Saesa companies through concession decrees are as follows:

CONCESSIONS

	AREA (km ²)	NUMBER OF DECREES
SAESA	20,301	149
FRONTEL	24,715	132
EDELAYSEN	620	6
LUZ OSORNO	4,361	12
TOTAL	49,997	299

SUSTAINED GROWTH IN DEMAND

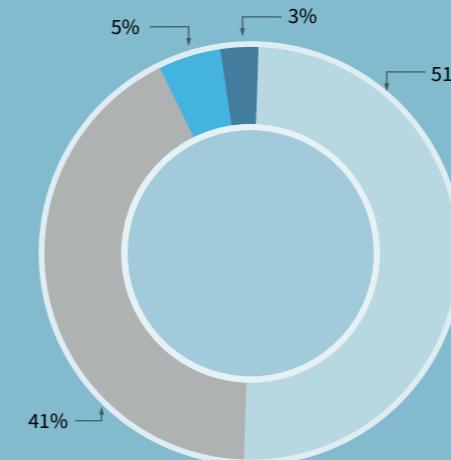
The concession areas in which Grupo Saesa companies operate are highly dynamic.

The economic development shown by the south of Chile –driven mostly by the forest, salmon, and dairy industries, and combined with strong urban development– has spurred solid growth of our operations over the last few years, both in terms of electricity sales and number of customers.

Over the past 15 years, sales of electric power have grown at an annual rate of 3.84%, while the number of customers has increased by 2.90%. Such level of growth is underpinned by ongoing efforts to supply electricity to all the sectors within the company's concession area. Energy sales are highly correlated with economic growth, industrial and commercial activity.

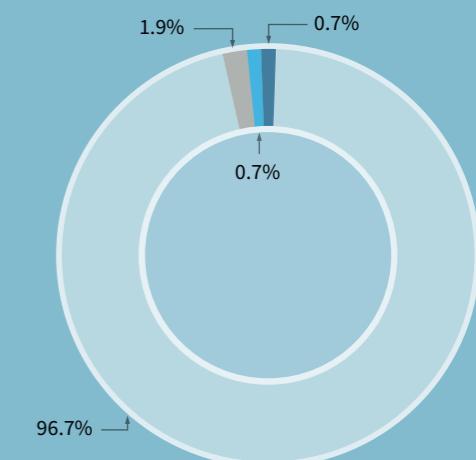
CUSTOMERS

SAESA FRONTEL EDELAYSEN LUZ OSORNO



CUSTOMER MIX

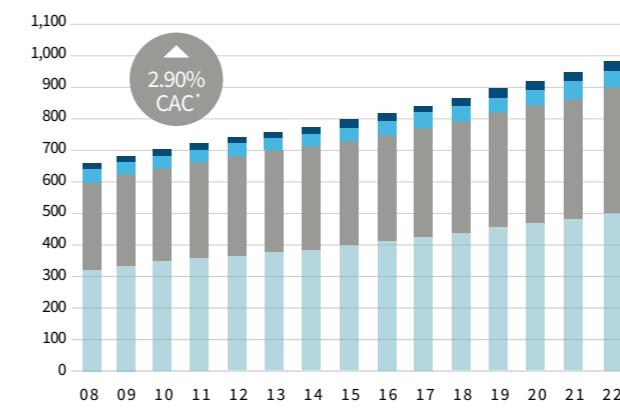
RESIDENTIAL COMMERCIAL INDUSTRIAL OTHER



CUSTOMER EVOLUTION

(IN THOUSANDS)

SAESA FRONTEL EDELAYSEN LUZ OSORNO

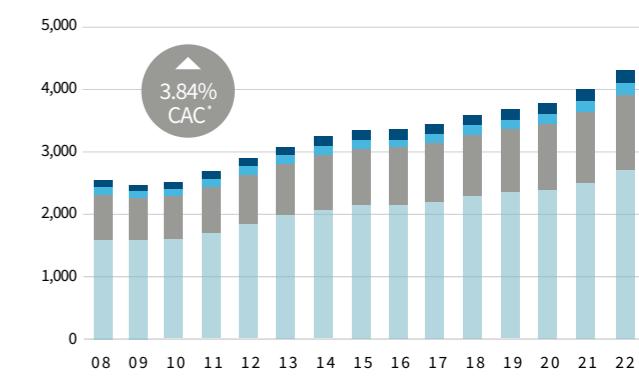


*Compound annual growth rate.

EVOLUTION OF SALES

(IN GWh)

SAESA FRONTEL EDELAYSEN LUZ OSORNO



*Compound annual growth rate.

MAIN SUPPLIERS AND CUSTOMERS

In 2022, suppliers Engie, El Campesino, and Enel accounted for 50% of distributed supply (purchase of energy and zonal transmission tolls).

In the case of the Company's distribution companies, no customer concentrates on its own account at least 10% of the companies' total revenues.

The revenues of trading companies SGA, Saesa, Frontel, and Luz Osorno originate from some 219 unregulated customers, none of them with a share in total revenues exceeding 10%. Finally, Enel Generación concentrates 60% of the energy purchases to the aforementioned companies.



QUALITY OF SERVICE

In 2022, the quality of service was measured according to the Technical Standard on QoS for Distribution Grids in force since September 2018. This means that the unit of measurement for the indicators corresponds to SAIFI and SAIDI of company-municipality pairs.

The chart of Grupo Saesa below shows the performance of substandard municipalities in 2022. Grupo Saesa covers 129 company-municipality pairs that account for some 977,000 customers.

NUMBER OF SUBSTANDARD MUNICIPALITIES AT GRUPO SAESA

ROLLING 12-MONTH PERIOD

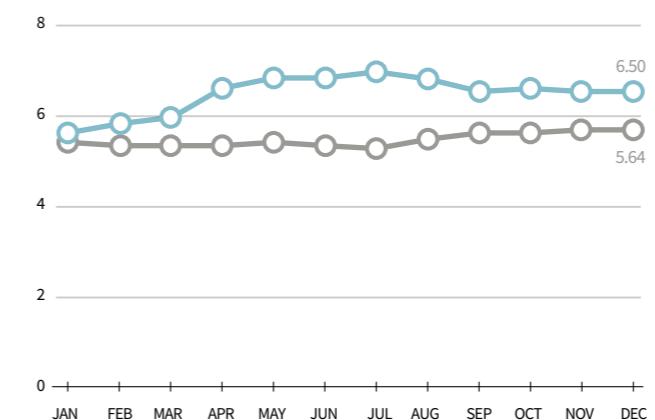


Comparison 2021 vs. 2022 of SAIFI and SAIDI at Grupo Saesa level considering Distribution, i.e., Outages + Force Majeure + no Scheduled Outages:

SAIFI rose from 5.64 to 6.50, equivalent to a 15% surge. SAIDI rose from 13.64 to 18.03, equivalent to a 32% surge.

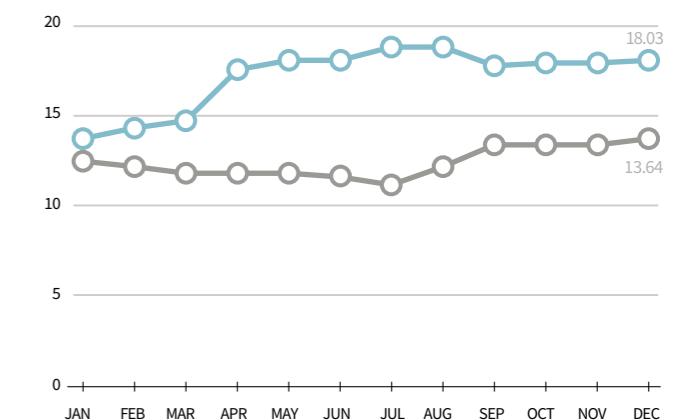
GRUPO SAESA SAIFI 2021 VS. 2022

CUMULATIVE SAIFI 2021 CUMULATIVE SAIFI 2022



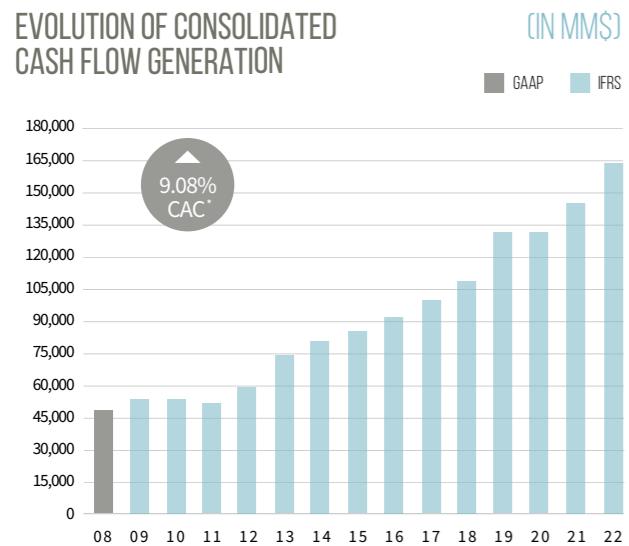
GRUPO SAESA SAIDI 2021 VS. 2022

CUMULATIVE SAIDI 2021 CUMULATIVE SAIDI 2022



CASH FLOW GENERATION

Cash flow generation at the Company and its subsidiaries is highly stable, considering that it belongs to a regulated industry like electric power distribution. In the future, cash generation is expected to remain stable and on the rise.



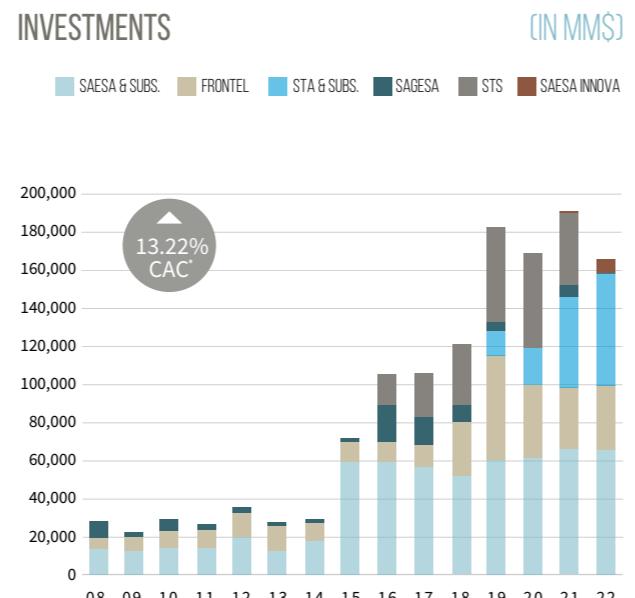
(1) EBITDA (GAAP): Operating income + Depreciation + Amortization + Recurring Non-Operating Income.

(2) EBITDA (IFRS): Income from Ordinary Activities + Other Income, By Nature – Raw Materials and Consumables Used – Employee Benefit Expenses – Other Expenses, By Nature.

*CAC: Compound Annual Growth Rate.

INVESTMENTS

Grupo Saesa operates based on a 5-year investment plan that includes Distribution, Transmission, Generation and other activities through its subsidiaries: Edelaysen, Frontel, Luz Osorno, Saesa, Sagesa, STS, STN, STC, SATT, Tolchén, Saesa Innova y Cabo Leones.



*Compound Annual Growth Rate.

Note: During the year 2022 STS becomes a subsidiary, therefore, its information is consolidated with STA and subsidiaries for the year 2022.

On the one hand, the plan considers “base investments” related to the projects required to meet the demand and normal growth of the business, on the other, high-return projects. The annual investment plan amounts to MM\$90,000, approximately, financed with debt and own resources, based on the company’s financial policy.

Investments in 2022 include the commissioning of the projects Llanquihue Substation, New Guardiamarina Substation, expansion of Negrete Substation, expansion of Lucero Substation and the urgent works in the sixth region (New Fuentecilla, Santa Cruz and Puquillay substations). The purpose of the projects is to meet the energy demand and ensure the quality of transmission service in the different areas, through an investment of approximately CLP 46.0 billion.

In addition, new projects under execution, such as Angol - Epuleufu, Gamboa - Chonchi and the expansions of the Alto Bonito, Los Tambores and Puerto Varas substations, are also noteworthy.

The total investment made in 2022 was CLP 166,768 billion.

COMPANY'S ASSETS

The Company's subsidiaries own the properties and facilities specified below:

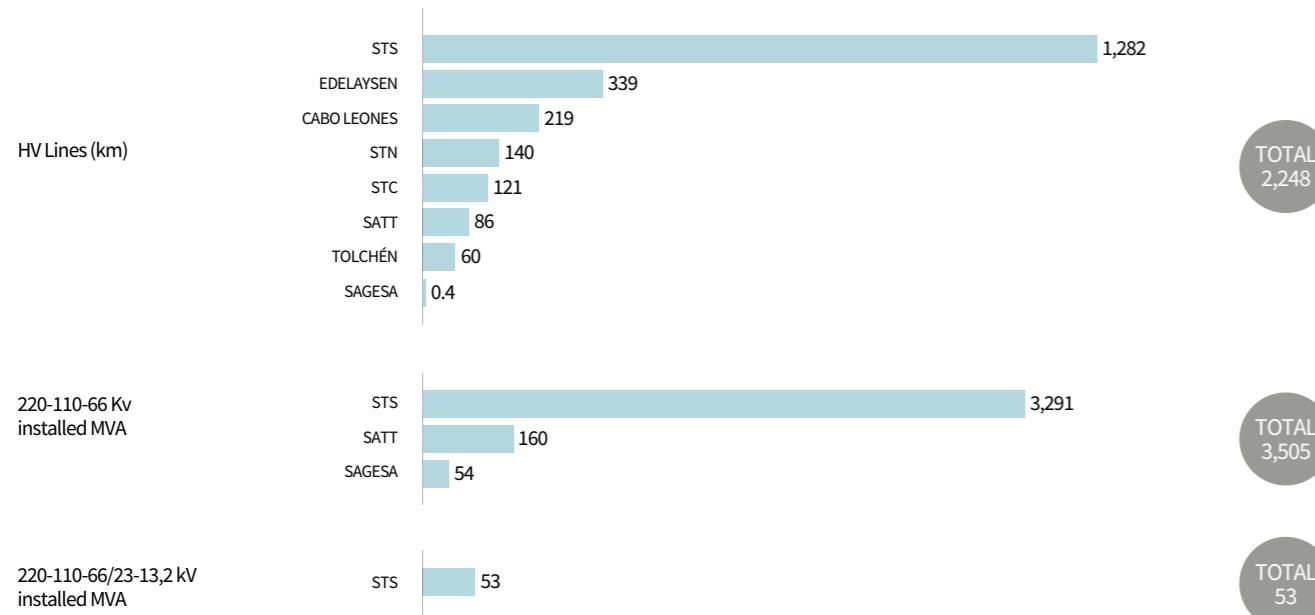
COMPANY	MAIN PROPERTIES	LOCATION	CHARACTERISTICS
SAESA	Plants and equipment, consisting mostly of poles and conductors	Cities and towns in Cautín, Valdivia, Ranco, Osorno, Llanquihue, Palena and Chiloé Provinces.	12,927 MV Lines (km) 10,653 LV Lines (km) 829 MVA (MV/LV)
FRONTEL	Plants and equipment, consisting mostly of poles and conductors	Cities and towns in Arauco, Concepción, Biobío, Ñuble, Cautín, and Malleco Provinces.	17,952 MV Lines (km) 14,766 LV Lines (km) 494 MVA (MV/LV)
LUZ OSORNO	Plants and equipment, consisting mostly of poles and conductors	Cities and towns mostly in the Osorno Province.	3,929 MV Lines (km) 912 LV Lines (km) 88 MVA (MV/LV)
STS	Melipulli Substation Osorno Substation Puerto Montt Substation Antillanca Substation Nueva Pichirropulli Substation Pilauco Substation Picarte Substation Valdivia Substation Cholguán Substation La Unión Substation Degan Substation Barro Blanco Substation Los Lagos Substation Paranal Substation Amazonas Substation Other Substations	Puerto Montt Osorno Puerto Montt Puyehue Paillaco Osorno Valdivia Cholguán La Unión Cruce Dalcahue, Chiloé Osorno Los Lagos Paposo Paranal-Armazones Different localities between the provinces of Ñuble and Chiloé.	240 MVA 90 MVA 60 MVA 180 MVA 180 MVA 120 MVA 60 MVA 120 MVA 50 MVA 42 MVA 40 MVA 50 MVA 16 MVA 30 MVA 10 MVA 2,056 MVA
EDELAYSEN	Tehuelche Power Plant Lago Atravesado Power Plant Chacabuco Power Plant Aysén Hydropower Plant Other power plants	Coyhaique Coyhaique Chacabuco Aysén Different localities in the Aysén Region.	20.68 MW 10.50 MW 9.68 MW 6.55 MW 27.95 MW
SAGESA	Coronel Power Plant Chuyaca Power Plant Calle Calle Power Plant Cañete Power Plant Other power plants	Coronel Osorno Valdivia Cañete Different localities between the provinces of Concepción and Chiloé.	45.70 MW 14.40 MW 4.32 MW 4.40 MW 80.79 MW
STN	Kaptur Substation	Atacama	800 MVA

TRANSMISSION

The activities developed in the transmission business correspond mainly to transmission to the generation companies with supply contracts with distribution companies in the regions of Biobío, La Araucanía, Los Ríos, Los Lagos and recently also the Metropolitan region through “Sociedad Transmísora Metropolitana SpA,” after the acquisition of “Enel Transmisión Chile S.A.” - today called “Sociedad Transmísora Metropolitana S.A. II” (it should be noted

that “Sociedad Transmísora Metropolitana SpA” does not depend on “Inversiones Eléctricas del Sur S.A.” but on “Inversiones Grupo Inversiones del Sur S.A. II”. -(it should be noted that “Sociedad Transmísora Metropolitana SpA” does not depend on “Inversiones Eléctricas del Sur S.A.” but on “Inversiones Grupo Saesa Ltda.” and therefore does not consolidate operating figures in this report).

OPERATING FIGURES



In addition, Grupo Saesa's Transmission subsidiaries operate and maintain third-party facilities, which as of the end of 2022 correspond to 548.10 km of lines (Eletrans 463.5 km, Masisa 10.5 km, STLL 20.1 km, and Capullo 54 km) and a transformation power of 24 MVA corresponding to the 220-110-66 (HV/MV) classification.

GENERATION

Subsidiary Edelaysen is a generation company that operates in the Los Lagos and Aysén Regions and owns a 2.97 MW wind farm and several diesel-fueled and hydropower generation plants.

Subsidiary Sagesa is a generation company that operates from regions Biobío to Los Lagos. Sagesa owns a 45.70 MW gas/diesel

power plant and diesel-fueled power plants with total installed capacity of 103.87 MW. A portion of the power generated by this company is sold in CDEC-SIC's spot market through subsidiary SGA, and its revenues originate from the sale of energy and power in that market, and the remainder from sales to related entities (Saesa, Frontel, and Luz Osorno).

OFF-GRID SYSTEMS

Grupo Saesa companies have developed generation and distribution projects aimed to supply isolated areas that are not connected to the SEN grid and require 24-hour power supply to support their sustainable development needs.

At present, the off-grid systems managed by subsidiaries Saesa, Frontel, and Edelaysen are as follows:

OFF-GRID SYSTEMS

OFF-GRID SYSTEM	ENERGY SALES (MWh)	CUSTOMERS
SAESA	Ayacara	754
	Isla Tac	82
	Isla Quehue	237
	Isla Caguach	88
	Isla Meulín	138
	Isla Quenac	110
	Isla Llingua	63
	Isla Alao	98
	Isla Chaulinec	106
	Isla Apiao	148
	Isla Laitec	148
	Isla Cailin 1	97
	Isla Cailin 2	142
	Isla Coldita	37
	Isla Acuy	12
	Isla Lin Lin	97
	Isla Taucolón	8.7
	Isla Tequelín	5
	Isla Chaullín	32
	Isla Chelin	75
	Isla Cheniao	60
FRONTEL	Santa María	1,278
	Cisnes	3,738
	Huichas	837
	Villa O'Higgins	1,061
	Amengual-La Tapera	536
Total		9,846
		6,294
EDELAYSEN		

COMPANY TRADEMARKS



Temuco, Región de La Araucanía.

In search of a permanent improvement in terms of interaction with its customers, Grupo Saesa, launched in June 2022 a new corporate image, a renewed version of its website, a virtual office and a mobile application. All these initiatives seek to make the customer service processes more agile and simple.

The company currently has 16 registered trademarks with a new image, through which it carries out different activities related to the electricity business throughout its area of operations.



TOLCHÉN TRANSMISIÓN

SAESA GESTIÓN Y LOGÍSTICA



LT CABO LEONES



AREA OF OPERATIONS



1 FRONTEL

Area of Operations: Biobío and La Araucanía regions.
Customers: 399,000 / Sales: 1,203 GWh.

2 SAESA

Area of Operations: La Araucanía, Los Ríos, and Los Lagos regions.
Customers: 501,000 / Sales: 2,703 GWh.

3 LUZ OSORNO

Area of Operations: Los Lagos and Los Ríos regions.
Customers: 28,000 / Sales: 199 GWh.

4 EDELAYSEN

Area of Operations: Los Lagos and Aysén regions.
Customers: 54,000 / Sales: 184 GWh.

5 STS

Area of Operations: Atacama, Libertador Bernardo O'Higgins, Biobío, Araucanía, Los Lagos, Los Ríos and Ñuble regions (including Paranal, Armazones, Fuentecilla Substation, Puquillay, Santa Cruz, Larqui, and Lucero).
Lines: 220-110-66-23 kV 1,282.31 km.

6 SGA

Area of Operations: Biobío, Araucanía and Los Lagos regions.
Activity: Development and marketing of own and third-party electric power systems.

7 STN

Area of Operations: Antofagasta Region (Kaptur).
Activity: Transmission projects.

8 SAGESA

Area of Operations: Biobío and Los Lagos regions (Coronel and Chuyaca).
Activity: Sales of energy in the spot market through SGA and related entities.

9 STC

Area of Operations: Ñuble and Maule regions.
Activity: Transmission projects.

10 SATT S.A.

Area of Operations: Antofagasta, Atacama, and La Araucanía regions (María Elena, Kimal, San Andrés Switching Substation, and Río Toltén Substation).
Activity: Transmission projects.

11 L.T. CABO LEONES

Area of Operations: Atacama Region (Maitencillo – Cabo Leones No. 1 & 2).
Activity: Transmission projects.

12 TOLCHÉN

Area of Operations: Biobío and La Araucanía regions.
Activity: Transmission of electric power.

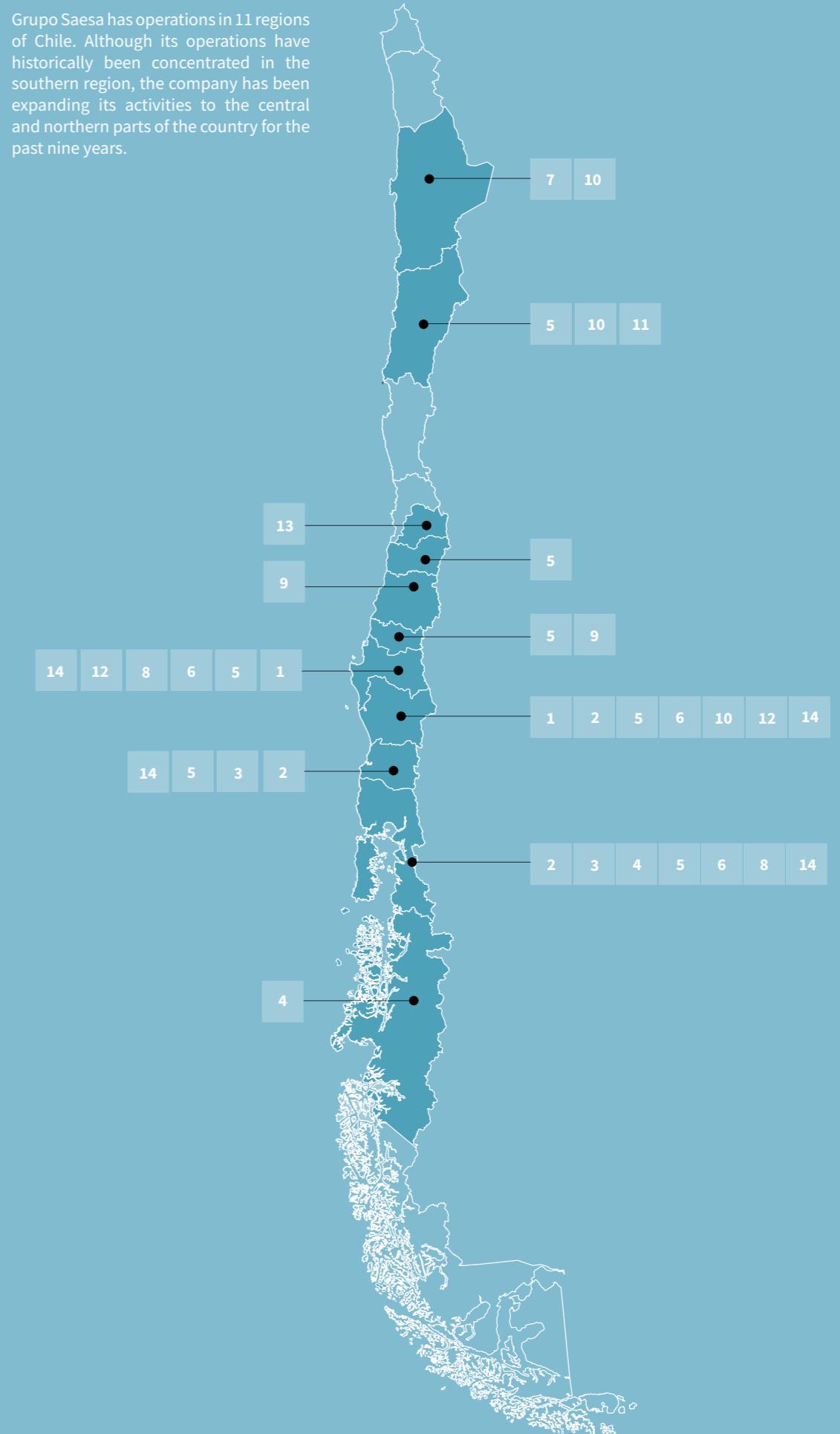
13 STM II (FORMER ENEL TRANSMISIÓN)

Area of Operations: Metropolitan Region.
Activity: Transmission of electric power.

14 SAESA INNOVA

Area of Operations: Biobío, La Araucanía, Los Ríos, and Los Lagos regions.
Activity: Sale of specialized services (construction of power lines, energy, generation, maintenance, operation and construction of power facilities, air conditioning, renewable energies, electromobility and home insurance).

Grupo Saesa has operations in 11 regions of Chile. Although its operations have historically been concentrated in the southern region, the company has been expanding its activities to the central and northern parts of the country for the past nine years.



CUSTOMER SERVICE CENTERS

Puyuhuapi, Aysén Region.



FRONTEL

MUNICIPALITY	ADDRESS
Angol	Julio Sepúlveda N° 358
Antuco	O'Higgins N° 61
Arauco	Covadonga N° 160
Bulnes	Anibal Pinto N° 560
Cabreiro	Membrillar N° 55
Cañete	Villagrán N° 850
Carahue	A. Ercilla N° 587
Collipulli	Bulnes N° 228
Concepción	Manuel Rodríguez N° 1161
Cunco	La Concepción N° 579
Curacautín	Manuel Rodríguez N° 656
Curanilahue	Av. O'Higgins N° 289
El Carmen	Esmeralda N° 415
Florida	Eleuterio Ramírez N° 546
Galvarino	Freire N° 376
Gorbea	Andrés Bello N° 546
Huépil	Av. Ecuador N° 50
Isla Santa María	Ignacio Carrera Pinto S/N
Laja	Balmaceda N° 668
Lautaro	José Miguel Carrera N° 217
Lebu	J.J. Pérez N° 350
Lonquimay	B. O'Higgins N° 1102
Los Alamos	Luis Sáez Mora N° 440
Los Ángeles	Av. Ercilla N° 195 Dpto. 22
Lota	Carlos Cousiño N° 206
Monte Águila	Ahumada N° 251
Mulchén	Gana N° 1095
Nacimiento	San Martín N° 595
Negrete	Emilio Serrano N° 3

SAESA / LUZ OSORNO

MUNICIPALITY	ADDRESS
Achao	Progreso N° 33
Ancud	Pedro Montt N° 482
Calbuco	Arturo Prat N° 111
Castro	Eleuterio Ramírez N° 339
Corral	Miraflores N° 150
Entre Lagos	Manuel Rodríguez N° 31
Fresia	San Carlos N° 379
Frutillar	Carlos Richter N° 155
Futrono	Balmaceda N° 880
Hornopirén	Diego Portales N° 51
La Unión	Serrano N° 760
Lago Ranco	Concepción N° 631
Lanco	Yungay N° 293
Licanray	Gabriela Mistral N° 398
Loncoche	Arturo Prat N° 268
Los Lagos	Patricio Lynch N° 138
Los Muermos	Balmaceda N° 202
Maullín	Bernardo O'Higgins N° 196
Osorno	E. Ramírez N° 705
Paillaco	Camilo Henríquez N° 64
Panguipulli	Bernardo O'Higgins N° 462-A
Puerto Montt	Concepción N° 110
Puerto Octay	Germán Wulf N° 598
Puerto Varas	San Francisco N° 641
Purranque	21 de Mayo N° 148
Quellón	Ladrilleros N° 236
Rahue	Victoria N° 380 Local 6
Río Bueno	Comercio N° 296

EDELAYSEN

MUNICIPALITY	ADDRESS
Chaitén	P. Aguirre Cerda 305
Chile Chico	Lautaro N° 191
Cochrane	Colonos N° 610
Coyhaique	Francisco Bilbao N° 412
Futaleufú	Manuel Rodríguez S/N
Islas Huichas	Poblador Caleta A. S/N
La Junta	1º Noviembre N° 148
Lago Verde	Cacique Blanco Km 1, N° 117-A
Mañihuales	Arturo Prat N°199
Palena	Bellavista N° 526
Pto. Aysén	Serrano Montaner N° 538
Puerto Cisnes	Gabriela Mistral N° 268
Villa O'Higgins	Río Los Ñadis S/N

SUBSIDIARIES



SOCIEDAD AUSTRAL DE ELECTRICIDAD S.A.

Company Type: Sociedad Anónima Cerrada
Subscribed and Paid-up Capital: M\$219,326,076
Interest: Inv. Eléctricas del Sur S.A.: 99.92%

Saesas one of Grupo Saesa's main operating companies and is mostly devoted to distribution of electric power in the south of Chile. Its area of operation includes La Araucanía, Los Ríos, and Los Lagos regions, individually serving more than 501 thousand customers.

Through subsidiary Edelaysen, a company involved in generation, transmission and distribution activities, it supplies electricity mostly to the Aysén Region.

On September 11, 2014, Saesa and Alusa Ingeniería Limitada (currently Alumini Ingeniería Limitada) incorporated Sistema de Transmisión del Norte S.A., "STN", with a 90% and 10% interest, respectively. On September 11, 2014, Saesa and Alusa Ingeniería Limitada (currently Alumini Ingeniería Limitada) incorporated Sistema de Transmisión del Norte S.A., "STN", with a 90% and 10% interest, respectively.

On October 15, 2015, Sociedad Austral de Electricidad S.A.-Saesa (99.9% interest) and subsidiary Sistema de Transmisión del Sur S.A.-STS (0.1% interest) incorporated Sociedad Austral de Transmisión Troncal S.A., "SATT", a company devoted to construction, operation and maintenance of power transmission facilities, development and marketing of own or third-party systems for transmission and transformation of electric power.

Over the past 10 years, Saesa and its

subsidiaries (Luz Osorno and Edelaysen) have presented an average growth rate in energy sales of close to 3.65% (compound annual growth on a 10-year basis). One of the key drivers of such growth has been the significant development shown by the salmon industry and related sectors, particularly in the Llanquihue and Chiloé Provinces, forestry in the Valdivia Province, and the sustained growth of residential consumption all over its area of operation.

The supply is currently supported by contracts from Bidding Process 2013-01, Bidding Process 2013-03, Bidding Process 2013-03/2nd call, Bidding Process 2015-02, and Bidding Process 2015-01 that groups the generation companies: Enel Generación, Pelumpen (Colbún), Caren, ERNC (PV Salvador), Norvind, El Morado, Chungungo, SPV P4, San Juan, Engie, Santiago Solar, GM Holdings, Aela, Cerro Dominador, Rucatayo, Luz del Norte, Cabo Leones I, Cabo Leones II, Cabo Leones III, Grupo Mainstream, Grupo WPD, Acciona, María Elena Solar, Cox Energy, and OPDE.

However, two companies submitted offers in Bidding Process 2015-01 - Cabo Leones II (CLII) and María Elena Solar S.A. (MES) -, which are unable to supply the Distribution companies participating in this Bidding, including those of Grupo Saesa, since they are suspended from participating in the short-term market of the Sistema Eléctrico Nacional (SEN Grid), due to their economic insolvency and for not complying with the payment chain associated with payment

instructions from the National Electricity Coordinator (CEN). In addition, MES is currently in bankruptcy proceedings filed by a creditor bank. Given the above, all stakeholders in the energy sector were convened to form working groups that will allow, among other issues, to improve the bidding documents to strengthen the bidding process and a sustainable supply.

The National Energy Commission (CNE) continues to promote joint bidding processes to supply the regulated demand of distribution companies that operate with the SEN Grid. Since the entry into force of Law No. 20,085, the electricity supply bidding system has been improved, where the CNE plays a relevant role in the design, coordination, and management of these bidding processes.

In the short term, more generation companies will be incorporated by award in Bidding Process 2017-01 and Bidding Process 2021-01, which begin their supply in 2024 and 2026, respectively.

Signing of the contracts awarded for the Bidding Process 2022-01 is expected to begin in 2027.

It is worth mentioning that by issuing Exemption Resolution No. 2,288 (ER 2288) on August 26, 2011, the Superintendence of Electricity and Fuels (SEC) provided that any supply intended for regulated customers that fails to be provided by a

bankrupt company must be supplied by the other grid stakeholders included in transfer balances prepared by the current National Electricity Coordinator (CNE) as a percentage of their firm energy and later as a percentage of the energy actually dispatched and at the same prices agreed to in the supply agreements executed with the bankrupt company. Notwithstanding the foregoing, Decree No. 106, which corresponds to the current Bidding Regulations, establishes a mechanism that allows the transfer of surpluses between distribution companies. This means that, if a distribution company has surplus power between the energy awarded in the bidding processes and the energy actually demanded, it can transfer that energy to another distribution company that has a deficit in the system.

By virtue of the tools established by law and the regulations in force, the regulator does not foresee a lack of supply in the short term due to the interruption of service by MES and CLII.

On June 24, 2020, Sociedad Austral de Electricidad S.A. agreed upon selling its interest in Eletrans S.A., Eletrans II S.A. and Eletrans III S.A., in each of which it held a 50% stake, to Chilquinta Energía S.A.

On December 21, 2020, the extraordinary shareholders' meeting of Saesa agreed to split Saesa into two companies, maintaining the Company as the

continuing company and creating a new company called Saesa Transmisión S.A., which took effect on December 31, 2020. This division is part of the process of implementing the requirements of Law 21,194, which amended the General Law of Electric Services, establishing a legal obligation of exclusive business for electric power distribution companies.

On December 1, 2021, the merger of Sistemas de Transmisión del Sur S.A. and Frontel Transmisión S.A. into Saesa Transmisión S.A. took effect. Saesa Transmisión S.A. thus acquired all the assets and liabilities of Sistemas de Transmisión del Sur S.A. and Frontel Transmisión S.A., and succeeded them in all their rights and obligations.

To respond adequately and in a timely fashion to the demands of a growing area of operation, to supply remote areas and to deliver a constantly improving quality of service, Saesa individually invested a total of MM\$50,977 in 2022.

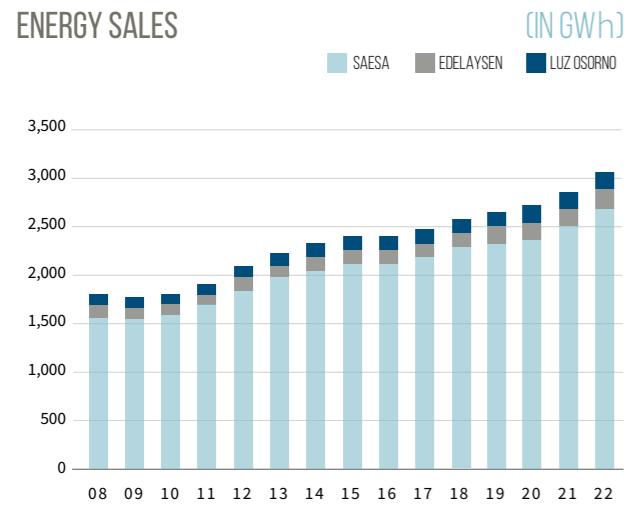
Saesas represents 23.82% of Inversiones Eléctricas del Sur S.A.'s assets (direct owner).

RELATED PARTY TRANSACTIONS

Buying and selling electricity and tolls are the main business transactions with related entities. The electricity prices at which these transactions are carried out are set by the regulator or the market, while toll rates are controlled by the regulatory framework of the sector.

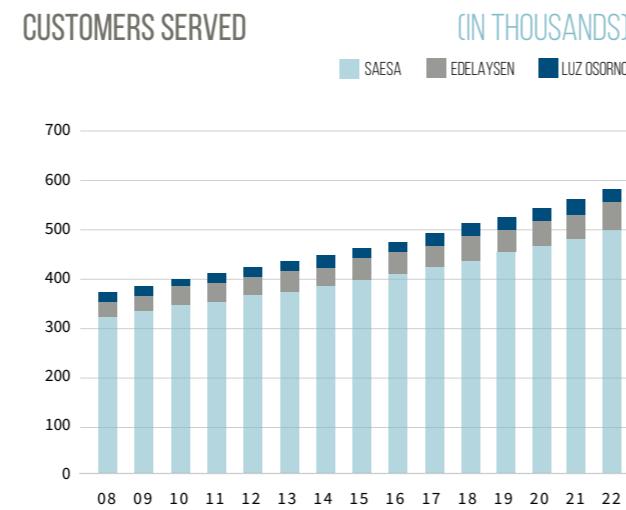
Other business transactions with related parties are the sale and purchase of materials at average wholesale price and short-term intercompany loans between related parties as a source of working capital. These checking account loans pay market interests calculated for the duration of the transaction and they are subject to a maximum amount, as provided in the bond contracts in effect.

ENERGY SALES



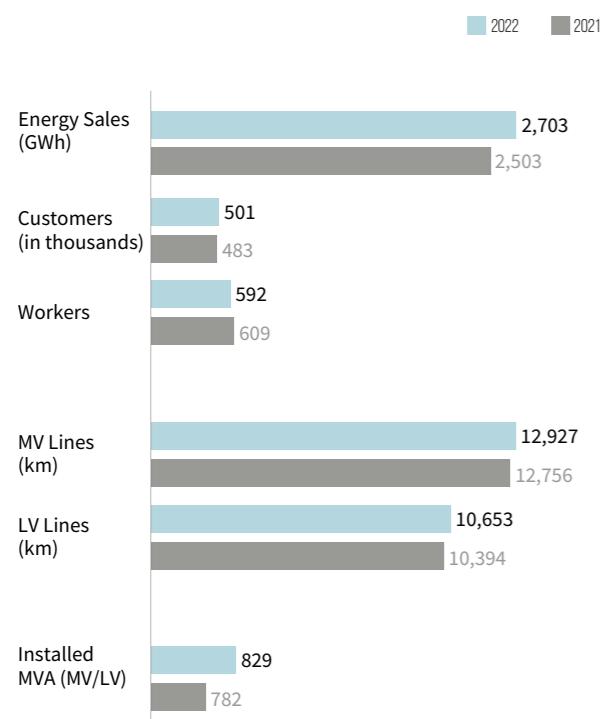
Energy sales of Saesa and its subsidiaries amounted to 3,086 GWh in 2022.

CUSTOMERS SERVED

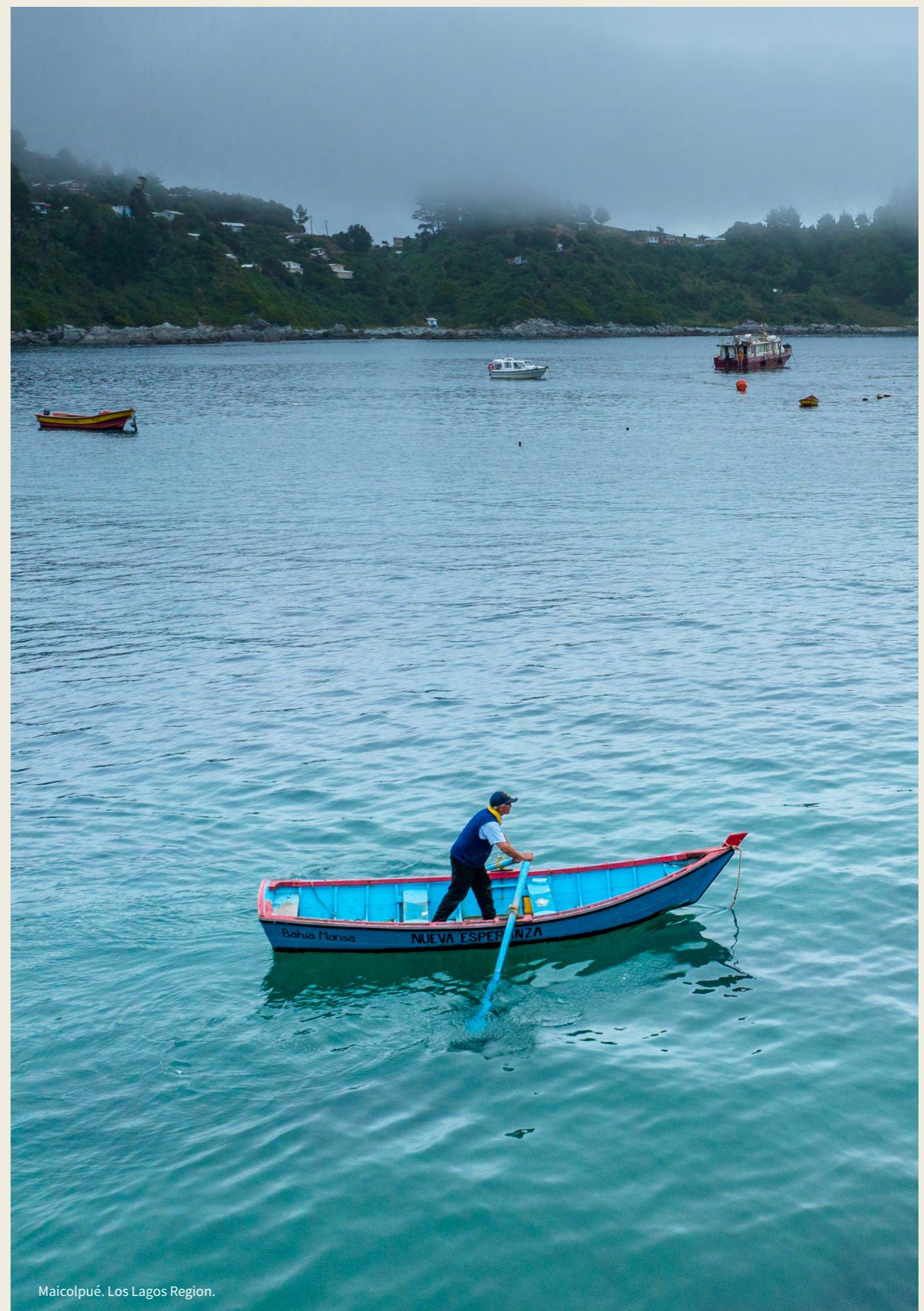
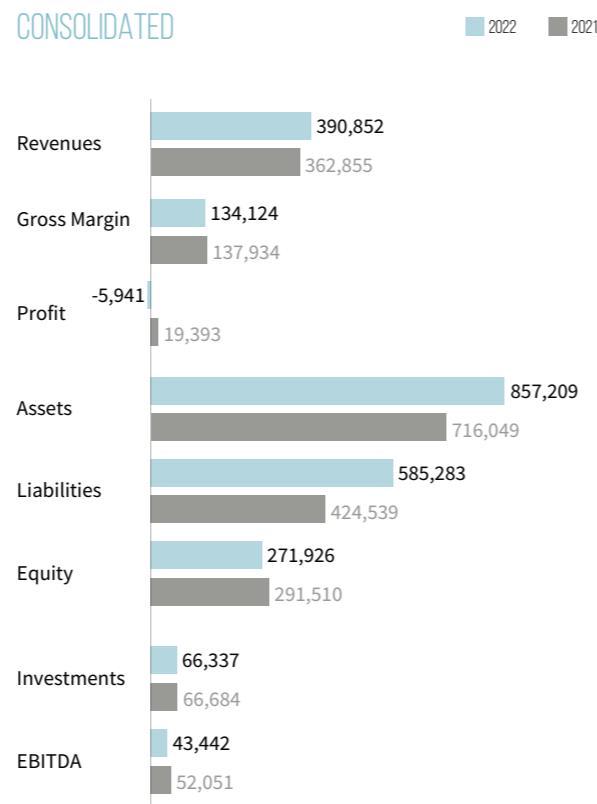


As of the end of 2022, Saesa and its subsidiaries had a customer base of more than 583,000 customers, higher by 3.88% compared to 2021.

INDIVIDUAL OPERATING FIGURES



FINANCIALS (MM\$) CONSOLIDATED



EMPRESA ELÉCTRICA DE LA FRONTERA S.A.

Company Type: Closely Held Corporation
 Subscribed and Paid-up Capital: M\$125,811,171
 Inv. Eléctricas del Sur S.A. Interest: 99.37% (direct)

Frontel's main focus is the distribution of electric power in the south of the country, in an area encompassing the provinces of Concepción (Biobío Region) and Cautín (Araucanía Region). The company also generates power for an off-grid system.

The supply is currently supported by contracts from Bidding Process 2013-01, Bidding Process 2013-03, Bidding Process 2013-03/2nd call, Bidding Process 2015-02, and Bidding Process 2015-01 that groups the generation companies: Enel Generación, Pelumpen (Colbún), Caren, ERNC (PV Salvador), Norvind, El Morado, Chungungo, SPV P4, San Juan, Engie, Santiago Solar, GM Holdings, Aela, Cerro Dominador, Rucatayo, Luz del Norte, Cabo Leones I, Cabo Leones II, Cabo Leones III, Grupo Mainstream, Grupo WPD, Acciona, María Elena Solar, Cox Energy, and OPDE. However, two companies submitted offers in Bidding Process 2015-01 – Cabo Leones II (CLII) and María Elena Solar S.A. (MES) –, which are unable to supply the Distribution companies participating in this Bidding, including those of Grupo Saesa, since they are suspended from participating in the short-term market of the Sistema Eléctrico Nacional (SEN Grid), due to their economic insolvency and for not complying with the payment chain associated with payment instructions from the National Electricity Coordinator (CEN). In addition, MES is currently in bankruptcy proceedings filed by a creditor bank. Given the above, all stakeholders in the energy sector were convened to form working groups that will allow, among other issues, to improve the bidding documents to strengthen the bidding process and a sustainable supply. The National Energy Commission (CNE) continues to promote joint bidding processes to supply the regulated demand of distribution companies that operate with the SEN Grid. Since the entry into force of Law No. 20,085, the electricity

supply bidding system has been improved, where the CNE plays a relevant role in the design, coordination, and management of these bidding processes.

In the short term, more generation companies will be incorporated by award in Bidding Process 2017-01 and Bidding Process 2021-01, which begin their supply in 2024 and 2026, respectively.

Signing of the contracts awarded for the Bidding Process 2022-01 is expected to begin in 2027.

It is worth mentioning that by issuing Exemption Resolution No. 2,288 (ER 2288) on August 26, 2011, the Superintendence of Electricity and Fuels (SEC) provided that any supply intended for regulated customers that fails to be provided by a bankrupt company must be supplied by the other grid stakeholders included in transfer balances prepared by the current National Electricity Coordinator (CNE) as a percentage of their firm energy and later as a percentage of the energy actually dispatched and at the same prices agreed to in the supply agreements executed with the bankrupt company. Notwithstanding the foregoing, Decree No. 106, which corresponds to the current Bidding Regulations, establishes a mechanism that allows the transfer of surpluses between distribution companies. This means that, if a distribution company has surplus power between the energy awarded in the bidding processes and the energy actually demanded, it can transfer that energy to another distribution company that has a deficit in the system.

On the other hand, there are the purchase and sale of materials at average warehouse price values and loans between related companies in the market, which are calculated for the period of the operation, and are provided as working capital, and are defined as having limits on the amount between related companies, according to the short term. These current account receivables pay interest as indicated in the current bond contracts.

On December 21, 2020, the Extraordinary Shareholders' meeting of Frontel agreed to split Frontel into two companies, maintaining the Company as the continuing company and creating a new company called Frontel Transmisión S.A., which took effect on December 31, 2020. This division is part of the process of implementing the requirements of Law 21,194, which amended the General Law of Electric Services, establishing a legal obligation of exclusive business for electric power distribution companies.

In 2022, Frontel's investments totaled MM\$33,535.

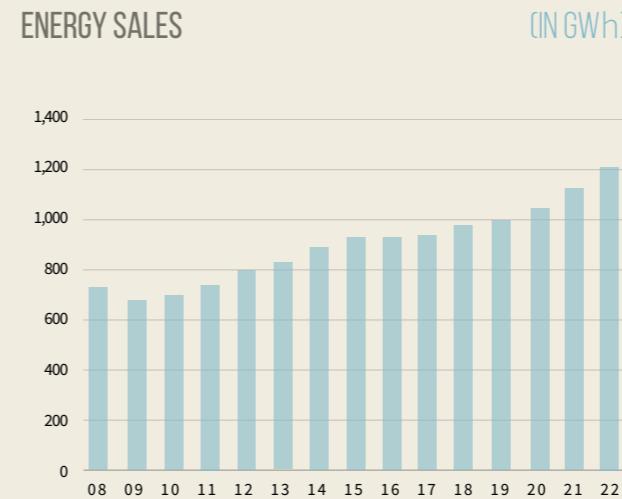
Frontel represents 14.71% of Inversiones Eléctricas del Sur S.A.'s assets (direct owner).

RELATED PARTY TRANSACTIONS

Buying and selling electricity and tolls are the main business transactions with related parties. The electricity prices at which these transactions are carried out are set by the regulator or the market, while toll rates are controlled by the regulatory framework of the sector.

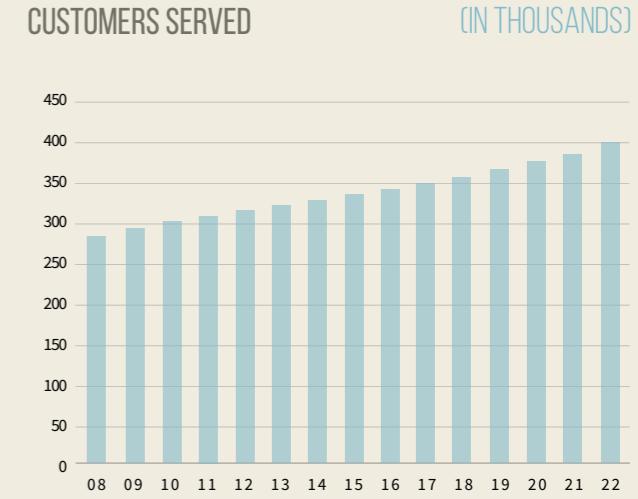
On the other hand, there are the purchase and sale of materials at average warehouse price values and loans between related companies in the market, which are calculated for the period of the operation, and are provided as working capital, and are defined as having limits on the amount between related companies, according to the short term. These current account receivables pay interest as indicated in the current bond contracts.

ENERGY SALES



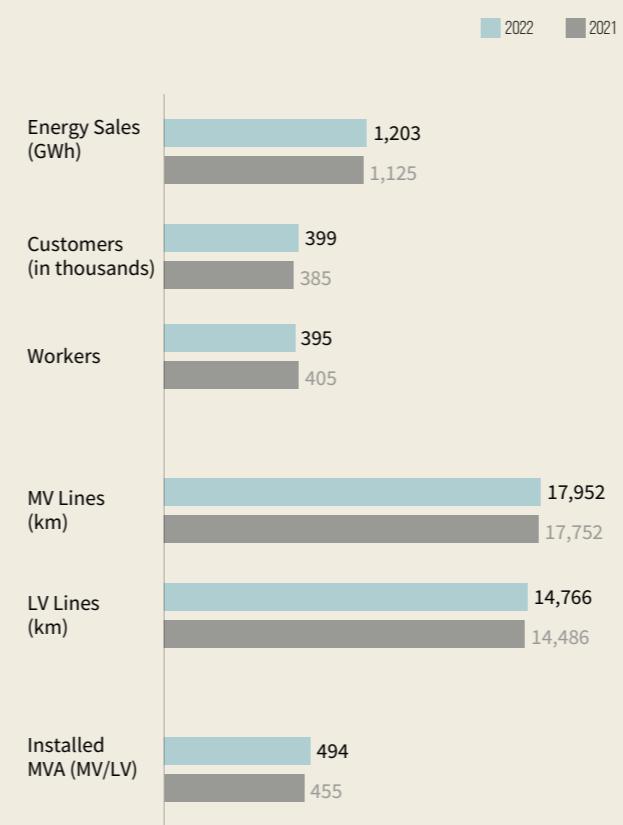
Energy sales amounted to 1,203 GWh in 2022.

CUSTOMERS SERVED

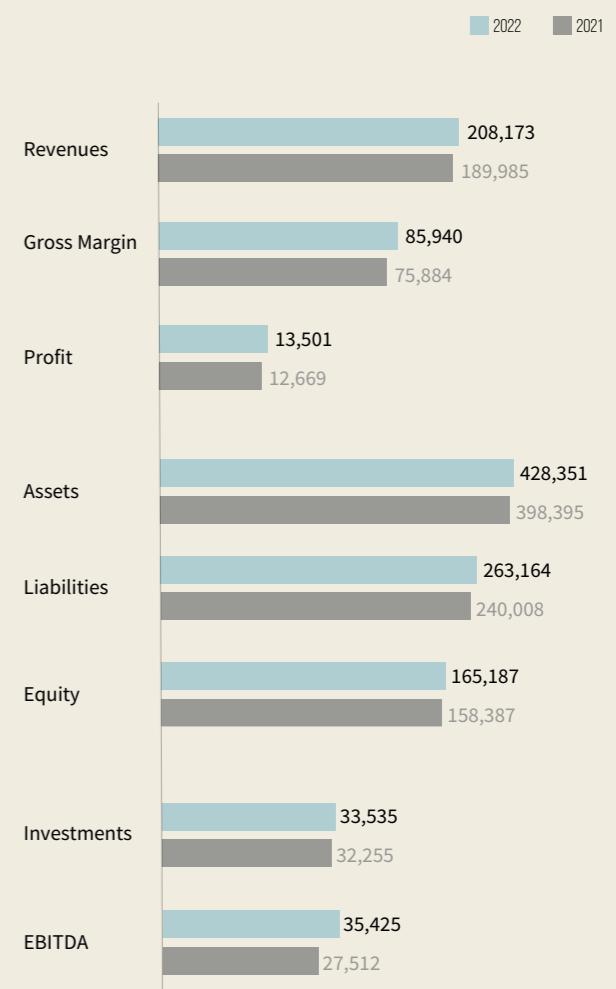


Frontel's customer base in 2022 amounted to 399,000 customers, up by 3.57% from 2021.

INDIVIDUAL OPERATING FIGURES



FINANCIALS (MM\$)



SAGESA S.A.

Company Type: Closely Held Corporation
Subscribed and Paid-up Capital: M\$9,129,918
Inv. Eléctricas del Sur S.A. Interest: 99.9% (Indirect)

Subsidiary Sagesa is a generation company that operates from regions Biobío to Los Lagos. It currently owns a 45.70 MW gas/diesel power plant, a group of diesel power plants with a total capacity of 103.87 MW, as well as a wind and solar power plant with a total capacity of 0.037 MW.

A portion of the power generated by this company is sold in CDEC-SIC's spot market through related party Sociedad Generadora Austral S.A. (SGA), and its revenues originate from the sale of energy and power in that market, and the remainder from sales to related entities (Saesa, Frontel, and Luz Osorno).

The company was incorporated on December 30, 2011, after a corporate restructuring that resulted in the split-

up of Sociedad Austral de Generación y Energía Chile S.A. (former Sagesa or Legal Successor) into the Legal Successor and Sagesa. Sagesa S.A. was assigned most of the assets and liabilities of the old Sagesa, and the line of business, that is, generation of electric power.

In July 2016, Sagesa and Inversiones Eléctricas del Sur acquired the company called Línea de Transmisión Cabo Leones S.A. with a 99.99% and a 0.01% interest, respectively.

In December 2022, the split-off of the company in two was approved, as part of which the company was kept as the continuing company and a new company, which was named "Sagesa Generación S.A." was incorporated.

In 2022, Sagesa's investments totaled MM\$7,838.

RELATED PARTY TRANSACTIONS

Buying and selling electricity and tolls are the main business transactions with related parties. The electricity prices at which these transactions are carried out are set by the regulator or the market, while toll rates are controlled by the regulatory framework of the sector. The company also participates in intercompany loans, which are checking account loans that pay market interests calculated for the duration of the transaction.

STATEMENTS OF FINANCIAL POSITION, CLASSIFIED (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
ASSETS		
Current assets	15,046,199	9,378,835
Non-current assets	97,662,175	120,336,777
TOTAL ASSETS	112,708,374	129,715,612
NET EQUITY AND LIABILITIES		
Current liabilities	5,522,056	6,381,772
Non-current liabilities	64,244,827	81,550,581
TOTAL LIABILITIES	69,766,883	87,932,353
TOTAL NET EQUITY	42,941,491	41,783,259
TOTAL NET EQUITY AND LIABILITIES	112,708,374	129,715,612

STATEMENTS OF COMPREHENSIVE INCOME BY NATURE (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Gross Margin	15,639,058	13,067,531
PROFIT (LOSS) BEFORE INCOME TAX	6,861,519	736,002
Income Tax	(229,400)	(22,225)
PROFIT (LOSS)	6,632,119	713,777

STATEMENTS OF CASH FLOW UNDER THE DIRECT METHOD (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Net cash flows from (used in) operating activities	28,304,432	12,049,529
Net cash flows from (used in) investing activities	28,819,627	(7,573,399)
Net cash flows from (used in) financing activities	(54,791,027)	(4,517,594)
Net increase (decrease) in cash and cash equivalents from foreign exchange rate variation	31,742	(29,209)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,364,774	(70,674)
Cash and cash equivalents, initial balance	109,670	180,344
CASH AND CASH EQUIVALENTS, ENDING BALANCE	2,474,444	109,670

STATEMENT OF CHANGES IN NET EQUITY (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Restated Initial Balance	41,783,047	34,281,242
Changes in Equity	1,716,906	7,501,805
EQUITY AT END OF PERIOD	43,499,953	41,783,047

OTHER FINANCIALS

(MM\$) 2022 2021

Investments (consolidated) 7,838 6,604

EBITDA 9,276 7,255

OTHER OPERATING FIGURES

TYPE OF TECHNOLOGY	INSTALLED MW	No. OF POWER PLANTS
GAS / DIESEL	45.70	1
DIESEL	103.87	78
WIND	0.00	1
SOLAR / PANEL	0.0	
TOTAL	149.61	80

SISTEMA DE TRANSMISIÓN DEL SUR S.A.

Company Type: Closely Held Corporation
 Subscribed and Paid-up Capital: M\$74,797,788
 Inv. Eléctricas del Sur S.A. Interest: 99.8% (Indirect)

STS' main activity is providing energy transmission and transformation services to generation companies that hold supply agreements with distribution companies in the regions of Biobío, Araucanía, Los Ríos, and Los Lagos, including Saesa, Frontel, and electric cooperatives. The largest generation companies served by STS are Puyehue and Capullo. In addition, STS engages in the provision of various services inherent to power transmission, like advisory services on design, construction, maintenance and operation of grids.

These services are compensated through the tolls paid by users of the various transmission facilities, the price, terms, and indexation formulas of which are laid down in Executive Order No. 14 of the Ministry of Energy, whereby zonal transmission tariffs are set and which was published in the Official Gazette's issue of April 9, 2013. Sistema de Transmisión del Sur S.A. ("old STS") was merged by incorporation into Sociedad Austral de Generación y Energía Chile S.A. (current STS and legal successor) by acquisition on May 31, 2012. As part of the transaction Sociedad Austral de Generación y Energía Chile S.A. was assigned all the assets and liabilities of the old STS and the new company was renamed Sistema de Transmisión del Sur S.A., STS.

On March 4, 2015, Sistema de Transmisión del Sur S.A. and Eléctrica Puntilla S.A. incorporated Sistema de Transmisión del Centro S.A., "STC", a company devoted to

construction, operation and maintenance of power transmission facilities, development and marketing of own or third-party systems for transmission and transformation of electric power.

In June 2020, STS sells to STA 50,000 of its shares in STC, leaving STA with 99.9% ownership of STC.

In December 2020, as a result of Saesa's split-off as part of the corporate restructuring process, the assets of STS were transferred to Saesa Transmisión S.A., becoming a subsidiary of the latter.

On December 1, 2021, the merger of Sistemas de Transmisión del Sur S.A.

and Frontel Transmisión S.A. into Saesa Transmisión S.A. took effect. Saesa Transmisión S.A. thus acquired all the assets and liabilities of Sistemas de Transmisión del Sur S.A. and Frontel Transmisión S.A., and succeeded them in all their rights and obligations. Likewise, on said date, all the shareholders and assets of Sistemas de Transmisión del Sur S.A. and Frontel Transmisión S.A. were transferred to Saesa Transmisión S.A., and, as a consequence of the above, the former two were dissolved by operation of law, without the need to be liquidated.

It should be noted that the new company that emerged as a result of this merger finally adopted the name STS (Sistema de Transmisión del Sur S.A.).

Subsequently, on December 28, 2021, Inversiones Eléctricas del Sur (the

company's largest shareholder up to that time) participates in the capital increase of Sociedad de Transmisión Austral S.A. (STA) by subscribing 29,330,549,384,033 new Series B registered shares at a price of \$106,224,144,820 or \$0.005225 per share, (STA) subscribing 29,330,549,384,033 new Series B nominative shares, at a price of \$106,224,144,820 or \$0.005225 per share, which was paid in the same act by the Company, through the contribution in dominion, assignment and transfer to Sociedad de Transmisión Austral S.A. of all the shares owned by it and issued by Sistemas de Transmisión del Sur S.A. Thus, the main shareholder of STS becomes Sociedad de Transmisión Austral S.A. (STA).

In 2022, STS made individual investments in projects and facility upgrades for a total of MM\$36,439.

In addition, in 2022 STS made a partial prepayment of UF 1,000,000 of its current series BSTSS-A.

STS represents 33.83% of the assets of Sociedad de Transmisión Austral (STA), the direct owner.

CONSOLIDATED FINANCIALS

(MM\$)

2022 2021

Revenues	68,265	58,191
Gross Margin	67,483	57,602
Profit	20,790	17,912
Assets	556,747	517,275
Liabilities	303,745	260,610
Equity	253,002	256,665
Investments	36,649	34,192
EBITDA	49,258	41,821

OPERATING FIGURES

2022 2021

Workers	166	159
OWN FACILITIES		
HV lines 220-110-66 kV (km)	1,282	1,270
Installed Capacity (MVA) 220-110-66 kV	3,171	2,583
Installed Capacity (MVA) 220-110-66 /23-13.2 kV	53	53
THIRD PARTY OPERATED FACILITIES		
HV lines 110-66 kV (km)	85	85
Installed Capacity (MVA) 110-66/23-13.2 kV	24	24

EMPRESA ELÉCTRICA DE AISÉN S.A.

Company Type: Closely Held Corporation
 Subscribed and Paid-up Capital: M\$37,005,894
 Inv. Eléctricas del Sur S.A. Interest: 93.24% (Indirect)

Edelaysen engages in electric power generation, transmission and distribution activities in the province of Palena, Los Lagos Region, and Aysén Region through five off-grid systems: Cisnes, Huichas, Villa O'Higgins, Amengual-La Tapera, and Santa Bárbara; and three medium-voltage grids: Aisén, Palena, and General Carrera.

Edelaysen is essentially a vertically-integrated generation company that distributes electric power in the areas in

which it was awarded a concession and where it holds municipal permits. It also sells medium-voltage energy to Saesa in Palena.

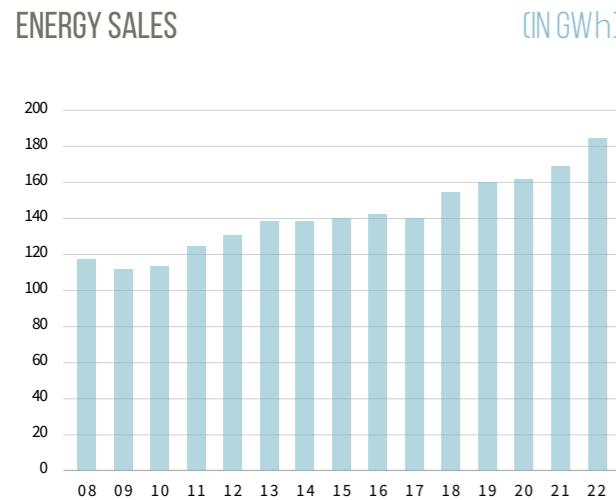
In order to meet demand, support growth and reliability of its grid, the company invested a total of MM\$9,756 in 2022.

Edelaysen represents 12.04% of Saesa's assets.

RELATED PARTY TRANSACTIONS

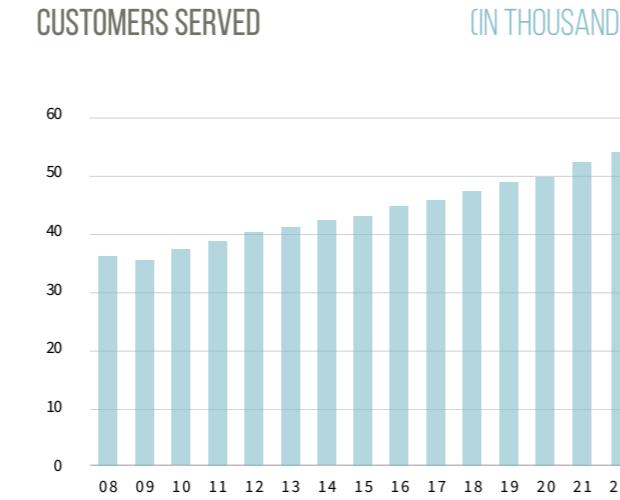
Edelaysen's main business transactions with related entities include the sale and purchase of materials at average wholesale price and short-term intercompany loans that pay market interests calculated for the duration of the transaction.

ENERGY SALES



Energy sales amounted to 184 GWh in 2022.

CUSTOMERS SERVED



Edelaysen's customer base at the end of 2022 was 53,000 customers.

POWER PLANT CAPACITY

TYPE OF TECHNOLOGY	MW	No. OF POWER PLANTS
HYDROELECTRIC	22.59	7
WIND	2.97	1
DIESEL	49.80	19
TOTAL	75.358	27

FINANCIALS

(MM\$)

■ 2022 ■ 2021

Revenues 44,507
31,501

Gross Margin 12,644
17,788

Profit -4,057
2,916

Assets 141,064
120,177

Liabilities 54,883
29,332

Equity 86,181
90,845

Investments 9,756
14,943

EBITDA -4,787
4,900

OPERATING FIGURES

■ 2022 ■ 2021

Energy Sales (GWh) 169
161

Customers (in thousands) 52
50

Workers 100
97

HV Lines (km) 339
337

MV Lines (km) 2,259
2,248

LV Lines (km) 1,099
1,029

Installed MVA (MV/LV) 55
53

COMPAÑÍA ELÉCTRICA OSORNO S.A.

Company Type: Closely Held Corporation
 Subscribed and Paid-up Capital: M\$10,557,505
 Inv. Eléctricas del Sur S.A. Interest: 99.9% (Indirect)

Luz Osorno over the years, has been in charge of power distribution and sales in rural areas of the province of Osorno and in some areas of the provinces of Valdivia and Llanquihue.

The supply is currently supported by contracts from Bidding Process 2013-01, Bidding Process 2013-03, Bidding Process 2013-03/2nd call, Bidding Process 2015-02, and Bidding Process 2015-01 that groups the generation companies: Enel Generación, Pelumpern (Colbún), Caren, ERNC (PV Salvador), Norvind, El Morado, Chungungo, SPV P4, San Juan, Engie, Santiago Solar, GM Holdings, Aela, Cerro Dominador, Rucatayo, Luz del Norte, Cabo Leones I, Cabo Leones II, Cabo Leones III, Grupo Mainstream, Grupo WPD, Acciona, María Elena Solar, Cox Energy, and OPDE. However, two companies submitted offers in Bidding Process 2015-01 – Cabo Leones II (CLII) and María Elena Solar S.A. (MES) –, which are unable to supply the Distribution companies participating in this Bidding, including those of Grupo Saesa, since they are suspended from participating in the short-term market of the Sistema Eléctrico Nacional (SEN Grid), due to their economic insolvency and for not complying with the payment chain associated with payment instructions from the National Electricity Coordinator (CEN). In addition, MES is currently in bankruptcy proceedings filed by a creditor bank. Given the above, all stakeholders in the energy sector were convened to form working groups that will allow, among other issues, to improve the bidding documents to strengthen the bidding process and a sustainable supply.

The National Energy Commission (CNE) continues to promote joint bidding processes to supply the regulated demand of distribution companies that operate with the SEN Grid. Since the entry into force of Law No. 20,085, the electricity supply bidding system has been improved, where the CNE plays a relevant role in the design, coordination, and management of these bidding processes.

In the short term, more generation companies will be incorporated by award in Bidding Process 2017-01 and Bidding Process 2021-01, which begin their supply in 2024 and 2026, respectively.

Signing of the contracts awarded for the Bidding Process 2022-01 is expected to begin in 2027.

It is worth mentioning that by issuing Exemption Resolution No. 2,288 (ER 2288) on August 26, 2011, the Superintendence of Electricity and Fuels (SEC) provided that any supply intended for regulated customers that fails to be provided by a bankrupt company must be supplied by the other grid stakeholders included in transfer balances prepared by the current National Electricity Coordinator (CNE) as a percentage of their firm energy and later as a percentage of the energy actually dispatched and at the same prices agreed to in the supply agreements executed with the bankrupt company. Notwithstanding the foregoing, Decree No. 106, which corresponds to the current Bidding Regulations, establishes a mechanism that allows the transfer of surpluses between distribution companies. This means that,

if a distribution company has surplus power between the energy awarded in the bidding processes and the energy actually demanded, it can transfer that energy to another distribution company that has a deficit in the system.

By virtue of the tools established by law and the regulations in force, the regulator does not foresee a lack of supply in the short term due to the interruption of service by MES and CLII.

During 2022, Luz Osorno made investments of MM\$5,605 million, mainly focused on meeting the growth in energy demand and extending geographic coverage.

Luz Osorno represents 2.95% of Saesa's assets.

RELATED PARTY TRANSACTIONS

Buying and selling electricity and tolls are the main business transactions with related parties. The electricity prices at which these transactions are carried out are set by the regulator or the market, while toll rates are controlled by the regulatory framework of the sector.

Luz Osorno also engages in the sale and purchase of materials at average wholesale price and short-term intercompany loans that pay market interests calculated for the duration of the transaction.

ENERGY SALES

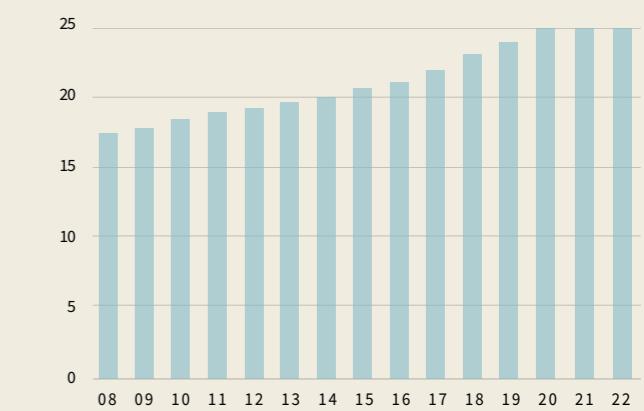
(IN GWh)



Energy sales amounted to 199 GWh in 2022.

CUSTOMERS SERVED

(IN THOUSANDS)

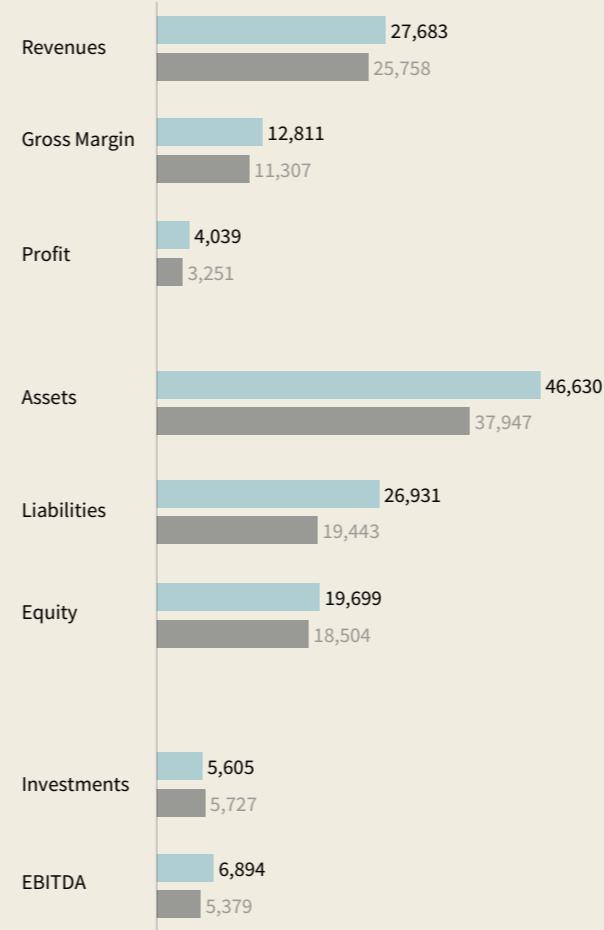


Luz Osorno's customer base at the end of 2022 was 28,000 customers.

FINANCIALS

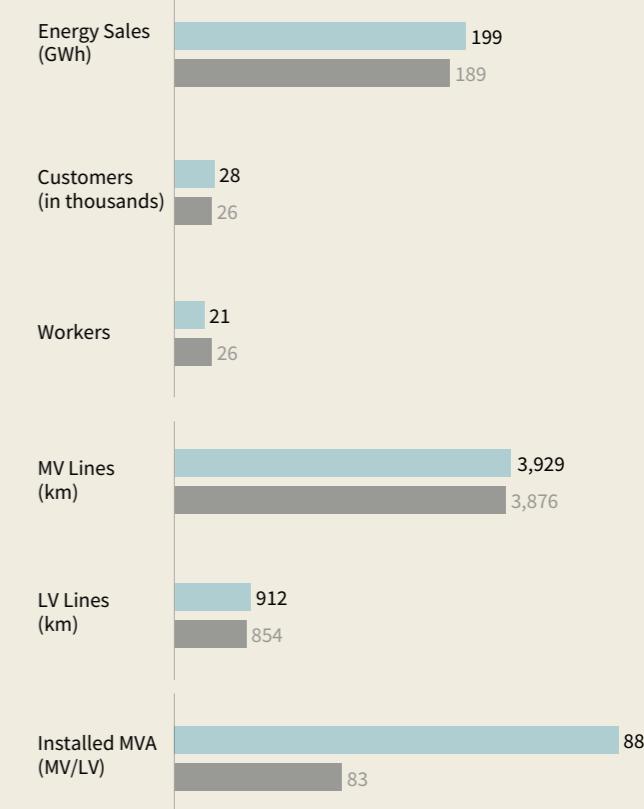
(MM\$)

2022 2021



OPERATING FIGURES

2022 2021



SOCIEDAD GENERADORA AUSTRAL S.A.

Company Type: Closely Held Corporation
 Subscribed and Paid-up Capital: M\$3,160,921
 Inv. Eléctricas del Sur S.A. Interest: 99.9% (Indirect)

SGA focuses on the development and marketing of own or third-party systems for transmission and transformation of electric power. Similarly, it provides advisory services in engineering, design, construction, maintenance, and operation of third-party transmission grids, and engages in energy trade and other related activities.

SGA was incorporated on March 31, 2003 as a result of STS's split-up, as adopted on occasion of the Extraordinary Shareholders' Meeting held on June 25, 2003. Accordingly,

SGA was assigned assets and liabilities at the book value of March 31, 2003.

The company's EBITDA in 2022 amounted to MM\$1,274.

SGA represents 1.03% of the assets of Sociedad de Transmisión Austral (STA).

RELATED PARTY TRANSACTIONS

Buying and selling electricity and tolls are the main business transactions with related parties. The electricity prices at which these transactions are carried out are set by the regulator or the market, while toll rates are controlled by the regulatory framework of the sector. The company also participates in intercompany loans, which are checking account loans that pay market interests calculated for the duration of the transaction.

STATEMENTS OF FINANCIAL POSITION, CLASSIFIED (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
ASSETS		
Current assets	39,407,288	17,564,612
Non-current assets	619,804	4,782,223
TOTAL ASSETS	40,027,092	22,346,835
NET EQUITY AND LIABILITIES		
Current liabilities	31,634,446	15,902,327
Non-current liabilities	727,594	166,846
TOTAL LIABILITIES	32,362,040	16,069,173
TOTAL NET EQUITY	7,665,052	6,277,662
TOTAL NET EQUITY AND LIABILITIES	40,027,092	22,346,835

STATEMENTS OF COMPREHENSIVE INCOME BY NATURE (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Gross Margin	2,038,762	2,082,535
PROFIT (LOSS) BEFORE INCOME TAX	3,180,348	371,488
Income Tax	(775,091)	(235,466)
PROFIT (LOSS)	2,405,257	136,022

STATEMENTS OF CASH FLOW UNDER THE DIRECT METHOD (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Net cash flows from (used in) operating activities	8,990,678	(703,945)
Net cash flows from (used in) investing activities	1,188,093	2,206,223
Net cash flows from (used in) financing activities	(82,081)	(1,683,411)
Net increase (decrease) in cash and cash equivalents from foreign exchange rate variation	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	10,096,690	(181,133)
Cash and cash equivalents, initial balance	382,530	563,663
CASH AND CASH EQUIVALENTS, ENDING BALANCE	10,479,220	382,530

STATEMENT OF CHANGES IN NET EQUITY (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Restated Initial Balance	6,277,662	5,901,667
Changes in Equity	1,387,390	375,995
EQUITY AT END OF PERIOD	7,665,052	6,277,662

SISTEMA DE TRANSMISIÓN DEL CENTRO S.A.

Company Type: Closely Held Corporation
Subscribed and Paid-up Capital: M\$23,238,005
Inv. Eléctricas del Sur S.A. Interest: 99.9% (Indirect)

On March 4, 2015, Sistema de Transmisión del Sur S.A. and Eléctrica Puntilla S.A. incorporated Sistema de Transmisión del Centro S.A. (STC), a company devoted to construction, operation and maintenance of power transmission facilities, development and marketing of own or third-party systems for transmission and transformation of electric power.

Sistema de Transmisión del Sur S.A.'s interest in the Company is 50.1%. In October 2019, Eléctrica La Puntilla sold its 49.9% share to Inversiones Los Lagos IV Ltda.

As a result of the merger of Inversiones Los Lagos IV Ltda. into Sociedad de Transmisión Austral S.A. ("STA"), all the shares held by the former in STC were assigned to STA, leaving it with 49,900 shares.

On June 1, 2020, Sistema de Transmisión del Sur S.A. entered into a share purchase and sale agreement whereby it sold, assigned, and transferred to Sociedad de Transmisión Austral S.A. ("STA") 50,000 shares issued by Sistema de Transmisión del Centro S.A. ("STC") of which it was the holder, corresponding to 50% of the capital issued by said company, and kept

100 shares in its possession, that is 0.1% of the equity.

STC's investments in 2022 totaled MM\$22,787.

The company represents 4.14% of the assets of Sociedad de Transmisión Austral (STA).

STATEMENTS OF FINANCIAL POSITION, CLASSIFIED (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
ASSETS		
Current assets	407,911	310,869
Non-current assets	72,846,299	71,893,888
TOTAL ASSETS	73,254,210	72,204,757
NET EQUITY AND LIABILITIES		
Current liabilities	1,025,682	802,155
Non-current liabilities	41,322,136	41,765,670
TOTAL LIABILITIES	42,347,818	42,567,825
TOTAL NET EQUITY	30,906,392	29,636,932
TOTAL NET EQUITY AND LIABILITIES	73,254,210	72,204,757

STATEMENTS OF COMPREHENSIVE INCOME BY NATURE (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Gross Margin	4,330,566	3,568,060
PROFIT (LOSS) BEFORE INCOME TAX	1,203,637	(36,445)
Income Tax	(307,190)	5,792
PROFIT (LOSS)	896,447	(30,653)

STATEMENTS OF CASH FLOW UNDER THE DIRECT METHOD (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Net cash flows from (used in) operating activities	3,748,393	8,261,246
Net cash flows from (used in) investing activities	(26,200)	(366,079)
Net cash flows from (used in) financing activities	(3,687,601)	(7,859,728)
Net increase (decrease) in cash and cash equivalents from foreign exchange rate variation	(369)	(288)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	34,223	35,151
Cash and cash equivalents, initial balance	103,508	68,357
CASH AND CASH EQUIVALENTS, ENDING BALANCE	137,731	103,508

STATEMENT OF CHANGES IN NET EQUITY (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Restated Initial Balance	29,636,932	24,936,371
Changes in Equity	1,269,460	4,700,561
EQUITY AT END OF PERIOD	30,906,392	29,636,932

SISTEMA DE TRANSMISIÓN DEL NORTE S.A.

Company Type: Closely Held Corporation
Subscribed and Paid-up Capital: M\$16,630,018
Inv. Eléctricas del Sur S.A. Interest: 100% (Indirect)

On September 11, 2014, Saesa and Alusa Ingeniería Limitada (currently Alumini Ingeniería Limitada) incorporated Sistema de Transmisión del Norte S.A. (STN), a company devoted to construction, operation and maintenance of power transmission facilities, and transmission and transformation of electric power.

In January 2017, Alumini Ingeniería Ltda. sold its share to Sistema de Transmisión del Sur S.A.

Consequently, Saesa's share in the company amounts to 90%, while Sistema de Transmisión del Sur S.A. owns 10%.

In December 2019, the Saesa Group underwent a process of a corporate restructuring whereby Sociedad Austral de Electricidad S.A. (Saesa) was split off and a new company – Sociedad de Transmisión Austral S.A. (STA) was created and was assigned a 90% share in STN, previously held by Sociedad Austral de

Electricidad S.A.

At the end of 2022, STN made investments of MM\$3,893 and posted an Ebitda of MM\$10,039.

The company represents 3.86% of the assets of Sociedad de Transmisión Austral (STA).

CLASSIFIED STATEMENT OF FINANCIAL POSITION (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
ASSETS		
Current assets	13,135,123	8,041,240
Non-current assets	57,471,059	58,405,974
TOTAL ASSETS	70,606,182	66,447,214
NET EQUITY AND LIABILITIES		
Current liabilities	6,341,533	3,021,018
Non-current liabilities	32,289,956	34,147,750
TOTAL LIABILITIES	38,631,489	37,168,768
TOTAL NET EQUITY	31,974,693	29,278,446
TOTAL NET EQUITY AND LIABILITIES	70,606,182	66,447,214

STATEMENTS OF COMPREHENSIVE INCOME BY NATURE (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Gross Margin	24,692,268	14,845,974
PROFIT (LOSS) BEFORE INCOME TAX	5,848,151	2,446,235
Income Tax	(1,328,556)	(553,919)
PROFIT (LOSS)	4,519,595	1,892,316

STATEMENTS OF CASH FLOW UNDER THE DIRECT METHOD (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Net cash flows from (used in) operating activities	11,095,683	7,874,737
Net cash flows from (used in) investing activities	(4,731,528)	(2,830,531)
Net cash flows from (used in) financing activities	(4,951,311)	(4,786,195)
Net increase (decrease) in cash and cash equivalents from foreign exchange rate variation	(15,151)	5,683
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,397,693	263,964
Cash and cash equivalents, initial balance	594,883	331,189
CASH AND CASH EQUIVALENTS, ENDING BALANCE	1,992,576	594,883

STATEMENT OF CHANGES IN NET EQUITY (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Restated Initial Balance	29,278,446	23,666,712
Changes in Equity	2,696,247	5,611,734
EQUITY AT END OF PERIOD	31,974,693	29,278,446

SOCIEDAD AUSTRAL DE TRANSMISIÓN TRONCAL S.A.

Company Type: Closely Held Corporation
Subscribed and Paid-up Capital: M\$16,654,377
Inv. Eléctricas del Sur S.A. Interest: 100% (Indirect)

On October 15, 2015, Sociedad Austral de Electricidad S.A.-Saesa (99.9% interest) and subsidiary Sistema de Transmisión del Sur S.A.-STS (0.1% interest) incorporated Sociedad Austral de Transmisión Troncal S.A. (SATT), a company devoted to construction, operation and maintenance of power transmission facilities, development and marketing of own or

third-party systems for transmission and transformation of electric power.

In December 2019, the Saesa Group underwent a process of a corporate restructuring whereby Sociedad Austral de Electricidad S.A. (Saesa) was split off and a new company – Sociedad de Transmisión Austral S.A. (STA) was created

and was assigned a 99.9% share in SATT, previously held by Sociedad Austral de Electricidad S.A.

SATT represents 3.88% of the assets of Sociedad de Transmisión Austral (STA).

In 2022, SATT's investments totaled MM\$18,391.

CLASSIFIED STATEMENT OF FINANCIAL POSITION (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
ASSETS		
Current assets	14,486,043	9,397,381
Non-current assets	131,357,123	111,870,610
TOTAL ASSETS	145,843,166	121,267,991

M\$	31-DEC-2022	31-DEC-2021
NET EQUITY AND LIABILITIES		
Current liabilities	16,243,396	8,206,610
Non-current liabilities	100,619,487	88,461,809
TOTAL LIABILITIES	116,862,883	96,668,419
TOTAL NET EQUITY	28,980,283	24,599,572
TOTAL NET EQUITY AND LIABILITIES	145,843,166	121,267,991

STATEMENTS OF COMPREHENSIVE INCOME BY NATURE (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Gross Margin	9,778,099	5,581,921
PROFIT (LOSS) BEFORE INCOME TAX	9,450,869	3,447,362
Income Tax	(2,294,051)	(975,753)
PROFIT (LOSS)	7,156,818	2,471,609

STATEMENTS OF CASH FLOW UNDER THE DIRECT METHOD (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Net cash flows from (used in) operating activities	9,172,188	6,150,319
Net cash flows from (used in) investing activities	(16,816,689)	(17,474,792)
Net cash flows from (used in) financing activities	7,789,119	11,461,752
Net increase (decrease) in cash and cash equivalents from foreign exchange rate variation	14,591	3,237
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	159,209	140,605
Cash and cash equivalents, initial balance	616,207	475,692
CASH AND CASH EQUIVALENTS, ENDING BALANCE	775,416	616,297

STATEMENT OF CHANGES IN NET EQUITY (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Restated Initial Balance	24,599,572	20,360,980
Changes in Equity	4,380,711	4,238,592
EQUITY AT END OF PERIOD	28,980,283	24,599,572

L.T. CABO LEONES

LÍNEA DE TRANSMISIÓN CABO LEONES S.A.

Company Type: Closely Held Corporation
 Subscribed and Paid-up Capital: M\$10,042
 Inv. Eléctricas del Sur S.A. Interest: 99.99% (Indirect)

On July 19, 2016, Sagesa S.A. and Inversiones Eléctricas del Sur acquired the company called Línea de Transmisión Cabo Leones S.A., the owner of the 110-km, 2x220 kV Cabo Leones-Maitencillo Transmission Line Project, with interests of 99.99% and 0.01%, respectively.

The main business of this company is construction, operation and maintenance of power transmission facilities, development and marketing of own or third-party systems for transmission and transformation of electric power.

L.T. Cabo Leones S.A. represents 5.33% of Sagesa S.A.'s assets.

During accounting year 2022, L.T. Cabo Leones S.A. reached an EBITDA of MM\$5,080.

CLASSIFIED STATEMENT OF FINANCIAL POSITION (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
ASSETS		
Current assets	1,683,606	1,040,447
Non-current assets	45,010,176	45,004,789
TOTAL ASSETS	46,693,782	46,045,236

M\$	31-DEC-2022	31-DEC-2021
NET EQUITY AND LIABILITIES		
Current liabilities	1,433,997	1,148,205
Non-current liabilities	39,552,217	41,294,807
TOTAL LIABILITIES	40,986,214	42,443,012
TOTAL NET EQUITY	5,707,568	3,602,224
TOTAL NET EQUITY AND LIABILITIES	46,693,782	46,045,236

STATEMENTS OF COMPREHENSIVE INCOME BY NATURE (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Gross Margin	5,424,418	4,260,121
PROFIT (LOSS) BEFORE INCOME TAX	3,063,664	2,208,133
Income Tax	(833,304)	(669,013)
PROFIT (LOSS)	2,230,360	1,539,120

STATEMENTS OF CASH FLOW UNDER THE DIRECT METHOD (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Net cash flows from (used in) operating activities	4,978,101	10,321,384
Net cash flows from (used in) investing activities	-	-
Net cash flows from (used in) financing activities	(4,640,443)	(10,317,352)
Net increase (decrease) in cash and cash equivalents from foreign exchange rate variation	8,300	(408)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	355,287	3,624
Cash and cash equivalents, initial balance	56,979	53,355
CASH AND CASH EQUIVALENTS, ENDING BALANCE	412,266	56,979

STATEMENT OF CHANGES IN NET EQUITY (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Restated Initial Balance	3,602,224	1,450,911
Changes in Equity	2,105,344	2,151,313
EQUITY AT END OF PERIOD	5,707,568	3,602,224

SOCIEDAD DE TRANSMISIÓN AUSTRAL S.A.

Company Type: Closely Held Corporation
Subscribed and Paid-up Capital: M\$166,064,578
Inv. Eléctricas del Sur S.A. Interest: 99.99% (Direct and Indirect)

The split-off of Sociedad Austral de Electricidad S.A. (Saesa) became effective on December 31, 2019, from which a new company called Sociedad de Transmisión Austral S.A. was incorporated. The company's equity capital at that moment was M\$18,478,798, divided into 9,005,380,049,737 registered, no-par value shares. At 2020 closing, the company's equity capital amounted to M\$59,827,336. The main business of this company is construction, operation and maintenance of power transmission facilities, development and marketing of own or third-party systems for transmission and

transformation of electric power.

During 2021, STA acquired all the shares in which the capital of Tolchén Transmisión SpA is divided. The total amount of the transaction was US\$35,926,830.

Additionally, it was agreed to increase capital stock in the amount of 106,292,018,960, through the issuance of 20,343,540,014,041 new Series B nominative shares, with no par value. These shares were to be paid in cash or by the contribution in ownership of shares of the Company's shares. Consequently, on

December 28, 2021, Inversiones Eléctricas del Sur (parent company of the holding company) subscribed 29,330,549,384,033 new Series B nominative shares at a price of CLP 106,224,144,820, which was paid in the same act by the Company, through the contribution in ownership, assignment, and transfer to Sociedad de Transmisión Austral S.A. of all the shares issued by Sistemas de Transmisión del Sur S.A. and owned by the Company.

STA represents 31.85% of Inversiones Eléctricas del Sur S.A.'s assets (direct owner).

CLASSIFIED STATEMENT OF FINANCIAL POSITION (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
ASSETS		
Current assets	171,321,031	142,412,640
Non-current assets	857,320,474	814,933,932
TOTAL ASSETS	1,028,641,505	957,346,572

M\$	31-DEC-2022	31-DEC-2021
NET EQUITY AND LIABILITIES		
Current liabilities	101,705,137	69,536,522
Non-current liabilities	570,758,911	527,546,331
TOTAL LIABILITIES	672,464,048	597,082,853
TOTAL NET EQUITY	356,177,457	360,263,719
TOTAL NET EQUITY AND LIABILITIES	1,028,641,505	957,346,572

STATEMENTS OF COMPREHENSIVE INCOME BY NATURE (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Gross Margin	114,579,273	87,073,053
PROFIT (LOSS) BEFORE INCOME TAX	30,137,826	31,798,370
Income Tax	(1,377,983)	(7,368,457)
PROFIT (LOSS) FROM CONTINUING OPERATIONS	28,759,843	24,429,913
Profit (loss) from discontinued operations	6,807,016	(689,321)
PROFIT (LOSS)	35,566,859	23,740,592

STATEMENTS OF CASH FLOW UNDER THE DIRECT METHOD (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Net cash flows from (used in) operating activities	71,491,687	63,611,197
Net cash flows from (used in) investing activities	(58,473,255)	(84,674,015)
Net cash flows from (used in) financing activities	(10,760,342)	21,520,955
Net increase (decrease) in cash and cash equivalents from foreign exchange rate variation	4,105,239	47,294
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,363,329	505,431
Cash and cash equivalents, initial balance	1,964,417	1,458,986
CASH AND CASH EQUIVALENTS, ENDING BALANCE	8,327,746	1,964,417

STATEMENT OF CHANGES IN NET EQUITY (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Restated Initial Balance	360,263,719	312,346,711
Changes in Equity	(4,086,262)	47,917,008
EQUITY AT END OF PERIOD	356,177,457	360,263,719

SAESA GESTIÓN Y LOGÍSTICA

SAESA GESTIÓN Y LOGÍSTICA SpA

Company Type: Joint-Stock Company
 Subscribed Capital: M\$1,000
 Inv. Eléctricas del Sur S.A. Interest: 100% (direct)

On September 1, 2020, Inversiones Eléctricas del Sur S.A., in its capacity as sole shareholder, incorporated the joint stock company "Saesa Gestión y Logística SpA."

The purpose of the company is, either acting directly or through third parties, individually or jointly with others, within the territory of the Republic of Chile or abroad, to make all kinds of investments in all kinds of tangible and intangible assets, movable or immovable, and in general, to participate in companies of any kind, nature or purpose, Chilean or foreign, in communities, associations and investment funds, to provide all kinds

of services and professional or technical advice in all kinds of matters, including legal, regulatory, financial, accounting, tax, human resources, operational, IT, management, logistic, commercial and marketing advice and support to the management of companies, whatever their functions, line of business or service, such as; the provision of administrative services, accounting and tax services, remuneration administration services, personnel outsourcing services, temporary personnel services, financial and/or budgetary analysis services, programming and/or program analysis services, data processing services, warehousing and infrastructure and all those services related

or analogous to the above that constitute a support to business management; the purchase, sale, lease, import, export, leasing operations, construction, development and maintenance, for its own account or for the account of others, of equipment, infrastructure, facilities, commercial offices, warehouses and all types of real or personal property; and to carry out all acts or contracts that are necessary or conducive to the fulfillment of this purpose.

Saesha Gestión y Logística represents 0.003% of the assets of Inversiones Eléctricas del Sur (direct owner).

CLASSIFIED STATEMENT OF FINANCIAL POSITION (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
ASSETS		
Current assets	655,603	468,648
Non-current assets	9,248	12,598
TOTAL ASSETS	664,851	481,246
NET EQUITY AND LIABILITIES		
Current liabilities	134,281	95,470
Non-current liabilities	498,999	390,000
TOTAL LIABILITIES	633,280	485,470
TOTAL NET EQUITY	31,571	(4,224)
TOTAL NET EQUITY AND LIABILITIES	664,851	481,246

STATEMENTS OF COMPREHENSIVE INCOME BY NATURE (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Gross Margin	1,437,847	426,265
PROFIT (LOSS) BEFORE INCOME TAX	65,751	(7,155)
Income Tax	(16,855)	1,931
PROFIT (LOSS)	48,896	(5,224)

STATEMENTS OF CASH FLOW UNDER THE DIRECT METHOD (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Net cash flows from (used in) operating activities	124,243	(350,978)
Net cash flows from (used in) investing activities	-	-
Net cash flows from (used in) financing activities	5,000	391,000
Net increase (decrease) in cash and cash equivalents from foreign exchange rate variation	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	118,140	40,022
Cash and cash equivalents, initial balance	40,022	-
CASH AND CASH EQUIVALENTS, ENDING BALANCE	158,162	40,022

STATEMENT OF CHANGES IN NET EQUITY (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Restated Initial Balance	(4,224)	-
Changes in Equity	35,795	(4,224)
EQUITY AT END OF PERIOD	31,571	(4,224)

SAESA INNOVA SOLUCIONES SpA

Company Type: Joint-Stock Company
 Subscribed Capital: M\$1,000
 Inv. Eléctricas del Sur S.A. Interest: 100% (direct)

On September 1, 2020, Inversiones Eléctricas del Sur S.A., in its capacity as sole shareholder, incorporated the joint stock company "Saesa Innova Soluciones SpA."

The purpose of the Company, whether acting directly or through third parties, individually or jointly with others, within the territory of the Republic of Chile or abroad, is to make all kinds of investments in all kinds of tangible and intangible, movable or real property, and in general, to participate in companies of any kind, nature or purpose, Chilean or foreign, in communities, associations and investment funds, to provide all kinds of services and professional or technical advice in all kinds of matters, including legal, regulatory, financial, accounting, tax and human resources advice. The Company has as its object, directly or through other companies, in Chile or abroad, the purchase, sale, lease, import,

export, marketing, commercialization, processing, production, construction, storage, leasing operations, brokerage, distribution, installation and maintenance, for its own account or for the account of others, of equipment, appliances, infrastructure and electrical products or products related to the electrical field in general, electric vehicles, energy efficiency solutions, electromobility, solar panels, home automation, products for the home, air conditioning, transportation, communications, security, information technology, generation, production, acquisition and commercialization of electric energy and products derived or related to it, as well as distributed generation, the provision of all kinds of services and advice on electricity and electricity demand management and energy consulting in general, the acquisition, production, storage, transportation, distribution, transformation and commercialization of oil, natural gas and any other kind of fuels, the provision of services and development of platforms and computer applications, data center, housing and others developed with the advice, implementation and operation of computer programs, systems, applications and equipment, investments in all kinds of real and personal property, whether tangible or intangible, including shares in corporations, rights in companies, debentures, bonds, commercial paper and all kinds of securities and investment instruments and the administration of these investments and their fruits, and the provision of services, consulting, manufacturing, marketing of equipment and materials, and execution of works, related to the objects mentioned above or necessary for their operation and development.

CLASSIFIED STATEMENT OF FINANCIAL POSITION (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
ASSETS		
Current assets	17,159,011	11,118,433
Non-current assets	10,708,060	99,650
TOTAL ASSETS	27,867,071	11,218,083
NET EQUITY AND LIABILITIES		
Current liabilities	10,100,048	7,448,349
Non-current liabilities	17,827,493	3,705,000
TOTAL LIABILITIES	27,927,541	11,153,349
TOTAL NET EQUITY	(60,470)	64,734
TOTAL NET EQUITY AND LIABILITIES	27,867,071	11,218,083

STATEMENTS OF COMPREHENSIVE INCOME BY NATURE (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Gross Margin	7,407,701	1,285,207
PROFIT (LOSS) BEFORE INCOME TAX	(96,455)	163,736
Income Tax	(56,063)	(72,688)
PROFIT (LOSS)	(152,518)	91,048

STATEMENTS OF CASH FLOW UNDER THE DIRECT METHOD (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Net cash flows from (used in) operating activities	(12,173,202)	(3,364,558)
Net cash flows from (used in) investing activities	(38,744)	(31,005)
Net cash flows from (used in) financing activities	13,566,105	3,706,000
Net increase (decrease) in cash and cash equivalents from foreign exchange rate variation	7,348	(682)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,361,507	309,755
Cash and cash equivalents, initial balance	309,755	-
CASH AND CASH EQUIVALENTS, ENDING BALANCE	1,671,262	309,755

STATEMENT OF CHANGES IN NET EQUITY (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Restated Initial Balance	64,734	-
Changes in Equity	(125,204)	64,734
EQUITY AT END OF PERIOD	(60,470)	64,734

TOLCHÉN TRANSMISIÓN

TOLCHÉN TRANSMISIÓN SpA

Company Type: Joint-Stock Company
 Subscribed Capital: M\$196,685
 Inv. Eléctricas del Sur S.A. Interest: 100% (Indirect)

In 2021, Sociedad de Transmisión Austral S.A. ("STA"), acquires all the shares of Tolchén Transmisión SpA, a company that belonged to the Spanish business group Acciona.

The company was incorporated by public deed dated August 05, 2014, under Tax ID # 76.389.448-7, and its corporate purpose is the transmission of electric power through a 2x220 KV transmission line in operation

since 2020 that allows the connection of renewable energy generation sources.

Its purpose is to convey the power generated by the following wind power plants:

-San Gabriel: 183 MW wind farm owned by Acciona, currently in operation. -Tolpán: 84 MW wind farm owned by Acciona, currently in operation.

-Los Olmos: 100 MW wind farm owned by AES Gener, currently in operation.

Tolchén made investments in 2022 of M\$1.7, and posted an EBITDA of M\$2,648.

Tolchén represents 0.33% of STA's assets (direct owner).

CLASSIFIED STATEMENT OF FINANCIAL POSITION (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
ASSETS		
Current assets	689,488	622,764
Non-current assets	29,687,127	29,213,909
TOTAL ASSETS	30,376,615	29,836,673
NET EQUITY AND LIABILITIES		
Current liabilities	330,449	465,310
Non-current liabilities	27,561,626	27,794,512
TOTAL LIABILITIES	27,892,075	28,259,822
TOTAL NET EQUITY	2,484,540	1,576,851
TOTAL NET EQUITY AND LIABILITIES	30,376,615	29,836,673

STATEMENTS OF COMPREHENSIVE INCOME BY NATURE (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Gross Margin	2,871,163	1,215,247
PROFIT (LOSS) BEFORE INCOME TAX	1,074,310	467,471
Income Tax	(339,512)	624,393
PROFIT (LOSS)	734,798	1,091,864

STATEMENTS OF CASH FLOW UNDER THE DIRECT METHOD (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Net cash flows from (used in) operating activities	2,502,642	831,642
Net cash flows from (used in) investing activities	(2,063)	-
Net cash flows from (used in) financing activities	(2,536,681)	(765,000)
Net increase (decrease) in cash and cash equivalents from foreign exchange rate variation	2,737	62,633
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(33,365)	129,275
Cash and cash equivalents, initial balance	147,949	18,674
CASH AND CASH EQUIVALENTS, ENDING BALANCE	114,584	147,949

STATEMENT OF CHANGES IN NET EQUITY (AS OF DECEMBER 31, 2022 AND 2021)

M\$	31-DEC-2022	31-DEC-2021
Restated Initial Balance	1,576,851	932,414
Changes in Equity	907,689	644,437
EQUITY AT END OF PERIOD	2,484,540	1,576,851

SAGESA GENERACIÓN

SAGESA GENERACIÓN S.A.

Company Type: Closely Held Corporation
 Subscribed and Paid-up Capital: M\$16,465,149
 Inv. Eléctricas del Sur S.A. Interest: 99.9% (Indirect)

On December 31, 2022, the split-off of Sagesa S.A. into two companies came into effect, the legal successor kept the name of Sagesa S.A. and the company resulting from the division was called Sagesa Generación S.A.

The Company's purpose is to generate, transmit, transport, transform, purchase, supply and sell electric power or energy of any nature, or the elements or inputs necessary to produce it, directly or through other companies; distribute, transport, supply and sell gas, directly or through other companies; to provide services related to its corporate purpose, including energy services of all kinds and the marketing of electrical products and appliances; to obtain, transfer, purchase, lease, encumber or exploit in any form the concessions referred to in the General Law of Electric Services, and to apply

for permits and franchises to preserve, promote or develop the purposes of the Company; to carry out directly or through other companies the purchase, sale, import, export, elaboration or production, commercialization and distribution on its own account or through other companies of all kinds of goods or merchandise related to energy of any kind; and make investments in movable, tangible or intangible assets, shares of corporations, rights in other companies, bonds, commercial paper and other marketable securities; manage them, transfer them, exploit them and receive the fruits thereof and, in general, execute all kinds of acts and enter into all contracts that may be necessary for the fulfillment of the Company's purpose or the development of its business.

Sagesa Generación S.A. represents 0.004%

of Inversiones Eléctricas del Sur S.A.'s assets (indirect owner).

RELATED PARTY TRANSACTIONS

Buying and selling electricity and tolls are the main business transactions with related parties. The electricity prices at which these transactions are carried out are set by the regulator or the market, while toll rates are controlled by the regulatory framework of the sector. The company also participates in intercompany loans, which are checking account loans that pay market interests calculated for the duration of the transaction.

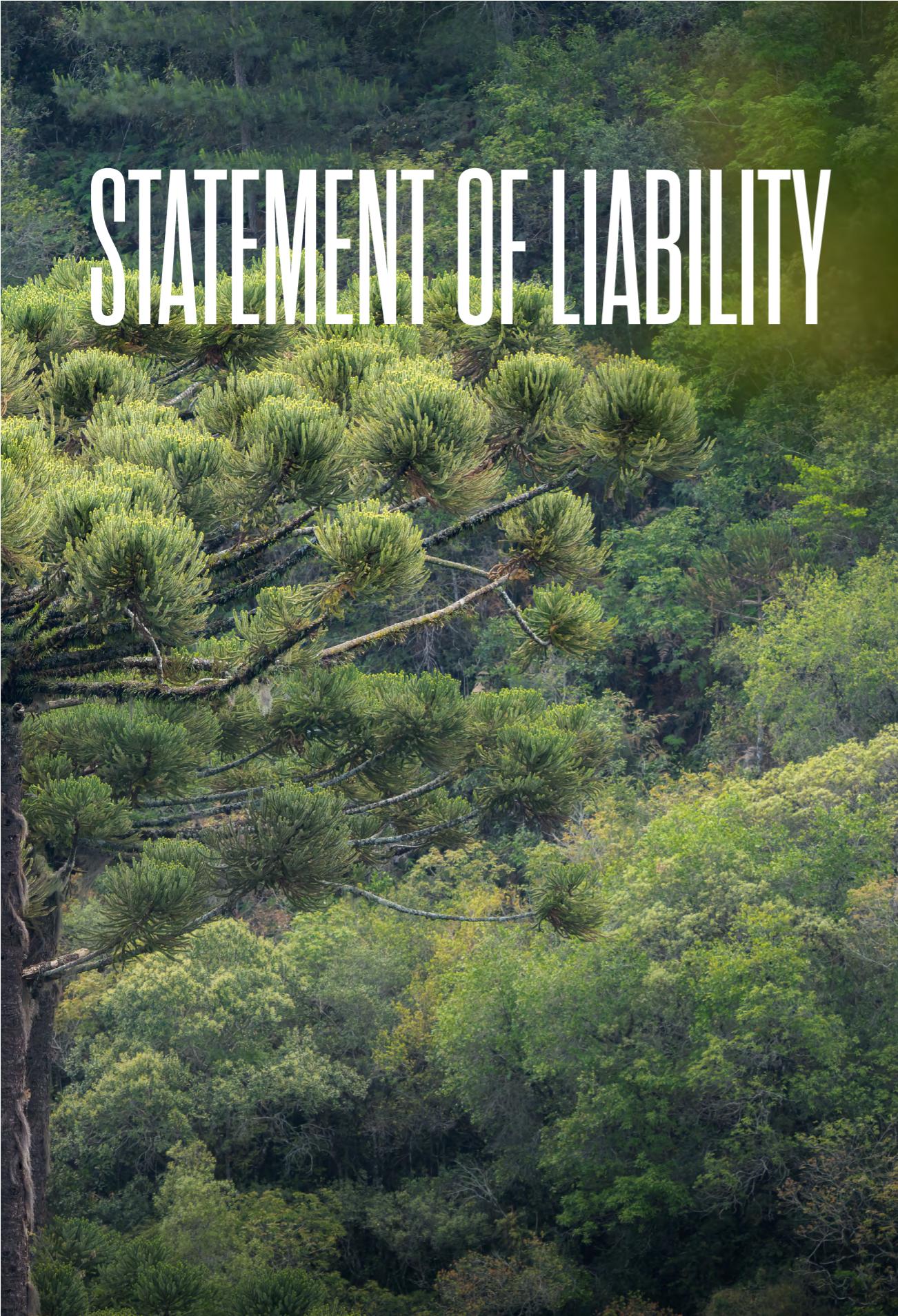
CLASSIFIED STATEMENT OF FINANCIAL POSITION (AS OF DECEMBER 31, 2022)

M\$	31-DEC-2022
ASSETS	
Current assets	1,308,370
Non-current assets	43,005,934
TOTAL ASSETS	44,314,304

M\$	31-DEC-2022
NET EQUITY AND LIABILITIES	
Current liabilities	2,182,941
Non-current liabilities	13,299,393
TOTAL LIABILITIES	15,482,334
TOTAL NET EQUITY	28,831,970
TOTAL NET EQUITY AND LIABILITIES	44,314,304

STATEMENT OF CHANGES IN NET EQUITY (AS OF DECEMBER 31, 2022)

M\$	31-DEC-2022
Restated Initial Balance	-
Changes in Equity	28,831,970
EQUITY AT END OF PERIOD	28,831,970



STATEMENT OF LIABILITY

In compliance with provisions under General Standard No. 30 issued by the Financial Market Commission and its subsequent amendments, the undersigned, in their capacity of Directors and Chief Executive Officer of the Company, hereby acknowledge and take responsibility for the accuracy of the information contained in this Annual Report as of December 31, 2022.



Jorge Lesser García-Huidobro / 6.443.633-3
CHAIR



Iván Díaz-Molina / 14.655.033-9
VICE-CHAIR



Juan Ignacio Parot B. / 7.011.905-6
REGULAR DIRECTOR

LUZ GRANIER
BULNES

Firmado digitalmente por LUZ
GRANIER BULNES
Fecha: 2023.04.12 19:46:41 -04'00'

Luz Granier / 7.040.317-K
REGULAR DIRECTOR



Jonathan Reay / Extranjero
REGULAR DIRECTOR



Shama Naquashbandi / Extranjero
REGULAR DIRECTOR



Stephen Best / Extranjero
REGULAR DIRECTOR



Ashley Munroe / Extranjero
REGULAR DIRECTOR



Francisco Allende Arriagada / 6.379.874-6
CHIEF EXECUTIVE OFFICER



Laguna Verde, Lake General Carrera. Aysén Region.

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